



May 30th, 2017

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)

Regarding the Judicial Decision on the Shareholder Lawsuit

Regarding the shareholder lawsuit (below, “the lawsuit”) in which, as announced in the Notice Regarding Supporting Intervention of a Shareholder Derivative Action dated June 25th, 2015, one individual shareholder in this company (below, “the plaintiff”) sought damages from 13 of the company’s directors, former directors, and former executives (below, “the defendants”), the following constitutes notice that the judicial decision has given at the Tokyo District Court that, as of May 25th, 2017, all of the plaintiff’s claims against all of the defendants have been dismissed.

Details

1. Contents of the Lawsuit

In this lawsuit, the plaintiff alleged, on the basis of the seven claims listed below, that the defendants had violated the law in exercising unreasonable administrative judgment in their execution of business relating to the claims below, that the defendants had breached their duty to establish a system of internal controls in relation to the claims below, and that, as a result, the defendants had breached their fiduciary duty and duty of diligence. The plaintiff sought damages on the basis of these allegations.

- (1) Regarding shares in Wynn Resorts, Limited, a US-based corporation that has been in the indirect possession of this company through a subsidiary, the plaintiff had claimed that Wynn Resorts had mandatorily redeemed these shares, and that, had that been the case, the actions that constituted the source of said mandatory redemption represented a breach of the defendants’ duty of compliance.
- (2) The group acquired real estate in the Philippines for a price higher than its appraised value.
- (3) The company provided financing to a third party on the basis of unreasonable administrative judgment.
- (4) The defendants were involved in improper remittances through former company employees.
- (5) An outsourcing contract into which the company entered with a third party lacked a reasonable basis.
- (6) The company’s actions including filing a defamation lawsuit in response to biased media coverage lacked reasonability
- (7) The company damaged its credibility through the conduct described in items (1) through (6).

2. Chronology of Events Leading up to the Judicial Decision

April 27 th , 2015	The plaintiff files suit against the defendants at the Tokyo District Court.
June 21 st , 2016	At the Tokyo District Court, a decision is made to the effect that the oral arguments of the 3 former executives will be separated from those of the rest of the defendants in this lawsuit.
October 13 th , 2016	At the Tokyo District Court, a judicial decision (below, “first hearing judgment (1)”) is given to the effect that all of the plaintiff’s claims regarding the 3 former executives are dismissed.
November 1 st , 2016	The plaintiff objects to the first hearing judgment (1) with regard to 2 of the 3 former executives, and files an appeal to the Tokyo High Court.
March 13 th , 2017	At the Tokyo High Court, a judicial decision (below, “appeal trial judgment”) is given to the effect that the appeal regarding the former executives is dismissed.
March 27 th , 2017	The plaintiff objects to the appeal trial judgment with regard to the defendants apart from the former executives, and files a final appeal and petition for acceptance of final appeal to the Supreme Court.
May 25 th , 2017	At the Tokyo District Court, a judicial decision (below, “first hearing judgment (2)”) is given to the effect that all of the plaintiff’s claims regarding the defendants apart from the former executives are dismissed.

3. Courts Passing Judgments; Dates of Judgments; and Contents of Text of Judgments

First Hearing Judgment (1)

Court: Tokyo District Court

Date of Judgment: October 13th, 2016

Judgment Text: (1) All of the plaintiff’s claims are dismissed.
(2) The plaintiff will be responsible for lawsuit costs.

First Hearing Judgment (2)

Court: Tokyo District Court

Date of Judgment: May 25th, 2017

Judgment Text: (1) All of the plaintiff’s claims are dismissed.
(2) The plaintiff will be responsible for lawsuit costs.

Appeal Trial Judgment *Appeal trial for First Hearing Judgment (1)

Court: Tokyo High Court

Date of Judgment: March 13th, 2017

Judgment Text: (1) The appeal is dismissed.
(2) The appellant will be responsible for appeal costs (including those resulting from auxiliary intervention).

The above judicial decisions were made entirely in the favor of the defendants. The defendants bear no legal liability whatsoever.

4. Future Outlook

In the event that the need arises in the future to disclose any additional information regarding this lawsuit, we will provide notice promptly.