Financial Information as of March 31, 2014

(This is an English translation of the “Yuukashouken-Houkokusho” for the year ended March 2014)

UNIVERSAL ENTERTAINMENT CORPORATION

Ariake Frontier Building Tower A,
7-26, Ariake 3-chome, Koto-ku, Tokyo

Contents

Cover

Submitted document	Securities Registration Report
Statutory basis	Paragraph 1, Article 24 of the Financial Instruments and Exchange Act of Japan
Agency receiving submission	Director-General of the Kanto Local Finance Bureau
Submission date	June 27, 2014
Fiscal year	41st period (from April 1, 2013 through March 31, 2014)
Corporate name	Kabushiki-gaisha Universal Entertainment
Name in English	Universal Entertainment Corporation
Name and position of representative	Jun Fujimoto, Representative Director and President
Location of headquarters	Ariake Frontier Building Tower A, 7-26, Ariake 3-chome, Koto-ku, Tokyo
Phone	+81-3-5530-3055
Name of contact person	Kenshi Asano, Director
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Phone	+81-3-5530-3055
Name of contact person	Kenshi Asano, Director
Place available for public inspection	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

Part I. Company Information

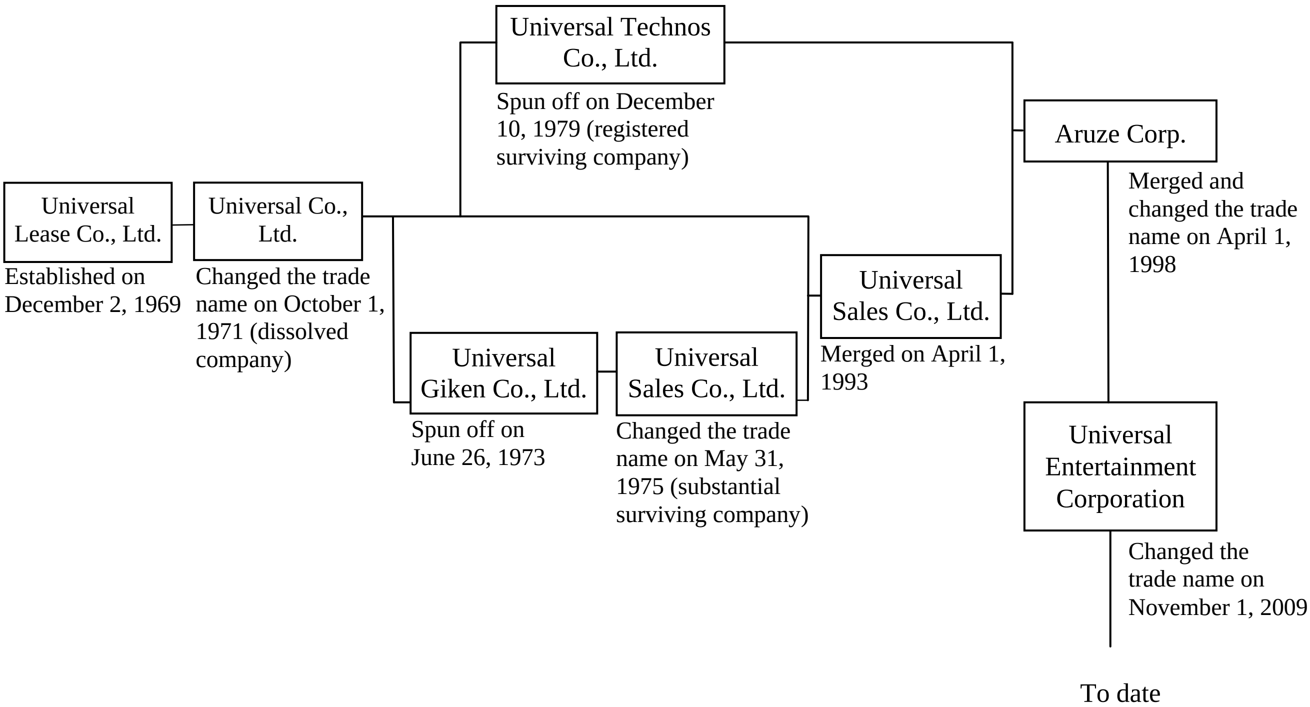
Section 1. Overview of the Company

(Introduction)

Effective April 1, 1998, the company submitting this report (the former Universal Technos Co., Ltd., hereinafter "the Company") absorbed in a merger the former Universal Sales Co., Ltd., and changed its trade name to Aruze Corp. The purpose of the merger was to change the face value per share of the former Universal Sales Co., Ltd., from 500 yen to 50 yen. In addition, the change of trade name represented the Company's prospects for further growth in anticipation of the future expansion of its businesses.

Before the merger, the Company's sole business was the leasing of the real estate properties it owned to the former Universal Sales Co., Ltd. In addition, the size of the business of the Company before the merger was modest in comparison to that of the former Universal Sales Co., Ltd. As a result, the post-merger status of the Company was such that the former Universal Sales Co., Ltd., continued to operate its businesses in the same manner as before the merger. Therefore, unless otherwise noted, the following sections in this report discuss matters that relate to the substantial surviving company.

The following illustrates changes in the status of the Company since its establishment to date:



1. Transition of Significant Business Indicators, etc.

(1) Consolidated Business Indicators, etc.

Term		37th Period	38th Period	39th Period	40th Period	41st Period
Fiscal year ended		March 2010	March 2011	March 2012	March 2013	March 2014
Net sales	(Million yen)	39,526	45,019	74,858	99,182	86,760
Ordinary income (loss)	(Million yen)	1,151	6,643	33,368	44,873	23,626
Net income (loss)	(Million yen)	18,626	4,468	31,380	27,449	9,409
Comprehensive income	(Million yen)	-	(5,494)	27,569	37,336	32,231
Net assets	(Million yen)	127,314	120,922	131,336	163,393	194,314
Total assets	(Million yen)	144,616	139,946	151,813	218,197	248,833
Net assets per share	(Yen)	1,596.03	1,524.23	1,756.25	2,216.09	2,629.13
Net income (loss) per share	(Yen)	233.22	56.16	401.79	372.84	128.23
Diluted net income per share	(Yen)	-	-	401.73	-	128.15
Ratio of shareholders' equity	(%)	87.9	86.4	86.0	74.5	77.5
Ratio of net income to shareholders' equity	(%)	15.8	3.6	25.0	18.7	5.3
Price-earnings ratio	(Times)	5.8	43.5	4.6	5.0	14.7
Net cash from operating activities	(Million yen)	11,556	26,159	38,999	28,088	2,990
Net cash from investing activities	(Million yen)	(2,523)	(1,768)	(6,321)	(22,060)	(26,984)
Net cash from financing activities	(Million yen)	(16,269)	(92)	(14,480)	(3,213)	(3,860)
Cash and cash equivalents at the end of fiscal year	(Million yen)	5,877	29,432	46,408	52,778	28,743
Number of employees [Average number of additional temporary workers]	(Persons)	904 [83]	866 [89]	839 [94]	1,002 [87]	1,097 [94]

Notes:
1. Net sales do not include consumption taxes, etc.
2. For the 37th, 38th and 40th periods, the values of "Diluted net income per share" are not presented because there were no latent shares with a dilution effect.

(2) Non-consolidated Business Indicators, etc., of the Company

Term		37th Period	38th Period	39th Period	40th Period	41st Period
Fiscal year ended		March 2010	March 2011	March 2012	March 2013	March 2014
Net sales	(Million yen)	32,354	43,582	73,597	98,243	85,984
Ordinary income (loss)	(Million yen)	3,466	5,562	25,622	37,889	26,348
Net income (loss)	(Million yen)	(5,763)	5,635	27,036	22,453	14,576
Capital stock	(Million yen)	3,446	3,446	98	98	98
Number of issued shares	(Shares)	80,195,000	80,195,000	80,195,000	80,195,000	80,195,000
Net assets	(Million yen)	91,432	96,132	105,236	121,718	134,861
Total assets	(Million yen)	107,429	114,742	124,617	167,836	173,714
Net assets per share	(Yen)	1,145.73	1,211.58	1,415.90	1,658.35	1,837.44
Dividend per share [Interim dividend per share]	(Yen)	- [-]	30 [-]	100 [70]	50 [30]	25 [-]
Net income (loss) per share	(Yen)	(72.16)	70.84	346.17	304.99	198.64
Diluted net income per share	(Yen)	-	-	346.11	-	198.52
Ratio of shareholders' equity	(%)	85.0	83.7	84.4	72.5	77.6
Ratio of net income to shareholders' equity	(%)	(6.1)	6.0	26.9	19.8	11.4
Price-earnings ratio	(Times)	-	34.5	5.4	6.1	9.5
Dividend payout ratio	(%)	-	42.3	28.9	16.4	12.6
Number of employees [Average number of additional temporary workers]	(Persons)	749 [25]	744 [39]	759 [48]	794 [45]	838 [56]

Notes:
1. Net sales do not include consumption taxes, etc.
2. For the 37th period, the value of "Diluted net income per share" is not presented because a net loss per share was reported and there were no latent shares with a dilution effect. For the 38th and 40th periods, the values are not presented because there were no latent shares with a dilution effect.
3. The value of "Price-earnings ratio" is not presented for the 37th period because a net loss per share was posted.

2. The Company's History

Month & Year	Events	
	Universal Entertainment Corporation Former company name: Aruze Corp. (Universal Sales Co., Ltd., and Universal Technos Co., Ltd.)	Universal Co., Ltd.
December 1969		Established Universal Lease Co., Ltd., for the purpose of leasing jukeboxes at 2515, Mamada, Oyama, Tochigi Prefecture.
July 1970		Established a factory at the same place and started producing amusement machines.
October 1971		Changed trade name to Universal Co., Ltd.
June 1972		Purchased land adjacent to the factory and built a new factory.
June 1973	Spun off Sales Division of Universal Co., Ltd. from the company and established Universal Giken Co., Ltd., as an independent company and began its operation.	
May 1975	Relocated the Head Office of Universal Giken Co., Ltd., to 11-1, Ueno 5-chome, Taito-ku, Tokyo, and changed the trade name to Universal Sales Co., Ltd.	
September 1975	Established the Osaka Sales Office in Suita, Osaka Prefecture.	Built a new factory in Oyama, Tochigi Prefecture. Hereafter, this factory began full-scale production of various game machines as a base.
November 1976	Established the Nagoya Sales Office in Naka-ku, Nagoya, Aichi Prefecture.	
April 1978	Built the Universal Building in Nihombashi Horidomecho, Chuo-ku, Tokyo, and relocated the Head Office of Universal Sales Co., Ltd.	
December 1979	Spun off the Development Division of Universal Co., Ltd. from the company and established Universal Technos Co., Ltd., as an independent company, and began its operation.	
March 1980		Constructed a new factory located in the third industrial park in Oyama, Tochigi Prefecture (Oyama Second Factory) and moved there. Expanded from production of game machines into pachislot machines for the entertainment and amusement industry.
January 1981	Established the Fukuoka Sales Office in Hakata-ku, Fukuoka, Fukuoka Prefecture.	
May 1982	Established the Hokkaido Sales Office in Shiroishi-ku, Sapporo, Hokkaido.	
February 1983	Established the Sendai and Kagoshima Sales Offices in Sendai, Miyagi Prefecture, and Kagoshima, Kagoshima Prefecture.	
August 1983	Established the Niigata Sales Office in Niigata, Niigata Prefecture.	
June 1985	Established the Aomori, Shikoku and Kobe Sales Offices in Aomori, Aomori Prefecture, Takamatsu, Kagawa Prefecture, and Chuo-ku, Kobe, Hyogo Prefecture.	
July 1985	Established the Hiroshima Sales Office in Naka-ku, Hiroshima, Hiroshima Prefecture, and the Okayama Sub-Branch in Okayama, Okayama Prefecture.	
October 1985	Established the Kitakanto Sales Office in Utsunomiya, Tochigi Prefecture.	
July 1986	Procured the head office building of Universal Technos Co., Ltd. in Nihombashi Hamacho, Chuo-ku, Tokyo, and moved there.	
April 1988	Constructed head office building of Universal Sales, Co., Ltd. in Takanawa, Minato-ku, Tokyo.	Procured a factory in Yonago, Tottori Prefecture, as a new manufacturing base and started production of amusement machines.
May 1988	Established the Shizuoka Sales Office in Shizuoka, Shizuoka Prefecture.	
September 1988	Established the Oita Sub-Branch in Oita, Oita Prefecture.	

<table>
<tr><th rowspan="2">Month & Year</th><th colspan="2">Events</th></tr>
<tr><th>Universal Entertainment Corporation
Former company name: Aruze Corp. (Universal Sales Co., Ltd., and Universal Technos Co., Ltd.)</th><th>Universal Co., Ltd.</th></tr>
<tr><td>July 1990</td><td>Established the Kanazawa Sub-Branch in Kanazawa, Ishikawa Prefecture.</td><td></td></tr>
<tr><td>September 1990</td><td>Established the Koriyama Sub-Branch in Koriyama, Fukushima Prefecture.</td><td></td></tr>
<tr><td>April 1992</td><td>Established the Kumamoto Sub-Branch in Kumamoto, Kumamoto Prefecture.</td><td></td></tr>
<tr><td>July 1992</td><td>Established the Saitama, Kanagawa and Chiba Sales Offices in Omiya, Saitama Prefecture, Kohoku-ku, Yokohama, Kanagawa Prefecture, and Chuo-ku, Chiba, Chiba Prefecture.</td><td></td></tr>
<tr><td>August 1992</td><td>Established the Kyoto Sales Office in Shimogyo-ku, Kyoto, Kyoto Prefecture.</td><td></td></tr>
<tr><td>April 1993</td><td>Universal Sales, Co., Ltd. absorbed Universal Co., Ltd. in a merger.</td><td>Dissolved as a result of a merger with Universal Sales Co., Ltd.</td></tr>
<tr><td>July 1993</td><td colspan="2">Moved the Head Office to the head office building of Universal Co., Ltd. in Takanawa, Minato-ku, Tokyo.</td></tr>
<tr><td>April 1994</td><td colspan="2">Established the Mito Sales Office in Mito, Ibaraki Prefecture.</td></tr>
<tr><td>April 1998</td><td colspan="2">Universal Technos Co., Ltd. absorbed Universal Sales Co., Ltd. in a merger and changed the trade name to Aruze Corp. Moved the Head Office to Ariake, Koto-ku, Tokyo.</td></tr>
<tr><td>September 1998</td><td colspan="2">Registered its shares on the over-the-counter market of the Japan Securities Dealers Association.</td></tr>
<tr><td>October 2000</td><td colspan="2">Acquired shares of Aruze USA, Inc. (currently a consolidated subsidiary).</td></tr>
<tr><td>October 2000</td><td colspan="2">Aruze USA, Inc. invested in Valvino Lamore, LLC.</td></tr>
<tr><td>November 2000</td><td colspan="2">Acquired shares of Japan Amusement Broadcasting Co., Ltd. (currently a consolidated subsidiary).</td></tr>
<tr><td>February 2001</td><td colspan="2">Established Yotsukaido Techno Center in Yotsukaido, Chiba Prefecture.</td></tr>
<tr><td>September 2002</td><td colspan="2">All capital holdings of Valvino Lamore, LLC, were invested in kind to Wynn Resorts, Limited.</td></tr>
<tr><td>November 2002</td><td colspan="2">Acquired shares of Nautilus Inc. (trade name was changed to Aruze Global Trading Corporation).</td></tr>
<tr><td>October 2003</td><td colspan="2">Established Beijing Aruze Development Co., Ltd. (currently a non-consolidated subsidiary).</td></tr>
<tr><td>June 2004</td><td colspan="2">Obtained a gaming machine manufacturer’s license and an approval for stock acquisition of Universal Distributing of Nevada, Inc. (currently Aruze Gaming America, Inc.), in the State of Nevada, U.S.A.</td></tr>
<tr><td>December 2004</td><td colspan="2">Cancelled over-the-counter registration with the Japan Securities Dealers Association and listed the Company’s shares on Jasdaq Securities Exchange, Inc.</td></tr>
<tr><td>December 2004</td><td colspan="2">Obtained a gaming machine manufacturer’s license and an approval for stock acquisition of Universal Distributing of Nevada, Inc., in the State of Mississippi, U.S.A.</td></tr>
<tr><td>January 2005</td><td colspan="2">Acquired shares of Universal Distributing of Nevada, Inc., which had subsidiaries in Australia and South Africa, and made the three companies consolidated subsidiaries.</td></tr>
<tr><td>March 2005</td><td colspan="2">Wynn Resorts, Limited and its subsidiary obtained a license for casino operations in the State of Nevada, U.S.A.</td></tr>
<tr><td>May 2006</td><td colspan="2">Established Aruze Preparatory Corporation.</td></tr>
<tr><td>July 2006</td><td colspan="2">Obtained a gaming machine manufacturer’s license, which is renewable without limitation, in the State of Nevada, U.S.A.</td></tr>
<tr><td>April 2007</td><td colspan="2">Transferred gaming machine business for overseas casinos to Aruze Gaming America, Inc.
Established ARUZE MEDIA NET CORP. for mobile Web site operation business through a company split.</td></tr>
<tr><td>September 2007</td><td colspan="2">Acquired shares of Japan Rental Service, Ltd. (trade name was changed to Aruze Rental Service Corporation).</td></tr>
<tr><td>October 2007</td><td colspan="2">Transferred the Sales Division of the Pachislot/Pachinko Business to Aruze Marketing Japan Corporation (formerly known as System Staff Co., Ltd.) and the Development Division thereof to Seven Works Corporation (formerly known as Aruze Preparatory Corporation) through company splits.</td></tr>
<tr><td>February 2008</td><td colspan="2">Established Aruze Investment Co., Ltd. (currently a consolidated subsidiary).</td></tr>
<tr><td>June 2008</td><td colspan="2">Transitioned to a company with committees.</td></tr>
<tr><td>August 2008</td><td colspan="2">Acquired a provisional license to operate a casino resort in the Philippines.
Aruze Gaming America, Inc. implemented an allocation of new shares to a third party and the shares of Aruze Gaming America owned by the Company were partially transferred.</td></tr>
<tr><td>February 2009</td><td colspan="2">Aruze Global Trading Corporation, Aruze Rental Service Corporation and Seven Works Corporation were merged to Aruze Marketing Japan Corporation by an absorption-type merger with Aruze Marketing Japan to act as the surviving company.</td></tr>
<tr><td>March 2009</td><td colspan="2">Transferred all the shares of Aruze Gaming America, Inc. owned by the Company.</td></tr>
</table>

Month & Year	Events Universal Entertainment Corporation Former company name: Aruze Corp. (Universal Sales Co., Ltd., and Universal Technos Co., Ltd.)
June 2009	The Company merged Aruze Marketing Japan Corporation in an absorption-type merger with the Company to act as the surviving company.
November 2009	Changed the trade name to Universal Entertainment Corporation.
March 2010	A casino project of the Company group (Manila Bay Resorts) obtained the designation as a special economic zone and the foreign capital restrictions for casino businesses were removed in the Philippines.
April 2010	The Company's stock was listed on the Jasdaq market of the Osaka Securities Exchange, in accordance with the merger of the Jasdaq Securities Exchange and the Osaka Securities Exchange.
June 2010	Transitioned to a company with a board of auditors.
October 2011	The Company merged ARUZE MEDIA NET CORP. in an absorption-type merger with the Company to act as the surviving company.
July 2013	The Company's stock was listed on the Jasdaq (standard) market of the Tokyo Stock Exchange, in accordance with the integration of the Tokyo Stock Exchange and the Osaka Securities Exchange.

3. Description of Businesses

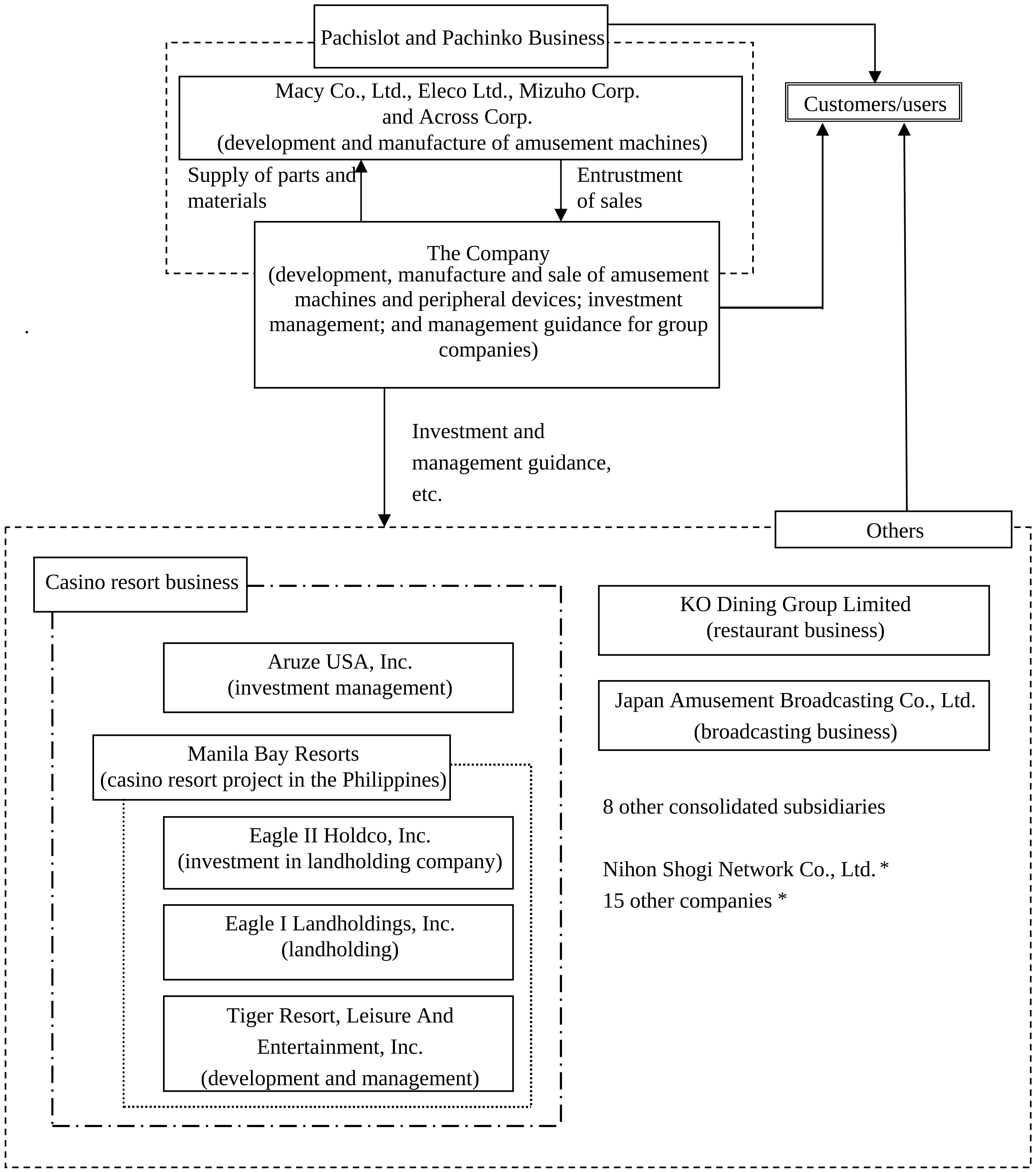
The corporate group of the Company is composed of the Company and 34 subsidiaries. The main businesses are the development, manufacture and sales of pachislot and pachinko machines and other game machines and peripheral equipment thereof, as well as the media business and the broadcasting business, etc.

Indicated below are the businesses of the Company's corporate group, the Company and each company's relative position in the business and the relationship with the segments (as of March 31, 2014).

Name of Segment	Main Business		Company Name
Pachislot and Pachinko Business	Development and manufacture of pachislot and pachinko machines		The Company, Macy Co., Ltd., Eleco Ltd., Mizuho Corp. and Across Corp.
	Sale of pachislot and pachinko machines; development, manufacture and sale of peripheral equipment; procurement of units consisting of parts and materials		The Company
Others	Casino resort business	Investment management	Aruze USA, Inc.
		Investment in landholding company	Eagle II Holdco, Inc.
		Landholding	Eagle I Landholdings, Inc.
		Development and management	Tiger Resort, Leisure And Entertainment, Inc.
	Media business		The Company
	Broadcasting business		Japan Amusement Broadcasting Co., Ltd.
	Operation and management of online Shogi games		Nihon Shogi Network Co., Ltd.
	Restaurant business		KO Dining Group Limited

*In addition to the companies listed above, there are eight consolidated subsidiaries and 15 non-consolidated subsidiaries not accounted for by the equity method.

The business linkage of the above status is shown in the diagram below (as of March 31, 2014):



No symbol: Consolidated subsidiaries: 18
*: Non-consolidated subsidiaries: 16

4. Affiliated Companies

Name of Company	Location	Capital Stock (Million yen)	Main Line of Business	Holding/Held Ratio of Voting Rights (%)	Relationship
(Parent Company) Okada Holdings Limited (Note 4)	Hong Kong, China	[HK$1,000] 9,362,968	Investments in securities, etc.	Held 74.2 (74.2)	
Okada Holdings GK (Note 3)	Koto-ku, Tokyo	10	Leasing of real estate, etc.	Held 74.2	Leasing of a training center, etc. A director's position is held by an employee of the Company.
(Consolidated subsidiary) Aruze USA, Inc. (Note 5)	State of Nevada, USA	[US$] 10	Others	100.0	A director's position is held by one of the Company's directors.
17 other companies (Note 6)					

Notes:
1. In the "Main line of business," the name of the segment is stated (excluding the parent companies).
2. Figures in parentheses under "Holding/held ratio of voting rights" represent the percentage of indirectly held votes.
3. Okada Holdings GK became a parent company of the Company on October 8, 2010, through the acquisition of 54,410,800 shares of the Company's stock from Kazuo Okada, who is the Chairman of the Board of Directors of the Company; Tomohiro Okada, who is a Director of the Company; and others via an in-kind contribution.
4. Okada Holdings Limited became a parent company of the Company on October 8, 2010, through the acquisition of all equity of members of Okada Holdings GK from Kazuo Okada, who is the Chairman of the Board of Directors of the Company; Tomohiro Okada, who is a Director of the Company; and others via an in-kind contribution.
5. Aruze USA, Inc. is a specified subsidiary.
6. Macy Co., Ltd., Eleco Ltd., Mizuho Corp., Japan Amusement Broadcasting Co., Ltd., P to PA, Inc., Eagle I Landholdings, Inc., Eagle II Holdco, Inc., Pananio Limited, Brontia Limited, Universal Entertainment Hong Kong Limited, Universal Entertainment Korea co., ltd., and Tiger Resort, Leisure And Entertainment, Inc., which are included in the 17 other consolidated companies, are specified subsidiaries.

