

This is an English translation of the official announcement in Japanese that was released on February 10, 2017. The translation is prepared for the readers' convenience only. All readers are strongly recommended to refer to the original Japanese version for complete and accurate information. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.



**Summary of Financial Data and Business Results for
the Third Quarter of the Fiscal Year Ending March 31, 2017
(JP GAAP, Consolidated)**

February 10, 2017
Listed Exchange: Tokyo Stock Exchange

Company Name: Universal Entertainment Corporation
Code No.: 6425 URL: <http://www.universal-777.com>
Representative: (Name) Jun Fujimoto (Title) Representative Director and President
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Scheduled Submission Date of Quarterly Report: February 10, 2017
Scheduled Commencement Date of Dividend Payment: -
Supplementary Briefing Materials for Quarterly Settlement of Accounts: None available
Briefing on Quarterly Settlement of Accounts: None scheduled

(Amounts rounded down to nearest million yen)

1. Consolidated Business Results for the Third Quarter of Fiscal Year Ending March 31, 2017
(Period from April 1, 2016 to December 31, 2016)

(1) Consolidated Operating Results

(Percentages refer to changes from the same quarter in the previous fiscal year)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income Attributable to Owners of the Parent | |
|--|-------------|------|------------------|-------|-----------------|--------|---|-------|
| | Million Yen | % | Million Yen | % | Million Yen | % | Million Yen | % |
| 3rd Quarter of Fiscal Year Ending March 31, 2017 | 90,630 | 48.0 | 27,436 | 242.0 | 23,285 | 415.2 | 14,980 | 330.9 |
| 3rd Quarter of Fiscal Year Ended March 31, 2016 | 61,222 | 30.2 | 8,023 | 2.7 | 4,519 | (47.6) | 3,476 | 88.5 |

(Note) Comprehensive income

3rd Quarter of Fiscal Year Ending March 31, 2017: (28,020) million yen (-%)

3rd Quarter of Fiscal Year Ended March 31, 2016: (62) million yen (-%)

| | Net Income per Share | Diluted Net Income per Share |
|--|----------------------|------------------------------|
| | Yen | Yen |
| 3rd Quarter of Fiscal Year Ending March 31, 2017 | 204.14 | 204.03 |
| 3rd Quarter of Fiscal Year Ended March 31, 2016 | 47.38 | 47.37 |

(2) Consolidated Financial Status

| | Total Assets | Net Assets | Ratio of Shareholders' Equity | Net Assets per Share |
|-------------------------|--------------|-------------|-------------------------------|----------------------|
| | Million Yen | Million Yen | % | Yen |
| As of December 31, 2016 | 479,867 | 201,603 | 41.9 | 2,737.16 |
| As of March 31, 2016 | 369,580 | 229,072 | 61.7 | 3,108.92 |

(Reference) Shareholders' equity

As of December 31, 2016: 200,862 million yen

As of March 31, 2016: 228,143 million yen

2. Status of Dividends

| | Annual Dividends | | | | |
|--|--------------------|--------------------|--------------------|--------------------|-------|
| | End of 1st Quarter | End of 2nd Quarter | End of 3rd Quarter | End of Fiscal Year | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal Year Ended March 31, 2016 | - | 0.00 | - | 0.00 | 0.00 |
| Fiscal Year Ending March 31, 2017 | - | 0.00 | - | | |
| Fiscal Year Ending March 31, 2017 (Forecast) | | | | 40.00 | 40.00 |

(Note) Revision from the dividend forecast most recently announced: Yes

.For details please refer to the press release titled "Announcement concerning dividend forecast for the fiscal year-end" that is announced today.

