

Update on the Philippine Intra-Corporate Case vs. Mr. Kazuo Okada

(As of 17th of May 2022)

There has been a recent legal development in the Philippine intra-corporate case involving Mr. Kazuo Okada and Tiger Resort, Leisure and Entertainment, Inc. (TRLEI).

TRLEI is the operator of Okada Manila in Entertainment City and is the Philippine wholly owned subsidiary of Tiger Resort Asia Limited (TRAL), a Hong Kong company, which in turn is wholly owned by Universal Entertainment Corporation (UEC), a Japanese publicly listed company.

Five years ago, in 2017, TRAL removed Mr. Okada from his position as chairman, CEO, director and nominal stockholder of TRLEI at the same time that Mr. Okada was removed as Chairman of UEC. This resulted in various legal cases in Japan, Hong Kong and the Philippines.

The Japanese legal case in the intra-corporate dispute between Japanese citizens over the control of UEC and in turn TRLEI, was decided with finality against Mr. Okada, as evidenced by the following:

1. In January 2019, the Tokyo District Court ruled against Mr. Okada in a dispute over the ownership of voting rights in Okada Holdings Limited (OHL), the parent company of UEC, which resulted to Mr. Okada not being able to control a majority of the voting rights in OHL and the legality of Mr. Okada's non-reappointment as a director of UEC in June 2017 was confirmed. This decision was further confirmed when the Tokyo High Court dismissed the appeal in July 2019 and when the Japanese Supreme Court dismissed the appeal in September 2019, and decided not to accept the appeal in July 2020.
2. In February 2020, the Tokyo District Court ruled that Mr. Okada was liable for damages to UEC for breaching his duties as a director of UEC, which was confirmed in September 2020 when the Tokyo High Court dismissed Mr. Okada's appeal. Further in September 2021, the Japanese Supreme Court dismissed, and the appeal was not accepted, thereby making the decision final.

In the Philippines, Mr. Okada's claims for reinstatement were dismissed by the Regional Trial Court in December 2018. In 2020, the Court of Appeals rejected Mr. Okada's appeal. He then filed an appeal with the Supreme Court.

Recently, the Second Division of the Supreme Court of the Philippines issued an order that the parties should observe the "*status quo ante*" in 2017 before Mr. Okada was removed from TRLEI. This *status quo* order is a temporary or provisional order, while that division of the Supreme Court is still studying the case and has yet to decide on the merits of the case. Media reports that "*a Philippine Supreme court decision in favour of Mr Kazuo Okada to 'restore the composition of board of directors of TRLEI (Tiger Resort Leisure and Entertainment)' to its 2017 composition has been made*" are inaccurate and misleading. The Supreme Court order does not contain this language, yet various media reports have stated this, apparently quoting an email sent by Aruze Gaming Macau, a private company that Mr. Kazuo Okada has owned.

The *status quo* order is very unclear and vague as to how it can possibly be implemented, especially considering that in the past five years, many things have happened in TRLEI that obviously cannot simply be undone or disregarded. Moreover, TRAL – the majority shareholder of TRLEI at 99.99% -- voted substantially all of the shares of TRLEI for the removal of Mr. Okada from the company. TRAL, which is a HK company, is not under the jurisdiction of Philippine courts nor subject to the *status quo* order.

TRLEI has filed an Urgent Motion for Reconsideration to ask the Supreme Court Second Division to reconsider or revoke its *status quo* order. TRLEI believes that there is a strong legal basis for the revocation of the *status quo* order. The removal of Mr. Okada was valid and legal and done upon the instructions of its parent company TRAL. Further, TRLEI is indirectly wholly owned by UEC, a Japanese publicly listed company. The Tokyo District Court, Tokyo High Court and Japanese Supreme Court have already effectively decided with finality that Mr. Okada's removal was valid.

UEC, TRAL and TRLEI are confident that the Philippine Supreme Court will eventually see the correctness of TRLEI's position, rule in TRLEI's favor, and recognize the Japanese courts' decisions on the dispute between Japanese citizens over the control of the Japanese parent of TRLEI and its subsidiaries.

In the meantime, please be assured that there is no change in the leadership and management of the UEC, TRAL or TRLEI. The business operations of TRLEI and Okada Manila continue as usual and we expect that these events will not affect or disrupt our day-to-day activities.