

This is an English translation of the official announcement in Japanese that was released on August 7, 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 First Quarter of the Fiscal Year Ending December 31, 2017
(JP GAAP, Consolidated)**

August 7, 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: August 7, 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 First Quarter of Fiscal Year Ending December 31, 2017

(Period from April 1, 2017 to June 30, 2017)

(1) Consolidated Operating Results

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

	Net Sales		Operating Profit (Loss)		Ordinary Profit (Loss)		Net Income (Loss) Attributable to Owners of Parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
1st Quarter of Fiscal Year Ending December 31, 2017	10,987	(46.1)	(9,828)	-	(9,805)	-	(6,787)	-
1st Quarter of Fiscal Year Ended March 31, 2017	20,377	67.1	2,493	-	9,742	-	6,892	-

(Note) Comprehensive income

1st Quarter of Fiscal Year Ending December 31, 2017: (5,102) million yen (-%)

1st Quarter of Fiscal Year Ended March 31, 2017: (3,692) million yen (-%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
1st Quarter of Fiscal Year Ending December 31, 2017	(86.04)	-
1st Quarter of Fiscal Year Ended March 31, 2017	93.92	93.92

(Note) "Diluted net income per share" for the first quarter of the fiscal year ending December 31, 2017 is not stated, because net loss was posted despite the existence of latent shares with a dilution effect.

(2) Consolidated Financial Status

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Net Assets per Share
	Million Yen	Million Yen	%	Yen
As of June 30, 2017	529,510	233,428	44.0	2,951.32
As of March 31, 2017	568,635	259,990	45.6	3,287.46

(Reference) Shareholders' equity

As of June 30, 2017: 232,832 million yen

As of March 31, 2017: 259,350 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, 2017	-	0.00	-	40.00	40.00
Fiscal Year Ending December 31, 2017	-	-	-	-	-
Fiscal Year Ending December 31, 2017 (Forecast)	-	-	-	-	-

(Note) Revision from the dividend forecast most recently announced: None

The dividend forecast for the fiscal year ending December 31, 2017 is to be determined.

3. Consolidated Business Results Forecast for the Fiscal Year Ending December 31, 2017

(Period from April 1, 2017 to December 31, 2017)

(Percentages refer to changes from the previous corresponding period)

	Net Sales		Operating Profit		Ordinary Profit		Net Income Attributable to Owners of Parent		Net Income per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Full Fiscal Year	101,900~ 115,800	-	16,700~ 24,500	-	16,700~ 24,500	-	15,800~ 20,900	-	200.28~ 264.92

(Note) Revision from the business forecasts most recently announced: None

At the 44th Ordinary Shareholders' Meeting held on June 29, 2017, shareholders approved an amendment to the Articles of Incorporation that changed the end of the fiscal year from March 31 to December 31. As we will have an irregular nine-month fiscal year from April 1, 2017 to December 31, 2017, the forecast covers only this nine-month period and year-on-year comparisons are not presented.

As the effect of regulation regarding Pachinko and Pachislot machines 1) it has been confirmed that the regulation for the 5.9 will come into effect starting in October 2017, and 2) there will be an announcement in the near future regarding a new standard. In addition, 3) it is predicted that there will be a strengthening of guidelines related to high-stakes machines. However, in spite of the impact that such environmental changes will have on the marketplace, the Company believes it also represents an opportunity for makers to explore different sales opportunities. Although our company has the technology and the production capability in place to support the new standards, it is currently difficult to get a complete read on how the attractiveness of the new machines will measure up in the actual market. For this reason, for our earnings forecast for the year ending December 31, 2017, we have decided to use a range-based full-year earnings format.

Assuming that the accounting period for the Company and all consolidated subsidiaries covers the 12 months from April to March, the outlook for the next period (based on available comparisons) is as follows.

