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Announcement on Recognition of Non-Operating Income (Interest Income and Foreign Exchange Valuation Gain/Loss) and Extraordinary Income (Gain on the Redemption of Stock Due to the Settlement)

Universal Entertainment Corporation hereby announces that it has recorded non-operating income (interest income and foreign exchange valuation gain/loss) and extraordinary income (gain on the redemption of stock due to the settlement) in the first quarter (from January 1, 2018 to March 31, 2018) of 2018.

1. Information about the non-operating income (interest income) and extraordinary income (gain on sale of investment securities)

As was announced on March 9, 2018 in the press release titled “Announcement Regarding Settlement with Wynn Resorts, Limited (NASDAQ: WYNN),” Universal Entertainment and Wynn Resorts agreed to a settlement that includes the payment of 2,632 million US dollars by Wynn Resorts to the Universal Entertainment Group. This payment was made on March 30, 2018 (U.S. time). As a result, Universal Entertainment recorded interest income of 74,508 million yen and a gain on the redemption of stock due to the settlement of 158,796 million yen.

As was announced on March 9, 2018 in the press release titled “Announcement on Recognition of Non-Operating Income and Revisions of Earnings Forecasts,” these income were expected to be classified as other non-operating income. However, after discussions with its independent auditor, Universal Entertainment decided to recognize these income as interest income and a gain on the redemption of stock due to the settlement.

2. Information about non-operating income (foreign exchange valuation gain/loss)

Universal Entertainment recorded a foreign exchange valuation gain of 6,826 million yen due to a foreign exchange valuation gain associated with bonds held by the Company.

This foreign exchange valuation gain includes a valuation gain resulting from a conversion using the foreign exchange rate at the end of the first quarter of 2018. As a result, the amount of this valuation gain may change depending on upcoming movements in the foreign exchange rate.

3. Outlook

Please refer to the press release “Notice of Revision to Consolidated Forecast” that was announced today (May 14, 2018).