

(This press release is a summary translation of Japanese original press release dated June 26, 2014)



June 26, 2014

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## Announcement Regarding Issuance of Subscription Rights to Shares (Stock Options for Counter Value)

Universal Entertainment Corporation (hereinafter referred to as the “Company”) hereby announces that at the Meeting of its Board of Directors held on June 26, 2014, it adopted a resolution to issue subscription rights to shares to the Company’s directors as follows in accordance with the provisions of Articles 236, 238 and 240 of the Companies Act. It should be noted that this issuance will be made on the basis of fair counter value and not under conditions particularly favorable to the subscribers, and as such shall be conducted without obtaining approval at the General Shareholders’ Meeting.

### I. Purpose of and Reason for Issuing Subscription Rights to Shares

As the Company seeks to improve its medium- to long-term business performance and enhance its corporate value, in order to further boost motivation and morale and increase solidarity at the Company, it shall issue subscription rights to shares for counter value to its directors.

### II. Main Points of Issuance of Subscription Rights to Shares

#### 1. Number of subscription rights to shares

7,000 rights

Moreover, the total number of shares that may be granted by exercising the subscription rights to shares in question shall be 700,000 common shares of the Company.

#### 2. Price to be paid in exchange for subscription rights to shares

The issue price per subscription right to shares in question shall be 2,600 yen. It should be noted that this price has been determined by reference to calculations using the Monte Carlo simulation, a common option price calculation model, that were conducted by Prutus Consulting Corporation, a third-party evaluation institution, after taking Company’s share price date, etc. into consideration.

3. Description of subscription rights to shares

(1) Classes and number of shares underlying subscription rights to shares

The number of shares underlying each of the subscription rights to shares in question shall be one hundred (100) share of common stock of the Company.

(2) Value of assets to be contributed when subscription rights to shares are exercised and method of computing said value

The value of the assets to be contributed when the subscription rights to shares in question are exercised shall be equal to the amount obtained from multiplying the amount to be paid per share by the number of shares granted.

The exercise value shall be 2,637 yen.

(3) Term during which subscription rights to shares may be exercised

The term during which the subscription rights to shares in question may be exercised shall commence on July 1, 2016 and end on June 30, 2018.

(4) Conditions to exercise subscription rights to shares

(i) The subscription rights to shares in question may be exercised if the ordinary income of the Company for the fiscal year ending March 31, 2015 and the fiscal year ending March 31, 2016 on the Company's audited consolidated statement of income or non-consolidated statement of income meets all of the conditions stipulated below. Should there be any material change in the concept of ordinary income to be used as the reference point due to the application of the International Financial Reporting Standards or other reasons, a separate indicator to be used as the reference point shall be set forth by the Board of Directors.

(a) Ordinary income for the fiscal year ending March 31, 2015 is in excess of 20,000 million yen

(b) Ordinary income for the fiscal year ending March 31, 2016 is in excess of 22,000 million yen

(ii) In addition to (i) above, the subscription rights to shares in question may only be exercised if the closing price of the common shares of the Company has exceeded the exercise value of the subscription rights to shares multiplied by 130% at least one time between the date of allotment of the subscription rights to shares in question and the close of the exercise term for said subscription rights to shares.

4. Date of allotment of subscription rights to shares

July 17, 2014

5. Matters relating to certificates of subscription rights to shares for subscription rights to shares in question

The Company shall not issue any certificates of subscription rights to shares for the subscription rights to shares in question.

6. Due date of monetary payment in exchange for subscription rights to shares

July 31, 2014

7. Due date for application

July 15, 2014

8. Persons to whom subscription rights to shares shall be allotted and allotted number  
Four directors of the Company; 7,000 subscription rights to shares