(Percentages refer to changes from the previous corresponding period)

	Net Sales		Operating Profit		Ordinary Profit		Net Income Attributable to Owners of Parent		Net Income per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Full Fiscal Year	133,000~ 154,000	19.6~ 38.5	23,800~ 35,900	(16.8)~ 25.5	23,700~ 35,800	(12.3)~ 32.4	23,400~ 31,300	25.6~ 68.0	296.61~ 396.75

* Matters of Note

(1) Changes in material subsidiaries during the period (Changes in specified subsidiaries accompanying changes in scope of consolidation)		: 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.		: None
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 June 30, 2017:	80,195,000 shares	
As of March 31, 2017:	80,195,000 shares	
2) Number of treasury shares at end of fiscal period		
As of June 30, 2017:	1,304,232 shares	
As of March 31, 2017:	1,304,232 shares	
3) Average number of shares during fiscal period		
1st Quarter of Fiscal Year Ending December 31, 2017:	78,890,768 shares	
1st Quarter of Fiscal Year Ended March 31, 2017:	73,383,768 shares	

* The current financial report is not subject to quarterly review procedures.

* 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 4 of the Attached Materials.

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1. Qualitative Information Pertaining to Quarterly Settlement of Accounts

(1) Explanation of Operating Results

At the 44th Ordinary Shareholders' Meeting held on June 29, 2017, shareholders approved an amendment to the Articles of Incorporation that changed the end of the fiscal year from March 31 to December 31. The purposes of this change are to facilitate comparisons of financial data with the performance of companies in other countries and to increase the transparency of Universal Entertainment's management. The consolidated statement of income for the first quarter of the previous consolidated fiscal year included the period from April 1 to June 30, 2016 for companies with a March 31 fiscal year end and the period from January 1 to March 31, 2016 for companies with a December 31 fiscal year end. However, the consolidated statement of income for the first quarter of the current consolidated fiscal year uses the period from April 1 to June 30, 2017 for all companies included in the consolidated financial statements. In addition, as measures for the elapsed period, regarding the profit and loss of the December closing company from January 1, 2007 to March 31, it directly adjusts the retained earnings of shareholders' equity in the consolidated balance sheet.

(Million yen)

First quarter of fiscal year ending December 31, 2017	Net sales	Operating profit (loss)	Ordinary profit (loss)	Net income (loss) attributable to owners of parent
Non-consolidated	7,785	(6,028)	(10,412)	(7,353)
Consolidated	10,987	(9,828)	(9,805)	(6,787)

In the first quarter of the current consolidated fiscal year, Universal Entertainment Corporation (the "Company") posted net sales of 10,987 million yen (a decrease of 46.1% year on year), operating loss of 9,828 million yen (compared with an operating profit of 2,493 million yen in the same period of the previous consolidated fiscal year), ordinary loss of 9,805 million yen (compared with an ordinary profit of 9,742 million yen), and net loss attributable to owners of parent of 6,787 million yen (compared with net income attributable to owners of parent of 6,892 million yen).

Results of business segment performance were as follows.

Reportable segment categories are reclassified in the first quarter of the current fiscal year. Prior-year figures reflect the new segment categories for comparison purposes. Sales are prior to adjustments for inter-segment sales or transfers.

(i) Pachislot and Pachinko Business

The Pachislot and Pachinko Business posted net sales of 6,997 million yen (a decrease of 64.3% year on year) and operating loss of 3,492 million yen (compared with an operating profit of 6,881 million yen in the same period of the previous consolidated fiscal year).

In the Pachislot category, sales of two new titles started. One is "SLOT Akagi – Yami ni Oritatta Tensai," which is based on a very popular mahjong manga. The other is "SLOT Guilty Crown," which is based on the "Guilty Crown" anime TV program that was aired in 2010 and still has many fans. In addition, there was growth in production and sales of Pachislot titles that are already in use.

In the Pachinko category, sales of two titles, "CR Darker Than Black – Kuro no Keiyakusha" and "CR Guilty Crown," started. Both use rights to popular anime characters and generated a strong response among pachinko halls.

