



February 26, 2019

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Notice of Partial Changes to Articles of Incorporation

Universal Entertainment Corporation (hereinafter referred to as the “Company”) hereby announces that at the meeting of its Board of Directors held today, the Company resolved to submit partial changes to its Articles of Incorporation as an agenda for the 46th Annual Shareholders Meeting scheduled to convene on March 25, 2019. Details are as follows.

1. Reasons for Changes

- (1) To establish new provisions on adjusting the terms of office for Directors (Article 21.②) in order to keep disparities in the end of those terms of office from arising.
- (2) To change existing Article 42 and add new provisions on interim dividends (proposed changes to Article 43) in order to enable the Company to distribute dividends from surplus (interim dividends) through resolutions of the Board of Directors pursuant to the provisions of Article 454.5 of the Companies Act to facilitate the flexible and appropriate return of profits to shareholders in accordance with the future operating conditions of the Company and other factors.
- (3) To make other necessary changes for the purpose of standardizing the appearance of certain parts of the Articles of Incorporation.

2. Description of Changes

(Parts to be changed have been underlined.)

Existing Articles	Proposed Changes
Articles 1-20 (Text omitted)	Articles 1-20 (No Changes)
Article 21. (Directors' Term of Office)	Article 21. (Directors' Term of Office)

Directors' term of office shall continue until the conclusion of the Annual Shareholders Meeting for the last business year which ends within 2 years from the time of their election.

(Newly Established)

Article 22 (Text omitted)

Article 23. (Convener and Chairman of the Board of Directors)

The Director and President shall call the Board of the Directors meeting and preside as the Chairman, unless otherwise provided for in laws and regulations.

②In the case of accident to the Director and President, other Director shall convene the Board of Directors and preside as the Chairman according to the order determined by the Board of Directors in advance.

Articles 24-41 (Text omitted)

Article 42. (Record Date for Dividends from Surplus)

The Company may pay dividends from surplus to shareholders and/or registered share pledgees who are stated or recorded on the latest shareholder registry as of December 31 every year.

②The Company may pay dividends from surplus to shareholders and/or registered share pledgees who are stated or recorded on the latest

Directors' term of office shall continue until the conclusion of the Annual Shareholders Meeting for the last business year which ends within 2 years from the time of their election.

②The term of office for Directors elected as a substitute for a Director who resigned prior to the expiration of their term of office or Directors elected due to an increase the number of Directors shall be the same as the remainder of the term of office for the predecessor Director or other existing Directors.

Article 22 (No Changes)

Article 23. (Convener and Chairman of the Board of Directors)

The Director and President shall call the Board of the Directors meeting and preside as the Chairman, unless otherwise provided for in laws and regulations.

②In the case of accident to the Director and President, other Director shall convene the Board of Directors and preside as the Chairman according to the order determined in advance by the Board of Directors.

Articles 24-41 (No Changes)

Article 42. (Year-End Dividends)

The Company, through resolutions of the Shareholders Meeting, may pay dividends from surplus to shareholders and/or registered share pledgees who are stated or recorded on the latest shareholder registry as of December 31 every year.

(Deleted)

<p><u>shareholder registry as of June 30 every year.</u> <u>③The Company may pay dividends from surplus by specifying the record date in addition to the cases stated in the preceding 2 paragraphs.</u></p> <p>(Newly Established)</p> <p>Article <u>43</u> (Text omitted)</p>	<p>(Deleted)</p> <p><u>Article 43. (Interim Dividends)</u> <u>The Company, through resolutions of the Board of Directors, may pay dividends from surplus stipulated in Article 454.5 of the Companies Act (interim dividends) to shareholders and/or registered share pledgees who are stated or recorded on the latest shareholder registry as of June 30 every year.</u></p> <p>Article <u>44</u> (No Changes)</p>
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3. Schedule

<p>Scheduled convocation date for Annual Shareholders Meeting for changing Articles of Incorporation</p>	<p>March 25, 2019</p>
<p>Effective date of changes to Articles of Incorporation</p>	<p>Time of conclusion of 46th Annual Shareholders Meeting scheduled to convene on March 25, 2019</p>