

This is an English translation of the official announcement in Japanese that was released on May 14, 2025. 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 First Quarter of the Fiscal Year Ending December 31, 2025
(JP GAAP, Consolidated)**

May 14, 2025

Listed Exchange: Tokyo Stock Exchange

Company Name: Universal Entertainment Corporation

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

Representative: (Name) Tomohiro Okada (Title) Representative Director and President

Contact: (Name) Nobuki Sato (Title) Senior Executive Officer & CFO

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Scheduled Commencement Date of Dividend Payment: -

Supplementary Briefing Materials for Settlement of Accounts: Yes

Briefing on Settlement of Accounts: None scheduled

(Amounts rounded down to nearest million yen)

1. Consolidated Business Results for the First Quarter of Fiscal Year 2025 (Period from January 1, 2025 to March 31, 2025)

(1) Consolidated Operating Results

(Percentages refer to changes from the previous fiscal year)

	Net Sales		Operating Profit		Ordinary Profit		Net Income Attributable to Owners of Parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
1st Quarter of Fiscal Year 2025	27,280	(20.8)	(2,512)	-	(12,319)	-	(7,556)	-
1st Quarter of Fiscal Year 2024	34,427	(3.0)	4,023	(15.5)	5,575	76.5	3,450	17.1

(Note) Comprehensive income

1st Quarter of Fiscal Year 2025: (13,774) million yen (-%)

1st Quarter of Fiscal Year 2024: 10,745 million yen (up 0.3%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
1st Quarter of Fiscal Year 2025	(97.36)	-
1st Quarter of Fiscal Year 2024	44.53	44.53

(Note) Diluted net income per share for the 1st Quarter of 2025 is not presented because a net loss per share was posted despite the existence of latent shares with a dilution effect.

(2) Consolidated Financial Status

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Net Assets per Share
	Million Yen	Million Yen	%	Yen
As of March 31, 2025	603,937	355,956	58.9	4,593.69
As of December 31, 2024	632,795	369,731	58.4	4,771.28

(Reference) Shareholders' equity

As of March 31, 2025: 355,956 million yen

As of December 31, 2024: 369,731 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 2024	-	30.00	-	0.00	30.00
Fiscal Year 2025	-				
Fiscal Year 2025 (Forecast)		-	-	-	-

(Note) Revision from the dividend forecast most recently announced: None

The final dividend forecast for Fiscal Year 2025 is to be determined.

3. Consolidated Business Results Forecast for Fiscal Year 2025 (Period from January 1, 2025 to December 31, 2025)

(Percentages refer to changes from the previous fiscal year)

	Net Sales		Operating Profit		Ordinary Profit		Net Income Attributable to Owners of Parent		Net Income per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Full Fiscal Year	150,000	18.7	16,000	429.1	1,000	-	800	-	10.32

(Note) Revision from the business forecasts most recently announced: None

* Matters of Note

- | | |
|---|-------------------|
| (1) Significant changes in the scope of consolidation during the period | : None |
| (2) Application of accounting procedures specific to the preparation of the 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. | : None |
| 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 March 31, 2025: | 80,195,000 shares |
| As of December 31, 2024: | 80,195,000 shares |
| 2) Number of treasury shares at end of fiscal period | |
| As of March 31, 2025: | 2,704,139 shares |
| As of December 31, 2024: | 2,704,096 shares |
| 3) Average number of shares during fiscal period | |
| 1st Quarter of Fiscal Year 2025: | 77,490,874 shares |
| 1st Quarter of Fiscal Year 2024: | 77,490,904 shares |

* Review of the attached quarterly consolidated financial statements by certified public accountants or auditing firms: None

* 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 Universal Entertainment Corporation regarding future performance. Actual business results may vary significantly due to a number of factors. For preconditions of business forecasts and notes on the usage of business forecasts and so forth, please see "1. Qualitative Information Pertaining to Quarterly Settlement of Accounts, (4) Forecast of Consolidated Business Results" on page 4 of the Attached Materials.

