



March 9, 2017

Company name	Universal Entertainment Corporation
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**Announcement Regarding the Issuance of
Stock Acquisition Rights Utilizing Treasury Shares
through Third Party Allotment**

Universal Entertainment Corporation (the “Company”) hereby announces that its Board of Directors resolved as of today the issuance of stock acquisition rights (“SARs”) through a third party allotment to Deutsche Bank AG, London Branch (“DBL”) and the entry into a purchase agreement (the “Purchase Agreement”) with DBL with respect to SARs, after the relevant securities registration statement has become effective under Japan’s Financial Instruments and Exchange Law. All shares to be delivered to DBL by exercising SARs will be treasury shares, and DBL is required to obtain the approval of the Company to exercise the SARs. The proceeds by exercising all the SARs are expected to be JPY 2,500,000,000, and provided to its subsidiary Tiger Resort, Leisure and Entertainment Inc. (“Tiger Resort”), which will use the funds for (i) working capital necessary for carrying out its stable business operations at OKADA MANILA®, (ii) personnel cost for increasing employees, and (iii) proactive marketing activity for attracting high-value customers and expanding overseas bases.

The Company’s Board of Directors also resolved a disposal of treasury shares through an international offering outside of Japan at the same time. Issuance of SARs is for dealing with the fluctuation in timing of funding needs of Tiger Resort and the Company will give DBL approval for exercise of SARs according with its progress in business operations.

Description of the SARs

1.	Allotment date	March 27, 2017
2.	Number of SARs	5,000
3.	Offer price	JPY 5,550,000 (JPY 1,110 per SAR)
4.	Underlying shares	500,000 shares (0.68% of outstanding shares without treasury shares) 100 shares per SAR
5.	Proceeds from releasing treasury shares upon exercise of all SARs	JPY 2,500,000,000
6.	Strike price	JPY 5,000 Fixed strike price and will not be changed during the exercise period
7.	Distribution and allotment method	Third party allotment to DBL
8.	Lockup period	DBL will agree with the Company that it may not submit an application to the Company for approval to exercise the SARs during the period commencing on the date of the Purchase Agreement and ending on the date that falls 180 days from and including the allotment date.
9.	Other	SARs will be exercised when the Company’s share price is greater than the strike price. The strike price (JPY 5,000) is set higher than the Company’s share price as of March 8, 2017, so exercise may happen only when its share price has performed well to be sufficiently and stably above the strike price. The maximum number of shares deliverable upon exercise of SARs is fixed at 500,000 shares, and DBL is required to obtain the approval of the Company to exercise the SARs; the Company will decide whether to approve the exercise while considering its financing needs and market conditions.

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 issuance of SARs. No offering or sale of securities and SARs will be made domestically in Japan. Furthermore, this press release is not an offer to sell,
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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 under the Securities Act and any other applicable state securities laws.