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Announcement of Progress of Lawsuit Against Wynn Resorts (NASDAQ:WYNN)

As announced in the press release of November 17, 2017 titled “Announcement of Progress of Lawsuit Against Wynn Resorts (NASDAQ:WYNN),” on November 13, 2017, the District Court of State of Nevada, with regard to the pending litigation among Wynn Resorts, Inc. (“Wynn Resorts”), Universal Entertainment Corporation (“Company”), its subsidiary Aruze USA, Inc., (“Aruze USA”) and former chairman Mr. Kazuo Okada before it, dismissed the motion for summary judgment filed by Wynn Resorts to the extent it relates to the Company/Aruze USA’s claims against Wynn Resorts, Mr. Steve Wynn and Ms. Elain Wynn (such decision shall be hereinafter referred to as the “Dismissal Decision”) and granted the motion to the extent it relates to Company/Aruze USA’s claims against directors of Wynn Resorts other than Mr. and Ms. Wynn (such decision shall be hereinafter referred to as the “Grant Decision”).

Thereafter, Wynn Resorts filed an appeal to the Supreme Court of State of Nevada challenging for the Dismissal Decision and Company/Aruze USA filed a motion for reconsideration with the District Court challenging the Grant Decision based on the new evidence. Because the courts ruled on these motions recently, we would like to announce their contents.

In addition, since Mr. Wynn publicly announced its view on the validity of the Shareholders Agreement dated January 6, 2010 among Mr. Steve Wynn, Ms. Elain Wynn and Aruze USA (the “Shareholders Agreement”), Company and Aruze USA informed Mr. and Ms. Wynn that Mr. Wynn’s view is groundless and filed a report with the court to the same effect. Thus, we would like to announce its details simultaneously.

1. Courts’ ruling on the motion for reconsideration challenging the Grant Decision and on the appeal challenging the Dismissal Decision

On February 5, 2018, the District Court of State of Nevada granted Company and Aruze USA’s motion for reconsideration and reversed her entry of the Grant Decision in favor of the Wynn Resorts’ Directors (other than Steve and Elaine Wynn). The Court found that newly produced evidence that Wynn Resorts had withheld on privilege grounds until the end of last year for years

necessitated her reversing the Grant Decision dismissing our counterclaims against them based on the business judgment rule. Therefore, those directors now face trial beginning on April 16, 2018 on Company/Aruze's claims.

The next day, in light of the District Court's ruling described above, the Nevada Supreme Court dismissed Wynn Resorts' appeal of the Dismissal Decision. Thus, Wynn Resorts and Mr. and Ms. Wynn will also face trial beginning on April 16, 2018.

2. Our view on Validity of Shareholders Agreement

On February 9, 2018, after resigning from his position as CEO and chairman of Wynn Resorts in the face of reports of numerous incidents of sexual misconduct involving Wynn Resorts employees, Mr. Wynn sent Ms. Wynn a letter stating that "while Mr. Wynn does not agree with Ms. Wynn's bases for claiming the [January 6,] 2010 Stockholders Agreement is invalid and unenforceable, he does agree that it no longer binds either party." Also on February 9, 2018, Wynn Resorts filed a Form 8-K with the United States Securities and Exchange Commission ("SEC") informing the SEC and public of Mr. Wynn's letter to Ms. Wynn and further stating that "regardless of whether the Stockholders Agreement is in effect, [Mr. Wynn] has no immediate plans to sell shares that he owns and that if he elects to sell any such shares over time, he will seek to conduct such sales in an orderly fashion."

On February 13, 2018, in response to Wynn Resorts' status report, Company/Aruze filed a status report including a letter dated February 13, 2018 sent to Steve Wynn, Elaine Wynn and Wynn Resorts that reminded them that the Stockholders Agreement "is a three party agreement among them and Aruze USA, Inc., and that Aruze USA has numerous pending claims in this case which assert that the Stockholders Agreement is valid and enforceable. Consequently, Mr. Wynn's statements that now, in his view, the Stockholders Agreement is not enforceable against Ms. Wynn, do not resolve in any way Aruze USA's claims that the Stockholders Agreement is valid and enforceable." Aruze USA further reminded them that it is seeking invalidation of the redemption in February 2012 and return of its shares of Wynn Resorts stock.

Accordingly, Aruze USA firmly believes that Mr. Wynn and Ms. Wynn are still bound by the Stockholders Agreement and that Aruze USA has rights pursuant to the Stockholders Agreement with respect to potential stock sales by Mr. or Ms. Wynn. Specifically, neither Mr. Wynn nor Ms. Wynn can sell their respective shares in Wynn Resorts without the required approval of Aruze USA under the terms of the Stockholders Agreement or until Aruze USA's claims in this case are resolved.

The Court has ordered Mr. Wynn to fully brief his new position related to the Stockholders Agreement and its purported effect on the claims in this matter. A briefing schedule was set by the Court requiring Mr. Wynn to file his motion on or before February 20, 2018, and the Company/Aruze USA to file their responses to the motion on or before February 27, 2018. The hearing on this matter was scheduled for March 2, 2018.

On February 13 and 14, the Court heard argument and made decisions on a series of summary judgment motions filed by the parties. The outcome of the Court's rulings was that the core claims of the parties are not dismissed and the case will proceed to trial on April 16, 2018.

Company is claiming that the redemption in February 2012 of Aruze USA's shares was invalid and improper. Our expert report in this case sets forth that we are entitled to approximately \$4.5 billion in damages for the invalid redemption as of October 31, 2017.