

STANDARD

May 12, 2022

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Notice of Posting of Non-Operating Income (Gain on Cancellation of Leasehold Contracts and Foreign Exchange Gains)

Universal Entertainment Corporation (hereinafter referred to as the “Company”) hereby announces that it posted non-operating income for the consolidated First Quarter accounting period of the fiscal year ending December 31, 2022 (period beginning January 1, 2022 and ending March 31, 2022) in the below manner.

1. Posting of Non-Operating Income

(1) Gain on cancellation of leasehold contracts

TIGER RESORT, LEISURE AND ENTERTAINMENT, INC., which operates the Integrated Resorts (IR) Business that the Company Group has been developing in the Philippines, canceled a portion of its land lease contracts with EAGLE I LANDHOLDINGS, INC., an equity-method affiliate of the Company (in which the Company Group has an equity share of 40%).

In the future, EAGLE I LANDHOLDINGS, INC. intends to sell its land holdings with an area of 3.3 ha. Based on this, the Company posted 8,550 million yen (1 Philippine peso= 2.25 Japanese yen) in a gain on the cancellation of leasehold contracts due to the lease contract cancellation for the 3.3 ha portion to be sold under non-operating income.

(2) Foreign exchange gains

Affected by the recent depreciation of the Japanese yen against the U.S. dollar, the Company has incurred foreign exchange gains in connection with receivables that it holds. Due to this, the Company posted 4,097 million yen (1 U.S. dollar= 122.41 Japanese yen) in foreign exchange gains under non-operating income.

Note that these foreign exchange gains include gains on valuation following conversion based on going exchange rates as of the end of the First Quarter in question, and will therefore fluctuate according to future going exchange rates.

2. Impact on Business Performance

The Company has reflected the above non-operating income in the “Summary of Financial Data and Business Results for the First Quarter of the Fiscal Year Ending December 31, 2022 (JP GAAP, Consolidated)” that it disclosed today.