

This is an English translation of the official announcement in Japanese that was released on December 14, 2022. 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 December 31, 2022 (JP GAAP, Consolidated)

December 14, 2022
Listed Exchange: Tokyo Stock Exchange

Company Name: Universal Entertainment Corporation

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

Representative: (Name) Jun Fujimoto (Title) Representative Director and President

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Scheduled Submission Date of Quarterly Report: December 14, 2022

Scheduled Commencement Date of Dividend Payment: -

Supplementary Briefing Materials for Quarterly Settlement of Accounts: Yes

Briefing on Quarterly Settlement of Accounts: None scheduled

(Amounts rounded down to nearest million yen)

1. Consolidated Business Results for the Third Quarter of 2022 (Period from January 1, 2022 to September 30, 2022)

(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	%
3rd Quarter of 2022	88,614	53.6	579	-	12,404	-	2,529	-
3rd Quarter of 2021	57,683	(25.2)	(4,330)	-	(7,735)	-	(18,398)	-

(Note) Comprehensive income

3rd Quarter of 2022: 584 million yen (-%)

3rd Quarter of 2021: (20,904) million yen (-%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
3rd Quarter of 2022	32.65	32.64
3rd Quarter of 2021	(237.45)	-

(Note) "Diluted net income per share" for the third quarter of 2021 is not stated, because net loss 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 September 30, 2022	613,473	339,504	55.3	4,380.85
As of December 31, 2021	572,381	338,919	59.2	4,373.31

(Reference) Shareholders' equity

As of September 30, 2022: 339,445 million yen

As of December 31, 2021: 338,861 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
2021	-	0.00	-	0.00	0.00
2022	-	0.00	-	-	-
2022 (Forecast)	-	-	-	-	-

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

The dividend forecast for 2022 is to be determined.

3. Consolidated Business Results Forecast for 2022 (Period from January 1, 2022 to December 31, 2022)

(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	139,000	53.7	11,000	461.3	19,000	-	9,500	-	122.61

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

* Matters of Note

(1) Changes in material subsidiaries during the period (Changes in specified subsidiaries accompanying changes in scope of consolidation) : 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 September 30, 2022: 80,195,000 shares

As of December 31, 2021: 80,195,000 shares

2) Number of treasury shares at end of fiscal period

As of September 30, 2022: 2,711,001 shares

As of December 31, 2021: 2,711,001 shares

3) Average number of shares during fiscal period

3rd Quarter of 2022: 77,483,999 shares

3rd Quarter of 2021: 77,484,108 shares

* The current financial report is not subject to quarterly review by certified public accountants or auditing firms.

* 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 for business forecasts, 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

(Million yen)

First nine months of 2022	Net sales	Operating profit (loss)	Ordinary profit	Net income attributable to owners of parent
Non-consolidated	40,321	(1,835)	9,590	3,667
Consolidated	88,614	579	12,404	2,529

In the Amusement Equipments Business, in the Pachislot category, production and sales increased for “OKIDOKI!! DUO,” which was launched in 2021. Sales of several titles started during the first nine months: “VERSUS REXSE,” “PACHISLOT Devil May Cry 5,” “SLOT ETOTAMA,” “NEW GETTER MOUSE,” the latest title of the A PROJECT, and “PACHI SLOT Shin Onimusha 2,” the new 6.5 standard machine. In the Pachinko category, sales started for “P MILLION GOD: ICHIGEKI,” “P Shin Basilisk: The Kouga Ninja Scrolls,” “P Basilisk: The Ouka Ninja Scrolls Hayazaki Zakura 99ver.” and other new titles. As a result, 88,378 units were sold in the first nine months of 2022, 6,375 more than in the same period of 2021.

In the Integrated Resort Business, sales increased as the performance of OKADA MANILA was strong with the number of guests recovering to almost the pre-pandemic level. Operating profit decreased because of higher selling, general and administrative expenses, primarily legal expenses, associated with the illegal occupation of this resort. These expenses are not included in losses associated with an illegal occupation. There was a big increase in the ordinary profit because of foreign exchange gains resulting from the yen's decline vs. the U.S. dollar, gain on cancellation of leasehold contracts due to revisions to leases, and a gain associated with a decrease in leased asset obligations. All these gains are classified as non-operating income. Loss on sales and retirement of non-current assets and losses associated with an illegal occupation are recorded as extraordinary losses.

