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Announcement Regarding Settlement with Wynn Resorts, Limited (NASDAQ:WYNN)

Universal Entertainment Corporation (hereinafter referred to as “the Company”) hereby announces that the Company and Aruze USA Inc., a US subsidiary of the Company (hereinafter called “Aruze USA”) have entered into a settlement agreement on March 8, 2018 with Wynn Resorts, Limited (NASDAQ: WYNN, hereinafter called “Wynn Resorts”) relating to lawsuits pending in the Nevada State District Court among Wynn Resorts, the Company, Aruze USA, Inc., and Mr. Kazuo Okada, former Chairman of the Company.

1. Background of situation from filing of a lawsuit leading up to the settlement

In February 2012, the Board of Directors of Wynn Resorts made a decision on the forcible redemption of approximately 24,550,000 shares of common stock held by Aruze USA, then the largest shareholder of Wynn Resorts, in exchange for a promissory note in the face amount of approximately \$1.9 billion, paying 2% interest per annum and payable after 10 years (the “Redemption Note”). Wynn Resorts maintained that it was authorized under its Articles of Incorporation to effectively carry out such mandatory redemption as the Company, Aruze USA and Mr. Kazuo Okada fell under the category of “Unsuitable Person” as defined under the Articles.

In response, the Company Group has taken decisive legal countermeasures, including but not limited to, filing various counterclaims against Wynn Resorts, Mr. Steve Wynn, Chairman of its Board of Directors, and its executive officers and directors, claiming that the decision made by the Board of Directors of Wynn Resorts was unmerited.

Since then the Company Group has fought vigorously against Wynn Resorts et al. in the US Court for more than 6 years.

Meanwhile, Mr. Kazuo Okada, on behalf of Aruze USA, signed a certain stockholders agreement with Mr. Steve Wynn and under this agreement, Mr. Kazuo Okada had comprehensively delegated authorities to decide necessary matters concerning the establishment of Wynn Resorts to Mr. Steve Wynn. Considering the existence of such a stockholder agreement and other circumstances, there was difficulty in contesting the effectiveness of the terms of the Articles of Incorporation of Wynn Resorts concerning the mandatory redemption and it was uncertain whether the Company's claim that the redemption itself was invalid would

be accepted, as it was, in a trial to be held in a US court. Under these circumstances, the Company switched its litigation strategy to thoroughly pursuing any legal issues including but not limited to the validity of the consideration for the redemption, and negotiated a settlement with Wynn Resorts, which resulted in the execution of the present Settlement Agreement.

2. Outline of the Settlement Agreement

- (1) The Company and Aruze USA shall dismiss all their claims against Wynn Resorts and its executive officers and directors and Wynn Resorts shall dismiss all its claims against the Company and Aruze USA.
- (2) On or before March 31, 2018, Wynn Resorts shall pay the Company Group a total of \$ 2,632 million (The amount includes the cumulative interests on the promissory note) .

In this regard, Mr. Kazuo Okada is not a party to the Settlement Agreement and nothing in the Settlement Agreement is intended to be construed as giving a release of any kind to Kazuo Okada. Further, the Company and Wynn Resorts have agreed to reasonably cooperate with each other in any future litigation against third parties.

3. Future outlook

The Company will continue dialogue with the new management team of Wynn Resorts to build constructive relationship toward the future.

Further, the impact of the Settlement Agreement on the consolidated financial performance of the Company Group is currently under assessment. The Company will promptly disclose any information on the impact as soon as The Company completes the assessment.

End.