

August 6, 2013

Company Name: Universal Entertainment Corporation  
Representative: Jun Fujimoto  
Representative Director and President

(JASDAQ code: 6425)

Contact: Kenshi Asano, Director  
TEL: +81-3-5530-3055 (switchboard)

### Announcement regarding Additional Selection of Committee Members and Investigation Details for the 2<sup>nd</sup> Third Party Committee

As disclosed in the “Announcement regarding Establishment of a 2<sup>nd</sup> Third Party Committee” of June 27, 2013, our company has decided today to establish a 2<sup>nd</sup> Third Party Committee to conduct an ongoing investigation into the responsibility and such of those involved in regards to “the illegal flow of money totaling 40 million dollars, which was done in violation of company regulations, without going through the corporate decision-making process, and was referred to by some as ‘a payment relating to the Philippine business’ and was conducted in a way that inflicted damage on the company” (hereinafter, “the outgo of \$40 million”; in regards to this, as reported in the “Announcement regarding Receipt of Investigation Report from the Third Party Committee” date June 21, 2013, the investigation has continued into the various facts even after receipt of this report, premised on the distinction between the \$25 million, \$10 million and \$5 million ).

In other words, while at the time this occurred there was already an internal governance system on which we had already received a clean opinion from the auditors and various appropriate internal regulations regarding the company’s governance, according to the investigation report of the Committee, it was discovered that the abovementioned illegal payments had occurred due to the actions of some managers who had disregarded or ignored this system and the regulations. Thus, our company decided that it would be appropriate to seek a continued investigation by independent outside experts in order to move forward on preparations to pursue criminal liability charges such as fraud, breach of trust or misappropriation of funds, against those managers involved in the illegal acts. This is what the 2<sup>nd</sup> Third Party Committee has been commissioned to do.

At that time, as to the constituent members of this 2<sup>nd</sup> Third Party Committee, it was decided that, in consideration of continuity in investigation matters up to now and familiarity with the relevant facts, the members of the 1<sup>st</sup> Third Party Committee should continue to serve and, in accordance with the members’ judgment, the additional selection of a member should be considered.

In response to this, we have had the 1<sup>st</sup> Third Party Committee conduct up to now preliminary meetings and a study that included a projection of what sort of investigation will be needed going forward, premised on the current investigation status. We have also had them study the idea of selecting an additional committee member who is well-versed in prosecutorial work, given that “for the 2<sup>nd</sup> Third Party Committee, the need could arise to do a causal analysis that looks at whether or not there is criminal liability in regards to the outgo of \$40 million”.

1. Based on the study of the 2<sup>nd</sup> Third Party Committee at their preliminary meetings, we received notice from the Committee that Mr. Atsushi Iritani (no conflict of interest with UEC; CV listed at the end of this document) is to be selected as a new member and thus the 2<sup>nd</sup> Third Party Committee will be comprised of Mr. Iritani and the members of the 1<sup>st</sup> Third Party Committee (Committee Chairman Yoshiyuki Kanashige, Committee Member Teruki Uchida and Committee Member Takujiro Hamada (for CVs, please refer to the “Announcement regarding Selection of Third Party Committee Members” dated January 10,

2013)). Upon receipt of this, our company today asked Mr. Iritani to serve as a committee member and officially asked that the investigation start with the committee comprised of a total of four members, i.e. the existing three members and Mr. Iritani.

2. The concrete objectives of the 2<sup>nd</sup> Third Party Committee are as follows:
  - (1) Investigation and analysis of the main facts and the responsibility of those involved relating to the “outgo of \$40 million”, premised on a distinction between the \$25 million, the \$10 million and the \$5 million;
  - (2) Clarification of whether or not those involved in the matter are legally liable and the details of that; and
  - (3) Discovery of the causes that lead to this occurrence and recommendations regarding recurrence prevention.

The subject of the investigation shall be the facts regarding the outgo of \$40 million and related items that the Committee finds necessary to investigate. As to how the investigation shall be conducted, the Committee shall do any even more thorough investigation, including scrutinizing relevant materials and interviewing those involved, as well as considering commissioning outside investigation bodies to conduct investigative activities as needed.

Note that no particular timeframe has been specified for the submission of an investigation report on this investigation due to the difficulty in setting an investigation deadline at the present stage, given the expectation of interviews of those who have already left the company and those residing overseas, as well as various investigations to substantiate facts both within and outside of Japan.

3. UEC intends to cooperate fully with interviews of our company’s (including affiliate’s) officers and relevant persons, with the provision of materials covered by the investigation, and all other investigations deemed necessary by the Third Party Committee. We intend to promptly and properly disclose material facts revealed by this investigation, in accordance with laws and ordinances.

Newly selected member of the Third Party Committee (honorifics omitted)

Atsushi Iritani	Attorney Certified Public Accountant	Atsumi & Sakai Law Firm  1992: Inoue Saito Eiwa Auditors (currently KPMG Azsa LLC) 1998: Public prosecutor appointment 2001: Tokyo Prosecutors’ Office, Special Investigation Department 2002: United Nations Office on Drug and Crime, Vienna 2004: Ministry of Justice 2005: Tokyo Prosecutors’ Office, Special Investigation Department 2007: Joined Atsumi Law Firm (currently, the Atsumi & Sakai Law Firm) (certified as an attorney the same year) 2009: Tokyo Regional Taxation Bureau, First Large Enterprise Examination Department, International Examination of Large Enterprise Division 2012: Atsumi & Sakai Law Firm
-----------------	---	---