5. Employees

(1) Employees on a Consolidated Basis

As of March 31, 2014

Name of Segment	Number of Employees	
Pachislot and Pachinko Business	685	(78)
Reportable segment total	685	(78)
Others	206	(0)
Corporate (unallocated)	206	(15)
Total	1,097	(94)

Notes:
1. The number of employees represents the number of full-time employees, and the average annual number of temporary workers other than the full-time employees is indicated in parentheses.
2. The number of employees in the “Corporate (unallocated)” segment represents those employees employed by the administrative division.

(2) Employees of the Company

As of March 31, 2014

Number of Employees	Average Age	Average Number of Years Employed	Average Annual Salary (Yen)
838	38 years and 0 month	7 years and 3 months	6,363,595

Name of Segment	Number of Employees	
Pachislot and Pachinko Business	599	(40)
Reportable segment total	599	(40)
Others	33	(0)
Corporate (unallocated)	206	(15)
Total	838	(56)

Notes:
1. The number of employees represents the number of full-time employees, and the average annual number of temporary workers other than the full-time employees is indicated in parentheses.
2. Average annual salary includes bonuses and surplus wages.
3. The number of employees in the “Corporate (unallocated)” segment represents those employees employed by the administrative division.

(3) Labor Union

Although a labor union has not been formed, the Company has maintained sound labor-management relations.

Section 2. Business

1. Overview of Operating Results, etc.

(1) Operating Results

In the Universal Entertainment Group's core Pachislot and Pachinko Business, six new titles were launched during the fiscal year that ended on March 31, 2014, including the launch of following pachislot titles: "Basilisk: The Koga Ninpocho Kizuna" in January and "Another God Hades Ubawareta ZEUS ver." in February. In addition, we have distributed pachislot simulator applications and other activities. Net sales decreased 12.5% year-on-year to 86,760 million yen, operating income decreased 31.3% year-on-year to 24,650 million yen, ordinary income decreased 47.3% year-on-year to 23,626 million yen, and net income decreased 65.7% year-on-year to 9,409 million yen.

Discussed below are the business results for each business segment. The figures indicated for said results represent amounts prior to adjustments for inter-segment sales or transfers.

1) Pachislot and Pachinko Business

Six pachislot titles were launched during the current consolidated fiscal year.

The pachislot title "Basilisk: The Koga Ninpocho Kizuna" was launched in January 2014. This title is the successor to "Basilisk: The Koga Ninpocho II," a highly successful pachislot title that was introduced in 2012 and was an enormous hit and continues to record very high utilization rates. The new title retains the same game-playing characteristics while adding the AT (assist time) function that is a driver of the current pachislot and pachinko market.

In addition, we launched the pachislot title "Another God Hades Ubawareta ZEUS ver." in February 2014. This title is part of the Universal Entertainment Group's popular Million God series and was developed as an adversary title to "Million God Kamigami No Keifu ZEUS ver.," a popular title that was introduced in 2013. While having the previous characteristics, "Another God Hades Ubawareta ZEUS ver." uses the MAX Power AT Function to give users a game-playing appeal that surpasses previous titles and can create an entirely new worldview.

The launch of these two pachislot titles mentioned above as well as the pachislot title "SLOT Maho Shojo Madoka☆Magika," that was introduced late in 2013, were all successful and these titles contributed to improving the performance of pachinko halls.

As a result, the number of pachislot machines installed during the current consolidated fiscal year amounted to approximately 215,000 units. In the Pachislot and Pachinko Business, the Company posted net sales of 83,444 million yen (a 13.3% decrease year-on-year) and operating income of 35,418 million yen (a 22.5% decrease year-on-year).

2) Others

In the Media Content Business, we distributed simulator applications for pachislot titles "Midoridon Kirameki! Honoo no Aurora Densetsu," "Basilisk: The Koga Ninpocho Kizuna" and "Another God Hades Ubawareta ZEUS ver." on App Store and Google Play. All these applications were very popular, placing first among popular fee-based apps and these titles are still maintaining their high rankings.

The members-only mobile website "Univa Kingdom" was redesigned and relaunched on April 1, 2014. Updating the website has made even closer links between simulator applications and Univa Kingdom and allows holding a variety of events, as well as providing users with even more enjoyment from simulator applications for pachislot and pachinko machines.

Japan Amusement Broadcasting operates "Pachinko★Pachislot TV!, "Japan's largest channel specializing in the pachinko and pachislot field. In its SKY PerfecTV! Broadcasting Business, the shift from standard-definition broadcasts to high-definition broadcasts was completed. In the Simultaneous Broadcasting Business, the supply of programs to J-COM, Japan's largest cable TV company, started in July 2013 resulted an about 61% year-on-year increase in sales. In the Content Distribution Business, sales were down slightly because of the falling market share of feature phones. However, content remained popular among users. As a result, "Arashi Umeya no Slotters☆Journey" ranked first in annual sales in the pachinko and pachislot category on the Gyao Store for the second consecutive year.

As a result, under other businesses for the current consolidated fiscal year, the Company posted net sales of 3,352 million yen (a 10.6% increase year-on-year) and an operating loss of 2,385 million yen (compared with an operating loss of 1,216 million yen in the previous consolidated fiscal year).

(2) Cash Flow

As of the end of the current consolidated fiscal year, the balance of cash and cash equivalents totaled 28,743 million yen. The status of each cash flow and the primary reasons for increases/decreases as of the end of the current consolidated fiscal year are as follows:

<Net Cash from Operating Activities>

Net cash provided by operating activities amounted to 2,990 million yen (compared with 28,088 million yen provided a year earlier), mainly due to booking of income before income taxes and others of 20,442 million yen (compared with 43,133 million yen a year earlier), a 4,249 million yen increase in notes and accounts payable-trade, an 8,659 million yen increase in notes and accounts receivable-trade, and income taxes paid of 16,586 million yen.

<Net Cash from Investing Activities>

Net cash used in investing activities amounted to 26,984 million yen (compared with 22,060 million yen used a year earlier), mainly due to purchase of property, plant and equipment of 26,007 million yen.

<Net Cash from Financing Activities>

Net cash used in financing activities amounted to 3,860 million yen (compared with 3,213 million yen used a year earlier), mainly due to a 5,885 million yen net increase in short-term loans payable and repayments of long-term loans payable of 5,781 million yen.

2. Production, Order Entry and Sales

(1) Production

Production performance in each segment in the current consolidated fiscal year is as follows:

Name of Segment	Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)	Year-on-Year Comparison (%)
Pachislot and Pachinko Business (Million yen)	82,635	86.1
Others (Million yen)	3,219	114.5
Total (Million yen)	85,855	86.9

Notes:
1. The amounts are based on sales price.
2. Consumption taxes, etc., are not included in the above amounts.

(2) Orders Received

The status of orders received in each segment in the current consolidated fiscal year is as follows:

Name of Segment	Amount of Orders Received (Million yen)	Year-on-Year Comparison (%)	Balance of Orders Received (Million yen)	Year-on-Year Comparison (%)
Pachislot and Pachinko Business	83,535	86.8	157	235.0
Others	3,316	111.3	-	-
Total	86,851	87.6	157	235.0

Notes:
1. The amounts are based on sales price.
2. Consumption taxes, etc., are not included in the above amounts.

(3) Sales Performance

The sales performance in each segment in the current consolidated fiscal year is as follows:

Name of Segment	Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)	Year-on-Year Comparison (%)
Pachislot and Pachinko Business (Million yen)	83,444	86.7
Others (Million yen)	3,316	111.3
Total (Million yen)	86,760	87.5

Notes:
1. Transactions between segments are eliminated by offsets.
2. Consumption taxes, etc., are not included in the above amounts.

3. Issues to Be Addressed

(1) Pachislot and Pachinko Business

In the Pachislot market, the number of machines in use is increasing. One reason is ART-type Pachislot machines, which have attractive payout functions and diverse game features. Another reason is the appearance of Pachislot machines that have AT (assist time) functions.

Pachislot machines that are able to draw customers are making increasing contributions to hall operations, and it is believed that this upward trend will increase further in the future. By proactively incorporating various innovations and new technologies, the Company group will continue to offer machines with superior performance and full of attractions.

(2) Patent Strategy

The Company group has long been aware of the importance of creating and protecting intellectual property, and has worked to establish a system that enables it to acquire patent rights for superior inventions through the standardization of patent applications. Also, the Company group worked to improve the quality of its patent applications and the ratio of patent registrations to submitted applications by establishing a structure whereby individual inventions are categorized into different technical fields and applications for patents are filed for a group of inventions in each technical field.

The technologies that the Company has acquired or for which it has applied for patents are considerably more effective and commercially viable than those of its competitors. The Company intends to fully apply these technologies in the development of its products to improve the value of said products, thereby differentiating them from the competition in terms of technology. The Company believes this will enable it to achieve a competitive advantage. Also, to secure license income from its patents, the Company will move forward vigorously with strategies for both patent utilization and the protection of its patent rights when said rights are violated.

(3) Casino Resort Business

The Company group seeks growing opportunity in Asia and is currently working on a casino resort development project in the Philippines that promotes tourism nationwide. The Company group will continue to promote this project steadily and make it a new income source of the Company group in the future.

4. Business and Other Risks

Of the items relating to the status of business and the status of financial condition, as stated in the Securities Registration Report, factors that might affect investor decisions are described below. The Company group recognizes the possibility that these risks might emerge, and will work to avoid such risks, or deal with them appropriately if they arise. However, the factors listed below do not cover all risks related to the business of the Company group.

(1) Pachislot and Pachinko Business

According to the “Act Concerning Regulation and Proper Operation of Businesses Affecting Public Morals,” pachislot and pachinko machines need to meet the “technical standards” defined in the National Public Safety Commission’s rules (Regulations Concerning Authorization and Model Approval for Amusement Machines). Each type of machine must pass the model test conducted by the designated testing organization (Security Communications Association) and the model inspection conducted by the Public Safety Commission of the applicable prefecture. In case these laws or standards are amended or abolished, the Company will analyze industry trends and the application status of other companies, and make new applications for new machines in a structured and strategic fashion. However, if major changes need to be made due to administrative direction or voluntary restriction by the industry, the business results of the Company group would be materially affected.

There is also the possibility that profitability would be affected by changing preferences in the industry, as well as economic trends in Japan that include income levels.

(2) Casino Resort Business

For the purpose of the promotion of a casino resort business in the Philippines, the Company group has acquired land and is proceeding with the specific procedures to obtain an operating permit. In addition, having obtained approval as a special economic zone, as well as for the removal of restrictions on foreign capital investment, the Company group is going forward with capital investment. Because this business is conducted overseas, changes in the local business environment could affect the value of the Company group’s facilities and/or business performance.

(3) Foreign Exchange Risk

In preparing the consolidated financial statements, foreign currency denominated gains/losses and assets/liabilities of each overseas subsidiary of the Company group are incorporated into the consolidated financial statements after they are converted into Japanese yen. As a result, the business results of the Company group could be adversely affected by fluctuations in currency exchange rates.

(4) Litigation

The Company group has several pending lawsuits, and their outcomes could have an impact on the business results of the Company group. Although the Company group continues to make every effort to eliminate litigation risk, there is always a possibility that third parties might file new cases against the Company group, with the rulings in these cases having the potential to affect future business results.

(5) Litigation with Wynn Resorts, Limited

Litigation between the Company group and Wynn Resorts (NASDAQ: WYNN) is currently under way. Depending on the outcome of this dispute and facts that are confirmed in the future, there may be an effect on the Company group's financial position and results of operations.

5. Important Contracts, etc., in Operations

There is no applicable information.

6. Research-and-Development Activities

The amount spent for research and development of the whole group for the current consolidated fiscal year totaled 3,406 million yen.

The status of the research-and-development activities of the Company group is as follows:

(1) Pachislot and Pachinko Business

In the Pachislot and Pachinko Business, the Company is striving to offer machines with attractive capabilities as to the joy of games and payout performance that will be acceptable in the market within the scope of current laws, regulations and standards.

The research-and-development expenses for the Pachislot and Pachinko Business amounted to 3,239 million yen.

(2) Others

Research-and-development expenses for others amounted to 2 million yen.

7. Analyses of Financial Status, Operating Results and Cash Flow

The following analyses of financial status and operating results regarding the Company group are based on the data presented in the consolidated financial statements, in principle. The matters relating to the future contained in the following paragraphs have been judged by the Company group as of the submission date of this report.

(1) Significant Accounting Policies and Estimates

The Company group's consolidated financial statements are prepared based on generally accepted accounting standards in Japan. Estimation that was considered necessary in preparation of these consolidated financial statements has been conducted in accordance with reasonable standards.

Details are as described in "Section 5. Accounting, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Significant Items Serving as a Basis for Preparation of the Consolidated Financial Statements."

(2) Analysis of Financial Status at the End of the Current Consolidated Fiscal Year

i. Assets

The amount of total assets at the end of the current consolidated fiscal year amounted to 248,833 million yen, an increase of 30,635 million yen over the end of the previous consolidated fiscal year. This was mainly due to an 8,175 million yen increase in notes and accounts receivable-trade, a 5,976 million yen increase in aircraft, a 14,772 million yen increase in construction in progress, a 6,605 million yen increase in investment securities, and a 17,591 million yen decrease in cash and deposits.

ii. Liabilities

The amount of liabilities at the end of the current consolidated fiscal year amounted to 54,518 million yen, a decrease of 285 million yen over the end of the previous consolidated fiscal year. This was mainly due to a 4,258 million yen increase in notes and accounts payable-trade, a 6,918 million yen increase in short-term loans payable, an 8,200 million yen decrease in income taxes payable, and a 4,676 million yen decrease in long-term loans payable.

iii. Net assets

The amount of net assets at the end of the current consolidated fiscal year amounted to 194,314 million yen, an increase of 30,921 million yen over the end of the previous consolidated fiscal year. This was mainly due to an

8,085 million yen increase in retained earnings, and a 22,224 million yen increase in accumulated other comprehensive income accrued from fluctuations in share prices and exchange rates.

(3) Analysis of Operating Results for the Current Consolidated Fiscal Year

i. Net sales

For the current consolidated fiscal year, net sales for the Pachislot and Pachinko Business, which is the main business of the Company, decreased 13.3% from the previous consolidated fiscal year to 83,444 million yen. Resulting in installments of approximately 215,000 units (approximately 236,000 units for the previous consolidated fiscal year), and total net sales amounted to 86,760 million yen, a decrease of 12.5% from the previous consolidated fiscal year.

ii. Cost of sales

Due to the increase of net sales, the total cost of sales decreased 8.7% from the previous consolidated fiscal year to 38,900 million yen, and the cost of sales ratio was 44.8%, an increase of 1.8 percentage points from the previous consolidated fiscal year.

iii. Selling, general and administrative expenses

The total amount of selling, general and administrative expenses increased 12.4% from the previous consolidated fiscal year to 23,210 million yen.

iv. Non-operating income and expenses

Non-operating income decreased by 8,744 million yen from the previous consolidated fiscal year to 479 million yen, mainly due to the disappearance of equity in earnings of affiliates.

Non-operating expenses increased by 1,254 million yen from the previous consolidated fiscal year to 1,503 million yen, mainly due to a foreign exchange loss of 740 million yen.

v. Net income

Extraordinary income amounted to 677 million yen. This was primarily due to a gain on sales of investment securities of 635 million yen.

The extraordinary loss amounted to 3,861 million yen. This was primarily due to a loss on disposal of inventories of 2,976 million yen.

As a result of the above, net income decreased 65.7% from the previous consolidated fiscal year to 9,409 million yen, net income per share decreased 65.6% to 128.23 yen and the ratio of current net income to shareholders' equity was 5.3% (compared with 18.7% for the previous consolidated fiscal year).

(4) Factors that Could Have a Material Impact on Operating Results

As stated in "4. Business and Other Risks."

(5) Current Situation and Outlook of Business Strategy

i. Pachislot and Pachinko Business

The pachislot title "Midoridon VIVA2" was launched in April 2014, the first new title for the fiscal year ending on March 31, 2015. This title is the official successor to the popular title "Midoridon VIVA! Jonetsu Nambei Hen" that was launched in 2010. The new title incorporates the revolutionary game playing characteristics and specs of the previous version along with new, more advanced functions. This makes "Midoridon VIVA2" a pachislot title that has a strong appeal for a broad range of pachislot user segments.

Sales of the pachislot title "B-MAX" also started in April. This is the second title of the A PROJECT, which is developing "Revival" titles that return to the basics of pachislot machines, such as by reprinting titles or technique intervention titles. The original "B-MAX" was introduced in 1998. A variety of reach spots, which was very popular at that time, and technique intervention at the big bonuses stage created game playing characteristics that made this title very successful. To develop a successor for this title, the original game characteristics were combined with new technique factor in order to create a pachislot title that can captivate users and stimulate their curiosity.

For the fiscal year ending on March 31, 2015, the Company plans to introduce 220,000 units of pachislot titles to the market during the full fiscal year, beginning with the launch of the pachislot title "Midoridon VIVA2."

ii. Others

In the Media Content Business, we are continuing to perform R&D activities with the aim of supplying high-quality simulator applications to users.

Following the relaunch of the members-only mobile website "Univa Kingdom," we plan to add more functions four times each year. The objectives are to upgrade this website and constantly increase the number of applications. We are determined to build on the ability of "Univa Kingdom" to earn the support of a large number of users.

Japan Amusement Broadcasting operates "Pachinko★Pachislot TV!," Japan's largest channel specializing in the pachinko and pachislot field. This company will be reorganized and other actions taken to strengthen its program production capabilities. In the Broadcasting Business and Content Distribution Business, activities will be focused on creating programs that can receive even greater support from viewers. In addition, the Broadcasting Business will be enlarged to include the cable TV sector and new schemes will be used for program production in order to increase the vitality of the entire pachislot and pachinko market.

At Manila Bay Resorts, the Universal Entertainment Group's casino resort project in the Philippines, construction is under way on the hotel towers, which includes the casino. Framework construction has reached the fifth floor. About 4,000 workers are at the site every day and there is steady progress in development.

(6) Analyses of Sources of Capital and Liquidity of Funds

i. Status of cash flow

The status of cash flow is stated in "Section 2. Business, 1. Overview of Operating Results, etc., (2) Cash Flow." Trends of cash flow-related indicators are as follows:

ii. Trends of cash flow-related indicators

	Fiscal Year Ended March 31, 2011	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014
Ratio of shareholders' equity (%)	86.4	86.0	74.5	77.5
Ratio of shareholders' equity on market value basis (%)	138.3	90.8	62.7	55.6
Ratio of interest-bearing liabilities to cash flow (Years)	0.3	0.2	0.7	6.2
Interest coverage ratio (Times)	20.5	322.3	187.3	6.4

Ratio of shareholders' equity = Shareholders' equity/Total assets
Ratio of shareholders' equity on market value basis = Total market value of shares/Total assets
Ratio of interest-bearing liabilities to cash flow = Interest-bearing liabilities/Cash flow
Interest coverage ratio = Cash flow/Interest paid

Notes:
1. All figures are calculated based on consolidated financial values.
2. The total market value of shares is calculated based on the number of issued shares minus treasury shares.
3. Cash flow is represented by operating cash flow.
4. Interest-bearing liabilities include all liabilities accounted for on the consolidated balance sheet for which interest is paid.

(7) Management's Awareness on Issues and Their Policy for Future Business

As stated in "3. Issues to Be Addressed."

Section 3. Facilities and Equipment

1. Overview of Capital Investments

The amount of capital investment in the current consolidated fiscal year consists principally of 1,420 million yen of acquisition of metal molds, etc., relative to the Pachislot and Pachinko Business, 1,499 million yen of payments for engineering works, etc., of the art museum, and 20,551 million yen of disbursements at an overseas subsidiary.

2. Major Facilities and Equipment

The major facilities and equipment of the Company group are as follows:

(1) The Company

As of March 31, 2014

Name of Business Place (Location)	Name of Segment	Purpose of Facility and Equipment	Book Value (Million yen)						Number of Employees (Persons)
			Buildings and Structures	Machinery, Equipment and Vehicles	Land (Square meters)	Assets for Lease	Others	Total	
Head Office (Koto-ku, Tokyo)	Pachislot and Pachinko Business, Others	Development and overall management	305	66	-	3	781	1,157	599
Yotsukaido Factory (Yotsukaido, Chiba)	Pachislot and Pachinko Business, Others	Manufacturing	1,644	495	5,168 (74,373)	-	1,840	9,148	74
Oyama Factory (Oyama, Tochigi)	Pachislot and Pachinko Business	Manufacturing	108	-	361 (9,520)	-	-	469	-
Tokyo Branch and 19 other branches	Pachislot and Pachinko Business	Sales	148	4	256 (604)	-	7	416	153
Hakone Art Museum (Hakone-machi, Ashigarashimo-gun, Kanagawa)	Others	Art museum	6,476	17	-	-	699	7,192	12

Notes:

1. “Others” under “Book value” represents tools, furniture and fixtures. It does not include “construction in progress.”
   The amount does not include consumption tax, etc.
2. Major rental and lease facilities and equipment other than those mentioned above are as follows:

As of March 31, 2014

Name of Business Place (Location)	Name of Segment	Purpose of Facility and Equipment	Number of Employees (Persons)	Square Measure of Land	Annual Rent and Lease Payment (Million yen)
Head Office (Koto-ku, Tokyo)	Pachislot and Pachinko Business, Others	Development and overall business management (leased)	599	-	419

(2) Overseas Subsidiary

Company Name	Name of Business Place (Location)	Name of Segment	Purpose of Facility and Equipment	Book Value (Million pesos) (Area)	Number of Employees (Persons)
Eagle I Landholdings, Inc.	Manila, the Philippines	-	Land	13,545 (40 ha)	-

3. Plans for Construction and Retirement, etc., of Facilities

The Company group determines capital investments considering the business forecast, the trends of the industry, and investment efficiency in total. In addition, preparation of system infrastructure is being promoted to improve the efficiency of business management. In principle, investment proposals are evaluated by each of the consolidated companies, but in such processes, the Company mainly exercises coordination at Group conferences.

The new major facilities investment plans as of the end of the current consolidated fiscal year are as follows:

Construction of New Major Facilities

Name of Company or Business Place	Location	Name of Segment	Purpose of Facility and Equipment	Planned Investment		Funding Measures	Planned Timing of Launch and Completion		Increased Capacity on Completion
				Total (Million yen)	Paid in (Million yen)		Launch	Comp-letion	
Yotsukaido Factory of the Company	Yotsukaido, Chiba	Pachislot and Pachinko Business	Metal molds for manufacture, etc.	4,562	-	Own funds and borrowings	April 2014	March 2015	-

Notes:
1. The facilities investment plans of the consolidated group are aggregated in each area at the above business place.
2. A description of “Increased capacity on completion” is omitted as a reasonable calculation of the relevant figure is difficult.

Section 4. Situation of the Company

1. Details of Stock, etc.

(1) Total Number of Shares, etc.

i. Total Number of Shares

Classification of Stock	Total Number of Authorized Shares
Common stock	324,820,000 shares
Total	324,820,000 shares

ii. Number of Issued Shares

Classification	Number of Issued Shares as of the End of Fiscal Year (March 31, 2014)	Number of Issued Shares as of the Submission Date of This Report (June 27, 2014)	Name of Listed Financial Instruments Exchange Market or Authorized Financial Instruments Firms Association	Remarks
Common stock	80,195,000	80,195,000	Tokyo Stock Exchange, Jasdaq (standard)	Number of shares for one unit: 100
Total	80,195,000	80,195,000	-	-

Note: The shares issued upon the exercise of subscription rights to shares from June 1, 2014 through the day of submission of this Securities Registration Report are not included in "Number of Issued Shares as of the Submission Date of This Report."

(2) Subscription Rights to Shares

The following subscription rights to shares have been issued in accordance with the Companies Act:

As per resolution by the Board of Directors on November 30, 2011

	As of the End of the Current Fiscal Year (March 31, 2014)	As of the End of the Month Preceding the Submission Date of this Report (May 31, 2014)
Number of subscription rights to shares (Units)	841,000	-
Number of own subscription rights to shares among all subscription rights to shares (Units)	-	-
Class of stock subject to subscription rights to shares	Common stock	-
Number of shares subject to subscription rights to shares (Shares)	841,000	-
Amount to be paid upon the exercise of subscription rights to shares (Yen)	1,845	-
Exercise period of subscription rights to shares	From July 1, 2014 to June 30, 2019	-
Issue price of stock due to exercise of subscription rights to shares and amount to be incorporated into capital stock (Yen)	Issue price: 1,872 Amount to be incorporated into capital stock: 936	-
Conditions for exercising subscription rights to shares	(Note 1)	-
Matters pertaining to transfer of subscription rights to shares	The approval of the Board of Directors is required when transferring subscription rights to shares.	-
Matters pertaining to substitute payment	-	-
Matters pertaining to issuance of subscription rights to shares resulting from Corporate Reorganization	(Note 2)	-

Notes:

1. (1) The holders of the subscription rights to shares may exercise their subscription rights to shares only if all the conditions set forth in the following (i), (ii) and (iii) are satisfied.

    (i) Ordinary income in the audited consolidated statement of income of the Company (if the consolidated financial statements are not prepared, the non-consolidated statement of income of the Company) for the fiscal year ended March 31, 2013, must have exceeded 21.3 billion yen. In case any significant change to the concept of ordinary income to be referenced occurs from the application of the International Financial Reporting Standards (IFRS), etc., the Board of Directors shall separately determine a substitute indicator to be referenced;

    (ii) Ordinary income in the audited consolidated statement of income of the Company (if the consolidated financial statements are not prepared, the non-consolidated statement of income of the Company) for the fiscal year ended March 31, 2014, must have exceeded 25.0 billion yen. In case any significant change to the concept of ordinary income to be referenced occurs from the application of IFRS, etc., the Board of Directors shall separately determine a substitute indicator to be referenced; and

    (iii) The closing price of the Company's shares of common stock shall have exceeded the amount of 2,399 yen, which represents a value 1.3 times the exercise price of the subscription rights to shares, at least once in ordinary transactions at the relevant financial instruments exchange after the allotment date of the subscription rights to shares.

