



October 22, 2014

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Announcement Regarding the Court Ruling on the Case against Kobunsha Co., Ltd.

Universal Entertainment Corporation (hereinafter referred to as the “Company”) hereby announces that the judgment has been handed down by the Tokyo District Court on the litigation brought by the Company against Kobunsha Co., Ltd. (hereinafter referred to as “Kobunsha”) as follows.

1. Court of Jurisdiction and Date of Judgment

Court of Jurisdiction: Tokyo District Court

Date of Judgment: October 20, 2014

2. Development of Lawsuit

As described in the announcement titled “Notice Regarding the Filing of a Lawsuit” made on April 3, 2013, the Company filed litigation seeking partial compensation for damages against Kobunsha, publisher of the weekly photo magazine “Flash”, for having published an article that implied the Company had made illegal payments in connection with a casino project it was promoting in the Philippines. The article, which appeared on pages 14 through 16 of the magazine that went on sale March 19, 2013 (the April 2 issue), severely harmed our company’s social reputation and social credibility and has caused us to suffer damages, including defamation and damage to credit.

3. Outline of Judgment

The Defendant shall pay to the Plaintiff money in the amount of 2,200,000 yen as well as money accruing therefrom at the rate of 5% per annum during a period starting from March 19, 2013 up to a date when the payment will be completed.

4. Opinion of the Company

Presently, the Tokyo District Court has observed that “the article in question is recognized as being defamatory for the Plaintiff”, that “the credibility of the contents of the article in question cannot be recognized as objective materials are lacking and no sufficient information is available to recognize that each

of the money transfers under the present case was disbursed as a bribe”, and that “it cannot be said that the Defendant had conducted sufficient investigation prior to posting the article in question, nor can it be recognized that the Defendant believed that the facts assertively indicated by the Defendant in the article were truth based on reasonable grounds”. While it is unfortunate that the amount of damage awarded went no further than 2.2 million yen, we believe that our claim has been accepted almost entirely.