

(This press release is a summary translation of Japanese original press release dated October 5, 2016)



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**Announcement Regarding Execution of Placement Agency Agreement and Supplemental Note Purchase Agreement for the Issuance of the \$400 million Privately Placed Notes to Complete the Construction of OKADA MANILA® in the Philippines**

Universal Entertainment Corporation (the “Company”) hereby announces that as of today the Company executed a placement agency agreement in relation to the entire \$400 million of the privately placed notes described below and a supplemental note purchase agreement with investors for the entire \$400 million of such notes through Deutsche Securities Inc. (part of Deutsche Bank Group) as a Placement Agent. This is an additional issuance of the privately placed notes which were originally issued on August 24, 2015 and for which we made an announcement in “Announcement Regarding The Determination of Terms and Conditions of Privately Placed Notes” dated August 18, 2015 (hereinafter, the privately placed notes originally issued on August 24, 2015 are referred to as the “Series 1 Notes”, and the additional privately placed notes with an expected closing date of October 14, 2016 are referred to as the “Series 2 Notes”). The Series 2 Notes are expected to be issued on October 14, 2016. With the issuance of these Series 2 Notes, the Company will have successfully secured a significant majority of the construction costs for the opening of OKADA MANILA®, which is the world class gaming and leisure resort under development in the Philippines.

Description of the Series 2 Notes

	Series 2: Universal Entertainment Corporation Offshore Private Notes (Only for Qualified Purchasers)
1. Notional Amount	\$400,000,000
2. Maturity	August 24, 2020
3. Expected Closing Date	October 14, 2016
4. Yield	8.5% per annum, with any interest in excess of 6% payable, at the option of the Company, by adding additional principal to the Series 2 Notes.
5. Use of Proceeds	For the construction and development of OKADA MANILA®.
6. Guarantor	Guarantor: Aruze USA Inc. (a 100% subsidiary of the Company). Certain affiliates of the Company may provide security for the obligations of the Guarantor under the Guarantee and Collateral Agreement. Certain subsidiaries of the Company which hold assets exceeding a certain ratio of the Company’s consolidated assets may in future be required to provide a guarantee.
7. Collateral	No collateral securing the Series 2 Notes. Security is granted under the Guarantee and Collateral Agreement to secure the obligations of the Guarantors to the Note holders or the collateral agent.

Note: This press release does not constitute an offer of any securities for sale. This Press release has been prepared for release in Japan and for the sole purpose of publicly announcing that the Company has resolved matters relating to the launch of a private notes offering. No offering or sale of the Notes will be made domestically in Japan. Furthermore, this press release is not an offer to sell, or the solicitation of an offer to buy, securities in the United States. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or the securities laws of any state or other jurisdiction in the United States. The securities may not be offered or sold in the United States or to persons that are acting for the account or benefit of persons in the United States absent registration or an exemption from registration under the Securities Act and any other applicable state securities laws.

	<p>The main collateral is as follows:</p> <p>(a) 100% pledge on Aruze USA Inc. shares.</p> <p>(b) Security over one or more accounts of the Company or its subsidiaries (all proceeds from the issuance of the Notes will be held in secured accounts until drawn for permitted uses).</p> <p>For the avoidance of doubt, the Series 2 Notes collateral and seniority ranks pari passu with the Series 1 Notes.</p>
8. Early Redemption	<p>Prior to the fourth anniversary of the closing date of the Series 1 Note, the Company may redeem some or all of the Series 2 Notes at a price equal to 100% of the principal amount of the Series 2 Notes plus a prepayment premium. On and after the fourth anniversary of the closing date of the Series 1 Note, the Company may redeem some or all of the Series 2 Notes at a price equal to 100% of the principal amount of the Series 2 Notes.</p> <p>Upon the occurrence of a change of control of the Company, a change in status of certain assets or a disposition of certain assets, the Company shall be obligated to repurchase all or a portion of the Series 2 Notes at the option of the noteholders subject to the terms and conditions of the Series 2 Notes.</p> <p>Upon the occurrence of certain specified changes in the regulatory environment, etc, the Company has the right, at its option, to redeem the Series 2 Notes subject to the terms and conditions of the Series 2 Notes.</p>
9. Form of Issuance	Overseas private placement under Regulation S under the U.S. Securities Act (limited to Qualified Purchasers as defined in the U.S. Investment Company Act of 1940)
10. Listing	Singapore Exchange (application ongoing)
11. Placement Agent	Deutsche Securities Inc.

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