3. Consolidated Business Results Forecast for the Fiscal Year Ending March 31, 2017
(Period from April 1, 2016 to March 31, 2017)

(Percentages refer to changes from the previous corresponding period)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income Attributable to Owners of the Parent | | Net Income per Share |
|------------------|-------------|------|------------------|------|-----------------|------|---|------|----------------------|
| | Million Yen | % | Million Yen | % | Million Yen | % | Million Yen | % | Yen |
| Full Fiscal Year | 120,000 | 30.8 | 30,000 | 77.6 | 30,000 | 34.3 | 20,000 | 27.7 | 272.54 |

(Note) Revision from the business forecasts most recently announced: No

* Matters of Note

(1) Changes in material subsidiaries during the period (Changes in specified subsidiaries accompanying changes in scope of consolidation) : None
Newly added: None
Excluded: None

(2) Application of accounting procedures specific to the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies, changes in accounting estimates and/or restatements
1) Changes in accounting policies accompanying revision of accounting standards, etc. : Yes
2) Changes in accounting policies other than 1) : None
3) Changes in accounting estimates : None
4) Restatements : None

(4) Number of outstanding shares (common stock)

1) Shares issued at end of fiscal period (including treasury shares)
As of December 31, 2016: 80,195,000 shares
As of March 31, 2016: 80,195,000 shares
2) Number of treasury shares at end of fiscal period
As of December 31, 2016: 6,811,232 shares
As of March 31, 2016: 6,811,232 shares
3) Average number of shares during fiscal period
3rd Quarter of Fiscal Year Ending March 31, 2017: 73,383,768 shares
3rd Quarter of Fiscal Year Ended March 31, 2016: 73,383,821 shares

* Information Regarding the Implementation of Quarterly Review Procedures

This Summary of Financial Data and Business Results is exempt from the quarterly review procedures under the Financial Instruments and Exchange Act of Japan. At time of disclosure of this Summary of Financial Data and Business Results, the quarterly review procedures for the quarterly financial statements have been completed.

* Explanation on Proper Usage of Business Results Forecast and Other Noteworthy Items

The forward-looking statements regarding business results, etc. as featured herein are based on information that is currently available and certain assumptions that are determined to be reasonable, but are not promises by the Company regarding future performance. Actual business results may vary significantly due to a number of factors. For preconditions for business forecasts, notes on the usage of business forecasts and so forth, please see "1. Qualitative Information Pertaining to Quarterly Settlement of Accounts, (3) Explanation of Consolidated Business Results Forecast and Other Forward-looking Statements" on page 3 of the Attached Materials.

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1. Qualitative Information Pertaining to Quarterly Settlement of Accounts

(1) Explanation of Operating Results

(Million yen)

| First nine months of fiscal year ending March 31, 2017 | Net sales | Operating income | Ordinary income | Net income attributable to owners of the parent |
|--|-----------|------------------|-----------------|---|
| Non-consolidated | 93,899 | 32,774 | 21,725 | 14,109 |
| Consolidated | 90,630 | 27,436 | 23,285 | 14,980 |

In the first nine months of the current consolidated fiscal year, Universal Entertainment Corporation (the "Company") posted net sales of 90,630 million yen (an increase of 48.0% year on year), operating income of 27,436 million yen (an increase of 242.0% year on year), ordinary income of 23,285 million yen (an increase of 415.2% year on year), and net income attributable to owners of the parent of 14,980 million yen (an increase of 330.9% year on year).

Business segment performance was as follows. Sales and earnings are prior to adjustments for inter-segment sales or transfers.

(i) Pachislot and Pachinko Business

The Pachislot and Pachinko Business posted net sales of 88,240 million yen (an increase of 50.5% year on year) and operating income of 39,969 million yen (an increase of 114.6% year on year).

The deadline for the removal of Pachinko machines under the "Statement of Promoting the Soundness of the Pachinko and Pachislot Industry" was December 31, 2016. This created an extremely challenging situation for the entire industry as operators of pachinko halls that use Universal Entertainment products had to spend considerable time to comply with this statement. Despite these difficulties, this segment posted strong sales of Pachislot machines.

The Company launched following two titles: "Cranky Celebration," the seventh title of the A PROJECT under the "Revival" theme, and "Basilisk: The Koga Ninpocho III," the latest title in the "Basilisk: The Koga Ninpocho" series which is overwhelmingly popular even today three years after its initial launch.

(ii) Other

Other Business posted net sales of 2,397 million yen (a decrease of 8.0% year on year) and an operating loss of 4,864 million yen (compared with an operating loss of 2,962 million yen in the same period of the previous consolidated fiscal year.)