    (2) At the time of exercising the subscription rights to shares, each holder shall have the position of director, auditor or employee of the Company or any of its affiliates. Provided, however, that this clause shall not apply to cases where the Board of Directors finds a justifiable reason for leaving the Company before exercising the subscription rights to shares, such as retirement from office due to expiry of tenure and mandatory age-limit retirement.

    (3) The subscription rights to shares may not be exercised by an heir to a holder thereof.

    (4) If the total number of issued shares would exceed the number of then-authorized shares by the exercise of subscription rights to shares at the time of exercise thereof, said subscription rights to shares cannot be exercised at that time.

    (5) Partial exercise of the subscription rights to shares is not allowed.

2. At mergers (limited to cases where the Company comes to be extinct as a result of the merger), absorption-type company splits, incorporation-type company splits, share exchanges or share transfers of the Company (hereinafter collectively the "Corporate Reorganization"), the subscription rights to shares specified in Article 236, Paragraph 1, Item 8, Nos. (1) to (5), of the Companies Act (hereinafter the "Reorganized Corporations") will be granted, respectively, to the holders of the subscription rights to shares on the effective date of the Corporate Reorganization in accordance with the following conditions. Provided, however, that this shall be limited to the cases in which absorption-type merger agreements, incorporation-type merger agreements, absorption-type company split agreements, incorporation-type company split plans, share exchange contracts or share transfer plans stipulate that the subscription rights to shares of Reorganized Corporations will be issued under the following terms and conditions:

(6) Number of the subscription rights to shares of Reorganized Corporations to be granted:

The same number as the subscription rights to shares held by each holder shall be granted.

(7) Type of shares of Reorganized Corporations to be issued under the subscription rights to shares:

Common stock of the Reorganized Corporations shall be issued.

(8) Number of shares of Reorganized Corporations to be issued under the subscription rights to shares:

This shall be determined in the same manner as subscription rights to shares by taking into consideration the terms and conditions of the Corporate Reorganization.

(9) The value of assets to be contributed upon the exercise of the subscription rights to shares shall be the amount obtained by multiplying the amount to be paid in after the Corporate Reorganization through adjustment of the exercise price of the subscription rights to shares by the number of the subscription rights to shares of Reorganized Corporations in accordance with said item (8), considering the terms and conditions of the Corporate Reorganization.

(10) Period during which the subscription rights to shares can be exercised:

The period shall be from the later date of either the first day of the exercise period of subscription rights to shares or the effective date of the Corporate Reorganization to the last day of the exercise period of subscription rights to shares.

(11) The matters relating to increments of capital stock and legal capital surplus that would increase stock issuance by the exercise of the subscription rights to shares shall be determined in the same manner as subscription rights to shares.

(12) Restrictions on the acquisition of subscription rights to shares through transfer:

The acquisition of subscription rights to shares through transfer shall require the approval of the Board of Directors of the Reorganized Corporation.

(13) Other conditions for exercising subscription rights to shares:

Shall be determined in the same manner as subscription rights to shares.

(14) Reasons and conditions to acquire subscription rights to shares:

Shall be determined in the same manner as subscription rights to shares.

(15) Other conditions shall be determined in the same manner as those for the Reorganized Corporation.

3: All of these subscription rights to shares were extinguished on May 30, 2014 since the conditions for exercising these rights were no longer satisfied.

(3) Exercise Status, etc., of Bonds with Subscription Rights to Shares with a Clause to Revise the Exercise Price

There is no applicable information.

(4) Rights Plan

There is no applicable information.

(5) Transition of Total Number of Issued Shares and Amount of Capital Stock

Date	Change in Total Number of Issued Shares (Shares)	Balance of Total Number of Issued Shares (Shares)	Change in Capital Stock (Million yen)	Balance of Capital Stock (Million yen)	Change in Legal Capital Surplus (Million yen)	Balance of Legal Capital Surplus (Million yen)
July 23, 2011 (Note)	-	80,195,000	(3,348)	98	-	7,503

Note: Pursuant to the resolution adopted by the Ordinary Shareholders' Meeting held on June 21, 2011, the Company's capital stock was reduced by 3,348 million yen to 98 million yen through a capital reduction without compensation (ratio of capital reduction: 97.1%) as of July 23, 2011. Said 3,348 million yen was transferred to other capital surplus.

(6) Shareholders by Category

As of March 31, 2014

Category	Details of Shareholders (one unit share represents 100 shares)								Number of Shares Less Than One Unit Share (Shares)
	Government Agencies and Public Institutions	Financial Institutions	Financial Instruments Traders	Other Entities	Foreign Entities, etc.		Individuals and Others	Total	
					Other Than Individuals	Individuals			
Number of shareholders (Persons)	-	14	42	113	152	26	12,104	12,451	-
Number of shares held (Units)	-	21,805	6,795	547,926	60,198	341	164,825	801,890	6,000
Shareholding percentage (%)	-	2.71	0.84	68.32	7.5	0.04	20.55	100.00	-

Notes:
1. Treasury shares of 6,811,154 shares are included in “Individuals and others” and “Number of shares less than one unit share” in terms of 68,111 units and 54 shares, respectively.
2. Four units of shares under the name of Japan Securities Depository Center, Inc., are included in “Other entities.”

(7) Major Shareholders

As of March 31, 2014

Name	Address	Number of Shares Held (Shares)	Ratio of Shares Held (%)
Okada Holdings GK	7-26, Ariake 3-chome, Koto-ku, Tokyo	54,452,500	67.90
Universal Entertainment Corporation	Ariake Frontier Building Tower A, 7-26, Ariake 3-chome, Koto-ku, Tokyo	6,811,154	8.49
Hiroko Yokotsuka	Shinagawa-ku, Tokyo	2,390,000	2.98
GOLDMAN, SACHS & CO.REG (Standing Proxy: Goldman Sachs Japan Co. Ltd.)	200 WEST STREET NEW YORK, NY, USA (10-1, 6-chome, Roppongi, Minato-ku, Tokyo)	1,888,443	2.35
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsu-cho 2-chome, Minato-ku, Tokyo	466,600	0.58
Jun Fujimoto	Setagaya-ku, Tokyo	458,000	0.57
Japan Trustee Services Bank, Ltd. (Trust account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	429,200	0.53
State Street Bank and Trust Company (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	P.O. Box 351, Boston, MA 02101, USA (11-1, Nihombashi 3-chome, Chuo-ku, Tokyo)	402,330	0.50
Japan Securities Finance Co., Ltd.	2-10, Nihombashi Kayabacho 1-chome, Chuo-ku, Tokyo	341,800	0.42
BBH (LUX) FOR FIDELITY FUNDS PACIFIC FUND (Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	2A RUE ALBERT BORSCHETTE LUXEMBOURG L-1246 (7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo)	325,500	0.40
Total	-	67,965,527	84.75

(8) Voting Rights

i. Issued Shares

As of March 31, 2014

Classification of Shares	Number of Shares (Shares)	Number of Voting Rights (Units)	Remarks
Shares without voting rights	-	-	-
Shares with limited voting rights (treasury shares, etc.)	-	-	-
Shares with limited voting rights (others)	-	-	-
Shares with full voting rights (treasury shares, etc.)	Common stock 6,811,100	-	-
Shares with full voting rights (others)	Common stock 73,377,900	733,779	-
Shares less than one unit share	Common stock 6,000	-	-
Total number of issued shares	80,195,000	-	-
Voting rights of total shareholders	-	733,779	-

Note: The common stock indicated in “Shares with full voting rights (others)” includes 400 shares of unknown holders’ stock registered under the name of Japan Securities Depository Center, Inc. The “Number of voting rights” includes four units of voting rights related to such shares with full voting rights under the name of Japan Securities Depository Center, Inc.

ii. Treasury Shares, etc.

As of March 31, 2014

Owner’s Name or Title	Owner’s Address	Number of Treasury Shares in Own Name (Shares)	Number of Treasury Shares in the Names of Others (Shares)	Total Number of Shares Owned (Shares)	Holding Ratio to Total Number of Issued Shares (%)
Universal Entertainment Corporation	Ariake Frontier Building Tower A, 7-26, Ariake 3-chome, Koto-ku, Tokyo	6,811,100	-	6,811,100	8.49
Total	-	6,811,100	-	6,811,100	8.49

(9) Stock Options

The Company has adopted an employee stock option plan. This stock option system employs a method of issuing subscription rights to shares in accordance with the Companies Act.

The details of the plan are as follows:

(Resolution adopted by the Ordinary Shareholders' Meeting on June 26, 2014)

It was resolved at the 41st Ordinary Shareholders' Meeting held on June 26, 2014, to grant stock options via subscription rights to shares without compensation to the employees of the Company pursuant to the provisions of Articles 236, 238 and 239 of the Companies Act, and to delegate decision-making authority to the Board of Directors regarding solicitation conditions for these options.

Date of resolution	June 26, 2014
Category and number of eligible persons to whom subscription rights to shares are granted	Company employees that are selected at the Board of Directors meeting held after the submission date.
Class of stock subject to subscription rights to shares	Common stock
Number of shares subject to subscription rights to shares	Up to 150,000 shares (Note 1)
Amount to be paid upon the exercise of subscription rights to shares	(Note 2)
Exercise period of subscription rights to shares	The period shall be within eight years from the date when two years have passed from the day following the allotment day of subscription rights to shares.
Conditions for the exercise of subscription rights to shares	(Note 3)
Matters pertaining to transfer of subscription rights to shares	The approval of the Board of Directors is required when acquiring subscription rights to shares through transfer.
Matters pertaining to substitute payment	-
Matters pertaining to issuance of subscription rights to shares resulting from Corporate Reorganization	(Note 4)

Notes:

1. The number of shares underlying the subscription rights to shares (hereinafter the "Number of Shares Granted") shall be 100 shares for each right. In addition, the Number of Shares Granted will be adjusted using the following formula if, after the allotment date of the subscription rights to shares, the Company conducts a stock split (including gratis allocations of Company common stock, same hereafter) or stock consolidation. However, this adjustment will be performed only for shares applicable to the subscription rights to shares that have not been exercised at the time of the split or consolidation. Furthermore, any fraction of less than one share resulting from the adjustment is discarded.

   Number of Shares Granted after adjustment = Number of Shares Granted before adjustment x Ratio of stock split or stock consolidation

   In addition, if there is a need to adjust the Number of Shares Granted due to a merger, divestiture or similar event after the allotment date, the Company may adjust the Number of Shares Granted in an appropriate manner.

2. The value of assets to be contributed upon the exercise of the subscription rights to shares is calculated by multiplying the amount to be paid per share (hereinafter the "Exercise Price"), which is determined as follows, by the Number of Shares Granted.

   The Exercise Price is calculated by multiplying by 1.05 the average closing price of the Company's common stock on the Tokyo Stock Exchange in each day (except days when there was no trading of Company stock) of the month preceding the month in which the subscription rights were granted. Any fraction of less than one yen is rounded up. However, if the resulting Exercise Price is less than the closing price on the allotment date of the subscription rights to shares (or the nearest prior closing price if there is no trading of Company stock on the allotment date), this closing price will instead be the Exercise Price.

In case that the Company conducts a stock split or a stock consolidation for the Company's stock after the allotment date of the subscription rights to shares, the Exercise Price shall be adjusted by applying the following formula and fractions less than one yen resulting from the adjustment shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of stock split/stock consolidation}}$$

In case that the Company issues new shares of common stock or disposes of its treasury shares at prices less than the then-current market price after the allotment date of the subscription rights to shares (excluding the cases of the issuance of new shares and disposition of treasury shares pursuant to an exercise of the subscription rights to shares, as well as the transfer of treasury shares through a share exchange), the Exercise Price shall be adjusted in accordance with the following formula and fractions of less than one yen resulting from the adjustment shall be rounded up.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{\text{Number of issued shares} + \dfrac{\text{Number of newly issued shares} \times \text{Amount to be paid per share}}{\text{Per share market price before new issuance}}}{\text{Number of issued shares} + \text{Number of newly issued shares}}$$

In the above formula, "Number of issued shares" shall mean the number to be obtained by deducting the number of treasury shares relative to the Company's common stock from the total number of issued shares relative to the Company's common stock. In case that the Company disposes of its treasury shares relative to the Company's common stock, "Number of newly issued shares" shall be read, in turn, as "Number of treasury shares to be disposed of."

Furthermore, in case that the Company merges with another company or conducts a company split or if the Exercise Price needs to be adjusted owing to unavoidable circumstances according to the aforementioned cases after the allotment of the subscription rights to shares, the Company shall be allowed to appropriately conduct an adjustment of the Exercise Price to a reasonable extent.

3. Conditions for exercising subscription rights to shares
   (1) At the time of exercising the subscription rights to shares, each holder shall have the position of director or employee of the Company or any of its affiliates (defined in Article 8 of "Regulations Concerning Terminology, Format, and Preparation Methods for Financial Statements). Provided, however, that this clause shall not apply to cases where the Board of Directors finds a justifiable reason for leaving the Company before exercising the subscription rights to shares, such as retirement from office due to expiry of tenure and mandatory age-limit retirement.
   (2) The subscription rights to shares may not be exercised by an heir to a holder thereof.
   (3) If the total number of issued shares would exceed the number of then-authorized shares by the exercise of subscription rights to shares at the time of exercise thereof, said subscription rights to shares cannot be exercised at that time.
   (4) The partial exercise of a single subscription right to shares is not allowed.

4. At mergers (limited to cases where the Company comes to be extinct as a result of the merger), absorption-type company splits, incorporation-type company splits, share exchanges or share transfers of the Company (hereinafter collectively the "Corporate Reorganization"), the subscription rights to shares specified in Article 236, Paragraph 1, Item 8, Nos. (1) to (5), of the Companies Act (hereinafter the "Reorganized Corporations") will be granted, respectively, to the holders of the subscription rights to shares on the effective date of the Corporate Reorganization in accordance with the following conditions. Provided, however, that this shall be limited to the cases in which absorption-type merger agreements, incorporation-type merger agreements, absorption-type company split agreements, incorporation-type company split plans, share exchange contracts or share transfer plans stipulate that the subscription rights to shares of Reorganized Corporations will be issued under the following terms and conditions:
   (1) Number of the subscription rights to shares of Reorganized Corporations to be granted:
   The same number as the subscription rights to shares held by each holder shall be granted.
   (2) Type of shares of Reorganized Corporations to be issued under the subscription rights to shares:
   Common stock of the Reorganized Corporations shall be issued.
   (3) Number of shares of Reorganized Corporations to be issued under the subscription rights to shares:

This shall be determined in the same manner as said item 1 by taking into consideration the terms and conditions of the Corporate Reorganization.

(4) Value of assets to be contributed upon the exercise of the subscription rights to shares:
The value of assets to be contributed upon the exercise of the subscription rights to shares shall be the amount obtained by multiplying the amount to be paid in after the Corporate Reorganization through adjustment of the Exercise Price as prescribed in said item 2 by the number of the subscription rights to shares of Reorganized Corporations in accordance with said item 4. (3), considering the terms and conditions of the Corporate Reorganization.

(5) Period during which the subscription rights to shares can be exercised:
The period shall be from the later date of either the first day of the exercise period of the subscription rights to shares or the effective date of the Corporate Reorganization to the last day of the exercise period of the subscription rights to shares.

(6) Matters relating to increments of capital stock and legal capital surplus that would increase stock issuance by the exercise of the subscription rights to shares:
The matters relating to increments of capital stock and legal capital surplus that would increase stock issuance by the exercise of the subscription rights to shares shall be determined in the same manner as subscription rights to shares.

(7) Restrictions on the acquisition of subscription rights to shares through transfer:
The acquisition of subscription rights to shares through transfer shall require the approval of the Board of Directors of the Reorganized Corporation.

(8) Other conditions for exercising subscription rights to shares:
Shall be determined in the same manner as subscription rights to shares.

(9) Reasons and conditions to acquire subscription rights to shares:
Shall be determined in the same manner as reasons and conditions.

(10) Other conditions shall be determined in the same manner as those for the Reorganized Corporation.

(Resolution adopted by the Board of Directors on June 26, 2014)

It was resolved at the Board of Directors meeting held on June 26, 2014, to grant subscription rights to shares to the directors of the Company pursuant to the provisions of Articles 236, 238 and 240 of the Companies Act.

Date of resolution	June 26, 2014
Category and number of eligible persons to whom subscription rights to shares are granted	4 directors of the Company
Class of stock subject to subscription rights to shares	Common stock
Number of shares subject to subscription rights to shares	Up to 700,000 shares (Note 1)
Amount to be paid upon the exercise of subscription rights to shares	(Note 2)
Exercise period of subscription rights to shares	From July 1, 2016 to June 30, 2018
Conditions for the exercise of subscription rights to shares	(Note 3)
Matters pertaining to transfer of subscription rights to shares	The approval of the Board of Directors is required when acquiring subscription rights to shares through transfer.
Matters pertaining to substitute payment	-
Matters pertaining to issuance of subscription rights to shares resulting from Corporate Reorganization	(Note 4)

Notes:

1. The number of shares underlying the subscription rights to shares (hereinafter the "Number of Shares Granted") shall be 100 shares for each right. In addition, the Number of Shares Granted will be adjusted using the following formula if, after the allotment date of the subscription rights to shares, the Company conducts a stock split (including gratis allocations of Company common stock, same hereafter) or stock consolidation. However, this adjustment will be performed only for shares applicable to the subscription rights to shares that have not been exercised at the time of the split or consolidation. Furthermore, any fraction of less than one share resulting from the adjustment is discarded.

Number of Shares Granted after adjustment = Number of Shares Granted before adjustment x Ratio of stock split or stock consolidation

In addition, if there is a need to adjust the Number of Shares Granted due to a merger, divestiture or similar event after the allotment date, the Company may adjust the Number of Shares Granted in an appropriate manner.

2. The value of assets to be contributed upon the exercise of the subscription rights to share is calculated by multiplying the amount to be paid per share (hereafter the "Exercise Price"), which is determined as follows, by the Number of Shares Granted. Exercise Price shall be 2,637 yen.

In case that the Company conducts a stock split or a stock consolidation for the Company's stock after the allotment date of the subscription rights to shares, the Exercise Price shall be adjusted by applying the following formula and fractions less than one yen resulting from the adjustment shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of stock split/stock consolidation}}$$

In case that the Company issues new shares of common stock or disposes of its treasury shares at prices less than the then-current market price after the allotment date of the subscription rights to shares (excluding the cases of the issuance of new shares and disposition of treasury shares pursuant to an exercise of the subscription rights to shares, as well as the transfer of treasury shares through a share exchange), the Exercise Price shall be adjusted in accordance with the following formula and fractions of less than one yen resulting from the adjustment shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of issued shares} + \dfrac{\text{Number of newly issued shares} \times \text{Amount to be paid per share}}{\text{Per share market price before new issuance}}}{\text{Number of issued shares} + \text{Number of newly issued shares}}$$

In the above formula, "Number of issued shares" shall mean the number to be obtained by deducting the number of treasury shares relative to the Company's common stock from the total number of issued shares relative to the Company's common stock. In case that the Company disposes of its treasury shares relative to the Company's common stock, "Number of newly issued shares" shall be read, in turn, as "Number of treasury shares to be disposed of."

Furthermore, in case that the Company merges with another company or conducts a company split or if the Exercise Price needs to be adjusted owing to unavoidable circumstances according to the aforementioned cases after the allotment date of the subscription rights to shares, the Company shall be allowed to appropriately conduct an adjustment of the Exercise Price to a reasonable extent.

3. Conditions for exercising subscription rights to shares

(1) The subscription rights to shares can be exercised only when ordinary income in the Company's audited consolidated or non-consolidated statements of income for the fiscal years ending on March 31, 2015 and 2016 meets both of the following requirements. In case any significant change to the concept of ordinary income to be referenced occurs from the application of IFRS, etc., the Board of Directors shall separately determine a substitute indicator to be referenced.

(a) Ordinary income for the fiscal year ending March 31, 2015 must exceed 20.0 billion yen.

(b) Ordinary income for the fiscal year ending March 31, 2016 must exceed 22.0 billion yen.

(2) In addition to the requirements of the preceding item (1), the subscription rights to shares can be exercised only when the closing price of the Company's common stock is at least 1.3 times the Exercise Price (which may have been adjusted as necessary by the Board of Directors as explained in item 2 above) on at least once in ordinary transactions after the allotment date of the subscription rights to shares.

(3) At the time of exercising the subscription rights to shares, each holder shall have the position of director, auditor or employee of the Company or any of its affiliates (defined in Article 8 of "Regulations Concerning Terminology, Format, and Preparation Methods for Financial Statements). Provided, however, that this clause shall not apply to cases where the Board of Directors finds a justifiable reason for leaving the Company before exercising the subscription rights to shares, such as retirement from office due to expiry of tenure and mandatory age-limit retirement.

(4) The subscription rights to shares may not be exercised by an heir to a holder thereof.

(5) If the total number of issued shares would exceed the number of then-authorized shares by the exercise of subscription rights to shares at the time of exercise thereof, said subscription rights to shares cannot be exercised at that time.

(6) The partial exercise of a single subscription right to shares is not allowed.

4. At mergers (limited to cases where the Company comes to be extinct as a result of the merger), absorption-type company splits, incorporation-type company splits, share exchanges or share transfers of the Company (hereinafter collectively the "Corporate Reorganization"), the subscription rights to shares specified in Article 236, Paragraph 1, Item 8, Nos. (1) to (5), of the Companies Act (hereinafter the "Reorganized Corporations") will be granted, respectively, to the holders of the subscription rights to shares on the effective date of the Corporate Reorganization in accordance with the following conditions. Provided, however, that this shall be limited to the cases in which absorption-type merger agreements, incorporation-type merger agreements, absorption-type company split agreements, incorporation-type company split plans, share exchange contracts or share transfer plans stipulate that the subscription rights to shares of Reorganized Corporations will be issued under the following terms and conditions:
   (1) Number of the subscription rights to shares of Reorganized Corporations to be granted:
   The same number as the subscription rights to shares held by each holder shall be granted.
   (2) Type of shares of Reorganized Corporations to be issued under the subscription rights to shares:
   Common stock of the Reorganized Corporations shall be issued.
   (3) Number of shares of Reorganized Corporations to be issued under the subscription rights to shares:
   This shall be determined in the same manner as said item 1 by taking into consideration the terms and conditions of the Corporate Reorganization.
   (4) Value of assets to be contributed upon the exercise of the subscription rights to shares:
   The value of assets to be contributed upon the exercise of the subscription rights to shares shall be the amount obtained by multiplying the amount to be paid in after the Corporate Reorganization through adjustment of the Exercise Price as prescribed in said item 2 by the number of the subscription rights to shares of Reorganized Corporations in accordance with said item 4. (3), considering the terms and conditions of the Corporate Reorganization.
   (5) Period during which the subscription rights to shares can be exercised:
   The period shall be from the later date of either the first day of the exercise period of the subscription rights to shares or the effective date of the Corporate Reorganization to the last day of the exercise period of the subscription rights to shares.
   (6) Matters relating to increments of capital stock and legal capital surplus that would increase stock issuance by the exercise of the subscription rights to shares:
   The matters relating to increments of capital stock and legal capital surplus that would increase stock issuance by the exercise of the subscription rights to shares shall be determined in the same manner as subscription rights to shares.
   (7) Restrictions on the acquisition of subscription rights to shares through transfer:
   The acquisition of subscription rights to shares through transfer shall require the approval of the Board of Directors of the Reorganized Corporation.
   (8) Other conditions for exercising subscription rights to shares:
   Shall be determined in the same manner as subscription rights to shares.
   (9) Reasons and conditions to acquire subscription rights to shares:
   Shall be determined in the same manner as reasons and conditions.
   (10) Other conditions shall be determined in the same manner as those for the Reorganized Corporation.

2. Acquisition, etc., of Treasury Shares

[Class of Stock, etc.]

There is no applicable information.

(1) Status of Acquisitions of Treasury Shares Based on Resolutions at Shareholders' Meetings

There is no applicable information.

(2) Status of Acquisitions of Treasury Shares Based on Resolutions at the Board of Directors Meetings

There is no applicable information.

(3) Details of Acquisitions of Treasury Shares Not Based on Resolutions at Shareholders' Meetings or the Board of Directors Meetings

There is no applicable information.

(4) Status of Disposal and Holding of Treasury Shares

Classification of shares	Current Fiscal Year		Period for Acquisition	
	Number of Shares (Shares)	Total Amount of Disposition (Yen)	Number of Shares (Shares)	Total Amount of Disposition (Yen)
Treasury shares offered for acquisition	-	-	-	-
Treasury shares canceled for disposition	-	-	-	-
Transferred treasury shares in connection with merger, share exchange or corporate split	-	-	-	-
Others	-	-	-	-
Number of treasury shares held	6,811,154	-	6,811,154	-

Notes:
1. The treasury shares disposed of during the "period for acquisition," do not include additional purchases of less than one unit share or shares by the exercise of subscription rights to shares from June 1, 2014, to the submission date of this Securities Registration Report.
2. The number of treasury shares held during the "period for acquisition," does not include shares resulting from purchases, additional purchases of less than one unit share or shares by the exercise of subscription rights to shares from June 1, 2014, to the submission date of this Securities Registration Report.

3. Dividend Policy

The Company group views the return of profits to its shareholders as one of its foremost management priorities. To this end, the Company is endeavoring to establish a highly profitable corporate constitution and to improve the ratio of profit to shareholders' equity continuously and has adopted a basic policy of maintaining a stable level of dividends that reflects the Company's business performance.

Also, to return its profit to the shareholders quickly, based on a resolution by the Board of Directors, the Company stipulated that "the Company may pay dividends from surplus to shareholders and/or registered share pledgees who are registered or recorded on the latest register of shareholders as of March 31 and September 30 every year" and "the Company may pay dividends from surplus by specifying the record date" in its Articles of Incorporation.

It is the Company's basic policy to maintain the internal reserve at appropriate levels to ensure a healthy financial base and to strengthen the management foundation of the Company in order to invest necessary funds efficiently in promising businesses.

The year-end dividend for the fiscal year ended March 31, 2014, was set at 25 yen per share based on comprehensive consideration of business performance for the current fiscal year and the situation of the Company. The dividends for the fiscal year ending March 31, 2015 are undecided at this point and will be determined after carefully considering future performance and capital demand.

