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Company name: Universal Entertainment Corporation  
Representative: Jun Fujimoto  
Representative Director and President  
JASDAQ code: 6425  
Contact: PR & IR Office  
Tel: +81 3 5530 3055 (switchboard)

### **Universal Entertainment's Response to a portion of the Media Reports**

The following is an explanation concerning the facts about the truth known to us at this time regarding meetings, etc. in July 2013 between our attorney, Mr. Yuki Arai and Mr. Tamaki Katsube, the attorney of former employee Mr. Takafumi Nakano who is currently pending litigation with Universal Entertainment, which appeared in articles printed on Reuters.com dated May 6 for the English article and May 8 for the Japanese article. After confirming the facts, our attorney Mr. Yuki Arai has revealed false information or information that has deliberately distorted the facts was reported in the articles above, and so in order to prevent misunderstanding due to the diffusion of this misinformation we present the following:

First, it was reported that Mr. Arai proposed a settlement of the payment of a certain amount of money if Mr. Nakano would withdraw his remarks and not go to the authorities with the information concerning bribery allegations related to this company's Philippines casino business plan as pointed out by Mr. Nakano in the article. However, this report was false or deliberately distorted the facts and is an unjustly biased report.

That is, the article was based on a fax sent on July 12, 2013 from Mr. Arai to Mr. Katsube which did not contain a request that Mr. Nakano withdraw his remarks, and therefore is complete misinformation.

It should be noted that, in the same fax one of the items of the settlement proposal clearly stated that "Mr. Nakano shall state the facts he knows in a form of notarized statement".

Second, the article was intentionally edited to give the average reader the impression as if Mr. Arai offered a settlement to Mr. Nakano. In fact, Mr. Nakano's attorney, Mr. Katsube, telephoned Mr. Arai's office on July 10 at 11:57 in the morning in addition to visiting the office on July 11 at 5:00 in the evening making overtures of reconciliation regarding the pending litigation between this company and Mr. Nakano.

Therefore, this article was intended only to deliberately distort the facts resulting in false information being reported and this company believes it to be complete misinformation.

Third, the article reported that Mr. Nakano seemingly received a proposal for the payment of a certain sum of money from Mr. Arai if he would not provide information to law enforcement authorities; however this point is also a false fact or has deliberately distorted the facts.

Namely, at a meeting between Mr. Katsube and Mr. Arai on July 11 at approximately 5 p.m., Mr. Katsube made an urgent offer to Mr. Arai that 1) if this company withdraw the pending litigation, information would not be provided to investigative organization or the mass media in the future, and 2) Since his client suffered monetary damages he would like to receive compensation for the damages, and both of these should be received as a proposed settlement in writing within two days. In response to this, Mr. Arai stated that because this company is taking a very severe stance with Mr. Nakano he thought settlement negotiations at the moment would be extremely difficult, however he responded that he would contact Mr. Katsube later with a response to his urgent offer after considering whether there was a possibility of this company settling in its own manner and under what conditions. In light of preceding events, the fax Mr. Arai sent the following day specified "We understand from the explanations and conversations held yesterday that Mr. Takafumi Nakano (hereafter, Mr. Nakano) desires to reach an early settlement with Universal Entertainment (hereafter, this company)", and "my personal proposal".

It should also be noted, it is a fact that Mr. Katsube contacted Mr. Arai's legal office by telephone on December 3, 2012 at 12:46 p.m. to request a meeting with Mr. Arai. In response to this request, Mr. Arai made an offer for settlement of the lawsuit between this company and Mr. Nakano on December 4 in the conference room of the Tokyo Bar Association on the fourth floor of the Bar Association Hall. It can be easily verified that

this urgent proposal for settlement was initiated by Mr. Katsube and not this company.

Fourth, the article gives the impression that Mr. Nakano rejected the personal proposal from Mr. Arai, and without a doubt this article has deliberately distorted the facts and is a biased report.

When the meeting between Mr. Katsube and Mr. Arai regarding the settlement proposal took place, Mr. Katsube made the outrageous request, akin to blackmail, for “a certain sum of money” (several hundreds of millions of yen at the least), and as a result of Mr. Arai immediately refusing the unreasonable request, the discussions concerning Mr. Arai’s personal proposal completely collapsed.

Therefore, the settlement discussions between Mr. Katsube and Mr. Arai referred to in the fax broke down due to the refusal of Mr. Arai, and in this sense the information presented in the article must be said to be biased.

It should be noted that after retiring from the company, Mr. Nakano was recorded as a director of one or some of our overseas affiliates. He persistently requested this company for payment for name lending and threatened that “I will be forced to take this information to a third party” unless compensation is paid, and the fact is, he made unreasonable requests for payment which can possibly be considered a crime of blackmail. Immediately following our refusal of these unreasonable requests, Access Journal put out slanderous misinformation with no foundation concerning our business in the Philippines (Note: Mr. Katsube is also the counsel for Access Journal in our dispute against them as well. In addition, the Tokyo District Court has issued a ruling completely in our favor which was reported in detail in a press release on January 24, 2014 concerning Access Journal’s article). As can easily be inferred from this, Mr. Nakano is the person who insistently and improperly requested money from this company.

Fifth, on May 1, 2014 at or around 6:54 p.m., prior to this article appearing on Reuters.com both this company and Mr. Arai received contacts by fax and email from an individual stating himself to be “Kevin Krolicki, the chief editor for Reuters Japan” seeking answers to questions seemingly regarding this article.

Since a lawsuit was still underway in the Tokyo District Court concerning the

previously published article on Reuters.com, and an issue which company was the legal entity responsible concerning the article on Reuters.com in the case was still disputed, and since Mr. Arai did not receive any answer to his inquiries regarding the presence or absence of a corporation of that name, or representative or contact thereof, which he couldn't confirm, Mr. Arai immediately made a same inquiry again to a person claiming to be Mr. Krolicki at or around 4:18 in the morning on the 2nd of this month. Nevertheless, they posted the article on Reuters.com without answering to his inquiry.

The legal proceedings regarding the article previously published on Reuters.com were still ongoing. In response to questions from a person of unknown duties belonging to an organization named "Reuters", this company and Mr. Arai, reasonably tried to consider their response to these questions, after carefully checking the legal responsibility and identity of the person. Reuters.com completely ignored this extremely reasonable response and unilaterally published the article on their website. From the series of events written above, it is now clear that they wrote this article relying unilaterally on information from the parties who are currently engaged in an ongoing legal battle with this company, without any substantial coverage of the other side.

From the above, it is now abundantly clear that the principals operating Reuters.com or Reuters News Agency display extremely irresponsible coverage which is unacceptable from a news organization, and conduct institutionalized and continued biased reporting, spreading false facts or deliberately distorting the facts.

Therefore, regarding this issue published in Reuters.com, and in spite of disputes concerning past articles with us already, and based solely on information from a person which is currently engaged in an ongoing legal battle with this company, and without any intentional or substantial coverage of the opposition, the corporation that operates Reuters.com is a news organization practicing favoritism, guilty of the repeated spreading of misinformation. This company seeks a post of apology and an immediate deletion of the article as well as considering the taking of decisive legal action against the individuals who conducted the sloppy and irresponsible coverage.