

To Whom It May Concern

Company Name: Universal Entertainment Corporation
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Announcement Regarding A Capital Reduction

Universal Entertainment Corporation (hereinafter referred to as the "Company") hereby announces a resolution passed at the Board of Directors Meeting held on May 30, 2011 to submit a proposal on a capital reduction to the 38th Annual General Shareholders' Meeting to be held on June 21, 2011 as follows:

1. Purpose of the Capital Reduction

Securement of a condition in which the Company may implement flexible and agile shareholder return policies in the future through the implementation of the capital reduction without compensation.

2. Details of the Capital Reduction

(1) Amount of the Capital to be Reduced

The amount of the capital will be reduced without compensation by 3,348,850,000 yen from current 3,446,850,000 yen to 98,000,000 yen.

*As a result of the above, the capital surplus will change from 7,503,320,000 yen to 10,852,170,000 yen.

(2) Method of the Capital Reduction

The number of issued shares will be not be changed and only the amount of the capital will be reduced without any compensation. The deducted capital amount of 3,348,850,000 yen will be transferred to "other capital surplus".

3. Schedule of the Capital Reduction (tentative)

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| (1) Date of resolution at the Board of Directors Meeting: | May 30, 2011 |
| (2) Date of resolution at the General Shareholders' Meeting (extraordinary resolution): | June 21, 2011 |
| (3) Publication for objection raising by creditors (official gazette and electronic publication): | June 22, 2011 |
| (4) Closing date for objection raising by creditors: | July 22, 2011 |
| (5) Effective date of the capital reduction: | June 23, 2011 |

4. Others

This capital reduction is a transfer of the capital from the accounting item "capital" to the "other capital surplus" under the Net Assets in the Balance Sheet of the Company. Therefore, this capital reduction will not change the amount of the net assets of the Company and will not give any impacts on the Company's solvency or business performance.

End of announcement