

This is an English translation of the official announcement in Japanese that was released on February 10, 2017. The translation is prepared for the readers' convenience only. All readers are strongly recommended to refer to the original Japanese version for complete and accurate information. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.



Summary of Financial Data and Business Results for the Third Quarter of the Fiscal Year Ending March 31, 2017 (JP GAAP, Consolidated)

February 10, 2017
Listed Exchange: Tokyo Stock Exchange

Company Name: Universal Entertainment Corporation

Code No.: 6425 URL: <http://www.universal-777.com>

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Scheduled Submission Date of Quarterly Report: February 10, 2017

Scheduled Commencement Date of Dividend Payment: -

Supplementary Briefing Materials for Quarterly Settlement of Accounts: None available

Briefing on Quarterly Settlement of Accounts: None scheduled

(Amounts rounded down to nearest million yen)

1. Consolidated Business Results for the Third Quarter of Fiscal Year Ending March 31, 2017

(Period from April 1, 2016 to December 31, 2016)

(1) Consolidated Operating Results

(Percentages refer to changes from the same quarter in the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
3rd Quarter of Fiscal Year Ending March 31, 2017	90,630	48.0	27,436	242.0	23,285	415.2	14,980	330.9
3rd Quarter of Fiscal Year Ended March 31, 2016	61,222	30.2	8,023	2.7	4,519	(47.6)	3,476	88.5

(Note) Comprehensive income

3rd Quarter of Fiscal Year Ending March 31, 2017: (28,020) million yen (-%)

3rd Quarter of Fiscal Year Ended March 31, 2016: (62) million yen (-%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
3rd Quarter of Fiscal Year Ending March 31, 2017	204.14	204.03
3rd Quarter of Fiscal Year Ended March 31, 2016	47.38	47.37

(2) Consolidated Financial Status

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Net Assets per Share
	Million Yen	Million Yen	%	Yen
As of December 31, 2016	479,867	201,603	41.9	2,737.16
As of March 31, 2016	369,580	229,072	61.7	3,108.92

(Reference) Shareholders' equity

As of December 31, 2016: 200,862 million yen

As of March 31, 2016: 228,143 million yen

2. Status of Dividends

	Annual Dividends				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of Fiscal Year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended March 31, 2016	-	0.00	-	0.00	0.00
Fiscal Year Ending March 31, 2017	-	0.00	-	-	-
Fiscal Year Ending March 31, 2017 (Forecast)				40.00	40.00

(Note) Revision from the dividend forecast most recently announced: Yes

.For details please refer to the press release titled "Announcement concerning dividend forecast for the fiscal year-end" that is announced today.

3. Consolidated Business Results Forecast for the Fiscal Year Ending March 31, 2017
(Period from April 1, 2016 to March 31, 2017)

(Percentages refer to changes from the previous corresponding period)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	Net Income per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	Yen
Full Fiscal Year	120,000	30.8	30,000	77.6	30,000	34.3	20,000	272.54

(Note) Revision from the business forecasts most recently announced: No

* Matters of Note

- (1) Changes in material subsidiaries during the period (Changes in specified subsidiaries accompanying changes in scope of consolidation) : None
 Newly added: None
 Excluded: None

- (2) Application of accounting procedures specific to the preparation of quarterly consolidated financial statements : None

- (3) Changes in accounting policies, changes in accounting estimates and/or restatements
 1) Changes in accounting policies accompanying revision of accounting standards, etc. : Yes
 2) Changes in accounting policies other than 1) : None
 3) Changes in accounting estimates : None
 4) Restatements : None

- (4) Number of outstanding shares (common stock)

- 1) Shares issued at end of fiscal period (including treasury shares)
 As of December 31, 2016: 80,195,000 shares
 As of March 31, 2016: 80,195,000 shares
 2) Number of treasury shares at end of fiscal period
 As of December 31, 2016: 6,811,232 shares
 As of March 31, 2016: 6,811,232 shares
 3) Average number of shares during fiscal period
 3rd Quarter of Fiscal Year Ending March 31, 2017: 73,383,768 shares
 3rd Quarter of Fiscal Year Ended March 31, 2016: 73,383,821 shares

* Information Regarding the Implementation of Quarterly Review Procedures

This Summary of Financial Data and Business Results is exempt from the quarterly review procedures under the Financial Instruments and Exchange Act of Japan. At time of disclosure of this Summary of Financial Data and Business Results, the quarterly review procedures for the quarterly financial statements have been completed.

