JASDAQ

June 8, 2010

To Whom It May Concern

Company Name: Universal Entertainment Corporation
Name and Title of Representative: Hajime Tokuda
Representative Executive Officer and President
(JASDAQ Code: 6425)
Contact: Masanao Kudo, General Manager,
IR & PR Group, General Internal Control Office
TEL: 81-3-5530-3055 (switchboard)

Announcement Regarding the Variance between the Business Forecast and Actual Results for the Full Fiscal Year Ended March 31, 2010, Posting of Non-operating Loss and Extraordinary Loss and Revision of Dividend Forecast

Universal Entertainment Corporation (hereinafter referred to as the "Company") hereby announces the variance between the business forecast for the full fiscal year ended March 31, 2010 (April 1, 2009 to March 31, 2010), which was disclosed on April 19, 2010, and the business results for the full fiscal year ended March 31, 2010, which was disclosed today; posting of non-operating loss and extraordinary loss and a revision of the dividend forecast.

1. Variance between the business forecast and business results for the full fiscal year ended March 31, 2010 (April 1, 2009 to March 31, 2010)

[Consolidated]

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Business forecast (A)	39,000	2,800	(100)	22,600	282.95
Business result (B)	39,526	5,343	1,151	18,626	233.22
Difference (B-A)	526	2,543	1,251	(3,974)	
Ratio of change	1.3%	90.8%	---	(17.6%)	
(Reference) Results for previous fiscal year (ended March 2009)	19,993	(11,605)	(13,224)	(14,808)	(185.26)

[Non-consolidated]

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Business forecast (A)	32,400	2,100	2,400	(2,100)	(26.29)
Business result (B)	32,354	3,905	3,466	(5,763)	(72.16)
Difference (B-A)	(46)	1,805	1,066	(3,663)	
Ratio of change	(0.1%)	86.0%	44.4%	---	
(Reference) Results for previous fiscal year (ended March 2009)	9,904	(7,406)	(6,168)	(10,098)	(126.33)

[Reason of the variance from non-consolidated business forecast]

While it was initially anticipated that approximately 1.7 billion yen would be recorded as operating expenses for the items indicated in (2) of “2. Recording of non-operating loss and extraordinary loss and details thereof” below, the amount was finally accounted for as an extraordinary loss. Due to this change and other factors, the operating income exceeded the forecasted amount by approximately 1.8 billion yen.

Ordinary income exceeded the forecasted amount by approximately 1 billion yen due to the factor of the excess in the amount of approximately 1.8 billion yen described above as well as retroactive revision relating to a borrowing executed in the fiscal year ended March 31, 2009, which had been treated differently from terms and conditions of the contract because of an error by a person in charge, followed by a cancelation of recording of foreign exchange gains in the amount of approximately 700 million yen accounted for the current period as described in (1) of “2. Recording of non-operating loss and extraordinary loss and details thereof” and other factors.

In contrast to abovementioned factors of upward revision, an extraordinary loss in the amount of approximately 800 million yen was posted as a prior period profit and loss adjustment due to the cancelation of foreign exchange gains for the above borrowing executed in the previous fiscal year (from April 1, 2008 to March 31, 2009). Tax expenses increased in the amount of approximately 1.7 billion yen because of a reversal of deferred tax assets. Extraordinary loss was recorded in the amount of approximately 2.3 billion yen as stated in (2) of "2. Recording of non-operating loss and extraordinary loss and details thereof". Because of the factors described here, the net loss was posted in approximately 3.6 billion yen more than the forecasted amount.

[Reason of the variance from consolidated business forecast]

Consolidated operating income exceeded the forecasted amount by approximately 2.5 billion yen because of a decrease of the Company group’s operating expenses by approximately 700 million yen due to an occurrence of a difference from the estimation in addition to items stated in [Reason of the variance from non-consolidated business performance forecast]. Also, since Wynn Resorts, Limited, an equity-method affiliate of the Company group, recorded an allowance for taxes when its subsidiary, Wynn Macau, Limited was listed at Hong Kong Stock Exchange and conducted a capital increase through public offering, the Company recorded equity in losses of affiliates in the amount of approximately 1.0 billion yen as non-operating expenses in accordance with our ratio of shareholding. As a result of the above, consolidated ordinary income exceeded the forecasted amount by approximately 1.3 billion yen mainly due to the factors stated here and items stated in [Reason of the variance from non-consolidated business forecast]. Since the amount of the variance was larger than that in the non-consolidated forecast due to an increase of the amount equivalent to subsidiaries’ taxes, etc., the net income resulted in approximately 3.9 billion yen less compared to the business forecast.

2. Recording of non-operating loss and extraordinary loss and details thereof

(1) While foreign exchange losses/gains for borrowing executed in the fiscal year ended March 31, 2009 was originally intended to be incurred by the Company as a borrower under the contract, such foreign exchange losses/gains were booked differently due to an error by a person in charge at the Company. Accordingly, this item is hereby revised retroactively. Specifically, recording of the foreign exchange gains in the amount of 761 million yen for the current fiscal year was canceled and an extraordinary loss in the amount of 832 million yen was posted as losses/gains on prior period adjustment in order to cancel recording of foreign exchange gains accounted for in the previous fiscal year (from April 1, 2008 to March 31, 2009). The Audit Committee of the Company has expressed its opinion that the series of such revisions were appropriate.

(2) In the fiscal year ended March 31, 2009, the Company transferred shares of Aruze Gaming America, Inc. (hereinafter referred to as “AGA”) and excluded AGA from the consolidation group of the Company. The transfer price was set at approximately 2.3 billion yen in accordance with an evaluation by a third party evaluation organization based on the book value as of the settlement of accounts of AGA (end of December

2008) as the reference date for the transfer. In fact, however, it was found that the assets recorded on the book had no substantive value and that there were barely any assets to be transferred. Accordingly, based on a provision in the basic agreement stating "A closing period shall be set for six months with the capital increase in the amount of approximately 1.5 billion yen which was executed on August 19, 2008 as its preliminary step," the Company conducted another inspection and sorting-out of assets and liabilities to be transferred. Since it was recognized that assets to be transferred barely existed as a result of such inspection and sorting-out of assets and liabilities, approximately 2,321 million yen was recorded as loss on review of share transfer value. The Audit Committee of the Company has expressed its opinion that the series of such revisions were appropriate.

3. Revision of Dividend Forecast

The Company 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 shareholder's equity continuously and adopted a basic policy of maintaining a stable level of dividends that reflects the Company's business performance.

It is the Company's basic policy to maintain the internal reserve in 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.

As the business results was significantly below the initial plan in the current fiscal year, and as the Company determined that reinforcement of internal reserve should have a higher priority at this point in consideration of capital demand for a full launch of a contemplated casino hotel resort project in the Philippines, the year-end dividend for the fiscal year ended March 31, 2010 will not be paid. Unfortunately, this decision has been delayed by careful review of the business performance, cash flow forecast , etc.

	Dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of period	Total
	Yen	Yen	Yen	Yen	Yen
Previous forecast (Disclosed on June 2, 2009)	---	0.00	---	20.00	20.00
Revised forecast	---	0.00	---	0.00	0.00
Result in the current fiscal year	---	0.00	---		
Result in the previous fiscal year (ended March 31, 2009)	---	0.00	---	0.00	0.00

End of announcement