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Action Taken Against Infringement of Company-Held Patent Rights by Aruze Gaming America Inc.

1. Universal Entertainment Corporation (hereinafter referred to as the “Company”) hereby announces that one of its business partner companies¹, Aruze Gaming America Inc. (based in the State of Nevada, United States; representative in Japan: Keiichi Kojima; hereinafter referred to as “AGA”), has continued to violate an agreement that it has executed with the Company to pay it patent licensing fees for Company-held patents by not paying said fees whatsoever. Although the Company has continued to issue citations to AGA, due to the latter showing no indications that it will comply with those citations, the Company has brought a legal action (Amount of claim for damages in court of 100 million yen) against AGA to Tokyo District Court as follows.

(1) Opponent (defendant): Aruze Gaming America, Inc.

(2) Date of lawsuit filing: August 28, 2017

2. In addition to the aforementioned violation of the agreement, according to an investigation that it performed, the Company has verified that AGA has continued to use Company-held patents without permission, and that there is an extremely high possibility that it is manufacturing and selling products using those patents. The Company will proceed to examine legal action against this act by AGA of using Company-held patents without permission, including demanding an injunction to stop said manufacture and sales activities by AGA.

This case was revealed, apart from the investigation by the special investigation committee, the final report from which is received the final report on August 29, 2017, by the internal review for the inter-company transactions from the same point of view with the committee. Impact of the above two items on business performance is under review at present, and we will promptly notice when additional items to be disclosed arise.

1: Aruze Gaming America Inc. has no capital relationship with the Company due to its shares being wholly owned by Kazuo Okada although there are business relationships such as purchase of slot machines.