



January 31, 2019

Company Name: Universal Entertainment Corporation
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Business Alliance with CAPCOM CO., LTD.

Universal Entertainment Corporation (hereinafter referred to as the “Company”) hereby announces that it has executed a “Letter of Intent” with CAPCOM CO., LTD. (hereinafter referred to as “CAPCOM”) over a business alliance under which both companies will collaborate over their amusement machines businesses. Details are as follows.

1. Purpose of Business Alliance

One of the world’s leading contents holders, CAPCOM possesses formidable contents development capability. With respect to Pachislot cabinets, the Company’s technological prowess and sales capability are among the industry’s highest levels. With this business alliance, the Company seeks to leverage the mutual strengths of both organizations to develop, manufacture and sell amusement machines together with CAPCOM and, in doing so, maximize the earnings power of both companies.

2. Primary Nature of Business Alliance

The Company will consign the development of contents for its Pachislot machines to CAPCOM and provide development assistance in the form of loaning contents development equipment, etc. In addition to developing contents for Pachislot machines and developing and manufacturing accompanying cabinets, CAPCOM will grant the Company consent to use the copyrights, etc. in CAPCOM’s possession to the extent required in order to carry out associated business and conduct sales, advertising and publicity activities.

3. Overview of Partner in Business Alliance

(1) Name of Company	CAPCOM CO., LTD.
(2) Location	3-1-3 Uchihirano-machi, Chuo-ku, Osaka, Japan
(3) Name and Title of Representative	Haruhiro Tsujimoto, President and Chief Operating Officer

(4) Business Activities	Planning, development, manufacture, sale and distribution of home video games, online games, mobile games and arcade games as well as management of amusement arcades		
(5) Paid-In Capital	33,239 million yen		
(6) Date of Establishment	May 30, 1979		
(7) Listed Stock Exchange	Tokyo Stock Exchange (First Section)		
(8) Relationship between Listed Company and Company in Question	Capital relationship	No applicable items are present.	
	Human relationship		
	Business relationship		
	Status of related parties applicability		
(9) Consolidated Operating Results and Consolidated Financial Condition of Company in Question for Last Three Years			
	Fiscal Year Ended March 31, 2016	Fiscal Year Ended March 31, 2017	Fiscal Year Ended March 31, 2018
Net sales	77,021 million yen	87,170 million yen	94,515 million yen
Operating income	12,029 million yen	13,650 million yen	16,037 million yen
Ordinary income	11,348 million yen	12,589 million yen	15,254 million yen
Net income attributable to owners of the parent	7,745 million yen	8,879 million yen	10,937 million yen
Total assets	113,057 million yen	118,897 million yen	125,573 million yen
Net assets	75,168 million yen	77,774 million yen	85,421 million yen

4. Future Outlook

The Company is currently performing estimates on the impact that this matter will have on its future consolidated business performance. Its view at this juncture is that said impact, particularly in and beyond the fiscal year ending December 31, 2020, will gradually manifest itself in the form of growth in sales and earnings.

The Company will promptly announce any items that merit disclosure should they arise in the future.