



June 15, 2018

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Notice of Intra-Group Organizational Realignment

Universal Entertainment Corporation (hereinafter referred to as the “Company”) hereby announces that on June 15, 2018, its Board of Directors resolved the implementation of an intra-group organizational realignment. Details are as follows.

1. Overview of Organizational Realignment in Question

In preparing to commence the full-fledged manufacture and sales of casino-related devices that it had been developing for some time, namely PTS (Player Tracking Systems), multi-currency bill validators and fully automatically-managed casino tables and casino machines, through its subsidiary in the US (Company scheduled to be established: UE Technologies, Inc. (tent. name)), the Company is planning on acquiring manufacturing licenses in that country. Simultaneously, the Company is also planning on strategically maintaining its registration for holding shares in a casino operator, a registration that it has held since before.

Casino-related businesses are prone to hosting ties to anti-social forces, such as involvement in money laundering. For that reason, operators of those businesses are strictly regulated in countries around the world, including the US. In acquiring and maintaining licenses for casino-related businesses in the various states of that country as well, members of management and shareholders must undergo strict screenings of suitability conducted by the gaming commission serving as the regulatory authorities. In cases where unsuitable individuals are present among management or shareholders, there is a risk of being unable to acquire a license to begin with, or a license that is already held being invalidated.

Given that, as part of preparations to secure the structure to execute business at the casino-related businesses in the Company Group (refers to businesses operated by Tiger Resort

Asia Limited, Aruze USA, Inc. and UE Technologies Inc.; hereinafter collectively referred to as “Casino-Related Businesses”) without being affected by a shareholder of the Company’s parent who has been cited as violating governance and compliance (this shareholder is already the subject of an investigation by the Nevada Gaming Commission) even should this unsuitable individual assumes the post of Director at the Company or its parent, the Company has decided to conduct an intra-group organizational realignment for those Casino-Related Businesses (hereinafter referred to as the “Organizational Realignment in Question”).

Limited Liability Company ABC, which is scheduled to become the direct parent of the companies that operate the Casino-Related Businesses following the Organizational Realignment in Question, will employ a mechanism through which unsuitable individuals, persons acting on behalf of unsuitable individuals, etc. (hereinafter referred to as “Unsuitable Individuals, etc.) may not have involvement in the execution of business. Since the arrangement will create a structure for executing business without being affected by the Unsuitable Individuals, etc. is secured, even should Unsuitable Individuals, etc. assume the post of Director at the Company or its parent, the companies that operate the Casino-Related Businesses will be able to stably operate those businesses even by applicable laws and ordinances in countries around the world.

The Company plans on determining the specific transition scheme for the Organizational Realignment in Question in the future based on further examination, and will disclose that scheme once it has been decided upon.

2. Overview of Limited Liability Company ABC

Limited Liability Company ABC, which is scheduled to become the direct parent of the companies that operate the Casino-Related Businesses following the Organizational Realignment in Question, is currently a subsidiary of WonderGraph CORP., a subsidiary of the Company. In the future, the Company intends to acquire all of WonderGraph CORP.’s interest in Limited Liability Company ABC, thereby making Limited Liability Company ABC a subsidiary of the Company. The below overview is as of June 15, 2018.

Item	Description
Name of Company	Limited Liability Company ABC
Location	3-7-26 Ariake, Koto-ku, Tokyo
Name and Title of Representative	Toji Takeuchi Representative Partner Functional Manager WonderGraph CORP.
Primary	Casino resort business

Business Activities		
Capital	100,000 yen	
Date of Establishment	April 26, 2018	
Major Shareholder and Holding Ratio	WonderGraph CORP. 100%	
Relationship between Company and Limited Liability Company ABC	Capital Relationship	The Company indirectly holds all of the shares of this company.
	Human Relationship	The representative of this company concurrently serves as an Executive Officer of the Company.
	Business Relationship	No applicable items are present.

3. Overview of Main Companies Scheduled to Undergo the Organizational Realignment in Question

Item	Description	Description
Name of Company	Tiger Resort Asia Limited	Aruze USA, Inc.
Location	Hong Kong, China	State of Nevada, US
Name and Title of Representative	Takako Okada, Director Kenshi Asano, Director	Jeffrey L. Gilbert, Director
Primary Business Activities	Promotion of overseas business	Portfolio investments, etc.
Capital	14,638,663,288.62 Hong Kong dollars	10 US dollars
Date of Establishment	June 21, 2010	June 9, 1999
Major Shareholder and Holding Ratio	Universal Entertainment Corporation 100%	Universal Entertainment Corporation 100%
Relationship between Company and Said Companies		
Capital Relationship	The Company holds all of the shares of this company.	The Company holds all of the shares of this company.
Human Relationship	Two Directors of the Company concurrently serve as Directors of this company.	No applicable items are present.
Business Relationship	No applicable items are present.	No applicable items are present.
Operating Results and Fiscal Position of	The companies above only hold shares of business companies in their respective countries, and are not engaged in any other	

Companies to Left for Last Three Years	businesses. As such, statements of their operating results and fiscal position have been omitted here.
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4. **Schedule**

Acquisition of interest in Limited Liability Company ABC by Company	June 2018
Implementation of Organizational Realignment in Question	To be conducted in stages starting June 2018 (tent.)

5. **Future Outlook**

The impact that the Organizational Realignment in Question will have on the consolidated business results of the Company for the fiscal year ending December 31, 2018 is negligible.