The dividends from surplus for the current fiscal year are as follows:

Date of Resolution	Total Amount of Dividends (Million yen)	Dividend per Share (Yen)
Resolution passed at the Board of Directors meeting held on May 1, 2014	1,834	25

4. Transition of Share Price

(1) Highest and Lowest Share Prices for Each Fiscal Year in The Five Most Recent Years

Term	37th Period	38th Period	39th Period	40th Period	41st Period
Fiscal year-end	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014
Highest (Yen)	1,550	2,780	3,125	2,010	2,580
Lowest (Yen)	489	1,280	1,353	1,224	1,666

Note: The highest and lowest share prices were at the Jasdaq market of the Osaka Securities Exchange from April 1, 2010 to October 11, 2010, at the Jasdaq (standard) market of the Osaka Securities Exchange from October 12, 2010 to July 15, 2013, and at the Jasdaq (standard) market of the Tokyo Stock Exchange since July 16, 2013. Prices prior to April 1, 2010 were at the Jasdaq Securities Exchange.

(2) Monthly Highest and Lowest Share Prices in The Six Most Recent Months

Month	October 2013	November	December	January 2014	February	March
Highest (Yen)	2,125	2,034	1,940	2,002	1,844	1,963
Lowest (Yen)	1,956	1,831	1,840	1,884	1,715	1,760

Note: The highest and lowest share prices were at the Jasdaq (standard) market of the Tokyo Stock Exchange.

5. Directors and Auditors

Official Title	Position Title	Name	Date of Birth	Brief Career History	Term of Office	Number of the Company Shares Held (Thousands)
Chairman of the Board of Directors		Kazuo Okada	Oct. 3, 1942	Dec. 1969 Established Universal Lease Co., Ltd., as Representative Director and President Jun. 1973 Established Universal Giken Co., Ltd. (currently Universal Entertainment Corporation), as Representative Director and President Sep. 2004 Chairman of the Board of Directors of the Company Jan. 2006 Representative Director, Chairman and President of the Company Jun. 2006 Chairman of the Board of Directors of the Company (current)	Note 3	-
Representative Director and President		Jun Fujimoto	Mar. 29, 1958	Oct. 1985 Established Seta Corp. as Representative Director and President Jun. 2001 Managing Director of the Company Jun. 2004 Director, Vice President and Senior General Manager of R&D Division of the Company Jun. 2006 Representative Director, President and General Manager of R&D Division of the Company Jun. 2009 Representative Executive Officer of the Company Jun. 2010 Representative Director and Vice Chairman of the Company Jun. 2011 Representative Director and President of the Company (current)	Note 3	458
Director		Hajime Tokuda	Aug. 3, 1958	Apr. 1981 Joined The Sumitomo Bank, Limited Jan. 2007 Executive Officer and General Manager of Management Planning Office of the Company Jun. 2007 Director of the Company Jun. 2008 Representative Executive Officer of the Company Jun. 2010 Director and President of the Company Jun. 2011 Senior Advisor of the Company Jun. 2012 Director of the Company Jan. 2014 Representative Director and President of Ariake Computer Center (current) Jun. 2014 Director of the Company (current)	Note 3	115
Director		Kenshi Asano	Aug. 18, 1963	Oct. 1990 Registered as a junior accountant Oct. 1990 Joined Aoyama Audit Firm/Pricewaterhouse (currently Arata Audit Firm/PricewaterhouseCoopers) Mar. 1997 Registered as a certified public accountant Jun. 2004 Executive Officer and CFO of Cyber Communications Inc. Aug. 2007 CFO, Executive Officer and General Manager of Administration Division of SGI Japan, Ltd. Mar. 2009 Director and CFO of Gaba Co., Ltd. Jul. 2010 Executive Officer and General Manager of Administrative Division of the Company Jun. 2011 Director and General Manager of Administrative Division of the Company (current)	Note 3	-
Director		Tomohiro Okada	Sep. 1, 1967	Apr. 1991 Joined the Company Jun. 1995 Director of the Company Aug. 1995 Director and General Manager of Management Planning Office of the Company Aug. 1997 Director, in charge of Development Division of the Company Jun. 1999 Director and General Manager of Administrative Division of the Company Jun. 2000 Director and General Manager of Investor Relations and Public Relations Office of the Company Jul. 2007 Director of Aruze USA, Inc. (current) Jun. 2008 Director of the Company (current)	Note 3	-

Official Title	Position Title	Name	Date of Birth	Brief Career History	Term of Office	Number of the Company Shares Held (Thousands)
Director		Ritsu Katayama	Jun. 22, 1972	Oct. 2000 Registered as an attorney Oct. 2000 Member of Kayaba Kenichiro Law Office (current) Apr. 2005 Member of the Tokyo Bar Association Apr. 2005 Member of the Japan Federation of Bar Associations	Note 3	-
Full-time Auditor		Toji Takeuchi	Nov. 14, 1958	Jul. 2008 Joined KPMG AZSA LLC Oct. 2009 Joined the Company Nov. 2009 General Manager of Internal Control Promotion Team, Internal Control Group, General Internal Control Office of the Company Jun. 2010 Executive Officer and General Manager of General Internal Control Office of the Company Jul. 2010 Executive Officer and General Manager of Management Planning Office of the Company Nov. 2011 Executive Officer and General Manager of Executive Office of the Company Dec. 2011 Director of Japan Amusement Broadcasting Co., Ltd. Jun. 2012 General Manager of Executive Office of the Company Jun. 2013 General Manager of Foreign Affairs Division of the Company Jun. 2014 Full-time Auditor of the Company (current)	Note 4	-
Auditor		Yuki Arai	Aug. 23, 1976	Oct. 2000 Registered as an attorney Oct. 2000 Member of Tokyo Eiwa Law Office (current TMI Associates) Nov. 2007 Joined Book Field Capital Co., Ltd. Jul. 2008 Member of Book Field Capital Law Office (current) Oct. 2009 Representative Director of Book Field Capital Co., Ltd. (current) Jan. 2013 Director of Well Investments Limited (current) Jun. 2014 Outside Auditor of the Company (current)	Note 4	-
Auditor		Yusuke Nagate	Apr. 23, 1975	Apr. 1998 Joined Matsushita Electric Works Co., Ltd. (current Panasonic Electric Works Co., Ltd.） Mar. 2001 Joined Prince Kaiun Co., Ltd. Mar. 2006 Joined SEA-LINK JAPAN, LTD Nov. 2006 Representative Director of SEA-LINK JAPAN, LTD (current) Jun. 2012 Auditor of Prince Kaiun Co., Ltd. Feb. 2014 Representative Director and Vice President of Prince Kaiun Co., Ltd. (current) Jun. 2014 Outside Auditor of the Company (current)	Note 4	-
Total						573

Notes:

1. Director Ritsu Katayama is an Outside Director.
2. Auditors Yuki Arai and Yusuke Nagate are Outside Auditors.
3. The term of office shall continue until the conclusion of the Ordinary General Shareholders' Meeting for the last fiscal year that ends within one year from the time of their election.
4. The term of office shall continue until the conclusion of the Ordinary General Shareholders' Meeting for the last fiscal year that ends within four years from the time of their election.
5. Director Tomohiro Okada is the first son of Kazuo Okada, the Chairman of the Board of Directors.

6. Corporate Governance, etc.

(1) Corporate Governance

i. Corporate Structure

1. Outline of Corporate Governance Structure

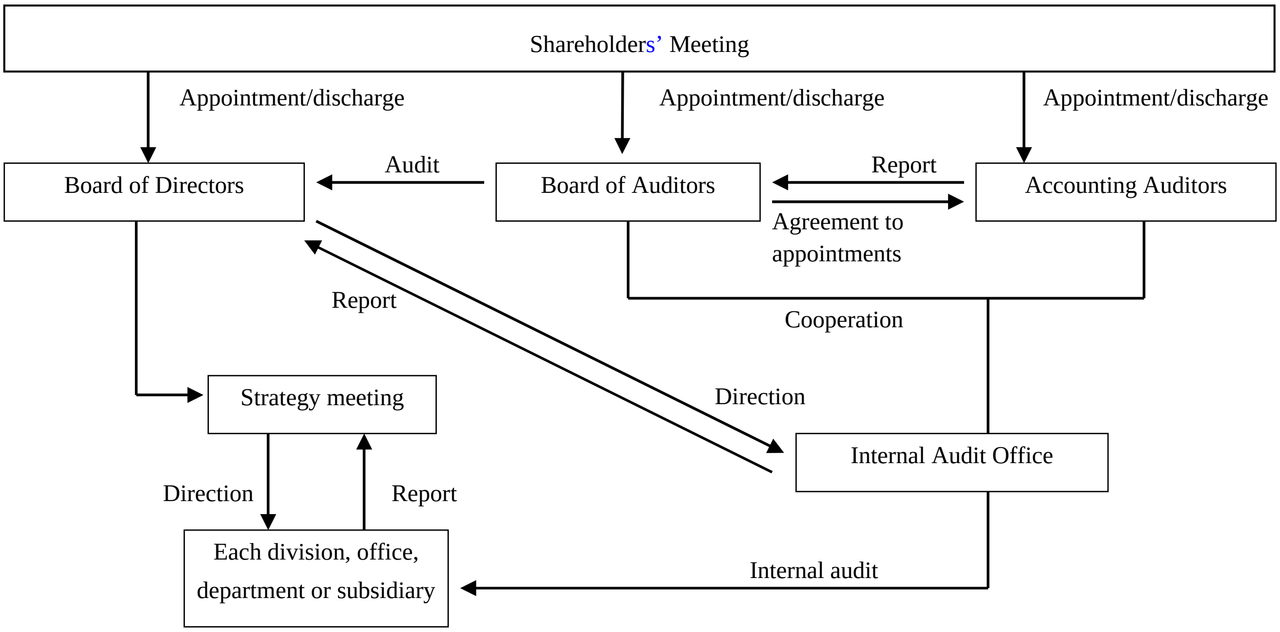
Because the Company recognizes that the transparency of its entire business management and the reinforcement of its monitoring system on management operations are critical to continuously enhance the corporate value, it strives for improvements of corporate governance functions.

The Board of Directors of the Company is composed of six Directors (including one Outside Director) and three Auditors (including two Outside Auditors) and holds regular Board of Directors meetings and extraordinary Board of Directors meetings as necessary to report and determine important matters concerning management. Other than the Board of Directors meetings, strategy meetings composed of the majority of Directors are held as necessary to determine basic policies and strategies concerning management.

Auditors conduct appropriate and lawful audits in cooperation with the Accounting Auditors and the Internal Audit Office.

In addition, the Company has been judged to be a qualified investor in Wynn Resorts through a consolidated subsidiary Aruze USA Inc., by the gaming authorities of the State of Nevada, USA, and stringent gaming compliance is compulsory.

Indicated below is a diagram of the corporate governance structure of the Company.



2. Reason for the Adoption of the Above Corporate Governance Structure

The Company is a company with a Board of Auditors. The main reason for the adoption of this system is to respond to changes in the business environment and the Company's businesses and to enable prompt decision making by Directors in order to respond to a rapidly changing market.

Through prompt decision making by the Board of Directors, which is mainly composed of full-time Directors, and flexible business operations, the Company will establish a framework to correspond to market changes immediately. The Company has established a fair audit framework with Outside Auditors, which are the majority of the Board of Auditors, and a Full-time Auditor.

3. Status of Maintenance of the Internal Control System

The Company has stipulated a basic policy for the establishment of an internal control system and maintains and operates the system based on that policy.

<Basic Policy for the Establishment of an Internal Control System>

The Company shall maintain a framework for the internal control system to ensure the appropriateness of business operations of the Company in accordance with the Companies Act and the Ordinance for Enforcement of the Companies Act as follows:

1. Framework to Ensure that the Execution of the Duties of Directors and Employees Complies with Laws and the Articles of Incorporation

(1) The Company shall establish the Code of Ethics to serve as a standard of conduct for executives and employees of the Company and its group companies in order to have them comply with laws and the Articles of Incorporation.
(2) The Company shall establish the Gaming Compliance Plan responding to strict demands on compliance by gaming control authorities in the United States and conduct management complying with said plan.
(3) If a director finds any material violation of laws or ordinances of the Company or any other material facts concerning compliance, the director shall immediately report it to the Auditors, as well as to the Board of Directors, without delay.
(4) Auditors shall audit whether the appropriateness in operations conducted by the directors, etc., is ensured from an independent viewpoint.
(5) The Company shall establish an Internal Audit Office that is completely independent from its operating sectors.

2. Framework Concerning Storage and Control of Information Related to the Execution of Duties by Directors

Handling of storage control and information security control for information related to the execution of duties by directors shall be stipulated in the Document Control Rules and the Information Control Rules.

3. Regulations Concerning Risk Management of Loss and Other Rules
(1) The Company shall establish organizations responsible for administration, which will recognize, comprehend and control various risks associated with its business operations and deal with each risk.
(2) The Company shall develop Risk Management Rules as a basis for its risk management framework and establish a management framework to deal with respective risks continuously with an emphasis on risk prevention in order to minimize losses resulted therefrom.

4. Framework to Ensure the Effective Execution of Duties by Directors
(1) The Board of Directors shall promote the prompt and effective treatment of business operations based on the decision making of the Board of Directors by clarifying the responsibility structure and operational processes in business execution through the establishment of the Rules of the Board of Directors, the Executive Officers Rules, the Rules on Administrative Authorities, the Rules on Division of Responsibilities, the Rules of the Internal Approval System, etc.
(2) As a framework to ensure the effective execution of duties by directors, the Company shall hold, as needed, strategy meetings composed of a majority of members of the Board of Directors to determine basic policies and strategies in addition to monthly Board of Directors meetings.

5. Framework to Ensure the Appropriateness of Businesses in the Corporate Group Composed of the Company and its Subsidiaries
(1) The Company and its group companies shall accept audits by Auditors and the Internal Audit Division of the Company to establish internal control. Each group company will formulate a profit plan, periodically review its progress status and reflect the review results in the improvement of corporate management.
(2) The Company and its group companies shall make active personnel exchanges to exchange information among themselves and to establish a cooperative framework.

6. Matters Related to the Framework for Employees to Support Auditors' Duties and the Independence of Such Employees from Directors
(1) The Company shall establish the Board of Auditors Secretariat in order to support the duties of the Auditors and assign employees in charge of performing services for the secretariat ("Supportive Employees").
(2) Personnel changes and treatment of the Supportive Employees shall be implemented with the Board of Auditors' approval.

7. Framework for Reporting from Directors or Employees to Auditors and for Other Reporting to Auditors
(1) Auditors shall attend and receive reports at Board of Directors meetings and at meetings for other important deliberations and resolutions including General Managers' meetings.
(2) When an employee finds a breach of any law or the Articles of Incorporation, extremely inappropriate business operation or any matters equivalent thereto, the employee shall immediately report it to the Auditors. When the Auditors request reports, the employee must follow such instruction.

8. Other Frameworks to Ensure the Effective Operation of Audits by the Auditors
(1) Auditors may utilize outside specialists as necessary at the Company's expense (within the range of the amount allowed by law).
(2) Directors, managers-in-charge and other employees must cooperate with the Auditors on their audits.

9. Framework for Elimination of Antisocial Forces
   (1) The Company group shall stipulate in its action policy to emphatically confront antisocial forces or groups that threaten the order and security of civil society from the perspectives of social responsibility and corporate protection.
   (2) In case the Company receives any unfair requests, etc., from an antisocial force, the Company shall consult with its legal counsel in each case.

10. Framework to Ensure the Credibility of Its Financial Reports
   The Company shall maintain and operate a framework of internal control for financial reporting in order to ensure the credibility of such financial reporting in accordance with the Financial Instruments and Exchange Act and related laws and regulations.

4. Establishment of a Risk Management System
   All types of contracts and other legal matters are reviewed by the Legal Affairs Office at the Company. The opinion of its legal counsel is sought in regard to particularly important contracts and documents, etc., and the Company strives to avoid unforeseeable risks to the extent possible.
   As to newly arising risks, the Company shall promptly appoint a person in charge of handling such risks appropriately.
   Our basic policy for the establishment of an internal control system stipulates the following "Regulations Concerning the Management of Risks of Losses and Other Rules."
   (1) The Company shall recognize various risks accompanying its business activities and maintain an administrative structure to detect, manage and cope with each risk.
   (2) The Company shall stipulate the Risk Management Rules as a basis of the risk management system and establish a management system that can respond to each risk continuously with an emphasis on risk prevention so that we can minimize the losses therefrom.

ii. Internal Audit and Auditors' Audits

Our Internal Audit Office conducts internal audits for overall operations of each headquarters' divisions and subsidiaries based on the internal audit plan prepared for each fiscal year. Results of the internal audits are reported in writing to the Board of Directors, etc., with recommendations for improvement given to the audited divisions. We try to raise the effectiveness of internal audits by making the audited divisions prepare and report their improvement plans immediately after the audit.

Audits by the Board of Auditors are conducted by three people including two Outside Auditors. Each Auditor attends the monthly Board of Directors meeting to audit the appropriateness of the execution of operations by Directors. Also, the full-time Auditor actively attends important internal meetings to conduct audits with an emphasis on whether there are any facts violating laws and regulations or infringing any shareholders' interests. Each Auditor gathers and shares information with the Internal Audit Office and the Accounting Auditors through frequent communications therewith.

The following Full-time Auditor and Outside Auditors were elected at the 41st Ordinary Shareholders' Meeting.

Toji Takeuchi, a Full-time Auditor, has worked at a major bank and a major accounting office. He has experience involving finance and accounting and considerable knowledge concerning finance and accounting. At the Company, Mr. Takeuchi has served as Executive Officer and General Manager of the Management Planning Office. As a result, he is very knowledgeable about the Company's operations. Outside Auditor Yuki Arai has served as the Representative Director of a private-sector firm that manages investments and formulates financial strategies. In addition, as an attorney, Mr. Arai is an expert in corporate legal affairs. He also has considerable knowledge concerning finance and accounting. Outside Auditor Yusuke Nagate has served in several important posts, including as the Representative Director and as an Auditor of private-sector firms. He also has considerable knowledge concerning finance and accounting.

iii. Outside Director and Outside Auditors

The Company has one Outside Director and two Outside Auditors.

The Company has a contract to handle litigation with the Book Field Capital Law Office, to which Outside Auditor Yuki Arai belongs. Mr. Arai receives compensation as the Company's attorney and is expected to continue receiving this compensation. In addition, the Company has a business outsourcing contract with Well Investments Limited, where Mr. Arai is a Director.

The Company has no special interests between Outside Directors and other Outside Auditors.

For the selection of Outside Directors and Outside Auditors, the Company does not have standards or policies involving independence. The selection process takes into account the requirements of the Companies Act for independence as well as the need for professional knowledge and objectivity and the ability to perform duties as an

Outside Director or Outside Auditor properly from a fair perspective.

The Board of Auditors, of which a majority is composed of Outside Auditors, intends to share information with the Board of Auditors Secretariat and to reinforce corporate governance through close cooperation with the Internal Audit Office, the Accounting Auditors, etc.

iv. Compensation for Executives

1. Total amount of compensation by executive category, total amount by compensation category and number of eligible executives

Executive Category	Total Amount of Compensation, etc. (Million yen)	Total Amount of Compensation, etc., by Category (Million yen)			Number of Eligible Executives (Persons)
		Basic Compensation	Stock Options	Bonuses	
Directors (excluding Outside Directors)	817	817	-	-	4
Auditors (excluding Outside Auditors)	8	8	-	-	1
Outside executives	27	27	-	-	3
Total	853	853	-	-	8

2. Total amount of compensation, etc., for those whose compensation, etc., exceeds 100 million yen in total

Name	Executive Category	Company Category	Total Amount of Consolidated Compensation, etc., by Category (Million yen)				Total Amount of Consolidated Compensation, etc. (Million yen)
			Basic Compensation	Stock Options	Bonuses	Retirement Benefit	
Kazuo Okada	Director	Consolidated subsidiary	810	-	-	-	810
Jun Fujimoto	Representative Director	The Company	676	-	-	-	676
Kenshi Asano	Director	The Company	101	-	-	-	101

3. Significant employee salaries for employees concurrently serving as executives

   There is no applicable information.

4. Details and the determination method of the policy concerning determination of the amount or calculation method of compensation, etc., of executives

   The Company has not particularly stipulated any specific policy concerning the amounts or calculation method of compensation, etc., for executives of the Company at this point. However, compensation for Directors and Auditors has been determined for Directors at the Board of Directors and for Auditors at the Board of Auditors within the scope of the resolution at the Shareholders' Meeting and by comprehensively taking into consideration his/her contribution to the Company.

   The Company has not provided for a scheme of retirement benefits for executives.

v. Shareholding Status

1. Number of stock brands and total amount posted in the balance sheet of the investment stocks of which the purpose of holding is other than pure investment purposes

   Number of stock brands: 6

   Total amount indicated in the balance sheet: 147 million yen

2. Category of holding, stock brand, number of shares, amount posted in the balance sheet and purpose of holding of the investment stocks of which the purpose of holding is other than pure investment purposes

   Previous Fiscal Year

   Specified Investment Stocks

Stock Brand	Number of Shares (Shares)	Amount Posted in the Balance Sheet (Million yen)	Purpose of Holding
Sumitomo Mitsui Financial Group, Inc.	5,000	18	Maintenance of transaction relationship
Mitsubishi UFJ Financial Group, Inc.	3,700	2	Maintenance of transaction relationship
Mizuho Financial Group, Inc.	9,570	1	Maintenance of transaction relationship
Dynam Japan Holdings Co., Ltd.	246,900	40	Maintenance of transaction relationship

Current Fiscal Year

Specified Investment Stocks

Stock Brand	Number of Shares (Shares)	Amount Posted in the Balance Sheet (Million yen)	Purpose of Holding
Dynam Japan Holdings Co., Ltd.	284,006	87	Maintenance of transaction relationship

3. Total amounts posted in the balance sheets for the previous and current fiscal years, as well as the total amounts of dividend income, sales gain/loss and valuation gain/loss for the current fiscal year, of the investment stocks of which the purpose of holding is pure investment

Category	Previous Fiscal Year (Million yen)	Current Fiscal Year (Million yen)			
	Total Amount Posted in the Balance Sheet	Total Amount Posted in the Balance Sheet	Total Amount of Dividend Income	Total Amount of Sales Gain/Loss	Total Amount of Valuation Gain/Loss
Non-listed shares	0	0	-	-	-
Shares other than the above	67	-	0	124	-

vi. Accounting Audit

The Company entrusted its accounting audit to UHY Tokyo & Co. (Designated and engagement partner/CPA: Mr. Nobuyuki Hara, Designated and engagement partner/CPA: Mr. Shuichi Tanida, and Designated and engagement partner/CPA: Mr. Tatsuya Shikame) for the fiscal year ended March 31, 2014. A total of seven certified public accountants and seven junior accountants, etc., assist the auditing of the Company.

vii. Number and Qualification of Directors, if Provided for in the Articles of Incorporation

The number of Directors of the Company shall be 10 or less.

viii. Required Conditions for Extraordinary Resolutions regarding Selection and Dismissal of Directors, if Different from the Provisions in the Companies Act

Resolutions for the election of Directors shall be made by a majority or more of the votes of shareholders present at the Shareholders' Meeting where the shareholders holding one-third or more of the voting rights of shareholders entitled to exercise their votes at such meeting are present. No cumulative voting shall be adopted for the resolution to elect Directors.

ix. Items and Reasons for Resolutions, if the Resolutions to Be Adopted in the Shareholders' Meetings Become Possible to Be Made by the Board of Directors

1. Acquisition of treasury shares

The Company may acquire its treasury shares following a resolution by the Board of Directors pursuant to the provision of Article 165, Paragraph 2 of the Companies Act.

The purpose of this provision is to allow the Company to take flexible actions to acquire its treasury shares.

2. Organ to determine the payment of dividends from surplus, etc.

The Company stipulates in its Articles of Incorporation that the Board of Directors may determine the matters provided in each item of Article 459, Paragraph 1 of the Companies Act, such as the payment of dividends from surplus, etc., by a resolution of the Board of Directors, not a resolution of the Shareholders' Meeting, unless it is particularly otherwise stipulated by any applicable laws and regulations. The purpose of this provision is to return profits to our shareholders in a prompt manner by authorizing the Board of Directors to determine the payment of dividends from surplus, etc.

3. Exemption of liabilities of Directors

Pursuant to the provision of Article 426, Paragraph 1 of the Companies Act, the Company stipulates in its Articles of Incorporation to exempt the liabilities of Directors (including persons who were previously Directors) provided in Article 423, Paragraph 1, of the same act by a resolution of the Board of Directors within the scope legally allowed by applicable laws and regulations. The purpose of this provision is to establish an environment in which Directors are allowed to fully demonstrate their abilities and accomplish their expected roles in executing their duties.

In addition, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, the Company concludes with Outside Directors agreements to limit their liability, which is provided in Article 423, Paragraph 1, of the same act. The maximum amount of the liability based on said agreements shall be the higher amount of either one million yen or the amount stipulated in applicable laws and regulations.

However, such limitation of liabilities is applicable only when the Outside Directors conduct, without knowledge and gross negligence, the duties that have caused their liabilities.

4. Exemption of liabilities of Auditors

Pursuant to the provision of Article 426, Paragraph 1 of the Companies Act, the Company stipulates in its Articles of Incorporation to exempt the liabilities of the Auditors (including persons who were previously Auditors) provided in Article 423, Paragraph 1 of the same act by a resolution of the Board of Directors within the scope legally allowed by applicable laws and regulations. The purpose of this provision is to establish an environment in which Auditors can fully demonstrate their abilities and accomplish their expected roles in the execution of their duties.

In addition, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, the Company concludes with Outside Auditors agreements to limit their liability, which is provided in Article 423, Paragraph 1 of the same act. The maximum amount of the liability based on said agreements shall be the higher amount of either one million yen or the amount stipulated in applicable laws and regulations.

However, such limitation of liabilities is applicable only when the Outside Auditors conduct, without knowledge and gross negligence, the duties that have caused their liabilities.

x. Items and Reasons for the Extraordinary Resolutions at Shareholders' Meetings, if the Conditions Therefor Are Changed

The resolutions provided in Article 309, Paragraph 2 of the Companies Act shall be made by two-thirds or more of the votes of shareholders present at the Shareholders' Meeting where the shareholders holding one-third or more of the voting rights of shareholders entitled to exercise their votes at such meeting are present.

The purpose of this provision is to run Shareholders' Meetings smoothly, by relaxing the quorum requirement for extraordinary resolutions at the Shareholders' Meetings.