* Explanation on Proper Usage of Business Results Forecast and Other Noteworthy Items

The forward-looking statements regarding business results, etc. as featured herein are based on information that is currently available and certain assumptions that are determined to be reasonable, but are not promises by the Company regarding future performance. Actual business results may vary significantly due to a number of factors. For preconditions for business forecasts, notes on the usage of business forecasts and so forth, please see "1. Qualitative Information Pertaining to Quarterly Settlement of Accounts, (3) Explanation of Consolidated Business Results Forecast and Other Forward-looking Statements" on page 3 of the Attached Materials.

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1. Qualitative Information Pertaining to Quarterly Settlement of Accounts

(1) Explanation of Operating Results

(Million yen)

First nine months of fiscal year ending March 31, 2017	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent
Non-consolidated	93,899	32,774	21,725	14,109
Consolidated	90,630	27,436	23,285	14,980

In the first nine months of the current consolidated fiscal year, Universal Entertainment Corporation (the "Company") posted net sales of 90,630 million yen (an increase of 48.0% year on year), operating income of 27,436 million yen (an increase of 242.0% year on year), ordinary income of 23,285 million yen (an increase of 415.2% year on year), and net income attributable to owners of the parent of 14,980 million yen (an increase of 330.9% year on year).

Business segment performance was as follows. Sales and earnings are prior to adjustments for inter-segment sales or transfers.

(i) Pachislot and Pachinko Business

The Pachislot and Pachinko Business posted net sales of 88,240 million yen (an increase of 50.5% year on year) and operating income of 39,969 million yen (an increase of 114.6% year on year).

The deadline for the removal of Pachinko machines under the "Statement of Promoting the Soundness of the Pachinko and Pachislot Industry" was December 31, 2016. This created an extremely challenging situation for the entire industry as operators of pachinko halls that use Universal Entertainment products had to spend considerable time to comply with this statement. Despite these difficulties, this segment posted strong sales of Pachislot machines.

The Company launched following two titles: "Cranky Celebration," the seventh title of the A PROJECT under the "Revival" theme, and "Basilisk: The Koga Ninpocho III," the latest title in the "Basilisk: The Koga Ninpocho" series which is overwhelmingly popular even today three years after its initial launch.

(ii) Other

Other Business posted net sales of 2,397 million yen (a decrease of 8.0% year on year) and an operating loss of 4,864 million yen (compared with an operating loss of 2,962 million yen in the same period of the previous consolidated fiscal year.)

In the Media Content Business, the Company distributed simulator applications of Pachislot title "SLOT Maho Shoujo Madoka☆Magika 2" on App Store, Google Play and the members-only mobile website "Univa Kingdom." In addition, simulator applications of "SLOT Basilisk: The Koga Ninpocho III" were distributed on App Store and Google Play. Both of these titles maintain their high rankings at App Store and Google Play, and earned a good reputation.

Furthermore, the distribution of simulator applications of Pachislot title "Oki-Doki!" on au Smart Pass and Docomo Sugotoku started.

In the Broadcasting Business, Japan Amusement Broadcasting operates "Pachinko★Pachislot TV!," Japan's largest channel specializing in the Pachinko and Pachislot field. This channel added a new program in October and distributed special year-end programming in December. The number of subscribers has been growing following upgrades to the content offered by the video distribution site "Pachitele! Net Premium." In the Content Distribution Business, there was a growth in sales of content that was added in the previous consolidated fiscal year.

(2) Explanation of Financial Status

(Assets)

The amount of total assets at the end of the third quarter of the current consolidated fiscal year amounted to 479,867 million yen, an increase of 110,287 million yen over the end of the previous consolidated fiscal year. This was mainly due to increases of 64,275 million yen in cash and deposits and 57,405 million yen in construction in progress, while there were decreases of 2,628 million yen in notes and accounts receivable-trade, 2,662 million yen in merchandise and finished goods, and 9,942 million yen in investment securities.

(Liabilities)

The amount of liabilities at the end of the third quarter of the current consolidated fiscal year amounted to 278,264 million yen, an increase of 137,756 million yen over the end of the previous consolidated fiscal year. This was mainly due to increases of 3,940 million yen in accounts payable-other, 76,850 million yen increase in bonds payable, and 66,476 million yen in long-term loans payable, while there were decreases of 7,029 million yen in notes and accounts payable-trade and 3,769 million yen in short-term loans payable.

(Net Assets)

The amount of net assets at the end of the third quarter of the current consolidated fiscal year amounted to 201,603 million yen, a decrease of 27,468 million yen over the end of the previous consolidated fiscal year. This was mainly due to a 15,505 million yen increase in retained earnings and a 42,757 million yen decrease in foreign currency translation adjustment.

As a result, the ratio of shareholders' equity was 41.9% compared with 61.7% at the end of the previous consolidated fiscal year.