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1. Qualitative Information Pertaining to Quarterly Settlement of Accounts

(1) Explanation of Operating Results

In the Amusement Equipments Business, Pachislot sales are strong due to the diffusion of Smart Pachislot machines. However, there was a operating loss caused by the decrease in sales volume year-on-year as well as a lower profitability. In the Integrated Resort Business, the performance of both gaming and non-gaming operations was down year-on-year due to the decline in the VIP segment at OKADA MANILA and the decrease in number of foreign guests. In particular, the VIP rolling chip volume was down sharply and the decrease in the number of guests impacted the performance of both the mass gaming and the hotel and F&B categories.

As a result, sales in the first quarter of fiscal year 2025 totaled 27,280 million yen (downed 20.8% year-on-year), operating loss was 2,512 million yen (ordinary profit was 4,023 million yen in the same period of 2024), ordinary loss was 12,319 million yen (ordinary profit was 5,575 million yen in the same period of 2024), and net loss attributable to owners of parent was 7,556 million yen (net income attributable to owners of parent was 3,450 million yen in the same period of 2024). Business segment performance was as follows. Sales are prior to adjustments for inter-segment sales or transfers.

(i) Amusement Equipments Business

In the first quarter of fiscal year 2025, the Amusement Equipments Business posted a net sales of 8,750 million yen (downed 36.9% year-on-year) and an operating loss of 1,199 million yen (operating profit was 3,929 million yen in the same period of 2024).

In the amusement equipment industry, the business climate for Pachislot machines is favorable because of the steady introduction of smart Pachislot machines to the market as well as the high utilization rate of these machines in the Pachinko parlors that meets the expectation from the parlor operators. For the Pachinko sector, expectation for an upturn is emerging as the market diffusion of Pachinko machines with lucky trigger function which have richer game elements as well as smart Pachinko machines have been moving gently, and well-evaluated machines with good reputation are being released.

In response to these market conditions, we introduced "SMART PACHISLOT SHAMAN KING," which recreates the worldview of this popular anime, into the market and ramped up the production of "OKIDOKI! GORGEOUS", a highly evaluated title. In the pachinko category, we introduced "P HANEMONO Family Stadium," a motif of the popular baseball game from Bandai Namco Entertainment Inc., and "P Crash Landing on You", the first amusement machine based on a love story that was a big hit mainly in Asia.

(ii) Integrated Resort Business

The Integrated Resort Business posted a net sales⁽¹⁾ of 18,378 million yen (downed 9.8% year-on-year), and an operating profit of 331 million yen (downed 81.3% year-on-year). Adjusted segment EBITDA⁽²⁾ was 4,605 million yen in the first quarter of fiscal year 2025 (downed 23.6% year-on-year).

At OKADA MANILA, an integrated resort operated by the Universal Entertainment Group, the first quarter performance in fiscal year 2025 fell below the previous year's results. According to the Philippine Department of Tourism, the number of inbound travelers from South Korea and China, the main overseas visitor source countries for OKADA MANILA, decreased by 13.9% and 33.7% respectively throughout the first quarter in 2025.

In the gaming category, a drop in VIP rolling chip volume has continued since the last fiscal year. Gross gaming revenue from the gaming machine category also declined year on year due to the decrease in the number of the Philippines inbound visitors. The hotel and F&B business also saw a decline in revenue due to the decline in the number of property visitors.

(1) Net sales are gross revenues minus gaming taxes and jackpots.

(2) Adjusted segment EBITDA= Operating profit/loss + Depreciation + Other adjustments

(iii) Other

Other Business posted a net sales of 130 million yen (downed 15.0% year-on-year), and an operating profit of 179 million yen (upped 56.5% year-on-year) in the first quarter of fiscal year 2025.

For the Media Content Business, although simulator applications for our amusement machines have been distributed on App Store and Google Play, no new application was released in the first quarter. For “Universal Kingdom,” the subscription-based application, and “Slots Street,” the free-to-play social casino game, we have been doing our best to attract new users and increase the satisfaction of current users by constantly holding in-game events. For digital music distribution, 2 titles were distributed to 24 platforms, including Apple Music, Spotify and YouTube Music.

(2) Explanation of Financial Status

Financial status for the first quarter of fiscal year 2025 is as follows.

Total assets at the end of the first quarter of fiscal year 2025 amounted to 603,937 million yen, a decrease of 28,858 million yen year-on-year. The decrease was mainly due to the depreciation of Philippine peso and U.S. dollar against Japanese yen, the decreases in cash and deposits as well as notes and accounts receivable – trade, and an increase in long-term allowance for doubtful accounts.