(2) Compensation for Audit, etc.

i. Compensation for Certified Public Accountants, etc., Conducting Audits

(Million yen)

Classification of Payers	Previous Consolidated Fiscal Year		Current Consolidated Fiscal Year	
	Compensation Based on Audit Certification Work	Compensation Based on Non-Audit Work	Compensation Based on Audit Certification Work	Compensation Based on Non-Audit Work
The Company	98	-	86	-
Consolidated subsidiaries	-	-	-	-
Total	98	-	86	-

ii. Other Material Compensation

There is no applicable information.

iii. Non-Audit Work for the Company by Certified Public Accountants, etc., Conducting Audits

There is no applicable information.

iv. Policy to Determine Audit Compensation

The Company has not particularly stipulated a policy concerning the determination of compensation for the auditing certified public accountants and other staff conducting audits. However, we review the appropriateness of compensation every fiscal year in consideration of the scale of the Company and the number of days spent for audits, etc.

Section 5: Accounting

1. Basis for Preparation of Consolidated and Non-consolidated Financial Statements

(1) The consolidated financial statements of the Company are prepared in accordance with the "Regulations Concerning the Terminology, Form, and Method of Preparing Consolidated Financial Statements" (Ministry of Finance Ordinance No. 28, 1976) (herein after the "Regulations for Consolidated Financial Statements").

Year-on-year comparisons included in the consolidated financial statements for the consolidated fiscal year from April 1, 2013 to March 31, 2014 were based on the previous Regulations for Consolidated Financial Statements pursuant to the proviso of Article 3, Paragraph 2 of the Supplementary Provision of the "Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Presentation of Financial Statements" (Cabinet Office Ordinance No. 61, September 21, 2012).

(2) The non-consolidated financial statements of the Company are prepared in accordance with the "Regulations Concerning the Terminology, Form, and Method of Preparing Financial Statements" (Ministry of Finance Ordinance No. 59, 1963).

Year-on-year comparisons included in the financial statements for the fiscal year from April 1, 2013 to March 31, 2014 were based on the previous Regulations for Financial Statements pursuant to the proviso of Article 2, Paragraph 2 of the Supplementary Provision of the "Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Presentation of Financial Statements" (Cabinet Office Ordinance No. 61, September 21, 2012).

The Company is subject to prepare the financial statements in accordance with special provision pursuant to Article 127 of the Regulations for Non-consolidated Financial Statements.

2. Audit Certificate

Pursuant to the provision of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, the consolidated financial statements for the consolidated fiscal year from April 1, 2013 to March 31, 2014, and the non-consolidated financial statements for the non-consolidated fiscal year from April 1, 2013 to March 31, 2014, have been audited by UHY Tokyo & Co.

3. Special Approaches to Secure the Appropriateness of the Consolidated Financial Statements, etc.

The Company takes special approaches to secure the appropriateness of its consolidated financial statements, etc. Specifically, we are a member of the Financial Accounting Standards Foundation, attend seminars and subscribe to specialized accounting periodicals to appropriately comprehend accounting standards, etc., and maintain an appropriate system for preparing financial statements.

1. Consolidated Financial Statements, etc.

(1) Consolidated Financial Statements

i. Consolidated Balance Sheet

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2013)		Current Consolidated Fiscal Year (March 31, 2014)	
Assets				
Current assets				
Cash and deposits	*1	64,372	*1,*6	46,781
Notes and accounts receivable-trade		11,694		19,869
Securities		116		138
Merchandise and finished goods		545		688
Work in process		5,352		7,795
Raw materials and supplies		19,206		17,501
Deferred tax assets		1,806		990
Other		6,844		4,170
Allowance for doubtful accounts		(83)		(23)
Total current assets		109,856		97,913
Non-current assets				
Property, plant and equipment				
Buildings and structures	*1	9,567	*1	14,990
Accumulated depreciation		(5,126)		(5,707)
Buildings and structures (net amount)		4,441		9,282
Machinery, equipment and vehicles		4,257		3,372
Accumulated depreciation		(3,303)		(2,543)
Machinery, equipment and vehicles (net amount)		954		828
Aircraft		-		5,976
Accumulated depreciation		-		-
Aircraft (net amount)		-		5,976
Assets for rent		1,182		1,006
Accumulated depreciation		(1,118)		(1,003)
Assets for rent (net amount)		64		3
Land	*1,*5	35,841	*1,*5	39,834
Construction in progress		15,605		30,378
Other		8,812		11,345
Accumulated depreciation		(7,184)		(7,827)
Other (net amount)		1,628		3,517
Total property, plant and equipment		58,535		89,822
Intangible assets				
Other		617		1,515
Total intangible assets		617		1,515
Investments and other assets				
Investment securities	*2,*4	42,526	*2,*4	49,131
Long-term loans receivable		140		135
Lease and guarantee deposits		1,645		1,841
Claims provable in bankruptcy, claims provable in rehabilitation and other		1,817		1,812
Long-term accounts receivable-other		1,224		1,447
Long-term deposits		4,332	*1	5,268
Other		576		3,065
Allowance for doubtful accounts	*5	(3,074)	*5	(3,119)
Total investments and other assets		49,188		59,582
Total non-current assets		108,341		150,920
Total assets		218,197		248,833

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2013)	Current Consolidated Fiscal Year (March 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,869	18,128
Short-term loans payable	*1 9,132	*1 16,051
Current portion of long-term loans payable	811	344
Current portion of bonds	*1 2,060	*1 1,640
Accounts payable-other	1,771	4,228
Income taxes payable	15,994	7,793
Accrued consumption taxes	843	243
Provision for bonuses	215	233
Other	2,479	3,861
Total current liabilities	47,176	52,524
Non-current liabilities		
Bonds payable	*1 2,140	*1 500
Long-term loans payable	*1 4,676	-
Asset retirement obligations	185	371
Other	625	1,122
Total non-current liabilities	7,627	1,994
Total liabilities	54,804	54,518
Net assets		
Shareholders’ equity		
Capital stock	98	98
Capital surplus	10,852	10,852
Retained earnings	187,616	195,701
Treasury shares	(14,296)	(14,296)
Total shareholders’ equity	184,269	192,355
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(51)	51
Foreign currency translation adjustment	(21,593)	528
Total accumulated other comprehensive income	(21,644)	580
Subscription rights to shares	22	22
Minority interests	745	1,356
Total net assets	163,393	194,314
Total liabilities and net assets	218,197	248,833

ii. Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(Consolidated Statement of Income)

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)	Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)
Net sales	99,182	86,760
Cost of sales	42,627	38,900
Gross profit	56,554	47,860
Selling, general and administrative expenses	*1,*2 20,657	*1,*2 23,210
Operating income	35,897	24,650
Non-operating income		
Interest income	54	313
Dividend income	54	77
Foreign exchange gains	3,227	-
Equity in earnings of affiliates	5,636	-
Other	249	88
Total non-operating income	9,223	479
Non-operating expenses		
Interest expenses	147	471
Stock issuance cost	51	-
Commission fee	34	217
Foreign exchange losses	-	740
Other	15	72
Total non-operating expenses	248	1,503
Ordinary income	44,873	23,626
Extraordinary income		
Gain on sales of investment securities	-	635
Gain on sales of shares of subsidiaries and associates' stock	326	36
Gain on change in equity	503	-
Other	16	6
Total extraordinary income	847	677
Extraordinary losses		
Loss on retirement of non-current assets	*3 8	*3 146
Loss on valuation of investment securities	55	562
Loss on disposal of inventories	-	2,976
Litigation settlement	36	-
Expenditures related to fraud	263	-
Provision for loss on overseas operations	2,222	-
Other	0	176
Total extraordinary losses	2,587	3,861
Income before income taxes and others	43,133	20,442
Income taxes-current	16,066	9,128
Income taxes-deferred	(196)	1,307
Total income taxes	15,870	10,435
Income before minority interests	27,263	10,006
Minority interests in income (loss)	(186)	597
Net income	27,449	9,409

(Consolidated Statement of Comprehensive Income)

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)	Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)
Income before minority interests	27,263	10,006
Other comprehensive income		
Valuation difference on available-for-sale securities	(58)	102
Foreign currency translation adjustment	10,075	22,121
Share of other comprehensive income of affiliates accounted for using equity method	56	-
Total other comprehensive income	* 10,073	* 22,224
Comprehensive income	37,336	32,231
(Breakdown)		
Comprehensive income attributable to owners of the parent	37,522	31,634
Comprehensive income attributable to minority interests	(186)	597

iii. Consolidated Statements of Changes in Equity

Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	98	10,852	164,036	(12,763)	162,223
Changes of items during period					
Dividends of surplus			(2,229)		(2,229)
Dividends of surplus (interim dividend)			(2,201)		(2,201)
Net income			27,449		27,449
Purchase of treasury shares				(1,532)	(1,532)
Change of scope of consolidation			(16)		(16)
Change of scope of equity method			577		577
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	23,579	(1,532)	22,046
Balance at end of current period	98	10,852	187,616	(14,296)	184,269

	Accumulated other comprehensive income			Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	(16)	(31,701)	(31,718)	22	808	131,336
Changes of items during period						
Dividends of surplus						(2,229)
Dividends of surplus (interim dividend)						(2,201)
Net income						27,449
Purchase of treasury shares						(1,532)
Change of scope of consolidation						(16)
Change of scope of equity method						577
Net changes of items other than shareholders' equity	(35)	10,108	10,073	(0)	(62)	10,010
Total changes of items during period	(35)	10,108	10,073	(0)	(62)	32,057
Balance at end of current period	(51)	(21,593)	(21,644)	22	745	163,393

Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	98	10,852	187,616	(14,296)	184,269
Changes of items during period					
Dividends of surplus			(1,467)		(1,467)
Net income			9,409		9,409
Change of scope of consolidation			143		143
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	8,085	-	8,085
Balance at end of current period	98	10,852	195,701	(14,296)	192,355

	Accumulated other comprehensive income			Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	(51)	(21,593)	(21,644)	22	745	163,393
Changes of items during period						
Dividends of surplus						(1,467)
Net income						9,409
Change of scope of consolidation						143
Net changes of items other than shareholders' equity	102	22,121	22,224	(0)	610	22,835
Total changes of items during period	102	22,121	22,224	(0)	610	30,921
Balance at end of current period	51	528	580	22	1,356	194,314

iv. Consolidated Statement of Cash Flows

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)	Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)
Cash flows from operating activities		
Income before income taxes and others	43,133	20,442
Depreciation	2,113	2,044
Amortization of goodwill	49	-
Loss on retirement of non-current assets	8	146
Loss (gain) on sales of investment securities	-	(635)
Loss (gain) on sales of shares of subsidiaries and associates' stock	(326)	(36)
Loss (gain) on valuation of investment securities	55	562
Expenditures related to fraud	263	-
Increase (decrease) in provision for bonuses	26	17
Increase (decrease) in allowance for doubtful accounts	981	(110)
Provision for loss on overseas operations	2,222	-
Interest and dividend income	(109)	(390)
Interest expenses	147	471
Foreign exchange losses (gains)	(3,137)	(502)
Equity in (earnings) losses of affiliates	(5,636)	-
Loss (gain) on change in equity	(503)	-
Decrease (increase) in notes and accounts receivable-trade	(8,099)	(8,659)
Decrease (increase) in inventories	(4,302)	(1,401)
Decrease (increase) in accounts receivable-other	162	(172)
Increase (decrease) in accrued consumption taxes	(225)	(931)
Decrease (increase) in claims provable in bankruptcy, claims provable in rehabilitation	(33)	4
Increase (decrease) in notes and accounts payable-trade	7,045	4,249
Increase (decrease) in accounts payable-other	466	637
Increase (decrease) in advances received	32	39
Decrease (increase) in other current assets	(4,379)	354
Increase (decrease) in other current liabilities	474	3,077
Decrease (increase) in other non-current assets	(1,182)	261
Increase (decrease) in other non-current liabilities	(2)	(4)
Other	199	192
Subtotal	29,443	19,657
Interest and dividend income received	109	390
Interest expenses paid	(150)	(471)
Income taxes paid	(1,313)	(16,586)
Net cash provided by (used in) operating activities	28,088	2,990

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)	Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)
Cash flows from investing activities		
Decrease (increase) in time deposits	-	(7,556)
Purchase of property, plant and equipment	(11,434)	(26,007)
Proceeds from sales of property, plant and equipment	9	27
Purchase of intangible assets	(621)	(560)
Proceeds from sales of intangible assets	-	40
Purchase of investment securities	(1,505)	(9)
Proceeds from sales of investment securities	-	2,591
Purchase of shares of subsidiaries	(1,234)	(273)
Proceeds from sales of shares of subsidiaries	450	50
Payments for lease and guarantee deposits	(2)	(24)
Proceeds from collection of lease and guarantee deposits	57	47
Decrease (increase) in deposits paid	(7,854)	4,737
Other	75	(46)
Net cash provided by (used in) investing activities	(22,060)	(26,984)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	8,809	5,885
Proceeds from long-term loans payable	3,909	-
Repayments of long-term loans payable	(936)	(5,781)
Redemption of bonds	(2,060)	(2,060)
Cash dividends paid	(4,430)	(1,467)
Purchase of treasury shares	(1,532)	-
Decrease (increase) in pledged deposit	(6,973)	(471)
Other	(0)	34
Net cash provided by (used in) financing activities	(3,213)	(3,860)
Effect of exchange rate change on cash and cash equivalents	3,383	3,821
Net increase (decrease) in cash and cash equivalents	6,197	(24,033)
Cash and cash equivalents at beginning of consolidated fiscal year	46,408	52,778
Increase in cash and cash equivalents from newly consolidated subsidiary	172	-
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(1)
Cash and cash equivalents at end of consolidated fiscal year	* 52,778	* 28,743

[Notes]

Significant Items Serving as a Basis for Preparation of the Consolidated Financial Statements

1. Matters relating to the scope of consolidation

(1) Number of consolidated subsidiaries: 18

The major consolidated subsidiaries are stated in “4. Affiliated Companies” under “Section 1. Overview of the Company” and are therefore omitted here.

(2) Changes in consolidated subsidiaries

Overseas consolidated subsidiaries

TIGER RESORTS PROPERTY MANAGEMENT INCORPORATED was included in the scope of consolidation in the current consolidated fiscal year, because it was newly established.

Molly Investments Cooperatieve U.A., a consolidated subsidiary in prior years, was excluded from the scope of consolidation in the current consolidated fiscal year, because of the completion of its liquidation.

(3) Names, etc., of major non-consolidated subsidiaries

Principal non-consolidated subsidiaries:

Beijing Aruze Development Co., Ltd.,
Nihon Shogi Network Co., Ltd.,
and 14 other companies

ELEPHANT PICTURE and Ariake Computer Center have been newly established, and became non-consolidated subsidiaries in the current consolidated fiscal year.

(Reason for exclusion from the scope of consolidation)

Non-consolidated subsidiaries are small in size, and their combined total assets, net sales, net income or loss (the amount corresponding to the Company’s equity holding) and retained earnings (the amount corresponding to the Company’s equity holding) have no material impact on the Company’s consolidated financial statements.

2. Matters relating to application of the equity method

(1) Number of non-consolidated subsidiaries and affiliated companies accounted for by the equity method: 0

(2) Non-consolidated subsidiaries not accounted for by the equity method

Because Beijing Aruze Development Co., Ltd., Nihon Shogi Network Co., Ltd., and 14 other companies have only a negligible effect on the Company’s consolidated net income or loss, retained earnings, etc., and are not considered to possess any significance as a whole, they have been excluded from the scope of the equity method in the current consolidated fiscal year.

3. Matters regarding the fiscal year, etc., of consolidated subsidiaries

The fiscal years of Aruze USA, Inc., Aruze Investment Co., Ltd., Eagle I Landholdings, Inc., Eagle II Holdco, Inc., and Brontia Limited, all of which are consolidated subsidiaries, end on December 31.

In preparing the consolidated financial statements, the financial statements of these consolidated subsidiaries as of December 31 were used, provided, however, that the necessary consolidation adjustments have been made for all significant transactions that occurred between January 1, 2014 and the end of the consolidated fiscal year on March 31, 2014.

4. Matters regarding standards for accounting procedures

(1) Valuation criteria and methods for significant assets

(a) Securities

Available-for-sale securities

Securities having market value:

Market value method based on market prices, etc., as of the closing date of the fiscal year. (Valuation differences are treated by the total direct capitalization method and the cost of securities sold is determined by the moving average method.)

Securities without market value:

Cost method based on the moving average method.

(b) Derivatives

Market value method.

(c) Inventories

Inventories held for regular sales purpose

Merchandise, finished goods, raw materials:

Cost method primarily based on the weighted average costing method. (The amount stated in the balance sheet was calculated by the book value write-down method based on a reduction in profitability.)

Work in process:

Cost method primarily based on the weighted average costing method. (The amount stated in the balance sheet was calculated by the book value write-down method based on a reduction in profitability.) For work in process concerning the production of content, etc., the specific costing method is applied.

Supplies:

Last purchase cost method.

(2) Depreciation and amortization methods for significant depreciable and amortizing assets

(a) Property, plant and equipment (excluding lease assets)

i. The Company and its domestic consolidated subsidiaries

Declining-balance method.

Buildings (excluding structures attached to buildings) acquired on or after April 1, 1998, are depreciated using the

straight-line method. Rental assets are depreciated evenly over the number of years that equals the contract period.
Approximate useful lives:
Buildings and structures: 8 to 50 years
Machinery, equipment and vehicles: 6 to 15 years

ii. Overseas consolidated subsidiaries
The straight-line method is adopted.

(b) Intangible assets (excluding lease assets)

i. The Company and its domestic consolidated subsidiaries
Software intended for sale in the market is amortized using the larger of the amortized amounts calculated based on the estimated sales volume or the equally allocated amounts over the remaining useful life of the assets (three years or less). Software intended for internal use is amortized using the straight-line method based on an estimated period of internal use (five years). Other intangible assets are amortized using the straight-line method.

ii. Overseas consolidated subsidiaries
The straight-line method is principally adopted.

(c) Lease assets
Lease assets relating to finance lease transactions without transfer of ownership:
The straight-line method is applied whereby the lease period is deemed the durable life and the remaining value is deemed zero.
Finance lease transactions without transfer of ownership for which the lease transaction commenced on or before March 31, 2008, are accounted for in accordance with the method applicable to regular lease transactions.

(3) Reporting basis for significant allowances

(a) Allowance for doubtful accounts
In the provision for possible losses on receivables caused by bad debts, an estimated uncollectible amount is reported based on their historical losses as to ordinary receivables and based on the consideration of feasibly recoverable amounts in individual cases of specific receivables for which collectability is a great concern.

(b) Provision for bonuses
In the provision for the future payment of employee bonuses, an anticipated amount of total bonus payments attributable to the current consolidated fiscal year is reported.

(c) Provision for loss on overseas operations
In the provision for possible losses on overseas operations, an estimated amount of losses is reported.

(4) Reporting basis for significant income and expenses
Reporting basis for income pertaining to finance lease transactions:
A method to report net sales and cost of sales upon the receipt of lease fees is used.

(5) Translation standard of significant foreign currency–denominated assets or liabilities into yen
Monetary debts and credits denominated in foreign currencies are translated into yen at the spot exchange rates on the fiscal year-end date, with the differences resulting from such translations recorded as losses or profits. It should be noted that the assets and liabilities of overseas subsidiaries, etc. are translated into yen at the spot exchange rates prevailing on the fiscal year-end date, and their income and expenses are translated into yen at the average exchange rate prevailing over the period, with the differences arising from any translation included in the foreign currency translation adjustment in net assets.

(6) Definition of cash and cash equivalents in the consolidated statement of cash flows.
Funds (cash and cash equivalents) booked in the consolidated statement of cash flows refer to cash on hand, bank deposits that can be withdrawn from time to time or short-term investments that may be easily converted to cash with maturities of no more than three months from the acquisition date that carry a minimal risk of fluctuation in value.

(7) Other significant matters for preparation of the consolidated financial statements
Accounting procedure for consumption taxes
Consumption taxes are accounted by the tax-exclusion method.

Changes in Description

(Consolidated Statement of Cash Flows)

“Loss on retirement of non-current assets” and “Loss (gain) on valuation of investment securities” which were included in “Other” under “Cash flows from operating activities” in the previous consolidated fiscal year, has been separately stated in the current consolidated fiscal year due to the increased significance of the amount. “Decrease (increase) in accrued consumption taxes,” which was included in “Increase (decrease) in other current liabilities” under “Cash flows from operating activities” in the previous consolidated fiscal year, has been separately stated in the current consolidated fiscal year due to the increased significance of the amount. To reflect this change in description, the reclassification of accounts has been made for the consolidated financial statements for the previous consolidated fiscal year.
As a result, “Other” and “Increase (decrease) in other current liabilities” under “Cash flows from operating activities” of 63 million yen, and -225 million yen, respectively, in the consolidated statement of cash flows for the previous consolidated fiscal year have been reclassified into “Loss on retirement of non-current assets” of 8 million yen, “Loss (gain) on valuation of investment securities” of 55 million yen, and “Decrease (increase) in accrued consumption taxes” of -225 million yen.

Additional Information

(Litigation)

On February 18, 2012, the Board of Directors of Wynn Resorts, Limited (NASDAQ: WYNN) declared that the Company and its consolidated subsidiary Aruze USA Inc. were unsuitable as shareholders of Wynn Resorts. The directors approved the redemption of the Wynn Resorts stock (24,549,222 shares, 19.66% of all the issued shares at that time) held by Aruze USA in accordance with the Wynn Resorts Articles of Incorporation. (As explained below, Aruze USA has asked a court for declaratory relief based on the stance that the applicable provisions of the Wynn Resorts Articles of Incorporation and applicable behavior are invalid.) To pay Aruze USA for the redemption of this stock, Wynn Resorts issued long-term note that matures in 10 years at a price that is approximately 30% less than the market value of the Wynn Resorts stock on February 18, 2012. Furthermore, on the following day, February 19, Wynn Resorts filed a lawsuit against the Company and Aruze USA seeking compensation for damages caused by abetting of a breach of fiduciary duty by Kazuo Okada, Chairman of the Board of Directors of the Company and declaratory relief with regard to the aforementioned decision on the redemption of shares.

In response, on March 12, 2012, the Company, along with Aruze USA, filed a countersuit as part of the legal measures necessary to protect its investment in Wynn Resorts, seeking a permanent injunction and declaratory relief against the improper redemption of shares by Wynn Resorts, as well as compensation for damages, etc., from Steve Wynn, a CEO of Wynn Resorts, and the executive officers and the individual members of the Wynn Resorts Board, who were involved in the improper share redemption and fraudulent actions.

The countersuit will include the process extending from the forthcoming procedures for disclosure of evidence including discovery and recording of testimony, followed by witness examination at the trial, all the way to the verdict. Therefore, it is expected to take a considerable amount of time before a final decision is made. Furthermore, most of the discovery process was suspended between May 2, 2013 and May 2, 2014 due a court order. On May 2, 2014, the court rejected the U.S. government request for another extension of the discovery suspension. However, the court ordered that the additional discovery be shown in advance to the U.S. government to allow government to submit an objection on the basis that the additional discovery would hinder the ongoing investigation. In addition, the court did not establish a schedule for completion of discovery or a deadline for the official inquiry. At the present stage, it is impossible to predict what the actual outcome of the case will be, or when the decision will be made. Therefore, without making judgments based on predictions or prejudgment, the Company has determined that it is reasonable to take the proper measures and make proper disclosures in accordance with the court decision. (However, the verdict may be appealed.) Consequently, taking into account the difficulty of estimating with certainty the effects that could potentially arise from the results of filing this countersuit on the financial status, operating results, and cash flow status of the corporate group consisting of the Company and its consolidated subsidiaries, etc. in a particular period of time, the Wynn Resorts stock has been valued at the acquisition cost since the end of the previous consolidated fiscal year.

To pay interest on the long-term note, Wynn Resorts issued checks to Aruze USA on February 14, 2013 (U.S. time) in the amount of 38,728,852.63 U.S. dollars and on February 13, 2014 (U.S. time) in the amount of 38,728,852.63 U.S. dollars. On March 10, 2014, the court issued a bond and a court order concerning funds that were to be deposited with the court. Until the court issues a new order, all checks associated with payments of interest and principal for the long-term note will be issued payable to the clerk of the court for deposit in the court trust account. Due to these events, since the Company believes the interest payment does not belong to Aruze USA based on the principle of the right to claim, the Company has concluded that it is very likely that there will be no need to recognize the interest paid by this check as interest received for either accounting or tax purposes. Consequently, the Company’s consolidated financial statements do not reflect the issuance of this check for an interest payment.

The Company and its Chairman Kazuo Okada have filed a criminal complaint and charges dated April 24, 2014, with the Tokyo District Public Prosecutors Office against Wynn Resorts and Steve Wynn based on the alleged facts of crime of defamation, harm to public trust, and circulation of rumors. The Company is now waiting for an investigation organization to determine the facts concerning these allegations.

The Universal Entertainment Group negotiated with Century Properties Group Inc. in relation to the casino project in the Philippines. However, since the conditions were not met or fulfilled, we sent termination notice to Century. Century objected to the termination and filed a petition before a district court in the Philippines against the Universal Entertainment Group. Recently, Century's petition was dismissed.

(Consolidated Balance Sheet)

*1. Assets pledged as collateral and secured liabilities

Assets pledged as collateral are as follows.

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2013)	Current Consolidated Fiscal Year (March 31, 2014)
Cash and deposits	7,343	9,721
Buildings	1,420	1,360
Land	5,168	5,168
Long-term deposits	-	5,268

Secured liabilities are as follows.

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2013)	Current Consolidated Fiscal Year (March 31, 2014)
Short-term loans payable	4,328	14,751
Current portion of bonds	1,860	1,440
Long-term loans payable	4,332	-
Bonds payable	1,940	500

*2. Investment securities for non-consolidated subsidiaries and affiliates are as follows.

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2013)	Current Consolidated Fiscal Year (March 31, 2014)
Investment securities (stocks)	1,556	1,265

3. Contingent liabilities

Guaranteed debt

Standby letters of credit issued to companies other than consolidated companies are as follows.

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2013)	Current Consolidated Fiscal Year (March 31, 2014)
Philippine Amusement and Gaming Corporation	210 (100 Million Philippine Peso)	238 (100 Million Philippine Peso)

TIGER RESORT, LEISURE AND ENTERTAINMENT, INC., which is a consolidated subsidiary of the Company, has issued a standby letter of credit to Philippine Amusement and Gaming Corporation by submitting a request to BDO UNIBANK, INC. The issuance of this letter of credit is stipulated in the contract concerning the Company's casino resort project in the Philippines. The Company's consolidated subsidiary pledged the following assets as collateral when this standby letter of credit was issued.