(3) Explanation of Consolidated Business Results Forecast and Other Forward-looking Statements

(i) Pachislot and Pachinko Business

In the fourth quarter, there are a number of concerns about market conditions in this business. In particular, the voluntary restrictions in the Pachislot and Pachinko industries will continue to affect the performance of pachinko halls.

To provide support to hall operators, the Company is conducting Pachislot and Pachinko machine sales with the goal of helping pachinko halls attract new customers.

In the Pachislot category, there are plans to start selling two new titles. One is "SLOT Star Ocean 4," a unit created through a collaboration with major game developer SQUARE ENIX CO., LTD. involving its very successful Star Ocean role-playing game. The other new title is "Another God Poseidon – Kaio no Sansen," the second Pachislot title ever to have a projection mapping capability.

In the Pachinko category, there are plans to launch one new titles. It is "CRA Etotama 79 ver.," a revised version of "CR Etotama" created through a tie-up with the popular animated TV show "Etotama."

(ii) Other

In the Media Content Business, the Company is continuing to perform R&D activities with the aim of supplying high-quality simulator applications to users. The goal for "Univa Kingdom," a members-only mobile website, is to consistently add more apps and functions in order to make this a place where people stay a long time to enjoy games.

Japan Amusement Broadcasting operates "Pachinko★Pachislot TV!," Japan's largest channel specializing in the Pachinko and Pachislot field. Special programming is planned for February and March. The framework for the existing

broadcast and content distribution business will be strengthened as well in order to produce programs that offer more enjoyable content.

OKADA MANILA®, world-class casino resort, received approval on December 21, 2016 from the Philippine Amusement and Gaming Corporation to start casino operations. This company officially started operating its casino at 19:00 on December 30. Construction was sped up to complete the VIP casino floors, restaurants, world-class fountains and other facilities for the grand opening. We hereby announce that we have now reached the stage wherein we are targeting to hold the grand opening at the end of March 2017. With regards to consolidated earnings, since the company consolidates its overseas subsidiaries with a quarterly lag, it will be fully reflected in the consolidated earnings from the next period.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2016)	The 3rd Quarter of the Current Consolidated Fiscal Year (December 31, 2016)
Assets		
Current assets		
Cash and deposits	52,280	116,555
Notes and accounts receivable-trade	13,842	11,214
Securities	14	11
Merchandise and finished goods	4,994	2,331
Work in process	15,141	16,064
Raw materials and supplies	23,926	23,104
Other	9,450	10,379
Allowance for doubtful accounts	(7)	(6)
Total current assets	119,643	179,655
Non-current assets		
Property, plant and equipment		
Land	7,330	7,099
Construction in progress	117,158	174,564
Other	21,047	22,314
Total property, plant and equipment	145,536	203,978
Intangible assets		
Other	1,965	2,034
Total intangible assets	1,965	2,034
Investments and other assets		
Investment securities	61,376	51,434
Long-term deposits	6,999	7,122
Long-term deposits for affiliates	30,034	29,363
Other	4,932	4,506
Allowance for doubtful accounts	(2,840)	(1,030)
Total investments and other assets	100,502	91,396
Total non-current assets	248,004	297,409
Deferred assets	1,932	2,802
Total assets	369,580	479,867

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2016)	The 3rd Quarter of the Current Consolidated Fiscal Year (December 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	22,566	15,537
Short-term loans payable	14,274	10,505
Accounts payable-other	13,854	17,795
Income taxes payable	6,020	6,444
Provision for bonuses	270	79
Other	4,699	7,641
Total current liabilities	61,686	58,002
Non-current liabilities		
Bonds payable	70,588	147,438
Long-term loans payable	-	66,476
Other	8,233	6,347
Total non-current liabilities	78,821	220,262
Total liabilities	140,507	278,264
Net assets		
Shareholders' equity		
Capital stock	98	98
Capital surplus	10,852	10,852
Retained earnings	217,673	233,178
Treasury shares	(14,296)	(14,296)
Total shareholders' equity	214,326	229,831
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(577)	(606)
Foreign currency translation adjustment	14,395	(28,362)
Total accumulated other comprehensive income	13,817	(28,968)
Subscription rights to shares	73	99
Non-controlling interests	854	640
Total net assets	229,072	201,603
Total liabilities and net assets	369,580	479,867

(2) Quarterly Consolidated Statement of Income and
Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)
(The Cumulative Third Quarter of the Consolidated Fiscal Year)

(Million yen)