Total liabilities at the end of first quarter of fiscal year 2025 amounted to 247,980 million yen, a decrease of 15,083 million yen year-on-year. The decrease was mainly due to the depreciation of Philippine peso and U.S. dollar against Japanese yen and the decreases in accrued expenses and other under current liabilities.

Total net assets at the end of first quarter of 2025 amounted to 355,956 million yen, a decrease of 13,774 million yen from the end of 2024. This was partly the result of a decrease in retained earnings due to net loss attributable to owners of parent and foreign currency translation adjustment due to weakening of the Philippine peso against the yen.

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

(i) Amusement Equipments Business

For Pachislot category in the amusement equipments industry, the installation rate of smart Pachislot machines have been steadily increasing and the high utilization rate of these machines are expected to continue. The utilization rate of Pachislot machines is anticipated to further increase as the soar of diversity in playing Pachislot caused by the emergence of the advance model of normal-type machines with the bonus trigger (BT) function is foreseen. In the Pachinko category, the smart Pachinko machines featuring the lucky trigger (LT) function with richer game elements under the new LT3.0+ standard are to be introduced to the market, hit titles are expected to appear and hence energize the business climate.

In the second quarter of fiscal year 2025, we have started launching “SMART PACHISLOT Magia Record Puella Magi Madoka Magica Side Story,” featuring game playing characteristics that bring back memories of the initial version “SLOT Puella Magi Madoka Magica”, and “SMART PACHISLOT MIDORIDON VIVA! JONETSU NAMBEIHEN REVIVAL” that brings back at a higher level the well-known “MIDORIDON VIVA! JONETSU NAMBEI.” Sales have also started of “SMART PACHISLOT GUILTY CROWN 2,” the most advanced A+AT model. In addition, we have launched “P ANOTHER GOD HADES: GOKUEN” from the GOD series which features the lucky trigger function.

Universal Entertainment will continue striving to develop unique and appealing titles, contributing to the revitalization of the entire amusement equipment industry as well as expanding our market share.

(Reference) Number of Pachislot and Pachinko machines sold in 2025

	1st Quarter	2nd Quarter (orders received)
No. of machines sold	18,623	35,000

(Note) See “Supplementary Information on the Results of Operations for the First Quarter of 2025”

(<https://www.universal-777.com/en/ir/library/result/>) for more details.

(ii) Integrated Resort Business

OKADA MANILA is recruiting and training people to strengthen marketing capabilities in the gaming business allowing us to attract more people living in areas other than Luzon Island of the Philippines, where Manila is located, to serve a broader range of local guests as well as tourists from Japan, South Korea and other Southeast Asian countries. While continuing to enhance our ongoing marketing initiatives, we will work to penetrate our new online gaming platform, which has begun operating in 2024, and conduct promotion through our membership program, Reward Circle.

In the non-gaming business, OKADA MANILA was awarded with its sixth consecutive 5-star rating by Forbes Travel Guide and with the Best Integrated Resort and Best Sustainability Program for Okada’s environmental program at Asia Gaming Awards 2025. In addition to regular hotel and food & beverage events, we will continue to increase the number of property visitors to OKADA MANILA by holding large-scale events utilizing the hotel’s facilities and attracting foreign media to tour the area. We will continue to enhance the overall appeal of our facilities by integrating both gaming and non-gaming operations.

(iii) Other

In the Media Content Business, we will start distributing a simulator application “OKIDOKI! GORGEOUS” on App Store and Google Play in late May. For “Universal Kingdom,” the subscription-based application, and “Slots Street,” the free-to-play social casino game, we are continuing enhancing services to increase user satisfaction.