As a result, sales in the first nine months of 2022 totaled 88,614 million yen, up 53.6% from the first nine months of 2021. Operating profit was 579 million yen (compared with an operating loss of 4,330 million yen in the first nine months of 2021), ordinary profit was 12,404 million yen (compared with an ordinary loss of 7,735 million yen in the first nine months of 2021), and net profit attributable to owners of parent was 2,529 million yen (compared with net loss attributable to owners of parent of 18,398 million yen in the first nine months of 2021). Business segment performance was as follows. Sales are prior to adjustments for inter-segment sales or transfers.

(i) Amusement Equipments Business

In the first nine months of 2022, the Amusement Equipments Business posted net sales of 39,130 million yen (an increase of 11.2% year on year) and an operating profit of 6,779 million yen (an increase of 37.1% year on year).

In the first nine months of 2022, the full-scale launch of Pachislot machines that comply with the new 6.5 standard, which has new game playing characteristics, and a recovery in the average utilization rates of Pachislot machines made big contributions to an improvement in the Pachislot market. Another highlight of this market is the shift of pachinko hall operators from Pachinko to Pachislot titles when installing new machines because the utilization rates of some major Pachislot titles are meeting the expectations of these operators.

In the Pachislot sector, Universal Entertainment started selling “NEW GETTER MOUSE,” the latest title in the A PROJECT, and “PACHI SLOT Shin Onimusha 2,” a 6.5 standard machine that is the third title using an alliance with CAPCOM CO., LTD. Due to its very high utilization rate among 6.5 standard machines, “PACHI SLOT Shin Onimusha 2” has an excellent reputation among pachinko hall operators. In the Pachinko category, sales started for “P Basilisk: The Ouka Ninja Scrolls Hayazaki Zakura 99ver.” Universal Entertainment had a large share of the Pachislot market in the first nine months based on the number of units sold.

(ii) Integrated Resort Business

The Integrated Resort Business posted net sales⁽¹⁾ of 48,775 million yen (an increase of 124.7% year on year) and an operating profit of 2,197 million yen (compared with an operating loss of 2,541 million yen in the in the same period of

2021) in the first nine months of 2022. Adjusted segment EBITDA⁽²⁾ in the Integrated Resort Business was 13,459 million yen in the first nine months of 2022 (an increase of 607.0% year on year).

The performance of this business was impacted by the illegal occupation of this property from May 31 to September 2, 2022 by a group acting under the instructions of Kazuo Okada. Despite the negative effects of this occupation, OKADA MANILA is performing well. The Fountain, one of the world's largest multicolor dancing water shows, which is a main attraction of this resort, has started operating again, there are events in the Crystal Corridor, and new retail tenants have opened stores. As a result, the number of guests has recovered to near the pre-pandemic level.

As was announced on September 5, 2022 in a release titled "(Progress of Disclosed Matter) Notice of Repossession of Facility and Operations of OKADA MANILA," the Universal Entertainment Group has regained control of the OKADA MANILA integrated resort, which is operated by TIGER RESORT, LEISURE AND ENTERTAINMENT, INC. Although operations at this resort have not yet returned to normal, investigations and other activities needed for restoring normal operations are under way.

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

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

(iii) Other

Other Business posted net sales of 578 million yen (a decrease of 13.2% year on year) and an operating loss of 110 million yen (compared with an operating loss of 79 million yen in the same period of 2021) in the first nine months of 2022.

The Media Content Business started distributing to the App Store and Google Play the simulator apps of "HANABI TSU." "Universal Kingdom," a membership website with a monthly fee, started distributing the iOS version of "ANOTHER GOD POSEIDON-Kaio no Sansen," "MILLION GOD" and "Basilisk: The Kouga Ninja Scrolls Kizuna." This website now has 44 Android titles and 15 iOS titles. The "Slot Street" social casino game, where basic play is available at no charge, added a video slot app based on the worldview of the "TACO SLOT" Pachislot machine. As a result, "Slot Street" now has 53 titles. In addition, "Slot Street" started providing the PC version of DMM GAMES in August 2022. Both "Universal Kingdom" and "Slots Street" plan to continue adding titles in order to attract new users and raise the satisfaction of all users.

