Universal Entertainment’s Comments on the Report by Judge Chertoff

As reported in the release dated today, "Independent Review Finds the Freeh Report on Allegations against Universal Entertainment Chairman Kazuo Okada “Deeply Flawed”", the Freeh report was found to be "not credible" in an independent analysis conducted by former Judge Michael Chertoff. Judge Chertoff’s career includes serving as the Secretary of Homeland Security, in addition to being a judge on the U.S. Court of Appeals for the Third Circuit, Assistant Attorney General in charge of the Criminal Division at the U.S. Department of Justice and U.S. Attorney for New Jersey. Universal Entertainment is quite pleased with this assessment, which it believes to be the natural outcome.

This report resulted from a request by counsel for Universal Entertainment to former Judge Michael Chertoff, who is an independent authority on the FCPA, for an assessment of the Freeh report.

Wynn Resorts made an arbitrary resolution to forcibly redeem shares based solely on the Freeh report, which was found to be intentionally misleading. In response to this, Universal Entertainment raised legal objections and formed a third party committee to commence a proper investigation. At practically the same time, certain mass media organizations began issuing news reports based on dubious grounds about Universal Entertainment.

Initially, the reports firmly stated that the payments of funds by Universal Entertainment were a "bribe for the purpose of acquiring a provisional license", but these reports were revealed to be erroneous when a Philippine government investigation publicly announced their conclusion that “a provisional license was acquired in 2008, so the payments in 2010 have nothing whatsoever to do with the acquisition of a provisional license.”

Then, because the above erroneous reporting had come to light, there began to be reports on different circumstances, such as “the reason for the payments was to receive PEZA preferential treatment and such.”

However, the simple fact came to light that “the PEZA preferential treatment was equally applicable to any company moving into the designated region, and was not a discretionary system approved for only certain companies,” and thus these reports were also revealed to be erroneous.

Many people are wondering about the progression, namely "why certain mass media organizations began issuing reports that inflicted damage on the social and economic credibility of Universal Entertainment, while lacking clear and specific grounds for such, ‘at a time and with an intent and direction that can only be thought to have been in assistance to Wynn Resorts.’”

Of course, despite what was revealed about the timing of the announcements, the sloppiness of the investigation and the erroneous reporting, the reports mentioned above illuminated for us various
circumstances, such as the anomaly of the relentless changing of the story and attacks on our company, and we suspect, with a high degree of probability, that “certain media organizations were influenced by Wynn Resorts or induced by gain to forego their own public character and neutrality and to shift this issue for the purpose of inflicting damage on Universal Entertainment.”

As is clear by looking at the simple and obvious fact that “the stock price of Universal Entertainment remains steady despite such unjust and biased reporting”, it is clear that a large number of investors and the public in general, based on sound common sense, believe “reports such as the aforementioned are false and prejudiced, and Universal Entertainment is not at fault at all.”

Going forward, Universal Entertainment will investigate the above questions, including the relationship and interests that may exist between certain media organizations and Wynn Resorts, through the litigation that has already been filed. This report by Judge Chertoff will be incorporated into the litigation and such, as a highly objective basis that clearly supports the assertions of Universal Entertainment.