(4) Forecast of Consolidated Business Results

There are no revisions to the Consolidated Business Results Forecast for 2025 that was announced on February 13, 2025.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	Fiscal Year 2024 (December 31, 2024)	The 1st Quarter of Fiscal Year 2025 (March 31, 2025)
Assets		
Current assets		
Cash and deposits	23,795	21,205
Notes and accounts receivable - trade	5,804	3,885
Marketable securities	279	796
Merchandise and finished goods	2,453	4,359
Work in process	17,952	16,642
Raw materials and supplies	12,944	13,548
Others	16,481	17,048
Allowance for doubtful accounts	(854)	(845)
Total current assets	78,856	76,640
Non-current assets		
Property, plant and equipment		
Buildings and structures	359,800	344,511
Construction in progress	9,665	7,689
Lease assets, net	51,515	49,137
Others	36,229	34,616
Total property, plant and equipment	457,209	435,954
Intangible assets		
Others	2,041	2,112
Total intangible assets	2,041	2,112
Investments and other assets		
Investment securities	10,250	10,537
Long-term deposits	9,735	8,910
Long-term deposits to affiliates	38,351	36,263
Long-term accounts receivable from affiliates	9,967	8,999
Others	30,567	30,082
Allowance for doubtful accounts	(5,041)	(6,373)
Total investments and other assets	93,830	88,419
Total non-current assets	553,082	526,486
Deferred assets	857	810
Total assets	632,795	603,937

(Million yen)

	Fiscal Year 2024 (December 31, 2024)	The 1st Quarter of Fiscal Year 2025 (March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,290	6,634
Current portion of long-term borrowings	948	1,196
Accounts payable - others	6,020	5,235
Accrued expenses	9,709	7,711
Income taxes payable	43	13
Provision for bonuses	93	327
Others	20,234	18,541
Total current liabilities	43,341	39,660
Non-current liabilities		
Notes	62,913	59,652
Long-term borrowings	62,152	58,316
Retirement benefit liability	1,099	1,171
Long-term deposits received from affiliates	14,233	13,457
Lease obligations	61,420	59,163
Others	17,902	16,559
Total non-current liabilities	219,723	208,320
Total liabilities	263,064	247,980
Net assets		
Shareholders' equity		
Share capital	98	98
Capital surplus	18,828	18,828
Retained earnings	342,614	335,057
Treasury shares	(7,298)	(7,299)
Total shareholders' equity	354,241	346,684
Accumulated other comprehensive income		
Unrealized loss on marketable securities	(32)	(114)
Foreign currency translation adjustment	15,693	9,550
Remeasurements of defined benefit plans	(170)	(164)
Total accumulated other comprehensive income	15,489	9,271
Total net assets	369,731	355,956
Total liabilities and net assets	632,795	603,937

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
 (Quarterly Consolidated Statement of Income)
 (The Cumulative First Quarter)

	(Million yen)	
	The Cumulative 1st Quarter of Fiscal Year 2024 (January 1 to March 31, 2024)	The Cumulative 1st Quarter of Fiscal Year 2025 (January 1 to March 31, 2025)
Net sales	34,427	27,280
Cost of sales	12,854	12,039
Gross profit	21,572	15,240
Selling, general and administrative expenses	17,549	17,753
Operating profit (loss)	4,023	(2,512)
Non-operating income		
Interest income	313	194
Dividend income	8	8
Foreign exchange gains	5,639	-
Share of profit of entities accounted for using equity method	-	935
Others	420	107
Total non-operating income	6,381	1,246
Non-operating expenses		
Interest expenses	1,109	2,300
Interest on notes	3,345	1,781
Commission expenses	2	2
Foreign exchange losses	-	5,338
Provision of allowance for doubtful accounts	-	1,521
Share of loss of entities accounted for using equity method	230	-
Others	140	109
Total non-operating expenses	4,828	11,053
Ordinary profit (loss)	5,575	(12,319)
Extraordinary income		
Gain on sales of non-current assets	0	26
Compensation income	-	3,512
Total extraordinary income	0	3,538
Extraordinary losses		
Loss on sales and retirement of non-current assets	4	0
Loss on valuation of shares of affiliates	149	-
Total extraordinary losses	153	0
Income (loss) before income taxes and others	5,422	(8,781)
Income taxes - current	49	8
Income taxes - deferred	1,923	(1,233)
Total income taxes	1,972	(1,224)
Net income (loss)	3,450	(7,556)
Net income attributable to non-controlling interests	-	-
Net income (loss) attributable to owners of parent	3,450	(7,556)

(Quarterly Consolidated Statement of Comprehensive Income)
(The Cumulative First Quarter)

(Million yen)

	The Cumulative 1st Quarter of Fiscal Year 2024 (January 1 to March 31, 2024)	The Cumulative 1st Quarter of Fiscal Year 2025 (January 1 to March 31, 2025)
Net income (loss)	3,450	(7,556)
Other comprehensive income		
Unrealized gain on marketable securities	(19)	(81)
Foreign currency translation adjustment	7,318	(6,142)
Remeasurements of defined benefit plans, net of tax	(4)	6
Total other comprehensive income	7,295	(6,217)
Comprehensive income	10,745	(13,774)
(Breakdown)		
Comprehensive income attributable to owners of parent	10,745	(13,774)
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

(Notes Pertaining to Going Concern)

There is no applicable information.

