



(4) Outline of the Lawsuit

With the Lawsuit, the Company has made a claim for compensation against Mr. Okada for a part of the damage suffered by the Company due to his negligence of duty as a board member of the Company in connection with the following three misconducts by Mr. Okada (hereinafter collectively called “the Fraudulent Acts”). In this regard, the majority of the damage caused to the Company group as a result of the Fraudulent Acts is attributed to Tiger Resort Asia Limited (hereinafter called “TRA”), a wholly owned Hong Kong subsidiary of the Company, and TRA plans to file a separate suit against Mr. Okada in Hong Kong for compensation of such damage. Therefore, the scope of the claim of the Company against Mr. Okada in the Lawsuit is limited to the damage directly suffered by the Company without any involvement of TRA (the amount equivalent to the investigation cost of the Special Investigation Committee).

a. Loan from TRA to a third party

Between February and March of 2015, Mr. Okada, in order to collect the loan credit of Okada Holdings Limited (hereinafter called “Okada HD”), which is owned by Mr. Okada and members of his family, to a third party, and further in order to procure funds for his personal use of making a payment for artworks, with the involvement of a former Director and General Manager of Administrative Division of the Company, Mr. Okada had TRA provide a loan of HK \$ 135 million (approximately 2 billion yen at the exchange rate at the time) without requesting any collateral and without imposing any interest, to a foreign corporation closely related to the said third party.

b. Issuance of check from TRA

On May 11, 2015, Mr. Okada, in order to seek his personal gain, instructed the person in charge of accounting of TRA to prepare a check of HK\$ 16 million (approximately 200 million yen at the exchange rate at the time), signed and issued it.

c. Provision of collateral by Universal Entertainment Korea co., Ltd. (hereinafter called “UE Korea”)

While UE Korea, a wholly owned subsidiary of TRA, was in the process of negotiating the purchase of a land to be used for a casino resort project in Korea, Mr. Okada changed the business entity that would be a purchaser of the land from UE Korea to Okada Holdings Korea Co., Ltd, a wholly owned subsidiary of Okada HD (hereinafter called “Okada Korea”). In addition, in order to finance a down payment for the purchase by Okada Korea of the land in Korea, Mr. Okada borrowed 80 million USD under the name of Okada HD by providing a deposit of UE Korea as a collateral. Further, Mr. Okada had Okada HD request UE Korea to pay 173,562.23 USD, the amount equivalent to the interest and fee for the loan, as a fee for management consultancy, which was totally unsubstantial, thereby causing the payment of the same amount to be made by UE Korea to Okada HD on March 31 of the same year.

## **2. Future outlook**

In accordance with the development of the present case, any matters that require disclosure will be promptly notified.