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Notice Concerning Decrease in Non-Operating Expenses (Foreign Exchange Losses) and Position of Extraordinary Losses (Impairment Losses)

Universal Entertainment Corporation (hereinafter referred to as “UEC”) hereby announces the decrease in non-operating expenses (foreign exchange losses) and the position of extraordinary losses (impairment losses) for the fourth quarter of the consolidated fiscal year 2025 (October 1, 2025 to December 31, 2025). Details are as follows.

1. Decrease in the Non-Operating Expenses (Foreign Exchange Losses)

During the first nine months of the consolidated fiscal year 2025 (January 1 to September 30, 2025), UEC recognized a foreign exchange loss of 5,598 million yen. Due to subsequent fluctuations in foreign exchange rates, a foreign exchange gain of 4,464 million yen was realized in the fourth quarter (October 1 to December 31, 2025). As a result, the cumulative foreign exchange loss for the consolidated fiscal year 2025 (January 1 to December 31, 2025) amounted to 1,134 million yen.

2. Position of the Extraordinary Losses (Impairment Losses)

During the fourth quarter, after comprehensively reviewing the current business environment, future market trends, and the time required to restore profitability for fixed assets related to the Integrated Resort (IR) business, we determined that it is necessary to revise our outlook for future cash flows. Furthermore, we conducted a recoverability assessment for fixed assets held by UEC, considering their revenue-generating nature and future earnings prospects.

As a result, in the consolidated financial statements, the carrying amount of these fixed assets was reduced to their recoverable amount, and an impairment loss of 229,115 million yen was recorded as an extraordinary loss. Furthermore, in the non-consolidated financial statements, extraordinary losses were recorded, primarily consisting of a loss on valuation of shares of subsidiaries and associates of 144,195 million yen due to the recognition of impairment losses in the Integrated Resort (IR) business, a provision for allowance for doubtful accounts of subsidiaries and associates of 21,147 million yen, and an impairment loss of 4,338 million yen.

The impairment losses do not affect cash flows.

3. Effect on Business Results

The above decrease in non-operating expense and position of extraordinary losses have been included in the “Financial Data and Business Results for the Fiscal Year Ended December 31, 2025 (JP GAAP, Consolidated)” disclosed today.