

June 7, 2010

To Whom It May Concern

Company Name: Universal Entertainment Corporation
Name and Title of Representative: Hajime Tokuda
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Announcement Regarding Partial Revisions of Articles of Incorporation (Transition to a Company with Board of Auditors, etc.)

Universal Entertainment Corporation (hereinafter referred to as the "Company") hereby announces the determination of a plan to transit to a company with board of auditors by revising its Articles of Incorporation at the 37th Annual General Shareholders Meeting scheduled on June 25, 2010 as follows:

1. Purpose of the Revisions of Articles of Incorporation

- (1) In accordance with the transition from a company with committees to a company with board of auditors, Chapter 5 "Committees" and Chapter 6 "Executive Officers and Board of Executive Officers" of current Articles of Incorporation will be deleted and provisions concerning auditors and board of auditors will be newly established as new Chapter 5.
- (2) With respect to the accounting auditors stipulated in Article 4 of the current Articles of Incorporation, a written statement will be prepared in the same manner as other company organizations.
- (3) The number of the articles will be revised in accordance with the establishments and deletions of articles.

Moreover, minor revisions will be made in the descriptions in order to improve readability of Articles of Incorporation.

2. Transition to a Company with Board of Auditors

For the purpose of the reinforcement of supervising function over the management and the improvements of transparency of the management and mobility in execution of operations, the Company transitioned to a company with committees in June 2008. Thereafter, the Board of Executive Officers, to which the Board of Directors had delegated its authorities except those on significant matters, has determined basic policies and Executive Officers have performed business operations.

The primary reason of further transition to a company with board of auditors is to allow Directors to do prompt decision-makings in order to correspond to rapidly-changing market. Through prompt decision makings and mobile business operations by the Board of Directors, which will be mainly composed of full-time directors, the Company will establish system corresponding to market changes immediately. Fair audit system will be also organized by a full-time auditor and outside auditors occupying the majority of the total auditors.

3. Details of the Revisions of the Articles of Incorporation

The details of the revision are attached hereto.

4. Schedule

Date of General Shareholders Meeting

June 25, 2010 (tentative)

Effective date of the revision of Articles of Incorporation

June 25, 2010 (tentative)

End of the Announcement

[Attachment]

(Underlines indicate revised portions)

Current Articles of Incorporation	Proposed revision
<p>(Purpose) Article 2</p> <p style="text-align: center;">(New)</p> <p>1.-</p> <p style="text-align: center;">(Omitted)</p> <p>37.</p> <p>38.</p> <p><u>Any and all other businesses incidental to each of the foregoing items;</u></p> <p><u>② The purpose of the Company is to perform businesses described in items 1 to 37 of the preceding paragraph and to hold shares of the companies engaged in operations of the activities described in each item of the preceding paragraph.</u></p> <p><u>③ The Company may perform other businesses incidental to those described in each of the preceding paragraphs.</u></p> <p style="text-align: center;">(New)</p>	<p>(Purpose) Article 2</p> <p><u>The purpose of the Company is to perform businesses described in the following items.</u></p> <p>1.-</p> <p style="text-align: center;">(Not revised)</p> <p>37.</p> <p>38.</p> <p><u>Control and management of business activities of companies (including foreign companies), partnerships (including those equivalent to partnerships in foreign countries) and entities equivalent thereto which perform businesses described in preceding items through holding shares or equities of such companies, etc.</u></p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> <p>39.</p> <p><u>Any and all other businesses in each of the preceding items and those incidental or relevant thereto.</u></p>
<p>(Organ) Article 4</p> <p>The Company, <u>as a company with committees,</u> establishes the following organs other than Shareholders' Meeting and Directors:</p> <p>1. Board of Directors,</p> <p>2. <u>Committees, and</u></p> <p style="text-align: center;">(New)</p> <p><u>3. Accounting Auditor.</u></p>	<p>(Organ) Article 4</p> <p>The Company establishes the following organs other than Shareholders' Meeting and Directors:</p> <p>1. Board of Directors,</p> <p>2. <u>Auditors</u></p> <p>3. <u>Board of Auditors, and</u></p> <p>4. <u>Accounting Auditor.</u></p>