(ii) Other

Other Business posted net sales of 3,948 million yen (an increase of 412.4% year on year) and an operating loss of

3,670 million yen (compared with an operating loss of 1,237 million yen in the same period of the previous consolidated fiscal year).

In the Media Content Business, simulator applications for Pachislot title “Another God Poseidon – Kaio no Sansen” were distributed on App Store, Google Play and the members-only mobile website “Univa Kingdom”. In addition, the distribution of simulator applications of “Versus (2016)” started on App Store and Google Play.

In a step in a new direction, distribution of the “Uni-tech (Universal Technical) Master” meoshi (pressing a button with precise timing) game application, which is based on a Universal Entertainment Pachislot and Pachinko title, started on App Store and Google Play. “Uni-tech Master” has received high marks from users due to its ability to offer a way to play a game that differs from the format of conventional simulator applications.

In the Broadcasting Business, Japan Amusement Broadcasting operates “Pachinko★Pachislot TV!,” the Japan’s largest channel specializing in the Pachislot and Pachinko field. Sales are declining because of the decrease in the number of SKY PerfecTV! subscribers. However, sales in this business were generally on target because the inclusion of this channel in Pachitele! Net Premium, which allows people to view programs on PCs, smartphones and other devices, and in other distribution platforms. The Content Distribution Business also performed well.

Following the fire at Resorts World Manila, the Casino Resort Business is currently proceeding carefully on a high alert on security with construction work and is heading towards the full operation in stages under the close oversight of the Philippine Amusement and Gaming Corporation (PAGCOR), a government entity that regulates casinos. Work is proceeding quickly to complete the construction of OKADA MANILA®, a casino and resort in the Manila Bay region of the Philippines that started operating in December 2016. The Fountain, a multi-color fountain that is one of the largest of in the world, became operational in March 2017. Currently at OKADA MANILA®, a casino with table games, electronic games, slot machines and VIP rooms, 500-room luxury hotel, fine dining that include a restaurant produced by a Michelin-rated chef, a shopping mall, and other facilities are open, and are heading towards the full operation.

(2) Explanation of Financial Status

(Assets)

Current assets at the end of the first quarter of the current consolidated fiscal year were 129,159 million yen, a decrease of 63,575 million yen compared with the end of the previous consolidated fiscal year. This was mainly due to a 56,253 million yen decrease in cash and deposits. Non-current assets were 397,894 million yen, an increase of 24,625 million yen. This was mainly due to a 22,419 million yen increase in property, plant and equipment.

As a result, total assets amounted to 529,510 million yen, a decrease of 39,125 million yen compared with the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the first quarter of the current consolidated fiscal year were 62,040 million yen, a decrease of 10,486 million yen compared with the end of the previous consolidated fiscal year. This was mainly due to an 11,127 million yen decrease in accounts payable-other, a 5,721 million yen decrease in income taxes payable and a 5,915 million yen increase in short-term loans payable. Non-current liabilities were 234,042 million yen, a decrease of 2,076 million yen. This was mainly due to a 5,038 million yen decrease in long-term loans payable and a 3,278 million yen increase in bonds payable.

As a result, total liabilities amounted to 296,082 million yen, a decrease of 12,562 million yen compared with the end of the previous consolidated fiscal year.

(Net Assets)

Net assets at the end of the first quarter of the current consolidated fiscal year totaled 233,428 million yen, a decrease of 26,562 million yen compared with the previous consolidated fiscal year. This was mainly due to a decrease of 12,391 million yen in foreign currency translation adjustment and a decrease of 14,049 million yen in retained earnings.

As a result, the ratio of shareholders' equity was 44.0% compared with 45.6% 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 second quarter, sales of the "Ragnarok Saga" Pachinko title started in July. This is Universal Entertainment's third Pachislot title that uses projection mapping for imaging rather than the conventional liquid crystal display.