In the Media Content Business, the Company distributed simulator applications of Pachislot title "SLOT Maho Shoujo Madoka☆Magika 2" on App Store, Google Play and the members-only mobile website "Univa Kingdom." In addition, simulator applications of "SLOT Basilisk: The Koga Ninpocho III" were distributed on App Store and Google Play. Both of these titles maintain their high rankings at App Store and Google Play, and earned a good reputation.

Furthermore, the distribution of simulator applications of Pachislot title "Oki-Doki!" on au Smart Pass and Docomo Sugotoku started.

In the Broadcasting Business, Japan Amusement Broadcasting operates "Pachinko★Pachislot TV!," Japan's largest channel specializing in the Pachinko and Pachislot field. This channel added a new program in October and distributed special year-end programming in December. The number of subscribers has been growing following upgrades to the content offered by the video distribution site "Pachite! Net Premium." In the Content Distribution Business, there was a growth in sales of content that was added in the previous consolidated fiscal year.

(2) Explanation of Financial Status

(Assets)

The amount of total assets at the end of the third quarter of the current consolidated fiscal year amounted to 479,867 million yen, an increase of 110,287 million yen over the end of the previous consolidated fiscal year. This was mainly due to increases of 64,275 million yen in cash and deposits and 57,405 million yen in construction in progress, while there were decreases of 2,628 million yen in notes and accounts receivable-trade, 2,662 million yen in merchandise and finished goods, and 9,942 million yen in investment securities.

(Liabilities)

The amount of liabilities at the end of the third quarter of the current consolidated fiscal year amounted to 278,264 million yen, an increase of 137,756 million yen over the end of the previous consolidated fiscal year. This was mainly due to increases of 3,940 million yen in accounts payable-other, 76,850 million yen increase in bonds payable, and 66,476 million yen in long-term loans payable, while there were decreases of 7,029 million yen in notes and accounts payable-trade and 3,769 million yen in short-term loans payable.

(Net Assets)

The amount of net assets at the end of the third quarter of the current consolidated fiscal year amounted to 201,603 million yen, a decrease of 27,468 million yen over the end of the previous consolidated fiscal year. This was mainly due to a 15,505 million yen increase in retained earnings and a 42,757 million yen decrease in foreign currency translation adjustment.

As a result, the ratio of shareholders' equity was 41.9% compared with 61.7% at the end of the previous consolidated fiscal year.

(3) Explanation of Consolidated Business Results Forecast and Other Forward-looking Statements

(i) Pachislot and Pachinko Business

In the fourth quarter, there are a number of concerns about market conditions in this business. In particular, the voluntary restrictions in the Pachislot and Pachinko industries will continue to affect the performance of pachinko halls.

To provide support to hall operators, the Company is conducting Pachislot and Pachinko machine sales with the goal of helping pachinko halls attract new customers.

In the Pachislot category, there are plans to start selling two new titles. One is "SLOT Star Ocean 4," a unit created through a collaboration with major game developer SQUARE ENIX CO., LTD. involving its very successful Star Ocean role-playing game. The other new title is "Another God Poseidon – Kaio no Sansen," the second Pachislot title ever to have a projection mapping capability.

In the Pachinko category, there are plans to launch one new titles. It is "CRA Etotama 79 ver.," a revised version of "CR Etotama" created through a tie-up with the popular animated TV show "Etotama."

(ii) Other

In the Media Content Business, the Company is continuing to perform R&D activities with the aim of supplying high-quality simulator applications to users. The goal for "Univa Kingdom," a members-only mobile website, is to consistently add more apps and functions in order to make this a place where people stay a long time to enjoy games.

Japan Amusement Broadcasting operates "Pachinko★Pachislot TV!," Japan's largest channel specializing in the Pachinko and Pachislot field. Special programming is planned for February and March. The framework for the existing

broadcast and content distribution business will be strengthened as well in order to produce programs that offer more enjoyable content.