<p>(Share Handling Regulations)</p> <p>Article 11</p> <p>Handling procedures and fees concerning the Company's shares and subscription rights to shares as well as procedures regarding exercise of shareholders' rights shall be governed by Share Handling Regulation determined by <u>the Representative Executive Officer and President of which authority is delegated by</u> the Board of Directors in addition to laws and the Articles of Incorporation.</p> <p>(Administrator of Shareholder Registry)</p> <p>Article 12.</p> <p style="text-align: center;">(Omitted)</p> <p>② The administrator of shareholder registry and the place for handling of its affairs shall be determined by the <u>Representative Executive Officer and President</u>.</p> <p>③ (Omitted)</p> <p>(Convener and Chairman)</p> <p>Article 15.</p> <p>Unless otherwise provided for in laws, <u>the Representative Executive Officer and President</u> shall call the Shareholders Meeting in accordance with resolution by the Board of Directors and preside as Chairman.</p> <p>② In the event that <u>the Representative Executive Officer and President</u> is not available for any reason, other Director shall call the Shareholders Meeting and preside as Chairman according to the orders determined by the Board of Directors in advance.</p> <p>(Chairman of the Board of Directors)</p> <p>Article 22.</p> <p>The Company shall elect a <u>Chairman of the Board of Directors</u> in accordance with resolutions by the Board of Directors.</p>	<p>(Share Handling Regulations)</p> <p>Article 11</p> <p>Handling procedures and fees concerning the Company's shares and subscription rights to shares as well as procedures regarding exercise of shareholders' rights shall be governed by Share Handling Regulation determined by the Board of Directors in addition to laws and the Articles of Incorporation.</p> <p>(Administrator of Shareholder Registry)</p> <p>Article 12.</p> <p style="text-align: center;">(Not revised)</p> <p>② The administrator of shareholder registry and the place for handling of its affairs shall be determined by the <u>Board of Directors</u>.</p> <p>③ (Not revised)</p> <p>(Convener and Chairman)</p> <p>Article 15.</p> <p>Unless otherwise provided for in laws, <u>the Director and President</u> shall call the Shareholders Meeting in accordance with resolution by the Board of Directors and preside as Chairman.</p> <p>② In the event that <u>the Director and President</u> is not available for any reason, other Director shall call the Shareholders Meeting and preside as Chairman according to the orders determined by the Board of Directors in advance.</p> <p>(Representative Director and Directors with Titles)</p> <p>Article 22.</p> <p>The Company shall elect a <u>Representative Director</u> in accordance with resolutions by the Board of Directors.</p>
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<p style="text-align: center;">(New)</p> <p>(Convener and Chairman of the Board of Directors) Article 23.</p> <p style="text-align: center;">(Omitted)</p> <p>② (Omitted)</p> <p>③ <u>Notwithstanding the above 2 paragraphs, the persons elected by the committees out of the members of said committees may call the Board of Directors meeting.</u></p> <p>(Convocation Notice for the Board of Directors Meeting) Article 24.</p> <p>A notice to call the Board of Directors meeting shall be dispatched to each Director no later than 3 days prior to the meeting; provided, however, that this period may be shortened if there is urgent necessity.</p> <p>② The Board of Directors meeting may be held without going through the procedure of convocation if all the Directors are in agreement.</p> <p>(Remuneration, etc. of Directors) Article 28.</p> <p>Directors' remunerations, <u>etc.</u> shall be determined by the <u>Compensation Committee.</u></p> <p><u>Chapter 5. Committees</u> <u>(Establishment of Committees)</u> <u>Article 29.</u></p> <p><u>The Company shall have a Nominating Committee, a Compensation Committee and an Audit Committee ("Each Committee" below).</u></p>	<p>② <u>The Company may elect one Chairman of the Board of Directors and one Director and President respectively in accordance with resolutions by the Board of Directors, and may elect a few Vice Chairman of the Board of Directors, Director and Vice President, Senior Managing Director and Managing Director as necessary.</u></p> <p>(Convener and Chairman of the Board of Directors) Article 23.</p> <p style="text-align: center;">(Not revised)</p> <p>② (Not revised)</p> <p>③ (Deleted)</p> <p>(Convocation Notice for the Board of Directors Meeting) Article 24.</p> <p>A notice to call the Board of Directors meeting shall be dispatched to each Director <u>and each Auditor</u> no later than 3 days prior to the meeting; provided, however, that this period may be shortened if there is urgent necessity.</p> <p>② The Board of Directors meeting may be held without going through the procedure of convocation if all the Directors <u>and Auditors</u> are in agreement.</p> <p>(Remuneration, etc. of Directors) Article 28.</p> <p>Directors' remunerations, <u>bonuses and other property interest received as compensations from the Company for the performances of their duties (hereinafter referred to as "Compensations, etc.")</u> shall be determined by <u>resolutions of the Shareholders Meeting.</u></p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p>
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<p><u>② The Nominating Committee shall have authority to determine the contents of proposals regarding the election and dismissal of Directors to be submitted to the Shareholders Meeting.</u></p>	<p>(Deleted)</p>
<p><u>③ The Compensation Committee shall have authority to determine the contents of remuneration, etc. for individual Directors and Executive Officers. If an Executive Officer acts concurrently as an employee of the Company, the same shall apply to the contents of the remunerations for such employee.</u></p>	<p>(Deleted)</p>
<p><u>④ The Audit Committee shall have authority to audit the execution of duties by the Directors and Executive Officers, to prepare audit reports and to determine the contents of proposals regarding the election and dismissal of accounting auditors and the refusal to reelect accounting auditors to be submitted to a Shareholders' Meeting, as well as other rights provided for under the laws.</u></p>	<p>(Deleted)</p>
<p><u>(Number of Members, etc.)</u></p>	
<p><u>Article 30.</u></p>	<p>(Deleted)</p>
<p><u>The members of Each Committee shall respectively consist of 3 or more Directors.</u></p>	<p>(Deleted)</p>
<p><u>② The Directors consisting of Each Committee shall be elected by the Board of Directors.</u></p>	<p>(Deleted)</p>
<p><u>③ The majority of the members of Each Committee shall be Outside Directors.</u></p>	<p>(Deleted)</p>
<p><u>④ A member of the Audit Committee shall be a person who is not concurrently act as an Executive Officer, manager or other employee of the Company or its subsidiary, or act as a Director who carries out operations for said subsidiary.</u></p>	
<p><u>(Rules of the Committees)</u></p>	
<p><u>Article 31.</u></p>	<p>(Deleted)</p>
<p><u>Matters regarding Each Committee shall be governed by rules set forth by the Board of Directors and Each Committee as well as the law and the Articles of Incorporation.</u></p>	