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2013)	Current Consolidated Fiscal Year (March 31, 2014)
Cash and deposits	210 (100 Million Philippine Peso)	238 (100 Million Philippine Peso)

*4. The equity method is not used for Wynn Resorts stock held by the Company because this investment does not have a significant effect on the consolidated financial statements. The details are stated in "(Additional Information) (Litigation)."

*5. Provision for loss on overseas operations deducted directly from land

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2013)	Current Consolidated Fiscal Year (March 31, 2014)
Land	2,460	2,787

*6. Cash and deposits amounting to 25 million yen and long-term deposits of 5,268 million yen can be used only to fund the Company group's ongoing casino resort project. These funds are held under an escrow agreement that will end when this project is completed. In addition, long-term deposits are shown separately because the minimum balance of the escrow account is US$50 million.

(Consolidated Statement of Income)

*1. Major components and amounts of the selling, general and administrative expenses are as follows.

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)	Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)
Research and development expenses	2,700	3,406
Salaries and allowances	4,203	4,127
Provision for bonuses	79	83
Provision of allowance for doubtful accounts	61	(84)
Commission fee	4,809	2,899

*2. Research and development expenses included in general and administrative expenses and manufacturing cost.

(Million yen)

Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)	Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)
2,700	3,406

*3. Description of loss on retirement of non-current assets are as follows.

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)	Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)
Buildings	4	0
Machinery and equipment	-	142
Tools, furniture and fixtures	3	1
Others	0	0
Total	8	146

(Consolidated Statement of Comprehensive Income)

* Reclassification adjustments and tax effects pertaining to other comprehensive income are as follows.

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)	Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)
Valuation difference on available-for-sale securities:		
Amount recognized during the current consolidated fiscal year	(63)	747
Re-classification adjustments	-	(635)
Before tax effect adjustment	(63)	112
Tax effects	5	(9)
Valuation difference on available-for-sale securities	(58)	102
Foreign currency translation adjustment:		
Amount recognized during the current consolidated fiscal year	10,075	22,121
Foreign currency translation adjustment	10,075	22,121
Share of other comprehensive income of affiliates accounted for using equity method:		
Amount recognized during the current consolidated fiscal year	56	-
Share of other comprehensive income of affiliates accounted for using equity method	56	-
Total other comprehensive income	10,073	22,224

(Consolidated Statement of Changes in Equity)

Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)

1. Matters regarding the class and number of issued shares and treasury shares

(Shares)

	As of April 1, 2012	Increase	Decrease	As of March 31, 2013
Issued shares				
Common stock	80,195,000	-	-	80,195,000
Total	80,195,000	-	-	80,195,000
Treasury shares				
Common stock	5,886,054	925,100	-	6,811,154
Total	5,886,054	925,100	-	6,811,154

Note: An increase in the number of treasury shares (925,100 common stock shares) was from the acquisition of treasury shares based on a resolution by the Board of Directors.

2. Matters regarding subscription rights to shares and subscription rights to own shares

Classification	Classification of Subscription Rights to Shares	Type of Shares Subject to Subscription Rights to Shares	Number of Shares Subject to Subscription Rights to Shares (Shares)				Balance as of March 31, 2013 (Million yen)
			As of April 1, 2012	Increase	Decrease	As of March 31, 2013	
The Company (Parent company)	Subscription rights to shares as stock options	-	-	-	-	-	22
Total		-	-	-	-	-	22

Note: Regarding the above subscription rights to shares as stock options, the exercisable period of the rights has not yet arrived.

3. Matters regarding dividends

(1) Amount paid as dividends

(Resolution)	Class of Shares	Total Amount of Dividends (Million yen)	Dividend Resource	Dividend per Share (Yen)	Record Date	Effective Date
Board of Directors meeting held on May 17, 2012	Common stock	2,229	Retained earnings	30	March 31, 2012	June 29, 2012

(Resolution)	Class of Shares	Total Amount of Dividends (Million yen)	Dividend Resource	Dividend per Share (Yen)	Record Date	Effective Date
Board of Directors meeting held on November 2, 2012	Common stock	2,201	Retained earnings	30	September 30, 2012	December 7, 2012

(2) Dividends for which the record date belongs to the current consolidated fiscal year and the effective date is in the following consolidated fiscal year

(Resolution)	Class of Shares	Total Amount of Dividends (Million yen)	Dividend Resource	Dividend per Share (Yen)	Record Date	Effective Date
Board of Directors meeting held on May 20, 2013	Common stock	1,467	Retained earnings	20	March 31, 2013	June 28, 2013

Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)

1. Matters regarding the class and number of issued shares and treasury shares

(Shares)

	As of April 1, 2013	Increase	Decrease	As of March 31, 2014
Issued shares				
Common stock	80,195,000	-	-	80,195,000
Total	80,195,000	-	-	80,195,000
Treasury shares				
Common stock	6,811,154	-	-	6,811,154
Total	6,811,154	-	-	6,811,154

2. Matters regarding subscription rights to shares and subscription rights to own shares

Classification	Classification of Subscription Rights to Shares	Type of Shares Subject to Subscription Rights to Shares	Number of Shares Subject to Subscription Rights to Shares (Shares)				Balance as of March 31, 2014 (Million yen)
			As of April 1, 2013	Increase	Decrease	As of March 31, 2014	
The Company (Parent company)	Subscription rights to shares as stock options	-	-	-	-	-	22
Total		-	-	-	-	-	22

Note: Regarding the above subscription rights to shares as stock options, the exercisable period of rights has not yet arrived.

3. Matters regarding dividends

(1) Amount paid as dividends

(Resolution)	Class of Shares	Total Amount of Dividends (Million yen)	Dividend Resource	Dividend per Share (Yen)	Record Date	Effective Date
Board of Directors' meeting held on May 20, 2013	Common stock	1,467	Retained earnings	20	March 31, 2013	June 28, 2013

(2) Dividends for which the record date belongs to the current consolidated fiscal year and the effective date is in the following consolidated fiscal year

(Resolution)	Class of Shares	Total Amount of Dividends (Million yen)	Dividend Resource	Dividend per Share (Yen)	Record Date	Effective Date
Board of Directors' meeting held on May 1, 2014	Common stock	1,834	Retained earnings	25	March 31, 2014	June 27, 2014

(Consolidated Statement of Cash Flows)

*1. The relationship between the balance of cash and cash equivalents at the end of the consolidated fiscal year and the amount of items posted in the consolidated balance sheet is as follows.

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)	Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)
Cash and deposit account	64,372	46,781
Securities account	116	138
Deposit in time-deposit account over 3 months	-	(8,429)
Deposits pledged as collateral	(7,343)	(9,721)
Payment for escrow account deposit	(4,367)	(25)
Cash and cash equivalents	52,778	28,743

2. Significant non-cash transactions

Payments for asset retirement obligations

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)	Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)
Payments for asset retirement obligations	-	182

(Lease Transactions)

This information is not disclosed due to its lack of significance.

(Financial Instruments)

1. Matters pertaining to the status of financial instruments

(1) Policy to deal with financial instruments

The Company group secures necessary funds mainly through borrowings from banks, issuance of bonds or group finances based on an appropriate business plan. Temporary surplus funds are managed in a capital-safe type large amount deposit, etc., on the basis of safety and liquidity. Derivative instruments are used for risk aversion and not for speculative purposes.

(2) Details and risks of financial instruments

Notes receivable-trade and accounts receivable-trade are operating receivables that accrue in the course of sales activities from receipts of orders to collections of payments and are exposed to the credit risks of customers.

Securities and investment securities are mainly composed of investment trusts managed by overseas subsidiaries, shares of companies that have business relationships with the Company and are exposed to the risk of fluctuations in market prices and currency exchange risks.

Notes payable-trade and accounts payable-trade are mostly due within four months and composed of operating liabilities that mainly accrue in the course of purchasing parts, etc., and clearing liabilities.

Loans payable and bonds payable are mainly for clearing the liabilities accrued by research and development, purchases of parts and investments in facilities. Some of these payables are exposed to the risk of interest rate fluctuations.

(3) Risk management framework pertaining to financial instruments

The Company manages the risks of financial instruments as follows, in addition to having deliberations at General Managers Meetings as the need arises.

i. Management of credit risks (risks of a customer’s default of contracts)

As to notes receivable-trade, accounts receivable-trade and other operating receivables, the Receivables Administration Section of the Company conducts surveys and information gathering on customers’ credit status in accordance with the Credit Administration Rules. The Finance and Accounting Department also conducts quarterly confirmations of the balance of accounts receivable-trade and notes receivable-trade.

Furthermore, as to loans receivable, the Company conducts surveys on the financial status and business performance of the borrower prior to transactions in order to secure the rights of the Company.

ii. Management of market risks (risks of fluctuations in currency exchanges, interest rates, etc.)

To hedge against the risks of fluctuations in interest rates on loans and bonds payable, the Company ensures that disadvantageous clauses are excluded from the terms and conditions of the borrowings and bond issuances executed by the Company.

With respect to securities, the Company manages safe and secure investment trusts with minute risk for loss of principal. For investment securities, the Company periodically confirms the market prices and financial status, etc., of issuers (client companies), while annually investigating the financial statements of client companies to continuously review its own shareholding status.

Derivative instruments are executed and managed by the department in charge with the approval of the responsible persons.

iii. Liquidity risks for funding (risks of default by due dates)

The Company executes borrowings after careful reviews mainly on movements in long- and short-term fund costs in consideration of the liquidity of funds and borrowing periods. The borrowed funds are managed under a cash management plan, which is prepared and updated by the department in charge in a timely manner.

2. Matters pertaining to the market prices, etc., of financial instruments

Amounts posted in the consolidated balance sheets, market prices and the difference thereof are as follows. Items of which market prices seems to be extremely difficult to measure are not included herein. (See Note 2)

Previous Consolidated Fiscal Year (March 31, 2013)

(Million yen)

	Amount Posted in the Consolidated Balance Sheets	Market Price	Difference
(1) Cash and deposits	64,372	64,372	-
(2) Notes and accounts receivable-trade	11,694	11,694	-
(3) Securities and investment securities			
Securities	116	116	-
Available-for-sale securities	1,739	1,739	-
(4) Long-term loans receivable	140	-	-
Allowance for doubtful accounts[2]	(108)	-	-
	31	31	-
(5) Lease and guarantee deposits	1,645	1,645	-
(6) Long-term accounts receivable-other	1,224	-	-
Allowance for doubtful accounts[2]	(980)	-	-
	244	244	-
(7) Claims provable in bankruptcy, claims provable in rehabilitation	1,817	-	-
Allowance for doubtful accounts[2]	(1,552)	-	-
	264	264	-
Total assets	80,109	80,109	-
(1) Notes and accounts payable-trade	[13,869]	[13,869]	-
(2) Short-term loans payable	[9,132]	[9,132]	-
(3) Current portion of long-term loans payable	[811]	[811]	-
(4) Current portion of bonds	[2,060]	[2,060]	-
(5) Accounts payable-other	[1,771]	[1,771]	-
(6) Bonds payable	[2,140]	[2,140]	-
(7) Long-term loans payable	[4,676]	[4,676]	-
Total liabilities	[34,461]	[34,461]	-
Derivative transactions[3]	[2]	[2]	-

Notes:

1. Items that are included in liabilities are indicated in brackets.
2. The allowance for doubtful accounts that is posted separately is deducted.
3. The net amounts of substantive debts and credits accrued from derivative transactions are indicated, and the items of which the totals are substantive debts are indicated in brackets.

Current Consolidated Fiscal Year (March 31, 2014)

(Million yen)

	Amount Posted in the Consolidated Balance Sheets	Market Price	Difference
(1) Cash and deposits	46,781	46,781	-
(2) Notes and accounts receivable-trade	19,869	19,869	-
(3) Securities and investment securities			
Securities	138	138	-
Available-for-sale securities	124	124	-
(4) Long-term loans receivable	135	-	-
Allowance for doubtful accounts[2]	(108)	-	-
	27	27	-
(5) Lease and guarantee deposits	1,841	1,841	-
(6) Long-term accounts receivable-other	1,447	-	-
Allowance for doubtful accounts[2]	(963)	-	-
	483	483	-
(7) Claims provable in bankruptcy, claims provable in rehabilitation	1,812	-	-
Allowance for doubtful accounts[2]	(1,520)	-	-
	291	291	-
Total assets	69,558	69,558	-
(1) Notes and accounts payable-trade	[18,128]	[18,128]	-
(2) Short-term loans payable	[16,051]	[16,051]	-
(3) Current portion of long-term loans payable	[344]	[344]	-
(4) Current portion of bonds	[1,640]	[1,640]	-
(5) Accounts payable-other	[4,228]	[4,228]	-
(6) Bonds payable	[500]	[500]	-
Total liabilities	[40,892]	[40,892]	-

Notes:

1. Items that are included in liabilities are indicated in brackets.
2. The allowance for doubtful accounts that is posted separately is deducted.

(Note 1) Calculation method of market prices of financial instruments and matters pertaining to securities and derivative transactions

Assets

(1) Cash and deposits and (2) Notes and accounts receivable-trade

Because these items are settled in a short period and their market prices are nearly equal to their book values, the market prices of these items are based on their book value.

(3) Securities and investment securities

Market prices of these items are based on prices at listed securities exchanges. Market prices of investment trusts are based on book values because such prices are nearly equal to their book values.

(4) Long-term loans receivable

Because it is difficult to confirm the credit risk of each borrower, estimated bad debts are calculated based on a reasonable historical bad debt ratio. The market price of long-term loans receivable is close to the amount determined by deducting the estimated bad debts from the balance sheet amount of long-term loans receivable on the consolidated settlement date, and therefore such amount is used as the market price of long-term loans receivable.

(5) Lease and guarantee deposits

Book values are used as market prices for this item because it is difficult to individually confirm redemption periods and the market prices are nearly equal to book values.

(6) Long-term accounts receivable-other, (7) Claims provable in bankruptcy, claims provable in rehabilitation

For long-term accounts receivable-other, since it is difficult to confirm the credit risk for each counterparty, estimated bad debts are calculated based on a reasonable historical bad debt ratio. Estimated bad debts are calculated based on estimated collectable amounts through collateral and guarantees. The market prices of these assets are close to the amount gained by deducting the currently estimated bad debts from the balance sheet amount of these assets on the settlement date, and therefore such amount is used as the market price of these assets.

Liabilities

(1) Notes and accounts payable-trade, (2) Short-term loans payable, (3) Current portion of long-term loans payable and (5) Accounts payable-other

Because these items are settled in a short period and their market prices are nearly equal to their book values, the market prices of these items are based on their book value.

(4) Current portion of bonds

Because the current portion of bonds is redeemed within a short time and not exposed to the risk of interest rate fluctuations, the market price is close to its book value. Therefore, the market price of the current portion of bonds is based on the book value.

(6) Bonds payable

The market value of bonds is calculated by discounting the total principal and interest at the discount rates that would be applicable for similar new bond issuances. However, the market value of bonds is nearly equal to the book value and it is therefore based on the book value.

(7) Long-term loans payable

The market value of long-term loans payable is calculated by discounting the total principal and interest at the discount rates that would be applicable for similar new borrowings. However, the market value of long-term loans payable is nearly equal to its book value and it is therefore based on the book value.

Derivative Transactions

See “Derivative Transactions” under the Notes section.

2. Financial instruments of which market prices seem to be extremely difficult to measure (Million yen)

Category	Previous Consolidated Fiscal Year (March 31, 2013)	Current Consolidated Fiscal Year (March 31, 2014)
Non-listed shares	1,618	1,327
Available-for-sale securities	39,168	47,679
Long-term deposits	4,332	5,268

For non-listed shares, there are no market prices, and for available-for-sale securities, sales, etc. are difficult even though this is stock with current fair values that are held by consolidated subsidiaries, and it is deemed extremely difficult to measure their current fair values. As a result, these are not included in “(3) Securities and investment securities.”

For long-term deposits, it is not possible to estimate future cash flows and it is deemed extremely difficult to measure their current fair values. As a result, long-term deposits are not evaluated at the fair value.

3. Scheduled redemption of monetary receivables and securities with maturity after the consolidated accounts settlement date

Previous Consolidated Fiscal Year (March 31, 2013) (Million yen)

	Within one year	More than one year but within five years	More than five years but within 10 years	More than 10 years
Cash and deposits	64,372	-	-	-
Notes and accounts receivable-trade	11,694	-	-	-
Securities	116	-	-	-
Long-term loans receivable	-	20	11	108
Total	76,184	20	11	108

Note: Monetary receivables in this table do not include long-term accounts receivable-other, etc. without a specified period for collection.

Current Consolidated Fiscal Year (March 31, 2014) (Million yen)

	Within one year	More than one year but within five years	More than five years but within 10 years	More than 10 years
Cash and deposits	46,781	-	-	-
Notes and accounts receivable-trade	19,869	-	-	-
Securities	138	-	-	-
Long-term loans receivable	-	22	4	108
Total	66,790	22	4	108

Note: Monetary receivables in this table do not include long-term accounts receivable-other, etc. without a specified period for collection.

4. Scheduled repayment of short-term loans payable, bonds and long-term loans payable after the consolidated accounts settlement date

Previous Consolidated Fiscal Year (March 31, 2013) (Million yen)

	Within one year	More than one year but within two years	More than two years but within three years	More than three years but within four years	More than four years but within five years	More than five years
Short-term loans payable	9,132	-	-	-	-	-
Bonds payable	2,060	1,640	500	-	-	-
Long-term loans payable	811	344	4,332	-	-	-
Total	12,003	1,984	4,832	-	-	-

Current Consolidated Fiscal Year (March 31, 2014) (Million yen)

	Within one year	More than one year but within two years	More than two years but within three years	More than three years but within four years	More than four years but within five years	More than five years
Short-term loans payable	16,051	-	-	-	-	-
Bonds payable	1,640	500	-	-	-	-
Long-term loans payable	344	-	-	-	-	-
Total	18,035	500	-	-	-	-

(Marketable Securities)
1. Available-for-sale securities
Previous Consolidated Fiscal Year (March 31, 2013) (Million yen)

	Type	Amount in Consolidated Balance Sheet	Cost of Acquisition	Difference
Securities for which the value posted on the consolidated B/S exceeds their acquisition cost	(1) Stocks	23	12	11
	(2) Bonds			
	1) National/local government bonds, etc.	-	-	-
	2) Corporate bonds	-	-	-
	3) Other bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	23	12	11
Securities for which the value posted on the consolidated B/S does not exceed their acquisition cost	(1) Stocks	1,715	1,765	(49)
	(2) Bonds			
	1) National/local government bonds, etc.	-	-	-
	2) Corporate bonds	-	-	-
	3) Other bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	1,715	1,765	(49)
Total		1,739	1,778	(38)

For non-listed shares, etc. (amount in the consolidated balance sheet of 1,618 million yen), there are no market prices and it is not possible to estimate future cash flows, and for available-for-sale securities (amount in the consolidated balance sheet of 39,168 million yen), sales, etc. are difficult even though this is stock with current fair values that are held by consolidated subsidiaries, and it is deemed extremely difficult to measure their current fair values. As a result, these are not included in this table.

Current Consolidated Fiscal Year (March 31, 2014) (Million yen)

	Type	Amount in Consolidated Balance Sheet	Cost of Acquisition	Difference
Securities for which the value posted on the consolidated B/S exceeds their acquisition cost	(1) Stocks	124	53	70
	(2) Bonds			
	1) National/local government bonds, etc.	-	-	-
	2) Corporate bonds	-	-	-
	3) Other bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	124	53	70
Securities for which the value posted on the consolidated B/S does not exceed their acquisition cost	(1) Stocks	-	-	-
	(2) Bonds			
	1) National/local government bonds, etc.	-	-	-
	2) Corporate bonds	-	-	-
	3) Other bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	-	-	-
Total		124	53	70

For non-listed shares, etc. (amount in the consolidated balance sheet of 1,327 million yen), there are no market prices and it is not possible to estimate future cash flows, and for available-for-sale securities (amount in the consolidated balance sheet of 47,679 million yen), sales, etc. are difficult even though this is stock with current fair values that are held by consolidated subsidiaries, and it is deemed extremely difficult to measure their current fair values. As a result, these are not included in this table.

2. Available-for-sale securities sold

Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)

There is no applicable information.

Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)

(Million yen)

Type of Securities	Sales Proceeds	Total Gain	Total Loss
(1) Stocks	2,591	635	-
(2) Bonds			
1) National/local government bonds, etc.	-	-	-
2) Corporate bonds	-	-	-
3) Other bonds	-	-	-
(3) Others	-	-	-
Total	2,591	635	-

3. Marketable securities written down for impairment

Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)

Available-for-sale securities of 55 million yen were written down in the current consolidated fiscal year.

For the impairment of non-listed shares for which it is extremely difficult to determine a current fair value, there is a write-down for impairment in principle if the issuing company’s financial condition worsens and net assets per share fall to 50% or less of the acquisition cost. However, the final decision about whether or not to write down these shares is based on the prospects for a recovery in the value of each holding.

Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)

Available-for-sale securities of 562 million yen were written down in the current consolidated fiscal year.

For the impairment of non-listed shares for which it is extremely difficult to determine a current fair value, there is a write-down for impairment in principle if the issuing company’s financial condition worsens and net assets per share fall to 50% or less of the acquisition cost. However, the final decision about whether or not to write down these shares is based on the prospects for a recovery in the value of each holding.

(Derivative Transactions)

1. Derivative transactions without application of hedge accounting

(1) Currencies

Previous Consolidated Fiscal Year (March 31, 2013)

There is no applicable information.

Current Consolidated Fiscal Year (March 31, 2014)

There is no applicable information.

(2) Interest rates

Previous Consolidated Fiscal Year (March 31, 2013) (Million yen)

Category	Transaction Category	Contract Amount, etc.	Contract Amount, etc., Exceeding One Year	Market Value	Appraisal Profit/Loss
Transactions other than market transactions	Interest rate swaps Receive floating/pay fixed	375	-	(2)	(2)
Total		375	-	(2)	(2)

Notes:

1. Calculation method of market value

The market value was calculated based on prices, etc., presented by financial institutions, etc., with which the Company has transactions.

2. The contract amount, etc., above refers to the amount of notional principal.

Current Consolidated Fiscal Year (March 31, 2014)

There is no applicable information.

(Retirement Benefits)

There is no applicable information.

(Stock Options, etc.)

1. Amount posted as income from the expiration of stock options due to the non-exercise of the right

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)	Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)
Gain on reversal of subscription rights to shares	0	0

2. Description, size and change of stock options

(1) Description of stock options

	Stock Options in 2011
Classification and number of people to whom stock options were granted	Directors of the Company 3 Employees, etc. of the Company 52 Total 55
Number of stock options by class of shares (Note)	Common stock: 847,000 shares
Date of grant	December 19, 2011
Vesting conditions	1) At the time of exercising the subscription rights to shares, each holder shall have the position of director, auditor or employee of the Company or any of its affiliates. Provided, however, that this clause shall not apply to cases where the Board of Directors finds a justifiable reason for leaving the Company before exercising the stock options, such as retirement from office due to expiry of tenure or mandatory age-limit retirement. 2) The holders of the subscription rights to shares may exercise their subscription rights to shares only if all the conditions set forth in the following (i), (ii) and (iii) are satisfied. (i) Ordinary income exceeds 21.3 billion yen in the Company's audited consolidated statement of income (or non-consolidated statement of income, if consolidated financial statements are not prepared) for the fiscal year ended March 31, 2013. In case any significant change to the concept of the ordinary income to be referenced occurs from the application of the International Financial Reporting Standards (IFRS), etc., the Board of Directors shall separately determine a substitute indicator to be referenced; (ii) Ordinary income exceeds 25.0 billion yen in the Company's audited consolidated statement of income (or non-consolidated statement of income, if consolidated financial statements are not prepared) for the fiscal year ending March 31, 2014. In case any significant change to the concept of the ordinary income to be referenced occurs from the application of IFRS, etc., the Board of Directors shall separately determine a substitute indicator to be referenced; and (iii) The closing price of the Company's shares of common stock exceeds the amount of 2,399 yen, which represents a value 1.3 times the exercise price of the subscription rights to shares, at least once in ordinary transactions at the relevant financial instruments exchange after the allotment date of the subscription rights to shares.
Subject period of employment	From December 19, 2011 to December 28, 2011
Exercise period	From July 1, 2014 to June 30, 2019

Note: The number of stock options is translated into the number of shares.

(2) Size and changes of stock options

The following describes the size and changes of stock options that existed during the fiscal year ended March 31, 2014. The number of stock options is translated into the number of shares.

i. Number of stock options (Shares)

	Stock Options in 2011
Stock options not yet vested	
As of the end of the previous consolidated fiscal year	844,000
Granted	-
Forfeited	3,000
Vested	-
Balance of options not vested	841,000
Stock options already vested	
As of the end of the previous consolidated fiscal year	-
Vested	-
Exercised	-
Forfeited	-
Balance of options not exercised	-

ii. Per share prices (Yen)

	Stock Options in 2011
Exercise price	1,845
Average share price on exercise	-
Fairly evaluated price as of the grant date (Note)	27

Note: This represents the fair value per share as of the grant date.

3. Estimation method for the number of vested stock options

Because it is basically difficult to reasonably estimate the number of stock options that will expire in future, the number of vested stock options reflects only the number of stock options that have actually forfeited.

(Tax-Effect Accounting)

1. Details of the causes for deferred tax assets and deferred tax liabilities

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2013)	Current Consolidated Fiscal Year (March 31, 2014)
Deferred tax assets (current)		
Accrued enterprise taxes	1,430	634
Inventories	776	754
Loss on valuation of in-process development of peripheral equipment	-	137
Provision for bonuses	84	86
Allowance for doubtful accounts	59	7
Deferred loss	332	350
Foreign exchange losses (gains)	152	427
Other	91	172
Subtotal	2,928	2,569
Valuation allowance	(1,093)	(1,579)
Net	1,835	990
Offset with deferred tax liabilities	(28)	-
Net deferred tax assets (current)	1,806	990
Deferred tax liabilities (current)		
Allowance for doubtful accounts	(28)	-
Foreign exchange losses (gains)	(383)	(436)
Other	(1)	-
Subtotal	(413)	(436)
Offset with deferred tax assets	28	-
Net deferred tax liabilities (current)	(384)	(436)
Deferred tax assets (non-current)		
Allowance for doubtful accounts	402	364
Amount in excess of depreciation	203	233
Loss on investment	153	154
Impairment loss	179	179
Investment securities	42	290
Alternate minimum tax carried forward	1,755	976
Deferred loss	1,592	1,137
Interest equivalent for long-term advances paid	-	275
Reduction entry of dividend asset	-	16,102
Other	77	17
Subtotal	4,406	19,731
Valuation allowance	(4,406)	(19,631)
Total deferred tax assets (non-current)	-	100
Offset with deferred tax liabilities (non-current)	-	(100)
Net deferred tax assets (non-current)	-	-
Deferred tax liabilities (non-current)		
Valuation difference on available-for-sale securities	(9)	(19)
Gain on valuation of non-current assets	(73)	(14)
Foreign exchange losses (gains)	(8)	(659)
Other	-	0
Total deferred tax liabilities (non-current)	(91)	(693)
Offset with deferred tax assets (non-current)	-	100
Net deferred tax liabilities (non-current)	(91)	(593)

Note: In the consolidated balance sheet, the net deferred tax liabilities (current) (384 million yen in the previous consolidated fiscal year and 436 million yen in the current consolidated fiscal year) is included in “Other” under current liabilities and the net deferred tax liabilities (non-current) (91 million yen in the previous consolidated fiscal year and 593 million yen in the current consolidated fiscal year) is included in “Other” under non-current liabilities.