In the Pachinko category, sales activities have started for "CR Another God Hades Advent," which is based on the extremely popular "Another God Series" of Pachislot titles. Orders for this new title have surpassed the plan.

Japan's amusement machine industry is becoming smaller due to issues such as the removal of machines with highly gambling characteristics and the enactment of new standards for machines. To reduce the impact of these events on pachinko hall operators, Universal Entertainment is developing and selling highly appealing Pachislot and Pachinko machines that offer wholesome entertainment and can attract more customers.

(ii) Other

In the Media Content Business, the distribution of high-quality simulator applications will continue on App Store, Google Play and the members-only mobile website "Univa Kingdom".

There are also many activities involving the development of social games other than simulator applications with the goal of continuing to offer services that meet the expectations of users.

Japan Amusement Broadcasting operates "Pachinko★Pachislot TV!," Japan's largest channel specializing in the Pachinko and Pachislot field. This company is currently considering revisions to its program schedule starting in late September and early October. The framework for the broadcast and content distribution business will be strengthened as well in order to produce programs that offer more enjoyable services.

In the Casino Resort Business, following the soft opening of OKADA MANILA® in December 2016, work has been proceeding and is heading towards the full operation in stages. OKADA MANILA® is located in a special zone in the Philippines that can benefit from this country's economic growth as a new hub for this entire region of Asia. This casino and resort also benefits from a low casino tax and other favorable tax measures. In addition, OKADA MANILA® is one of the world's largest casino and resort projects and is led by a highly experienced management team. Universal Entertainment believes that the growth of this operation will result in a high international competitiveness of the business. OKADA MANILA® plans to use a variety of value-added activities and services to earn a reputation worldwide as a provider of entertainment and hospitality of the highest quality.

(iii) Forecast of Consolidated Business Results

An announcement will be made promptly if there is a need to revise the forecast to reflect foreign exchange movements, changes in sales or other events.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2017)	The 1st Quarter of the Current Consolidated Fiscal Year (June 30, 2017)
Assets		
Current assets		
Cash and deposits	119,296	63,042
Notes and accounts receivable-trade	11,983	5,925
Securities	13	13
Merchandise and finished goods	3,100	2,781
Work in process	16,264	14,764
Raw materials and supplies	23,310	25,266
Other	18,784	17,373
Allowance for doubtful accounts	(20)	(8)
Total current assets	192,734	129,159
Non-current assets		
Property, plant and equipment		
Land	7,298	7,234
Construction in progress	240,393	253,950
Other	23,829	32,755
Total property, plant and equipment	271,521	293,940
Intangible assets		
Other	1,826	1,858
Total intangible assets	1,826	1,858
Investments and other assets		
Investment securities	60,323	57,985
Long-term deposits	6,866	6,928
Long-term deposits for affiliates	27,897	28,155
Other	5,897	9,785
Allowance for doubtful accounts	(1,064)	(759)
Total investments and other assets	99,920	102,094
Total non-current assets	373,268	397,894
Deferred assets	2,632	2,457
Total assets	568,635	529,510

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2017)	The 1st Quarter of the Current Consolidated Fiscal Year (June 30, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,461	11,755
Short-term loans payable	10,110	16,026
Current portion of long-term loans payable	-	526
Accounts payable-other	26,807	15,680
Income taxes payable	5,840	118
Provision for bonuses	273	473
Other	15,032	17,459
Total current liabilities	72,527	62,040
Non-current liabilities		
Bonds payable	140,532	143,811
Long-term loans payable	88,736	83,697
Net defined benefit liability	64	73
Other	6,785	6,459
Total non-current liabilities	236,118	234,042
Total liabilities	308,645	296,082
Net assets		
Shareholders' equity		
Capital stock	98	98
Capital surplus	20,070	20,070
Retained earnings	236,827	222,777
Treasury shares	(2,737)	(2,737)
Total shareholders' equity	254,258	240,208
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(152)	(229)
Foreign currency translation adjustment	5,285	(7,106)
Remeasurements of defined benefit plans	(41)	(41)
Total accumulated other comprehensive income	5,091	(7,376)
Subscription rights to shares	99	99
Non-controlling interests	539	495
Total net assets	259,990	233,428
Total liabilities and net assets	568,635	529,510