(Changes in Accounting Policies)

There is no applicable information.

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

There is no applicable information.

(Notes to Quarterly Consolidated Statement of Cash Flows)

A quarterly consolidated statement of cash flows has not been prepared for the cumulative first quarter. Depreciation (including amortization of intangible assets excluding goodwill) for the cumulative first Quarter of Fiscal Year 2024 and 2025 are as follows.

	(Million yen)	
	The Cumulative 1st Quarter of Fiscal Year 2024 (January 1 to March 31, 2024)	The Cumulative 1st Quarter of Fiscal Year 2025 (January 1 to March 31, 2025)
Depreciation	4,332	4,731

(Notes to Segment Information)

Segment information

I The Cumulative First Quarter of Fiscal Year 2024 (January 1 to March 31, 2024)

1. Information pertaining to amounts of net sales and profit/loss in each reportable segment

(Million yen)

	Reportable Segment		Others (Note)	Total
	Amusement Equipments Business	Integrated Resort Business		
Net sales				
Sales to external customers	13,862	20,375	153	34,391
Inter-segment sales or transfers	-	-	179	179
Total	13,862	20,375	333	34,570
Segment profit (loss)	3,929	1,770	114	5,814

(Note) "Others" classification consists of business segments not included in the reportable segments and is inclusive of the Media Content Business and others.

2. Difference between the total amounts of profit/loss in reportable segments and the amounts recorded in the quarterly consolidated statement of income and primary items of such difference (matters pertaining to difference adjustments)

(Million yen)

Profit	Amount
Total of reportable segments	5,699
Profit in "Others" classification	114
Eliminated inter-segment transactions	(153)
Corporate revenue (Note 1)	35
Unallocated expenses (Note 2)	(1,673)
Operating profit in quarterly consolidated statement of income	4,023

(Notes) 1. Corporate revenue is mainly composed of revenue from art museum which is not attributed to the reportable segments.

2. Unallocated expenses are mainly composed of selling, general and administrative expenses which are not attributed to the reportable segments.

3. Information pertaining to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Significant impairment losses involving non-current assets

There is no applicable information.

Significant fluctuations in amount of goodwill

There is no applicable information.

Significant gain on bargain purchase

There is no applicable information.

II The Cumulative First Quarter of Fiscal Year 2025 (January 1 to March 31, 2025)

1. Information pertaining to amounts of net sales and profit/loss in each reportable segment

(Million yen)

	Reportable Segment		Others (Note)	Total
	Amusement Equipments Business	Integrated Resort Business		
Net sales				
Sales to external customers	8,750	18,378	130	27,259
Inter-segment sales or transfers	-	-	240	240
Total	8,750	18,378	370	27,499
Segment profit (loss)	(1,199)	331	179	(688)

(Note) "Others" classification consists of business segments not included in the reportable segments and is inclusive of the Media Content Business and others.

2. Difference between the total amounts of profit/loss in reportable segments and the amounts recorded in the quarterly consolidated statement of income and primary items of such difference (matters pertaining to difference adjustments)

(Million yen)

Profit	Amount
Total of reportable segments	(868)
Profit in "Others" classification	179
Eliminated inter-segment transactions	(188)
Corporate revenue (Note 1)	20
Unallocated expenses (Note 2)	(1,656)
Operating loss in quarterly consolidated statement of income	(2,512)

(Notes) 1. Corporate revenue is mainly composed of revenue from art museum which is not attributed to the reportable segments.

2. Unallocated expenses are mainly composed of selling, general and administrative expenses which are not attributed to the reportable segments.

3. Information pertaining to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Significant impairment losses involving non-current assets

There is no applicable information.

Significant fluctuations in amount of goodwill

There is no applicable information.

Significant gain on bargain purchase

There is no applicable information.

(4) Additional Information

There is no applicable information.

(5) Material Subsequent Events

There is no applicable information.