

August 5, 2011

To Whom It May Concern

Company Name: Universal Entertainment Corporation
Name and Title of Representative: Jun Fujimoto
Representative Director and President
(JASDAQ Code: 6425)
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Announcement Regarding an Absorption Type Merger (Simplified/Short Form Merger) of a Consolidated Subsidiary

Universal Entertainment Corporation (hereinafter referred to as the “Company”) hereby announces that a resolution to absorb Aruze Media Net Corp. (hereinafter referred to as the “AMN”), a wholly-owned consolidated subsidiary of the Company, in the following manner with the merger date (effective date) on October 1, 2011, was passed at the Board of Directors Meeting held on August 5, 2011.

This is an absorption type merger of a wholly owned consolidated subsidiary, therefore, disclosed items and details are partially omitted.

1. Purpose of the Merger

As an administrator handling approvals concerning copyrights of content assets held by the Company Group, AMN is engaged in productions of Pachislot-related contents via various platforms such as computers and mobile gadgets.

For the purposes of integration of management resources, improvement of operation efficiency and streamlining of business operations, the Company decided to absorb AMN with the Company as a surviving entity.

2. Outline of the Merger

(1) Schedule of the Merger

Date of the Board of Directors Meeting on which the resolution of the merger was passed:

August 5, 2011

Date of the conclusion of the Merger Agreement:

August 5, 2011

Effective date of the merger:

October 1, 2011

* This merger will be implemented without approvals at the respective General Shareholders' Meetings of the Company and AMN because this is a simplified merger for the Company stipulated in Article 796, Paragraph 3 of the Companies Act, and a short form merger stipulated in Article 784, Paragraph 1 of the Companies Act for AMN.

(2) Method of the Merger

An absorption type merger with the Company to act as the surviving company and AMN to be dissolved.

(3) Treatments of Subscription Rights to Shares and Bonds with Subscription Rights to Shares of the Absorbed Company

AMN has issued no subscription rights to shares and bonds with subscription rights to shares.

3. Outline the Merging Companies (As of March 31, 2011)

(1) Trade Name	Universal Entertainment Corporation (Surviving company)	Aruze Media Net (Dissolved company)
(2) Business Activities	Pachislot/Pachinko Business	Secondary business developments utilizing content assets of the Company group
(3) Date of Incorporation	June 26, 1973	April 2, 2007
(4) Head Office	Ariake Frontier Building A, Ariake 3-7- 26 Ariake, Koto-ku, Tokyo	Ariake Frontier Building A, Ariake 3-7-26 Ariake, Koto-ku, Tokyo
(5) Name and Title of Representative	Jun Fujimoto, Representative Director and President	Keiko Okada, Representative Director and President
(6) Capital	3,446,850,000 yen (*)	50,000,000 yen
(7) Number of Outstanding Shares	80,195,000 shares	2,000 shares
(8) Net Assets	96,132 million yen (non-consolidated)	675million yen
(9) Total Assets	114,742 million yen (non-consolidated)	777million yen
(10) Net Assets per Share	1,211.58 yen (non-consolidated)	337,877.37 yen
(11) Business Results of FY ended March 2011		
Net Sales	43,582 million yen (non-consolidated)	800million yen
Operating Income	5,463 million yen (non-consolidated)	120 million yen
Ordinary Income	5,562 million yen (non-consolidated)	124 million yen
Net Income	5,635 million yen (non-consolidated)	59 million yen
Net Income per share	70.84 yen (non-consolidated)	29,653.82 yen
(12) Closing Date of Fiscal Year	March 31	March 31
(13) Major Shareholders and holding ratio	Okada Holdings GK: 67.90% Goldman Sachs & Co. Reg: 9.73%	Universal Entertainment Corporation: 100%

* At the Board of Directors Meeting held on May 30, 2011, it was resolved to submit a proposal to reduce the amount of capital to the General Shareholders Meeting. The proposal was approved at the Annual General Shareholders' Meeting held on June 21, 2011 and came into effect on July 23, 2011. The current amount of capital of the Company is 98 million yen.

4. Conditions After the Merger

(1) Trade Name	Universal Entertainment Corporation
(2) Business Activities	Pachislot/ Pachinko Business
(3) Head Office	Ariake Frontier Building A, Ariake 3-7-26 Ariake, Koto-ku, Tokyo
(4) Name and Title of Representative	Jun Fujimoto, Representative Director and President
(5) Capital	98 million yen
(6) Closing Date of Fiscal Year	March 31
(7) Future Outlook	Since this merger is the merger with a wholly-owned consolidated subsidiary of the Company, there is no impact on the consolidated business results. Also, impact on the unconsolidated business result of the Company is minute.

End of the Announcement