	The Cumulative 3rd Quarter of the Previous Consolidated Fiscal Year (April 1 to December 31, 2015)	The Cumulative 3rd Quarter of the Current Consolidated Fiscal Year (April 1 to December 31, 2016)
Net sales	61,222	90,630
Cost of sales	30,442	37,010
Gross profit	30,780	53,620
Selling, general and administrative expenses	22,757	26,184
Operating income	8,023	27,436
Non-operating income		
Interest income	47	74
Dividend income	271	13
Other	47	90
Total non-operating income	366	178
Non-operating expenses		
Interest expenses	419	247
Commission fee	140	120
Foreign exchange losses	2,235	3,657
Sales discounts	102	21
Equity in losses of affiliates	955	185
Other	14	97
Total non-operating expenses	3,869	4,329
Ordinary income	4,519	23,285
Extraordinary income		
Gain on sales of non-current assets	5	6
Gain on liquidation of subsidiaries	1,821	-
Other	7	-
Total extraordinary income	1,835	6
Extraordinary losses		
Loss on retirement of non-current assets	12	9
Loss on business of subsidiaries and associates	-	268
Total extraordinary losses	12	277
Income before income taxes and others	6,342	23,013
Income taxes-current	2,755	9,496
Income taxes-deferred	454	(1,248)
Total income taxes	3,209	8,247
Net income	3,132	14,766
Net loss attributable to non-controlling interests	(344)	(214)
Net income attributable to owners of the parent	3,476	14,980

(Quarterly Consolidated Statement of Comprehensive Income)
(The Cumulative Third Quarter of the Consolidated Fiscal Year)

(Million yen)

	The Cumulative 3rd Quarter of the Previous Consolidated Fiscal Year (April 1 to December 31, 2015)	The Cumulative 3rd Quarter of the Current Consolidated Fiscal Year (April 1 to December 31, 2016)
Net income	3,132	14,766
Other comprehensive income		
Valuation difference on available-for-sale securities	(327)	(28)
Foreign currency translation adjustment	(2,868)	(42,757)
Total other comprehensive income	(3,195)	(42,786)
Comprehensive income	(62)	(28,020)
(Breakdown)		
Comprehensive income attributable to owners of the parent	281	(27,806)
Comprehensive income attributable to non-controlling interests	(344)	(214)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes Pertaining to Going Concern)

There is no applicable information.

(Changes in Accounting Policies)

(Application of Practical Solution on a Change in Depreciation Method due to Tax Reform 2016)

Following the revision of the Corporation Tax Act, the Company has adopted the "Practical Solution on a Change in Depreciation Method due to Tax Reform 2016" (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 32, June 17, 2016) from the first quarter of the current consolidated fiscal year, and changed the method for the depreciation of facilities attached to buildings and structures acquired on or after April 1, 2016, from the declining-balance method to the straight-line method.

The effect of this change is insignificant.

(Notes in Event of Significant Fluctuation in Amount of Shareholders' Equity)

There is no applicable information.

(4) Additional Information

(Litigation)

The lawsuit involving Wynn Resorts, Limited (NASDAQ: WYNN) is currently in the stage of disclosure of evidence including discovery and recording of testimony. Next will be a trial with witness examinations and other activities that will result in a verdict. Consequently, taking into account the difficulty of estimating with certainty the effects that could potentially arise from the results of filing this countersuit on the financial status, operating results, and cash flow status of the corporate group consisting of the Company and its consolidated subsidiaries, etc. in a particular period of time, the Wynn Resorts stock has been valued at the acquisition cost since the end of March 2013.

Interest payments for the long-term note issued by Wynn Resorts for the past four years (38,728,852.63 U.S. dollars each year) have been paid to the clerk of the court for deposit in the court trust account. However, since the Company believes the interest payments do not belong to the Group based on the principle of the right to claim, the Company has concluded that it is very likely that there will be no need to recognize the interest paid by this check as interest received for either accounting or tax purposes. Consequently, the Company's consolidated financial statements do not reflect the issuance of this check with an interest payment.

In February 2015, the Company, with Aruze USA Inc. and others, filed a lawsuit in the Court of First Instance of the Macau Special Administrative Region against Wynn Resorts (Macau) S.A. and four of its directors, including Steve Wynn. The pending suit asks for the dissolution of Wynn Resorts (Macau) S.A., payment of damages totaling about 8 billion Macau patacas and other actions.

(Borrowing Costs into the Acquisition Cost)

Finance from loans and corporate bonds/debentures (private placement bonds) has formed part of the construction funds required by the Casino Resort Business for its long-term projects. Given the significance of these amounts, we have included borrowing costs that are funding ongoing construction periods into our calculation of the acquisition cost.

(Application of the Implementation Guidance on Recoverability of Deferred Tax Assets)

The Company has adopted the "Implementation Guidance on Recoverability of Deferred Tax Assets"(ASBJ Guidance No. 26, March 28, 2016) from the first quarter of the current consolidated fiscal year.