(New)	<u>Chapter 5. Auditors and the Board of Auditors</u> <u>(Number of Auditors)</u>
(New)	<u>Article 29.</u> <u>The number of Auditors of the Company shall be within five.</u>
(New)	<u>(Election Method of Auditors)</u> <u>Article 30.</u> <u>Auditors of the Company shall be elected by the Shareholders Meeting.</u> <u>② Resolutions for election of Auditors shall be made by the majority of the votes of the shareholders present at the meeting where the shareholders holding one third or more of the votes of the shareholders entitled to exercise their votes are present.</u>
(New)	<u>(Auditors' Term of Office)</u> <u>Article 31</u> <u>Auditors' term of office shall continue until the conclusion of the the Annual Shareholders Meeting for the last business year that ends within 4 years from the time of their election.</u> <u>② The term of office of Auditor elected as the substitute of an Auditor who retired from office before the expiration of the term of office shall continue until the time of the expiration of the term of office of the retired Auditor.</u>
(New)	<u>(Full-time Auditor)</u> <u>Article 32.</u> <u>The Company shall elect full-time Auditors with the resolution at the Board of Auditors Meeting.</u>
(New)	<u>(Convocation Notice for the Board of Auditors Meeting)</u> <u>Article 33.</u> <u>A notice to call the Board of Auditors meeting shall be dispatched to each Auditor no later than 3 days prior to the meeting; provided, however, that this period may be shortened if there is urgent necessity.</u> <u>② The Board of Auditors meeting may be held without going through the procedure of convocation if all the Auditors are in agreement.</u>