2. Details of major items causing the significant difference between the statutory effective tax rate and the actual effective tax rate after the application of tax-effect accounting

	Previous Consolidated Fiscal Year (March 31, 2013)	Current Consolidated Fiscal Year (March 31, 2014)
Statutory effective tax rate	39.40%	39.40%
(Adjustments)		
Valuation allowance	6.56%	78.74%
Dividend income and other items excluded from gross revenue	-	(70.72)%
Gains on change in equity	(0.46)%	-
Equity in earnings of affiliates	(5.15)%	-
Tax rate difference of consolidated subsidiaries	0.69%	0.75%
Provision for loss on overseas operations	2.03%	-
Other	(6.27)%	2.87%
Actual effective tax rate after the application of tax-effect accounting	36.79%	51.05%

3. Revised amount of deferred tax assets and deferred tax liabilities following the change in the corporate tax rate, etc.

Following the promulgation on March 31, 2014 of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 10 of 2014), special corporate tax for reconstruction is no longer imposed for the consolidated fiscal years beginning on or after April 1, 2014. Consequently, the statutory effective tax rate for the calculation of deferred tax assets and deferred tax liabilities is lowered from 39.4% to 37.1% for temporary differences expected to be covered for the fiscal year beginning from April 1, 2014.

The impact of recalculation of deferred tax assets and deferred tax liabilities based on the temporary differences as of the end of current consolidated fiscal year resulting from the change in the statutory effective tax rate will not be significant.

(Business Combinations)

There is no applicable information.

(Asset Retirement Obligations)

Asset retirement obligations recorded in the consolidated balance sheet

(a) Outline of the asset retirement obligations

Lease contracts include an obligation to restore buildings and land to the original condition.

(b) Method for calculating the amount of asset retirement obligations

Asset retirement obligations are calculated by using an estimated expected period of use of eight years for the head office, 50 years for the art museum and 47 years for the annex and a discount rate of 1.04% for the head office and 1.71% for the art museum and the annex.

(c) Changes in the total amount of asset retirement obligations

(Million yen)

	Previous Consolidated Fiscal year (April 1, 2012 to March 31, 2013)	Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)
Balance at the beginning of the period	183	185
Increase due to acquisition of property, plant and equipment	-	182
Adjustment with elapse of time	1	3
Decrease due to fulfillment of asset retirement obligations	-	-
Other increase (decrease)	-	-
Balance at the end of the period	185	371

(Investment and Rental Property)

There is no applicable information.

(Segments of an Enterprise and Related Information)

[Segment Information]

1. Outline of reportable segments

The reportable segments of the Company are the units constituting the Company, of which segregated financial information is available and which are subject to periodical reviews by the Board of Directors so as to determine allocations of management resources and to evaluate business performance.

The Company has established business divisions classified by products and services at the headquarters and each business division devises comprehensive strategies for domestic or overseas products and services and deploys its business activities. Accordingly, the Company is composed of segments classified by products or services based on the business divisions and specifies "Pachislot and Pachinko Business" as its reportable segment.

"Pachislot and Pachinko Business" includes development, manufacture and sales of Pachislot and Pachinko machines.

2. Calculation method of net sales, income/loss, assets, liabilities and other items in each reportable segment

Accounting method applied to reportable segments is identical to that of the consolidated financial statements.

Values in segment income/loss are based on operating income.

Inter-segment internal income and transfer amounts are based on actual market prices.

3. Information pertaining to amounts of net sales, income/loss, assets, liabilities and other items in each reportable segment

Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)

(Million yen)

	Reportable Segment	Others (Note)	Total
	Pachislot/Pachinko Business		
Net sales			
Sales to external customers	96,203	2,979	99,182
Inter-segment sales or transfers	-	50	50
Total	96,203	3,030	99,233
Segment income (loss)	45,705	(1,216)	44,489
Segment assets	75,684	10,029	85,714
Other items			
Depreciation	1,448	355	1,803
Amortization of goodwill	49	-	49
Increase in property, plant and equipment and intangible assets	902	612	1,514

Note: "Others" classification consists of business segments not included in any reportable segment and is inclusive of the Broadcasting Business, Media Business and others.

Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)

(Million yen)

	Reportable Segment	Others (Note)	Total
	Pachislot/Pachinko Business		
Net sales			
Sales to external customers	83,444	3,316	86,760
Inter-segment sales or transfers	-	36	36
Total	83,444	3,352	86,797
Segment income (loss)	35,418	(2,385)	33,033
Segment assets	84,430	18,154	102,584
Other items			
Depreciation	919	704	1,623
Amortization of goodwill	-	-	-
Increase in property, plant and equipment and intangible assets	2,911	2,085	4,997

Note: "Others" classification consists of business segments not included in any reportable segment and is inclusive of the Broadcasting Business, Media Business and others.

4. Difference between total amount in reportable segment and amount recorded in consolidated financial statements and primary items of such difference (matters pertaining to difference adjustments)

(Million yen)

Net Sales	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total of reportable segments	96,203	83,444
Net sales in “Others” classification	3,030	3,352
Eliminated inter-segment transactions	(50)	(36)
Net sales in consolidated financial statements	99,182	86,760

(Million yen)

Income	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total of reportable segments	45,705	35,418
Loss in “Others” classification	(1,216)	(2,385)
Eliminated inter-segment transactions	54	(55)
Unallocated expenses (Note)	(8,645)	(8,327)
Operating income in consolidated financial statements	35,897	24,650

Note: Unallocated expenses are mainly composed of selling, general and administrative expenses not attributed to a reportable segment.

(Million yen)

Assets	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total of reportable segments	75,684	84,430
Assets in “Others” classification	10,029	18,154
Unallocated assets (Note)	132,483	146,248
Total assets in consolidated financial statements	218,197	248,833

Note: Unallocated assets are mainly composed of investments in affiliates, the surplus operating fund (cash and deposits and securities) and land that are not attributable to the reportable segment.

(Million yen)

Other Items	Total of Reportable Segments		Others		Adjusted Amounts		Amounts in Consolidated Financial Statements	
	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Depreciation	1,448	919	355	704	310	420	2,113	2,044
Amortization of goodwill	49	-	-	-	-	-	49	-
Increase in property, plant and equipment and intangible assets	902	2,911	612	2,085	10,356	23,314	11,870	28,311

Note: The adjusted amounts in increase in property, plant and equipment and intangible assets are unallocated investment amounts.

[Related Information]
Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)
1. Information of each product and service
Description of this item is omitted because same information is indicated in Segment Information.

2. Geographical information
(1) Net sales
Description of this item is omitted because sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

(Million yen)

Japan	Philippines	Other overseas countries	Total
22,546	33,264	2,724	58,535

3. Information of specific major customer
Description of this item is omitted because there is no specific external customer whose sales exceed 10% or more of net sales in the consolidated statement of income.

Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)
1. Information of each product and service
Description of this item is omitted because same information is indicated in Segment Information.

2. Geographical information
(1) Net sales
Description of this item is omitted because sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

(Million yen)

Japan	Philippines	Other overseas countries	Total
26,188	60,636	2,996	89,822

3. Information of specific major customer

(Million yen)

Name	Sales	Related segments
Fields Corporation	17,142	Pachislot/Pachinko Business

[Impairment Loss of Non-current Assets by Each Reportable Segment]

Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)

There is no applicable information.

Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)

There is no applicable information.

[Amortization of Goodwill and Unamortized Balance by Each Reportable Segment]

Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)

(Million yen)

	Pachislot/Pachinko Business	Others	Unallocated or Eliminated	Total
Amortization for the period	49	-	-	49
Unamortized balance at the period-end	-	-	-	-

Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)

There is no applicable information.

[Gain on Bargain Purchase by Each Reportable Segment]

Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)

There is no applicable information.

Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)

There is no applicable information.

[Information on Related Parties]
1. Transactions with related parties
(1) Transactions between the Company and related parties
i. Parent company and major institutional shareholders, etc. of the Company
Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)

Category	Name	Location	Capital or Investments (Million yen)	Description of Business or Occupation	Holding or Held Ratio of Voting Rights
Parent company	Okada Holdings GK	Koto-ku, Tokyo	10	Lease of real property, etc.	74.2% directly held

Relationship with the Related Party	Description of Transactions	Transaction Amount (Million yen)	Account Item	Year-end Balance (Million yen)
Rental of real property	Provision of guarantees	-	Lease and guarantee deposits	141
	Payment of rents, etc. (Note 2)	141	Prepaid expenses	12

Notes:
1. The transaction amount does not include consumption taxes, etc., whereas the year-end balance includes consumption taxes, etc.
2. Details on the payment of rents are determined by consultation between both parties in consideration of the business description.

Current consolidated fiscal year (April 1, 2013 to March 31, 2014)

Category	Name	Location	Capital or Investments (Million yen)	Description of Business or Occupation	Holding or Held Ratio of Voting Rights
Parent company	Okada Holdings GK	Koto-ku, Tokyo	10	Lease of real property, etc.	74.2% directly held

Relationship with the Related Party	Description of Transactions	Transaction Amount (Million yen)	Account Item	Year-end Balance (Million yen)
Rental of real property	-	-	Lease and guarantee deposits	141
	Payment of rents, etc. (Note 2)	141	Prepaid expenses	12

Notes:
1. The transaction amount does not include consumption taxes, etc., whereas the year-end balance includes consumption taxes, etc.
2. Details on the payment of rents are determined by consultation between both parties in consideration of the business description.

ii. Executives and major individual shareholders, etc. of the Company
Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)

Category	Name	Location	Capital or Investments (Million yen)	Description of Business or Occupation	Holding or Held Ratio of Voting Rights
(Note 2)	Trans Orbit Co., Ltd.	Minato-ku, Tokyo	472	Travel agency	None (Note 2)
(Note 4)	Aruze Gaming America, Inc.	Nevada, USA	8 thousand US$	Gaming machine business	None (Note 4)
(Note 7)	Aruze Software K.K.	Koto-ku, Tokyo	10	Gaming machine business	None (Note 7)

Relationship with the Related Party	Description of Transactions	Transaction Amount (Million yen)	Account Item	Year-end Balance (Million yen)
Vendor of flight tickets, etc.	Travel expenses (Note 3)	29	Accounts payable-other	2
Sales of the Company's products	Sales of products and components (Note 5)	68	Accounts receivable-trade	442
	Receipt of rents, etc., from subleasing of office (Note 6)	14	-	-
	Storage fees for materials	10	-	-
Subleasing of office	Receipt of rents, etc., from subleasing of office (Note 7)	108	Accounts receivable-other	1

Notes:

1. The transaction amount does not include consumption taxes, etc., whereas the year-end balance includes consumption taxes, etc.
2. Trans Orbit Co., Ltd., is included in “Executives and major individual shareholders” of the Company because 98.7% of its voting rights are directly held by Kazuo Okada, Director of the Company.
3. Travel expenses are determined in the same fashion as regular transaction conditions taking market prices into consideration.
4. Aruze Gaming America, Inc., is included in “Executives and major individual shareholders” of the Company because 100% of its voting rights are directly held by Kazuo Okada, Director of the Company.
5. Sales and purchases of products and components are determined in the same fashion as regular transaction conditions taking market prices into consideration.
6. Rents are determined in the same fashion as regular transaction conditions taking market prices into consideration.
7. Aruze Software K.K. is included in “Executives and major individual shareholders” of the Company because 100% of its voting rights are indirectly held by Kazuo Okada, Director of the Company.

Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)

Category	Name	Location	Capital or Investments (Million yen)	Description of Business or Occupation	Holding or Held Ratio of Voting Rights
(Note 2)	Trans Orbit Co., Ltd.	Minato-ku, Tokyo	472	Travel agency	None (Note 2)
(Note 4)	Aruze Gaming America, Inc.	Nevada, USA	8 thousand US$	Gaming machine business	None (Note 4)
(Note 7)	Aruze Software K.K.	Koto-ku, Tokyo	10	Gaming machine business	None (Note 6)

Relationship with the Related Party	Description of Transactions	Transaction Amount (Million yen)	Account Item	Year-end Balance (Million yen)
Vendor of flight tickets, etc.	Travel expenses (Note 3)	35	Accounts payable-other	5
Sales of gaming materials	Sales of components (Note 5)	16	Accounts receivable-trade	8
	Storage fees for materials	11	Long-term accounts receivable-other	482
Subleasing of office	Receipt of rents, etc., from subleasing of office (Note 7)	117	Accounts receivable-other	1

Notes:

1. The transaction amount does not include consumption taxes, etc., whereas the year-end balance includes consumption taxes, etc.
2. Trans Orbit Co., Ltd., is included in “Executives and major individual shareholders” of the Company because 98.7% of its voting rights are directly held by Kazuo Okada, Director of the Company.
3. Travel expenses are determined in the same fashion as regular transaction conditions taking market prices into consideration.
4. Aruze Gaming America, Inc., is included in “Executives and major individual shareholders” of the Company because 100% of its voting rights are directly held by Kazuo Okada, Director of the Company.
5. Sales and purchases of products and components are determined in the same fashion as regular transaction conditions taking market prices into consideration.
6. Aruze Software K.K. is included in “Executives and major individual shareholders” of the Company because 100% of its voting rights are indirectly held by Kazuo Okada, Director of the Company.
7. Rents are determined in the same fashion as regular transaction conditions taking market prices into consideration.

(2) Transactions between consolidated subsidiaries of the Company and related parties

i. Executives and major individual shareholders of the Company, etc.

Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)

Category	Name	Location	Capital or Investments (Million yen)	Description of Business or Occupation	Holding or Held Ratio of Voting Rights
(Note 2)	Trans Orbit Co., Ltd.	Minato-ku, Tokyo	472	Travel agency	None (Note 2)
(Note 4)	Aruze Gaming Hong Kong Limited	China (Hong Kong)	10 HK$	Gaming machine business	None (Note 4)

Relationship with the Related Party	Description of Transactions	Transaction Amount (Million yen)	Account Item	Year-end Balance (Million yen)
Vendor of flight tickets, etc.	Travel expenses (Note 3)	14	-	-
Rental of buildings	Payment of rents, etc. (Note 5)	30	Accounts payable-other	6

Notes:

1. The transaction amount does not include consumption taxes, etc., whereas the year-end balance includes consumption taxes, etc.
2. Trans Orbit Co., Ltd., is included in “Executives and major individual shareholders” of the Company because 98.7% of its voting rights are directly held by Kazuo Okada, Director of the Company.
3. Travel expenses are determined in the same fashion as regular transaction conditions taking market prices into consideration.
4. Aruze Gaming Hong Kong Limited is included in “Executives and major individual shareholders” of the Company because 100% of its voting rights are directly held by Kazuo Okada, Director of the Company.
5. Rents are determined in the same fashion as regular transaction conditions taking market prices into consideration.

Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)

Category	Name	Location	Capital or Investments (Million yen)	Description of Business or Occupation	Holding or Held Ratio of Voting Rights
(Note 2)	Trans Orbit Co., Ltd.	Minato-ku, Tokyo	472	Travel agency	None (Note 2)
(Note 4)	Aruze Gaming America, Inc.	Nevada, USA	8 thousand US$	Gaming machine business	None (Note 4)
(Note 4)	Aruze Gaming Hong Kong Limited	China (Hong Kong)	10 HK$	Gaming machine business	None (Note 4)

Relationship with the Related Party	Description of Transactions	Transaction Amount (Million yen)	Account Item	Year-end Balance (Million yen)
Vendor of flight tickets, etc.	Travel expenses (Note 3)	31	-	-
Sales of gaming materials	Receipt and repayment of deposits received	1,273	-	-
	Payment and collection of advances paid	293	-	-
Rental of buildings	Payment of rents, etc. (Note 5)	26	Accounts payable-other	8

Notes:

1. The transaction amount does not include consumption taxes, etc., whereas the year-end balance includes consumption taxes, etc.
2. Trans Orbit Co., Ltd., is included in “Executives and major individual shareholders” of the Company because 98.7% of its voting rights are directly held by Kazuo Okada, Director of the Company.
3. Travel expenses are determined in the same fashion as regular transaction conditions taking market prices into consideration.
4. Aruze Gaming America, Inc. and Aruze Gaming Hong Kong Limited are included in “Executives and major individual shareholders” of the Company because 100% of their voting rights are directly held by Kazuo Okada, Director of the Company.
5. Rents are determined in the same fashion as regular transaction conditions taking market prices into consideration.

2. Notes regarding the parent companies and important affiliates

Information on the parent companies

Okada Holdings Limited (not listed)

Okada Holdings GK (not listed)

(Per Share Information)

Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)		Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)	
Net assets per share (Yen)	2,216.09	Net assets per share (Yen)	2,629.13
Net income per share (Yen)	372.84	Net income per share (Yen)	128.23
-		Diluted net income per share (Yen)	128.15

Notes: 1. “Diluted net income per share” for the previous consolidated fiscal year is not stated, because dilutive shares do not exist.

2. The calculation bases for net income per share and diluted net income per share are as follows:

	Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)	Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)
Net income per share		
Net income (Million yen)	27,449	9,409
Amount not attributed to common shareholders (Million yen)	-	-
Net income applicable to common stock (Million yen)	27,449	9,409
Average number of shares during the fiscal year (Thousand shares)	73,622	73,383
Diluted net income per share		
Adjusted net income (Million yen)	-	-
Increase in the number of common stock (Thousand shares)	-	43
[Of which, subscription rights to shares (Thousand shares)]	[-]	[43]
Description of the potential shares not included in the calculation of diluted net income per share due to their non-dilutive effect	Stock option approved at the Board of Directors meeting held on November 30, 2011: 1 type of subscription rights to shares (844,000 units) Common stock (844,000 shares)	-

(Significant Subsequent Events)

There is no applicable information.

v. Consolidated Supplementary Schedules

[Detailed Statements of Bonds]

Company Name	Stock Brand	Issue Date	Current Year Beginning Balance (Million yen)	Current Year Ending Balance (Million yen)	Interest Rate (%)	Collateral	Redemption Date
Universal Entertainment Corporation	1st unsecured corporate bond with right of redemption before maturity	December 30, 2004	400 (200)	200 (200)	Whichever is the higher rate between the short-term prime rate – 1.00 or the 6-month yen TIBOR + 0.10	None	December 30, 2014
	7th unsecured corporate bond	June 30, 2011	980 (680)	300 (300)	0.57	Yes	June 30, 2014
	8th unsecured corporate bond	December 30, 2011	1,500 (500)	1,000 (500)	0.57	Yes	December 30, 2015
	9th unsecured corporate bond	December 30, 2011	1,320 (680)	640 (640)	0.55	Yes	December 30, 2014
Total	-	-	4,200 (2,060)	2,140 (1,640)	-	-	-

Notes:

1. The figures in parentheses under "Current Year Ending Balance" represent the bond amounts scheduled to be redeemed within one year.
2. The bond amounts scheduled to be redeemed within five years after the closing date of the consolidated fiscal year are as follows:

(Million yen)

Within one year	More than one year but within two years	More than two years but within three years	More than three years but within four years	More than four years but within five years
1,640	500	-	-	-

[Detailed statements of Borrowings]

Category	Current Year Beginning Balance (Million yen)	Current Year Ending Balance (Million yen)	Average Interest Rate (%)	Due Date
Short-term loans payable	9,132	16,051	2.817	-
Current portion of long-term loans payable	811	344	0.025	-
Current portion of lease obligations	-	-	-	-
Long-term loans payable (excluding those repayable within one year)	4,676	-	-	-
Lease obligations (excluding those repayable within one year)	-	-	-	-
Other interest-bearing liabilities	-	-	-	-
Total	14,619	16,395	-	-

Note: The weighted average interest rate on the balance of borrowings at the end of fiscal year is stated as the average interest rate.

[Detailed Statements of Asset Retirement Obligations]

This information is omitted here because it is provided in the form of notes to the consolidated financial statements as prescribed in Article 15-23 of the Regulations for Consolidated Financial Statements.

(2) Others

i. Quarterly information for the current consolidated fiscal year

Cumulative period	Three months ended June 30, 2013	Six months ended September 30, 2013	Nine months ended December 31, 2013	Fiscal year ended March 31, 2014
Net sales (Million yen)	5,694	29,259	40,083	86,760
Income before income taxes and others (Million yen)	(1,614)	4,258	6,385	20,442
Net income (Million yen)	(1,251)	671	1,297	9,409
Net income per share (Yen)	(17.05)	9.15	17.69	128.23

Each quarter	1st Quarter April 1, 2013 to June 30, 2013	2nd Quarter July 1, 2013 to September 30, 2013	3rd Quarter October 1, 2013 to December 31, 2013	4th Quarter January 1, 2014 to March 31, 2014
Net income per share (Yen)	(17.05)	26.20	8.54	110.54

ii. Situation after the account closing day

There are no matters to report.

iii. Litigation

As explained in the section (Litigation) under “Additional Information.”

2. Non-consolidated Financial Statements, etc.

(1) Non-consolidated Financial Statements

i. Non-consolidated Balance Sheet

(Million yen)

	Previous Fiscal Year (March 31, 2013)	Current Fiscal Year (March 31, 2014)
Assets		
Current assets		
Cash and deposits	25,350	19,404
Notes receivable-trade	6,465	3,376
Accounts receivable-trade	*1 5,158	*1 16,365
Merchandise and finished products	139	228
Work in process	5,176	6,951
Raw materials and supplies	19,135	17,427
Advance payments-trade	1,013	1,087
Prepaid expenses	*1 2,623	*1 246
Deferred tax assets	1,500	700
Accrued consumption taxes	-	749
Suspense payments	*1 1,206	*1 775
Other	*1 830	*1 334
Allowance for doubtful accounts	(153)	(56)
Total current assets	68,446	67,591
Non-current assets		
Property, plant and equipment		
Buildings	*2 3,909	*2 8,120
Structures	70	818
Machinery and equipment	612	563
Aircraft	-	5,976
Tools, furniture and fixtures	1,458	3,328
Assets for rent	64	3
Land	*2 6,370	*2 6,370
Construction in progress	9,768	766
Other	50	29
Total property, plant and equipment	22,304	25,978
Intangible assets		
Software	271	361
Software in progress	310	1,066
Other	27	27
Total intangible assets	610	1,455
Investments and other assets		
Investment securities	192	147
Stocks of subsidiaries and affiliates	59,997	38,800
Long-term loans receivable from subsidiaries and affiliates	178	159
Long-term advances paid to subsidiaries and affiliates	14,640	35,909
Claims in bankruptcy, rehabilitation and other	*1 1,817	*1 1,812
Long-term prepaid expenses	190	2,111
Long-term accounts receivable-other	1,224	1,447
Lease and guarantee deposits	*1 744	*1 766
Other	401	377
Allowance for doubtful accounts	(2,711)	(2,643)
Allowance for investment loss	(200)	(200)
Total investments and other assets	76,475	78,689
Total non-current assets	99,390	106,123
Total assets	167,836	173,714

(Million yen)

	Previous Fiscal Year (March 31, 2013)	Current Fiscal Year (March 31, 2014)
Liabilities		
Current liabilities		
Notes payable-trade	12,559	12,991
Accounts payable-trade	*1 1,315	*1 6,854
Short-term loans payable	4,804	749
Current portion of long-term loans payable	811	344
Current portion of bonds	*2 2,060	*2 1,640
Accounts payable-other	*1 1,524	*1 2,155
Accrued expenses	1,587	*1 2,380
Accrued income taxes	15,500	7,100
Accrued consumption taxes	637	-
Deposits received	*1 1,202	*1 1,215
Provision for bonuses	200	204
Other	*1 608	*1 1,213
Total current liabilities	42,811	36,848
Non-current liabilities		
Bonds payable	*2 2,140	*2 500
Long-term loans payable	344	-
Long-term guarantee deposits received	*1 550	*1 549
Deferred tax liabilities	83	583
Asset retirement obligations	185	371
Other	2	-
Total non-current liabilities	3,306	2,004
Total liabilities	46,117	38,853
Net assets		
Shareholders’ equity		
Capital stock	98	98
Capital surplus		
Legal capital surplus	7,503	7,503
Other capital surplus	3,348	3,348
Total capital surplus	10,852	10,852
Retained earnings		
Legal retained earnings	861	861
Other retained earnings		
General reserve	90,000	90,000
Retained earnings brought forward	34,180	47,289
Total retained earnings	125,042	138,151
Treasury shares	(14,296)	(14,296)
Total shareholders’ equity	121,695	134,805
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	0	33
Total valuation and translation adjustments	0	33
Subscription rights to shares	22	22
Total net assets	121,718	134,861
Total liabilities and net assets	167,836	173,714

ii. Non-consolidated Statement of Income

(Million yen)

	Previous Fiscal Year (April 1, 2012 to March 31, 2013)	Current Fiscal Year (April 1, 2013 to March 31, 2014)
Net sales	98,243	85,984
Cost of sales	44,403	41,704
Gross profit	53,839	44,279
Selling, general and administrative expenses	*1 18,021	*1 19,024
Operating income	35,818	25,255
Non-operating income		
Interest income	13	4
Dividend income	505	5
Foreign exchange gains	1,642	1,283
Other	89	61
Total non-operating income	2,250	1,355
Non-operating expenses		
Interest expense	96	51
Interest on bonds	29	17
Commission fee	33	189
Other	20	3
Total non-operating expenses	179	261
Ordinary income	37,889	26,348
Extraordinary income		
Gain on sales of investment securities	-	140
Gain on sales of stocks of subsidiaries and affiliates	449	49
Other	17	3
Total extraordinary income	467	194
Extraordinary loss		
Loss on valuation of investment securities	55	562
Provision of allowance for doubtful accounts	956	-
Loss on retirement of non-current assets	*2 8	*2 109
Litigation settlement	36	-
Loss on disposal of inventories	-	2,976
Other	0	176
Total extraordinary losses	1,057	3,824
Income before income taxes	37,299	22,718
Income taxes-current	15,468	6,851
Income taxes-deferred	(623)	1,290
Total income taxes	14,845	8,141
Net income	22,453	14,576

iii. Non-consolidated Statement of Changes in Equity

Previous Consolidated Fiscal Year (April 1, 2012 to March 31, 2013)

(Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of current period	98	7,503	3,348	10,852	861	90,000	16,157	107,019
Changes of items during period								
Dividends of surplus							(2,229)	(2,229)
Dividends of surplus (Interim dividend)							(2,201)	(2,201)
Net income							22,453	22,453
Purchase of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	-	-	18,022	18,022
Balance at end of current period	98	7,503	3,348	10,852	861	90,000	34,180	125,042

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of current period	(12,763)	105,205	7	7	22	105,236
Changes of items during period						
Dividends of surplus		(2,229)				(2,229)
Dividends of surplus (Interim dividend)		(2,201)				(2,201)
Net income		22,453				22,453
Purchase of treasury shares	(1,532)	(1,532)				(1,532)
Net changes of items other than shareholders' equity			(7)	(7)	(0)	(7)
Total changes of items during period	(1,532)	16,490	(7)	(7)	(0)	16,482
Balance at end of current period	(14,296)	121,695	0	0	22	121,718

Current Consolidated Fiscal Year (April 1, 2013 to March 31, 2014)

(Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of current period	98	7,503	3,348	10,852	861	90,000	34,180	125,042
Changes of items during period								
Dividends of surplus							(1,467)	(1,467)
Net income							14,576	14,576
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	-	-	13,109	13,109
Balance at end of current period	98	7,503	3,348	10,852	861	90,000	47,289	138,151

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of current period	(14,296)	121,695	0	0	22	121,718
Changes of items during period						
Dividends of surplus		(1,467)				(1,467)
Net income		14,576				14,576
Net changes of items other than shareholders' equity			33	33	(0)	33
Total changes of items during period	-	13,109	33	33	(0)	13,142
Balance at end of current period	(14,296)	134,805	33	33	22	134,861

[Notes]

Significant Accounting Policies

1. Valuation criteria and methods for assets

(1) Valuation criteria and methods for marketable securities

1) Shares of subsidiaries and affiliates

Cost method based on the moving average method.