(2) Explanation of Financial Status

Financial status for the third quarter of 2022 is as follows.

Total assets at the end of the third quarter of 2022 amounted to 613,473 million yen, an increase of 41,091 million yen over the end of 2021. There were increases in non-current assets as the yen depreciated relative to the Philippine peso, long-term deposits and long-term deposits paid to subsidiaries and associates as the yen depreciated relative to the U.S. dollar, and loans to equity-method affiliate. There were decreases in leased assets due to revisions to leases and share of loss of entities accounted for using equity method.

Liabilities at the end of the third quarter of 2022 amounted to 273,969 million yen, an increase of 40,507 million yen over the end of 2021. There were increases in bonds payable, long-term borrowings, long-term deposits received to subsidiaries and associates due to the yen's decline vs. the U.S. dollar, and accrued expenses in relation to construction. There were decreases in repayments of short-term borrowings at consolidated subsidiaries and lease obligations due to revisions to leases.

Net assets at the end of the third quarter of 2022 amounted to 339,504 million yen, an increase of 584 million yen over the end of 2021, which was mainly the result of retained earnings due to net income attributable to owners of parent.

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

(i) Amusement Equipments Business

In the amusement machine industry, activity in the Pachislot market is expected to increase even more because of the high utilization rates of the new 6.5 standard titles and the November 2022 debut of next-generation smart Pachislot machines.

In the fourth quarter, sales started for “PACHISLOT BIOHAZARD RE:2,” the fourth title using an alliance with CAPCOM CO., LTD., and “HANABI ZEKKEI,” the latest title in the Donchan Sankyodai series. In October, sales started for “OKIDOKI! GOLD,” the latest title in the OKIDOKI! series. A large volume of orders has been received for all of these new titles.

Universal Entertainment will continue to work on developing unique and appealing titles. Our goal is to use these titles for energizing the entire amusement machine industry.

(Reference) Number of Pachislot and Pachinko machines sold in 2022

	1st quarter	2nd quarter	3rd quarter	4th quarter (orders received)
No. of machines sold	37,739	24,926	25,713	61,670

(Note) See “Supplementary Information on the Results of Operations for the Third Quarter of 2022”

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

(ii) Integrated Resort Business

OKADA MANILA, an integrated resort operated by the Universal Entertainment Group, continued to operate during the pandemic while complying with pandemic restrictions of the government of the Philippines and the easing of these restrictions. In the fourth quarter, the number of guests is expected to continue to increase because of more promotions for reward circle members and numerous activities in sectors other than the casino, such as the opening of several new retail tenants and many events.

With regard to the delivery of judgments and other rulings by the Supreme Court, as announced in the "Notice of Submission of Application for Approval of Extension of Deadline for Filing of Report for the Third Quarter of the Fiscal Year Ending December 31, 2022" dated November 14, 2022, the Court of Appeals delayed the submission of its findings of fact to the Supreme Court beyond the original schedule. We are waiting for the issuance of judgment by the Supreme Court. We will make an appropriate announcement as soon as there are any developments.

(iii) Other

The Media Content Business started distribution in October 2022 of the “SLOT MAPPY” simulator app on the App Store and Google Play. This business will continue to distribute high-quality simulator applications. “Universal Kingdom,” which has a monthly fee, started distributing the iOS versions of “THUNDER REBOLT” and “SLOT Puella Magi Madoka Magica.” October 2022 was the fifth anniversary of the launch of “Slots Street” social casino game, where basic play is free. A video slot game was added that uses the worldview of the “SLOT SHADOW HEARTS II-Unmei no michishirube” Pachislot title. “Slots Street” will continue to add new functions, enlarge its lineup of content and improve services to increase user satisfaction and will constantly increase the selection of songs in the music distribution service.