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

(Million yen)

	The Cumulative 1st Quarter of the Previous Consolidated Fiscal Year (April 1 to June 30, 2016)	The Cumulative 1st Quarter of the Current Consolidated Fiscal Year (April 1 to June 30, 2017)
Net sales	20,377	10,987
Cost of sales	9,514	7,556
Gross profit	10,863	3,431
Selling, general and administrative expenses	8,369	13,259
Operating profit (loss)	2,493	(9,828)
Non-operating income		
Interest income	27	65
Dividend income	6	8
Foreign exchange gains	7,225	-
Equity in earnings of affiliates	145	237
Other	51	33
Total non-operating income	7,456	344
Non-operating expenses		
Interest expenses	83	68
Foreign exchange losses	-	198
Commission fee	53	51
Sales discounts	21	-
Other	48	3
Total non-operating expenses	206	322
Ordinary profit (loss)	9,742	(9,805)
Extraordinary income		
Gain on sales of non-current assets	0	-
Other	-	0
Total extraordinary income	0	0
Income (loss) before income taxes and others	9,743	(9,805)
Income taxes-current	(111)	361
Income taxes-deferred	2,988	(3,336)
Total income taxes	2,877	(2,974)
Net income (loss)	6,866	(6,831)
Net loss attributable to non-controlling interests	(26)	(43)
Net income (loss) attributable to owners of the parent	6,892	(6,787)

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

(Million yen)

	The Cumulative 1st Quarter of the Previous Consolidated Fiscal Year (April 1 to June 30, 2016)	The Cumulative 1st Quarter of the Current Consolidated Fiscal Year (April 1 to June 30, 2017)
Net income (loss)	6,866	(6,831)
Other comprehensive income		
Valuation difference on available-for-sale securities	(24)	(126)
Foreign currency translation adjustment	(10,533)	1,855
Total other comprehensive income	(10,558)	1,728
Comprehensive income	(3,692)	(5,102)
(Breakdown)		
Comprehensive income attributable to owners of the parent	(3,665)	(5,058)
Comprehensive income attributable to non-controlling interests	(26)	(43)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes Pertaining to Going Concern)

There is no applicable information.

(Changes in Accounting Policies)

There is no applicable information.

(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 five 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, Aruze USA Inc. and others filed a lawsuit in the Court of First Instance of the Macau Special Administrative District of the People's Republic of China against Wynn Resorts (Macau) S.A. and four of its directors, including Steve Wynn. The suit asked for the dissolution of Wynn Resorts (Macau), the payment of damages totaling 8 million Macau patacas and other actions. On July 11, 2017, the court reached a verdict that rejected all of the Company's demands.

(Borrowing Costs into the Acquisition Cost)

Loans and bonds/debentures (private placement bonds) have been used to procure part of the 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.

(Investigations by the Special Investigation Committee)

The Company made the decision on June 8, 2017 to establish a Special Investigation Committee concerning alleged improper activities at an overseas subsidiary associated with former directors of the Company. The purpose of forming this committee is to perform thorough and objective examinations using professional skills in order to determine all facts involving this matter and to implement preventive measures. The committee is currently conducting examinations based on these objectives. Since the Special Investigation Committee has not submitted a report, no facts have been confirmed that can be used for determining any effects of the alleged improper activities. As a result, this matter is not reflected in the consolidated financial statements. However, this matter will have no effect on the consolidated financial statements because the Company expects to recover money that the overseas subsidiary transferred to third parties.