2) Available-for-sale securities

Securities having market value:

Market value method based on market prices, etc., as of the closing date of the fiscal year. (Valuation differences are treated by the total direct capitalization method and the cost of securities sold is determined by the moving average method.)

Securities without market value:

Cost method based on the moving average method.

(2) Valuation criteria and methods for derivatives

Derivatives

Market value method.

(3) Valuation criteria and methods for inventories

1) Finished goods, raw materials and work in process

Cost method based on the weighted average costing method. (The amount stated in the balance sheet was calculated by the book value write-down method based on a reduction in profitability.) For work in process concerning the production of content, etc., the specific costing method is applied.

2) Supplies

Last purchase cost method.

2. Depreciation and amortization methods for non-current assets

(1) Property, plant and equipment (excluding lease assets)

The declining-balance method.

Buildings (excluding structures attached to buildings) acquired on or after April 1, 1998, are depreciated using the straight-line method. Rental assets are depreciated evenly over the number of years that equals the contract period.

Approximate useful lives:

Buildings: 8 to 50 years

Machinery and equipment: 7 to 15 years

Tools, furniture and fixtures: 2 to 15 years

(2) Intangible assets (excluding lease assets)

The straight-line method

Software intended for internal use is amortized using the straight-line method based on an estimated period of internal use (five years).

(3) Lease assets

The straight-line method is applied whereby the lease period is deemed the durable life and the remaining value is deemed zero.

Finance lease transactions without transfer of ownership for which the lease transaction commenced on or before March 31, 2008, are accounted for in accordance with the method applicable to regular lease transactions.

3. Translation standard of foreign currency-denominated assets or liabilities into yen

Monetary debts and credits denominated in foreign currencies are translated into yen at the spot exchange rates on the fiscal year-end date, with the differences resulting from such translations recorded as losses or profits.

4. Reporting basis for allowances

(1) Allowance for doubtful accounts

In the provision for possible losses on receivables caused by bad debts, an estimated uncollectible amount is reported based on their historical losses as to ordinary receivables and based on the consideration of feasibly recoverable amounts in individual cases of specific receivables for which collectability is a great concern.

(2) Provision for bonuses

In the provision for the future payment of employee bonuses, the anticipated amount of future bonus payments is reported.

(3) Allowance for investment loss

In the provision for possible investment loss pertaining to the affiliated companies, an estimated uncollectible amount is reported in consideration of their asset qualities, etc.

5. Reporting basis for income and expenses

Reporting basis for income pertaining to finance lease transactions:

A method to report net sales and cost of sales upon the receipt of lease fees is used.

6. Other significant matters for preparation of the financial statement

Accounting procedure for consumption taxes

Consumption taxes are accounted by the tax-exclusion method.

Changes in Description

Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Equity, Detailed Statement of Property, Plant and Equipment, etc., and Detailed Statement of Allowances are prepared based on the forms pursuant to Paragraph 1, Article 127 of the Regulations for Non-consolidated Financial Statements.

Each item of notes stipulated in Paragraph 2, Article 127 of the Regulations for Non-consolidated Financial Statements have reclassified to notes stipulated in each item of the Corporate Auditing Rules.

Description of the following items are omitted.

- Notes on Write-down of Inventories specified in Article 80 of the Regulations for Non-consolidated Financial Statements are omitted according to Paragraph 3 of the said Article.

- Notes on Accumulated Depreciation specified in Article 26 of the Regulations for Non-consolidated Financial Statements are omitted according to Paragraph 2 of the said Article.

- Non-consolidated Statements of Cost of Products Manufactured specified in Article 75 of the Regulations for Non-consolidated Financial Statements is omitted according to the proviso of Paragraph 2 of the said Article.

- Notes on Research and Development Expenses specified in Article 86 of the Regulations for Non-consolidated Financial Statements are omitted according to Paragraph 2 of the said Article.

- Notes on Treasury Shares specified in Article 107 of the Regulations for Non-consolidated Financial Statements are omitted according to Paragraph 2 of the said Article.

- Notes on Lease Transactions specified in Article 8-6 of the Regulations for Non-consolidated Financial Statements are omitted according to Paragraph 4 of the said Article.

- Notes on Asset Retirement Obligations specified in Article 8-28 of the Regulations for Non-consolidated Financial Statements are omitted according to Paragraph 2 of the said Article.

- Notes on Net Assets per Share specified in Article 68-4 of the Regulations for Non-consolidated Financial Statements are omitted according to Paragraph 3 of the said Article.

- Notes on Net Income (Loss) per Share specified in Article 95-5-2 of the Regulations for Non-consolidated Financial Statements are omitted according to Paragraph 3 of the said Article.

- Notes on Diluted Net Income per Share specified in Article 95-5-3 of the Regulations for Non-consolidated Financial Statements are omitted according to Paragraph 4 of the said Article.

- Detailed Statement of Securities specified in Item 1, Paragraph 1, Article 121 of the Regulations for Non-consolidated Financial Statements is omitted according to Paragraph 3 of the said Article.

(Non-consolidated Balance Sheet)

*1. Assets and liabilities relating to affiliated companies (excluding separately presented on the balance sheets)

(Million yen)

	Previous Fiscal Year (March 31, 2013)	Current Fiscal Year (March 31, 2014)
Short-term monetary claims	826	354
Long-term monetary claims	173	173
Short-term monetary liabilities	1,563	4,794
Long-term monetary liabilities	20	20

*2. Assets pledged as collateral and secured liabilities

Assets pledged as collateral

(Million yen)

	Previous Fiscal Year (March 31, 2013)	Current Fiscal Year (March 31, 2014)
Buildings	1,420	1,360
Land	5,168	5,168

Secured liabilities

(Million yen)

	Previous Fiscal Year (March 31, 2013)	Current Fiscal Year (March 31, 2014)
Current portion of bonds	1,860	1,440
Bonds payable	1,940	500

(Non-consolidated Statement of Income)

*1. Selling expenses accounted for about 12% and 10% of selling, general and administrative (SG&A) expenses for the previous and current fiscal years, respectively. General and administrative expenses accounted for about 88% and 90% of the SG&A expenses for the previous and current fiscal years, respectively.

Major components and their amounts of the selling, general and administrative expenses are as follows.

(Million yen)

	Previous Fiscal Year (April 1, 2012 to March 31, 2013)	Current Fiscal Year (April 1, 2013 to March 31, 2014)
Research and development expenses	2,651	2,928
Salary and allowance	2,554	2,417
Commission fee	4,082	2,666
Sales commission	1,224	989
Depreciation	1,025	1,072
Provision for bonuses	70	77
Provision of allowance for doubtful accounts	103	(139)

*2. Description of loss on retirement of non-current assets are as follows.

(Million yen)

	Previous Fiscal Year (April 1, 2012 to March 31, 2013)	Current Fiscal Year (April 1, 2013 to March 31, 2014)
Buildings	4	0
Machinery and equipment	-	107
Tools, furniture and fixtures	3	1
Others	0	-
Total	8	109

(Marketable Securities)

Detailed information on the shares of subsidiaries and affiliates (the amounts recorded on the non-consolidated balance sheet for the current and previous fiscal years are 38,800 million yen and 59,997 million yen, respectively) is not provided because there are no market prices for these shares, and therefore it is extremely difficult to measure their current market value.

(Tax-Effect Accounting)

1. Details of the causes for deferred tax assets and deferred tax liabilities

(Million yen)

	Previous fiscal Year (March 31, 2013)	Current Fiscal Year (March 31, 2014)
Deferred tax assets (current)		
Amount in excess of provision for bonuses	79	75
Amount in excess of provision of allowance for doubtful accounts	56	20
Accrued enterprise taxes	1,385	583
Loss on valuation of inventories	776	754
Loss on valuation of in-process development of peripheral equipment	-	137
Other	88	153
Subtotal of deferred tax assets (current)	2,386	1,724
Valuation allowance	(886)	(1,024)
Total deferred tax assets (current)	1,500	700
Net deferred tax assets (current)	1,500	700
Deferred tax assets (non-current)		
Loss on valuation of subsidiaries' stocks	147	514
Amount in excess of provision of allowance for doubtful accounts	402	277
Loss on valuation of investments in capital	153	153
Amount in excess of depreciation	203	222
Impairment loss	179	179
Interest equivalent for long-term advances paid	-	275
Reduction entry of dividend asset	-	16,102
Other	118	98
Subtotal of deferred tax assets (non-current)	1,204	17,823
Valuation allowance	(1,204)	(17,723)
Total deferred tax assets (non-current)	-	100
Offset with deferred tax liabilities (non-current)	-	(100)
Net deferred tax liabilities (non-current)	-	-
Deferred tax liabilities (non-current)		
Valuation difference on available-for-sale securities	(9)	(19)
Gain on valuation of non-current assets	(73)	(14)
Foreign exchange losses (gains)	-	(649)
Total deferred tax liabilities (non-current)	(83)	(683)
Offset with deferred tax assets (non-current)	-	100
Net deferred tax liabilities (non-current)	(83)	(583)

Changes in Description

"Accrued business office taxes," under "Deferred tax assets" which was presented as a separate item in the previous fiscal year, has been included in "Other" in the current fiscal year given the continuously reduced significance of the amount. To reflect this change in description, the reclassification of accounts has been made for the financial statements for the previous fiscal year.

As a result, "Accrued business office taxes" under "Deferred tax assets" of 8 million yen for the previous fiscal year have been reclassified into "Other" of 88 million yen.

2. Details of major items causing the significant difference between the statutory effective tax rate and the actual effective tax rate after the application of tax-effect accounting

	Previous Fiscal Year (March 31, 2013)	Current Fiscal Year (March 31, 2014)
Statutory effective tax rate	Details on the differences between the statutory and effective tax rates are omitted as the disparity is 5% or less.	39.40%
(Adjustments)		
Valuation allowance		73.44%
Par capita residential tax		0.01%
Dividend income and other items excluded from gross revenue		(76.20)%
Other		(0.80)%
Actual effective tax rate after the application of tax-effect accounting		35.84%

3. Revised amount of deferred tax assets and deferred tax liabilities following the change in the corporate tax rate, etc.

Following the promulgation on March 31, 2014 of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 10 of 2014), special corporate tax for reconstruction is no longer imposed for the fiscal years beginning on or after April 1, 2014. Consequently, the statutory effective tax rate for the calculation of deferred tax assets and deferred tax liabilities is lowered from 39.4% to 37.1% for temporary differences expected to be covered for the fiscal year beginning from April 1, 2014. The impact of recalculation of deferred tax assets and deferred tax liabilities based on the temporary differences as of the end of current fiscal year resulting from the change in the statutory effective tax rate will not be significant.

(Business Combinations)

There is no applicable information.

(Significant Subsequent Events)

There is no applicable information.

iv. Non-consolidated Supplementary Schedules

(Detailed Statement of Property, Plant and Equipment, etc.)

(Million yen)

Category	Category of Assets	Balance as of April 1, 2013	Increase	Decrease	Depreciation or Amortization at Year-end	Balance as of March 31, 2014	Accumulated Depreciation or Amortization
Property, plant and equipment	Buildings	8,609	4,501	6	281	13,104	4,983
	Structures	358	777	-	29	1,135	317
	Machinery and equipment	2,779	159	859	100	2,079	1,515
	Aircraft	-	5,976	-	-	5,976	-
	Tools, furniture and fixtures	9,064	2,667	196	778	11,535	8,206
	Assets for rent	1,182	-	175	60	1,006	1,003
	Land	6,370	-	-	-	6,370	-
	Construction in progress	9,768	3,158	12,160	-	766	-
	Other	287	2	36	22	253	223
	Total property, plant and equipment	38,421	17,243	13,442	1,273	42,222	16,250
Intangible assets	Software	3,243	362	40	271	3,565	3,204
	Software in progress	310	1,094	338	-	1,066	-
	Other	27	-	-	-	27	-
	Total intangible assets	3,581	1,456	379	271	4,659	3,204

Notes:

1. The major increases and decreases in the current fiscal year are as follows:

Tools, furniture and fixtures	Increase (Million yen)	Factory metal molds, jigs etc.	1,689
	Decrease (Million yen)	Retirement	186
Aircraft	Increase (Million yen)	Corporate jet	5,976
Buildings	Increase (Million yen)	Construction, etc. of art museum	4,113
Construction in progress	Increase (Million yen)	Construction, etc. of art museum and annex	1,631
Assets for rent	Decrease (Million yen)	Sale / Retirement	175
Machinery and equipment	Decrease (Million yen)	Retirement	859

2. Amounts for the beginning and end of the fiscal year are based on acquisition cost.

(Detailed Statement of Allowances)

(Million yen)

Category	Balance as of April 1, 2013	Increase	Decrease	Balance as of March 31, 2014
Allowance for doubtful accounts	2,865	11	175	2,699
Provision for bonuses	200	204	200	204
Allowance for investment loss	200	-	-	200

(2) Major Assets and Liabilities

Omitted because the Company prepares consolidated financial statements.

(3) Others

i. Status after the account closing date

There are no matters to report.

ii. Litigation

There is no applicable information.

Section 6. Outline of Stock-Related Matters of the Company

Business year	From April 1 to March 31
Ordinary Shareholders' Meeting	In June
Record date	March 31
Record date of dividend from surplus	September 30 and March 31
Number of shares in one share unit	100 shares
Purchase and additional sale of shares less than one unit	
Administration office	(Special Account) Sumitomo Mitsui Trust Bank, Limited Securities Agency Division 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Administrator of the shareholder registry	(Special Account) Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Agents	-
Purchasing and additional purchase fee	The amount prescribed separately as the one equivalent to the commission fees for entrustment of sales and purchase of shares
Method of public notice	Public notice of the Company is done by electronic public notice. However, in case that the Company is not able to issue electronic public notices due to accidents or any other inevitable reasons, such notices shall be published in the *Nihon Keizai Shimbun* newspaper. URL for public notices: http://www.universal-777.com
Special benefit for shareholders	None

Notes: In the Articles of Incorporation of the Company, the rights pertaining to shares less than one unit are limited to the following:

The Company's shareholders cannot exercise the rights other than those stated below with respect to shares less than one unit in their possession.

(1) Rights stipulated in each item of Paragraph 2, Article 189 of the Companies Act

(2) Right to demand stipulated in Paragraph 1, Article 166 of the Companies Act

(3) Right to receive allocations of shares solicited or subscription of share purchase warrants in accordance with the number of shares in each shareholder's possession

(4) Pursuant to the provision stipulated in the Shareholder Handling Rule, the right to demand that the Company sell numbers of shares that form one unit combined with shares less than one unit owned by the stockholder

Section 7. Referential Information of the Company

1. Information Pertaining to the Parent Companies, etc., of the Company

Okada Holdings Limited and Okada Holdings GK are the parent companies of the Company provided for in Paragraph 1, Article 24-7 of the Financial Instruments and Exchange Act.

2. Other Referential Information

The Company has submitted the following documents during the period from the beginning date of the current fiscal year to the date of submission of this Securities Registration Report.

(1) Securities Registration Report, Attachments and Written Confirmation

For the 40th period (from April 1, 2012 to March 31, 2013): Submitted to the Director-General of the Kanto Local Finance Bureau on June 28, 2013.

(2) Internal Control Report and Attachments

Submitted to the Director-General of the Kanto Local Finance Bureau on June 28, 2013.

(3) Quarterly Reports and Written Confirmation

1st Quarter of the 41st period (from April 1, 2013 to June 30, 2013):

Submitted to the Director-General of the Kanto Local Finance Bureau on August 2, 2013.

2nd Quarter of the 41st period (from July 1, 2013 to September 30, 2013):

Submitted to the Director-General of the Kanto Local Finance Bureau on November 8, 2013.

3rd Quarter of the 41st period (from October 1, 2013 to December 31, 2013):

Submitted to the Director-General of the Kanto Local Finance Bureau on February 14, 2014.

(4) Extraordinary Reports

Submitted to the Director-General of the Kanto Local Finance Bureau on June 28, 2013.

The extraordinary report was filed pursuant to Item 9-2, Paragraph 2, Article 19 (Result of exercise of voting rights at a Shareholders' Meeting) of the "Cabinet Office Ordinance Regarding Disclosure of Corporate Information."

Part II. Information on Guarantee Companies, etc., for the Company

There is no applicable information.

Audit Report and Internal Control Audit Report by Independent Auditor

June 27, 2014

Board of Directors
Universal Entertainment Corporation

UHY Tokyo & Co.
Nobuyuki Hara, CPA, Designated Partner and Managing Partner
Shuichi Tanida, CPA, Designated Partner and Managing Partner
Tatsuya Shikame, CPA, Designated Partner and Managing Partner

<Audit on Financial Statements>

To make audit certification pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, UHY Tokyo & Co. (the "Audit Firm") audited the consolidated financial statements of Universal Entertainment Corporation (the "Company") included in the "Accounting" section of the Securities Registration Report for the consolidated fiscal year that commenced on April 1, 2013, and ended on March 31, 2014, which consisted of consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, significant items serving as the basis for the preparation of the consolidated financial statements and other notes to consolidated financial statements and consolidated supplementary schedules.

Management's responsibility for the consolidated financial statements

The Company's management is responsible for the preparation and fair disclosure of the aforementioned consolidated financial statements in accordance with the corporate accounting standards generally accepted as fair and appropriate in Japan. This includes the establishment and operation of internal control systems that are regarded as necessary by management to ensure the preparation and fair disclosure of the consolidated financial statements without material misstatement due to fraudulence or errors.

Auditor's responsibility

The Audit Firm is responsible for expressing its opinions regarding the aforementioned consolidated financial statements from an independent standpoint, based on the audit it conducted. The Audit Firm performed the audit in accordance with the auditing standards generally accepted as fair and appropriate in Japan. These auditing standards require the Audit Firm to plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement.

During the audit, auditing procedures are executed to obtain audit evidence supporting the amounts and disclosures of the consolidated financial statements. The auditing procedures are selected and applied at the discretion of the Audit Firm based on the assessment of risks on material misstatements in the consolidated financial statements due to fraudulence or errors. Although the audit on financial statements is not intended to express opinions as to the effectiveness of internal controls, the Audit Firm examines internal controls concerning the preparation and fair disclosure of consolidated financial statements when it conducts the aforementioned risk assessment to draw up appropriate auditing procedures according to the situation. The audit also includes a review of the overall presentation of the consolidated financial statements, including the assessment of the accounting principles and methods of application thereof adopted by management, as well as significant estimates made by management.

The Audit Firm believes that it obtained sufficient and appropriate audit evidence that forms the basis for expressing its opinions.

Auditor's opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material aspects, the financial position of Universal Entertainment Corporation and its consolidated subsidiaries as of March 31, 2014, and their operating results and cash flows for the consolidated fiscal year ended on the same day, in accordance with the corporate accounting standards generally accepted as fair and appropriate in Japan.

Highlighted information

As was explained in "Notes to Consolidated Balance Sheet" and "Additional Information (Litigation)," the Company has filed a lawsuit concerning the decision by Wynn Resorts, Limited to redeem the shares of Wynn Resorts, Limited that are held by Aruze USA Inc. Because it is difficult to reasonably estimate the possible effects of this lawsuit, the Company values the Wynn Resorts stock at the acquisition cost since the end of the previous fiscal year.

This event has no effect on the opinions of the Audit Firm.

<Internal Control Audit>

To make audit certification in accordance with the provision of Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act, the Audit Firm audited the internal control report of Universal Entertainment Corporation as of March 31, 2014.

Management's responsibility for the internal control report

The Company's management is responsible for streamlining and operating its internal control concerning its financial reporting and preparing and fairly disclosing an internal control report in accordance with the evaluation standards for internal controls relating to financial reporting generally accepted as fair and appropriate in Japan.

There is a possibility that misstatements in financial reporting are not completely prevented or detected by the internal control systems concerning financial reporting.

Auditor's responsibility

The Audit Firm is responsible for expressing its opinions regarding the internal control report from an independent standpoint, based on the internal control audit it conducted. The Audit Firm performed the internal control audit in accordance with the auditing standards for internal controls concerning financial reporting that are generally accepted as fair and appropriate in Japan. These standards require the Audit Firm to plan and perform the internal control audit to obtain reasonable assurance as to whether the internal control report is free of material misstatement.

During the internal control audit, auditing procedures are executed to obtain audit evidence supporting the results of evaluation of the internal control systems relating to financial reporting in the internal control report. The internal control auditing procedures are selected and applied at the discretion of the Audit Firm based on the importance of the internal control's effects on the reliability of financial reports. The internal control audit also includes a review of the overall presentation of the internal control report, including the statements made by management on the scope, procedures and results of evaluation on the internal controls relating to financial reporting.

The Audit Firm believes that it obtained sufficient and appropriate audit evidence that forms the basis for expressing its opinions.

Auditor's opinion

In our opinion, the internal control report referred to above, in which Universal Entertainment Corporation indicated that the internal controls concerning financial reporting as of March 31, 2014, were effective, presents fairly, in all material aspects, the results of evaluation on the internal controls concerning financial reporting, in accordance with the evaluation standards for internal controls concerning financial reporting generally accepted as fair and appropriate in Japan.

Vested interests

The Audit Firm and its Managing Partners have no vested interests in the Company that should be disclosed in accordance with the provisions of the Certified Public Accountants Act.

End

Notes: 1. The above is the digitized form of the matters described in the original audit report, and the original copy is in the custody of the Company.

2. The scope of the audit does not include the XBRL data.

Independent Auditors' Report

June 27, 2014

Board of Directors
Universal Entertainment Corporation

UHY Tokyo & Co.
Nobuyuki Hara, CPA, Designated Partner and Managing Partner
Shuichi Tanida, CPA, Designated Partner and Managing Partner
Tatsuya Shikame, CPA, Designated Partner and Managing Partner

To make certification pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, UHY Tokyo & Co. (the "Audit Firm") audited the non-consolidated financial statements of Universal Entertainment Corporation (the "Company") included in the "Accounting" section of the Securities Registration Report for the 41st business year that commenced on April 1, 2013, and ended on March 31, 2014, which consisted of non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, significant accounting policies and other notes to non-consolidated financial statements and non-consolidated supplementary schedules.

Management's responsibility for non-consolidated financial statements

The Company's management is responsible for the preparation and fair disclosure of the aforementioned non-consolidated financial statements in accordance with the corporate accounting standards generally accepted as fair and appropriate in Japan. This includes the establishment and operation of internal control systems that are regarded as necessary by the management to ensure the preparation and fair disclosure of the non-consolidated financial statements without material misstatement due to fraudulence or errors.

Auditor's responsibility

The Audit Firm is responsible for expressing its opinions regarding the aforementioned non-consolidated financial statements from an independent standpoint, based on the audit it conducted. The Audit Firm performed the audit in accordance with the auditing standards generally accepted as fair and appropriate in Japan. These auditing standards require the Audit Firm to plan and perform the audit to obtain reasonable assurance as to whether the non-consolidated financial statements are free of material misstatement.

During the audit, auditing procedures are executed to obtain audit evidence supporting the amounts and disclosures of the non-consolidated financial statements. The auditing procedures are selected and applied at the discretion of the Audit Firm based on the assessment of risks on material misstatements in the financial statements due to fraudulence or errors. Although the audit on the non-consolidated financial statements is not intended to express opinions as to the effectiveness of internal controls, the Audit Firm examines internal controls concerning the preparation and fair disclosure of the non-consolidated financial statements when it conducts the aforementioned risk assessment to draw up appropriate auditing procedures according to the situation. The audit also includes a review of the overall presentation of the non-consolidated financial statements, including the assessment of the accounting principles and methods of application thereof adopted by management, as well as significant estimates made by management.

The Audit Firm believes that it obtained sufficient and appropriate audit evidence that forms the basis for expressing its opinions.

Auditor's opinion

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material aspects, the financial position of Universal Entertainment Corporation as of March 31, 2014, and its operating results for the fiscal year ended on the same day, in accordance with the corporate accounting standards generally accepted as fair and appropriate in Japan.

Vested interests

The Audit Firm and its Managing Partners have no vested interests in the Company that should be disclosed in accordance with the provisions of the Certified Public Accountants Act.

End

Notes: 1. The above is the digitized form of the matters described in the original audit report, and the original copy is in the custody of the Company.
2. The scope of the audit does not include the XBRL data.