<p>(New)</p>	<p><u>(Resolution Method, etc. of the Board of Auditors)</u> <u>Article 34</u> <u>Unless otherwise provided by laws and ordinances, resolutions at the Board of Auditors Meetings shall be made with the majority of the Auditors.</u></p> <p><u>(Rules of the Board of Auditors)</u> <u>Article 35.</u> <u>Matters pertaining to the Board of Auditors shall be governed by laws and ordinances and this Articles of Incorporation, as well as Rules of the Board of Auditors stipulated by the Board of Auditors.</u></p> <p><u>(Exemption from Liabilities as Auditors)</u> <u>Article 36.</u> <u>The Company may, pursuant to Paragraph 1, Article 426 of Companies Act, exempt Auditors (including former Auditors) from liabilities stipulated in Paragraph 1, Article 423 of the Act to the extent permitted by laws, based upon a resolution adopted by the Board of Directors.</u> <u>② Pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act, the Company may conclude an agreement to limit the liabilities stipulated in Paragraph 1, Article 423 of the Act with Outside Directors; provided, however, that the amount of the liability limit based on such agreement shall be one million yen or more which has been pre-established or amounts provided by laws and ordinances, whichever higher.</u></p> <p><u>(Remunerations, etc. of Auditors)</u> <u>Article 37.</u> <u>Remunerations, etc. of Auditors shall be determined by the resolution of the Shareholders Meeting.</u></p>
<p><u>Chapter 6. Executive Officers and Board of Executive Officers</u> <u>(Election of Executive Officers)</u> <u>Article 32.</u> <u>The Board of Directors shall elect more than 1 and up to 10 Executive Officers in accordance with resolutions by the Board of Directors.</u></p>	<p>(Deleted)</p>
<p><u>(Term of Office)</u></p>	

<p><u>Article 33.</u> <u>Executive Officers' term of office shall continue until the conclusion of the first Board of Directors meeting convening following the conclusion of the Annual Shareholders Meeting for the last business year that ends within 1 year from the time of their election.</u> <u>(Representative Executive Officer and Executive Officers with Titles)</u></p>	<p>(Deleted)</p>
<p><u>Article 34.</u> <u>The Board of Directors shall elect a Representative Executive Officer and President out of the Executive Officers and may elect 1 or more Executive Officers with a Title, including Executive Officer and Vice President, Managing Executive Officer, Senior Executive Officer or others, should the necessity arise.</u> <u>② 1 or more Representative Executive Officers shall be elected by the Board of Directors out of the Executive Officers referred to in the preceding paragraph.</u> <u>(Remuneration, etc. of Executive Officers)</u></p>	<p>(Deleted)</p> <p>(Deleted)</p>
<p><u>Article 35.</u> <u>Remuneration, etc. of Executive Officers shall be determined by resolutions of the Compensation Committee.</u> <u>② The same shall apply to remuneration, etc. as an employee who concurrently acts as an Executive Officer of the Company.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p>

<p><u>(Exemption from Liabilities as Executive Officers)</u> <u>Article 36.</u> <u>The Company may, pursuant to Paragraph 1, Article 426 of Companies Act, exempt Executive Officers (including former Executive Officers) from liabilities for damages provided in Paragraph 1, Article 423 of Companies Act, to the extent permitted by laws, based upon a resolution adopted by the Board of Directors.</u></p>	<p>(Deleted)</p>
<p><u>(Board of Executive Officers)</u> <u>Article 37.</u> <u>The Company may establish a Board of Executive Officers and delegate the authority to determine operational execution in accordance with resolutions of the Board of Directors.</u></p>	<p>(Deleted)</p>
<p>(New)</p>	<p><u>Chapter 6. Accounting Auditors</u> <u>(Election Method of Accounting Auditors)</u> <u>Article 38.</u> <u>Accounting Auditors shall be elected by the Shareholders Meeting.</u> <u>(Accounting Auditors' Term of Office)</u></p>
<p>(New)</p>	<p>Article 39. <u>Accounting Auditors' term of office shall continue until the conclusion of the Annual Shareholders Meeting for the last business year that ends within 1 year from the time of their election.</u></p>
<p>(New)</p>	<p><u>② Unless otherwise resolved at the Annual Shareholders Meeting described in the preceding paragraph, Accounting Auditors shall be deemed re-elected at such Annual Shareholders Meeting.</u> <u>(Remunerations, etc. of Accounting Auditors)</u></p>
<p>Article 38.- (Omitted)</p>	<p><u>Article 40.</u> <u>Remunerations, etc. of Accounting Auditors shall be determined by Representative Director by obtaining the approval of the Board of Auditors.</u> Article 41.- (Not revised)</p>
<p>Article 41.</p>	<p>Article 44.</p>