OKADA MANILA®, world-class casino resort, received approval on December 21, 2016 from the Philippine Amusement and Gaming Corporation to start casino operations. This company officially started operating its casino at 19:00 on December 30. Construction was sped up to complete the VIP casino floors, restaurants, world-class fountains and other facilities for the grand opening. We hereby announce that we have now reached the stage wherein we are targeting to hold the grand opening at the end of March 2017. With regards to consolidated earnings, since the company consolidates its overseas subsidiaries with a quarterly lag, it will be fully reflected in the consolidated earnings from the next period.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Million yen)

| | Previous Consolidated Fiscal Year (March 31, 2016) | The 3rd Quarter of the Current Consolidated Fiscal Year (December 31, 2016) |
|--|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 52,280 | 116,555 |
| Notes and accounts receivable-trade | 13,842 | 11,214 |
| Securities | 14 | 11 |
| Merchandise and finished goods | 4,994 | 2,331 |
| Work in process | 15,141 | 16,064 |
| Raw materials and supplies | 23,926 | 23,104 |
| Other | 9,450 | 10,379 |
| Allowance for doubtful accounts | (7) | (6) |
| Total current assets | 119,643 | 179,655 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Land | 7,330 | 7,099 |
| Construction in progress | 117,158 | 174,564 |
| Other | 21,047 | 22,314 |
| Total property, plant and equipment | 145,536 | 203,978 |
| Intangible assets | | |
| Other | 1,965 | 2,034 |
| Total intangible assets | 1,965 | 2,034 |
| Investments and other assets | | |
| Investment securities | 61,376 | 51,434 |
| Long-term deposits | 6,999 | 7,122 |
| Long-term deposits for affiliates | 30,034 | 29,363 |
| Other | 4,932 | 4,506 |
| Allowance for doubtful accounts | (2,840) | (1,030) |
| Total investments and other assets | 100,502 | 91,396 |
| Total non-current assets | 248,004 | 297,409 |
| Deferred assets | 1,932 | 2,802 |
| Total assets | 369,580 | 479,867 |

(Million yen)

| | Previous Consolidated Fiscal Year (March 31, 2016) | The 3rd Quarter of the Current Consolidated Fiscal Year (December 31, 2016) |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 22,566 | 15,537 |
| Short-term loans payable | 14,274 | 10,505 |
| Accounts payable-other | 13,854 | 17,795 |
| Income taxes payable | 6,020 | 6,444 |
| Provision for bonuses | 270 | 79 |
| Other | 4,699 | 7,641 |
| Total current liabilities | 61,686 | 58,002 |
| Non-current liabilities | | |
| Bonds payable | 70,588 | 147,438 |
| Long-term loans payable | - | 66,476 |
| Other | 8,233 | 6,347 |
| Total non-current liabilities | 78,821 | 220,262 |
| Total liabilities | 140,507 | 278,264 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 98 | 98 |
| Capital surplus | 10,852 | 10,852 |
| Retained earnings | 217,673 | 233,178 |
| Treasury shares | (14,296) | (14,296) |
| Total shareholders' equity | 214,326 | 229,831 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | (577) | (606) |
| Foreign currency translation adjustment | 14,395 | (28,362) |
| Total accumulated other comprehensive income | 13,817 | (28,968) |
| Subscription rights to shares | 73 | 99 |
| Non-controlling interests | 854 | 640 |
| Total net assets | 229,072 | 201,603 |
| Total liabilities and net assets | 369,580 | 479,867 |

(2) Quarterly Consolidated Statement of Income and
 Quarterly Consolidated Statement of Comprehensive Income
 (Quarterly Consolidated Statement of Income)
 (The Cumulative Third Quarter of the Consolidated Fiscal Year)

(Million yen)

