



June 25, 2015

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)

Announcement Regarding the Supporting Intervention of a Shareholder Derivative Action

Universal Entertainment Corporation (hereinafter referred to as the “Company”) hereby announces that at the meeting of its board of directors held today, it has determined to join as a supporting intervener on the defendant’s side in the shareholder derivative action (hereinafter referred to as the “Action”) filed by an individual shareholder of the Company to claim damages against directors, former directors and former executive officers of the Company. The Company has obtained the consent of all corporate auditors regarding the supporting intervention in this case.

1. Outline of the Action

(1) Plaintiff Shareholder

Tsuyoshi Hosoba

(2) Defendant (thirteen persons)

Directors of the Company: Kazuo Okada, Jun Fujimoto, Hajime Tokuda and Tomohiro Okada

Former Directors of the Company: Kunihiko Yogo, Hiroyuki Sawada, Masanori Iwabuchi,

Hideki Nakagome, Mitsuhiro Kitabatake and Naoko Otsuka

Former Executive Officers of the Company: Toshio Kimura, Takahiko Hasegawa and Nobuo Yaegashi

(3) The nature of the Action

Action for damages (value of subject matter of the Action: JPY 421,550,000,000)

(4) Summary of the Action

The Action is a lawsuit to claim damages against defendants for their breach of duty of loyalty and duty of due care of a good manager (hereinafter collectively referred to as the “Breach of Duties”) based on the following seven allegations:

- (i) Because Wynn Resorts, Limited (hereinafter referred to as “Wynn Resorts”) forcibly redeemed its shares that were owned by the Company indirectly through a subsidiary, the Defendants were in Breach of Duties due to their acts which caused such a forcible redemption¹;

¹ Wynn Resorts asserts that it deemed the Company and its consolidated subsidiary, Aruze USA Inc. inappropriate as a shareholder of Wynn Resorts, and therefore it unilaterally decided and executed to make forcible redemption of its shares that were owned by Aruze USA Inc. Against this action, the Company demanded an injunction against such illegal forcible redemption and it filed a counterclaim for damages against Wynn Resorts and its officers concerning damages incurred to the Company due to the forcible

- (ii) The group of the Company acquired real estate in Philippines at a higher price than the appraised value;
- (iii) The Company provided financing for the third party based on unreasonable business judgment;
- (iv) The Defendants were involved in a wrongful remittance made by former employees of the Company;
- (v) The business entrustment agreement entered into between the Company and the third party has no reasonable grounds;
- (vi) The Company's filing of lawsuits for defamation regarding prejudicial reporting falls under the Breach of Duties; and
- (vii) Acts described in item (i) to item (vi) above discredited the Company.

2. Reason for Supporting Intervention

Prior to the Action, because the Plaintiff Shareholder demanded the corporate auditors of the Company to file an action to claim damages against the Defendants for the Breach of Duties, the board of corporate auditors of the Company established an investigating committee including outside professionals and conducted an investigation of the basis for each claim asserted by the Plaintiff Shareholder. As a result of such investigation, it was determined that the Defendants did not commit Breach of Duties as to any of the claims. On the basis of such determination, the board of corporate auditors of the Company decided that it would not file any lawsuits as to any of the claims and notified thereof in writing to the Plaintiff Shareholder as of April 24, 2015.

Moreover, Mr. Tamaki Katsube, litigation counsel of the Plaintiff Shareholder, also serves as litigation counsel of Access Journal Co., Ltd. to which the Company filed a lawsuit to claim damages for defamation.² The allegation of 1.(4)(vi) above asserts that the filing of the lawsuit for defamation in which Mr. Tamaki Katsube served as litigation counsel, and the loss of which became final and binding, was illegal, and it asserts that the filings of other pending lawsuits were also illegal. In addition, Mr. Tamaki Katsube also serves as litigation counsel for one of former employees of the Company in a dispute against the Company. On the basis of the aforementioned circumstances, the Company determined that it is necessary to join the Action on the Defendant's side as a supporting intervener in order to clarify that the management framework of the Company had no defect.

3. Effect on Business Results

Because the Action was filed against directors, former directors and former officers of the Company by a shareholder, it does not have a substantial effect on business results of the Company.

redemption in the federal court of the United States. For details, please refer to the press release of the Company dated March 13, 2012, entitled "UNIVERSAL ENTERTAINMENT FILES COUNTERCLAIM AGAINST WINN RESORTS".

² The judgment in favor of the Company became final and binding by the ruling of the Supreme Court. For details, please refer to the press release of the Company dated April 23, 2015, entitled "Ruling of the Supreme Court regarding the Lawsuit against Access Journal Co., Ltd. et al".