| | The Cumulative 3rd Quarter of the Previous Consolidated Fiscal Year (April 1 to December 31, 2015) | The Cumulative 3rd Quarter of the Current Consolidated Fiscal Year (April 1 to December 31, 2016) |
|--|--|---|
| Net sales | 61,222 | 90,630 |
| Cost of sales | 30,442 | 37,010 |
| Gross profit | 30,780 | 53,620 |
| Selling, general and administrative expenses | 22,757 | 26,184 |
| Operating income | 8,023 | 27,436 |
| Non-operating income | | |
| Interest income | 47 | 74 |
| Dividend income | 271 | 13 |
| Other | 47 | 90 |
| Total non-operating income | 366 | 178 |
| Non-operating expenses | | |
| Interest expenses | 419 | 247 |
| Commission fee | 140 | 120 |
| Foreign exchange losses | 2,235 | 3,657 |
| Sales discounts | 102 | 21 |
| Equity in losses of affiliates | 955 | 185 |
| Other | 14 | 97 |
| Total non-operating expenses | 3,869 | 4,329 |
| Ordinary income | 4,519 | 23,285 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 5 | 6 |
| Gain on liquidation of subsidiaries | 1,821 | - |
| Other | 7 | - |
| Total extraordinary income | 1,835 | 6 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 12 | 9 |
| Loss on business of subsidiaries and associates | - | 268 |
| Total extraordinary losses | 12 | 277 |
| Income before income taxes and others | 6,342 | 23,013 |
| Income taxes-current | 2,755 | 9,496 |
| Income taxes-deferred | 454 | (1,248) |
| Total income taxes | 3,209 | 8,247 |
| Net income | 3,132 | 14,766 |
| Net loss attributable to non-controlling interests | (344) | (214) |
| Net income attributable to owners of the parent | 3,476 | 14,980 |

(Quarterly Consolidated Statement of Comprehensive Income)
 (The Cumulative Third Quarter of the Consolidated Fiscal Year)

(Million yen)

| | The Cumulative 3rd Quarter of the Previous Consolidated Fiscal Year (April 1 to December 31, 2015) | The Cumulative 3rd Quarter of the Current Consolidated Fiscal Year (April 1 to December 31, 2016) |
|--|--|---|
| Net income | 3,132 | 14,766 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (327) | (28) |
| Foreign currency translation adjustment | (2,868) | (42,757) |
| Total other comprehensive income | (3,195) | (42,786) |
| Comprehensive income | (62) | (28,020) |
| (Breakdown) | | |
| Comprehensive income attributable to owners of the parent | 281 | (27,806) |
| Comprehensive income attributable to non-controlling interests | (344) | (214) |

(3) Notes to Quarterly Consolidated Financial Statements

(Notes Pertaining to Going Concern)

There is no applicable information.

(Changes in Accounting Policies)

(Application of Practical Solution on a Change in Depreciation Method due to Tax Reform 2016)

Following the revision of the Corporation Tax Act, the Company has adopted the "Practical Solution on a Change in Depreciation Method due to Tax Reform 2016" (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 32, June 17, 2016) from the first quarter of the current consolidated fiscal year, and changed the method for the depreciation of facilities attached to buildings and structures acquired on or after April 1, 2016, from the declining-balance method to the straight-line method.

The effect of this change is insignificant.

(Notes in Event of Significant Fluctuation in Amount of Shareholders' Equity)

There is no applicable information.

(4) Additional Information

(Litigation)

The lawsuit involving Wynn Resorts, Limited (NASDAQ: WYNN) is currently in the stage of disclosure of evidence including discovery and recording of testimony. Next will be a trial with witness examinations and other activities that will result in a verdict. 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 March 2013.

Interest payments for the long-term note issued by Wynn Resorts for the past four years (38,728,852.63 U.S. dollars each year) have been paid to the clerk of the court for deposit in the court trust account. However, since the Company believes the interest payments do not belong to the Group 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 with an interest payment.

In February 2015, the Company, with Aruze USA Inc. and others, filed a lawsuit in the Court of First Instance of the Macau Special Administrative Region against Wynn Resorts (Macau) S.A. and four of its directors, including Steve Wynn. The pending suit asks for the dissolution of Wynn Resorts (Macau) S.A., payment of damages totaling about 8 billion Macau patacas and other actions.

(Borrowing Costs into the Acquisition Cost)

Finance from loans and corporate bonds/debentures (private placement bonds) has formed part of the construction funds required by the Casino Resort Business for its long-term projects. Given the significance of these amounts, we have included borrowing costs that are funding ongoing construction periods into our calculation of the acquisition cost.

(Application of the Implementation Guidance on Recoverability of Deferred Tax Assets)

The Company has adopted the "Implementation Guidance on Recoverability of Deferred Tax Assets"(ASBJ Guidance No. 26, March 28, 2016) from the first quarter of the current consolidated fiscal year.