(4) Forecast of Consolidated Business Results

The forecast for 2022 has been revised on November 14, 2022. For more information, please refer to the press release “Notice of Revision of Business Results Forecast” that was announced on the same day.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	2021 (December 31, 2021)	The 3rd Quarter of 2022 (September 30, 2022)
Assets		
Current assets		
Cash and deposits	30,771	33,130
Notes and accounts receivable-trade	11,177	8,533
Securities	452	2,244
Merchandise and finished goods	2,204	4,498
Work in process	13,517	13,510
Raw materials and supplies	9,301	10,840
Other	12,735	14,708
Allowance for doubtful accounts	(2,416)	(791)
Total current assets	77,743	86,674
Non-current assets		
Property, plant and equipment		
Buildings and structures	279,943	355,388
Construction in progress	58,486	7,008
Leased assets, net	54,727	51,511
Other	35,198	38,818
Total property, plant and equipment	428,355	452,727
Intangible assets		
Other	1,005	1,203
Total intangible assets	1,005	1,203
Investments and other assets		
Investment securities	18,520	16,244
Long-term deposits	7,110	8,910
Long-term deposits for subsidiaries and associates	27,909	35,114
Other	12,525	16,542
Allowance for doubtful accounts	(1,692)	(4,624)
Total investments and other assets	64,372	72,188
Total non-current assets	493,732	526,119
Deferred assets	905	679
Total assets	572,381	613,473

(Million yen)

	2021 (December 31, 2021)	The 3rd Quarter of 2022 (September 30, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	8,245	10,131
Short-term borrowings	5,750	-
Current portion of long-term borrowings	3,594	7,421
Accounts payable-other	10,212	11,503
Accrued expenses	20,238	27,884
Income taxes payable	176	85
Provision for bonuses	81	281
Other	11,759	18,439
Total current liabilities	60,058	75,746
Non-current liabilities		
Bonds payable	90,318	114,018
Long-term borrowings	9,948	6,552
Retirement benefit liability	230	263
Long-term deposits received from subsidiaries and associates	5,750	7,240
Lease obligations	62,225	59,325
Other	4,930	10,822
Total non-current liabilities	173,403	198,223
Total liabilities	233,461	273,969
Net assets		
Shareholders' equity		
Share capital	98	98
Capital surplus	18,829	18,829
Retained earnings	327,426	329,955
Treasury shares	(7,317)	(7,317)
Total shareholders' equity	339,036	341,565
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26	(2)
Foreign currency translation adjustment	(282)	(2,209)
Remeasurements of defined benefit plans	81	92
Total accumulated other comprehensive income	(174)	(2,120)
Share acquisition rights	58	58
Total net assets	338,919	339,504
Total liabilities and net assets	572,381	613,473

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

	(Million yen)	
	The Cumulative 3rd Quarter of 2021 (January 1 to September 30, 2021)	The Cumulative 3rd Quarter of 2022 (January 1 to September 30, 2022)
Net sales	57,683	88,614
Cost of sales	30,251	41,764
Gross profit	27,431	46,850
Selling, general and administrative expenses	31,762	46,270
Operating profit (loss)	(4,330)	579
Non-operating income		
Interest income	77	89
Dividend income	7	32
Share of profit of entities accounted for using equity method	971	-
Gain on cancellation of leasehold contracts	-	8,550
Foreign exchange gains	3,555	14,649
Other	76	2,203
Total non-operating income	4,687	25,525
Non-operating expenses		
Interest expenses	3,344	4,013
Interest on bonds	4,522	6,081
Commission expenses	9	8
Share of loss of entities accounted for using equity method	-	3,280
Other	215	317
Total non-operating expenses	8,092	13,701
Ordinary profit (loss)	(7,735)	12,404
Extraordinary income		
Gain on sales of non-current assets	-	52
Gain on liquidation of subsidiaries and associates	-	28
Other	0	2
Total extraordinary income	0	83
Extraordinary losses		
Loss on sales and retirement of non-current assets	490	1,331
Non-recurring loss	7,046	818
Losses associated with an illegal occupation	-	1,615
Other	185	29
Total extraordinary losses	7,722	3,795
Income (loss) before income taxes and others	(15,457)	8,692
Income taxes-current	24	269
Income taxes-deferred	2,916	5,894
Total income taxes	2,940	6,163
Net income (loss)	(18,398)	2,529
Net income attributable to non-controlling interests	-	-
Net income (loss) attributable to owners of parent	(18,398)	2,529

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

	(Million yen)	
	The Cumulative 3rd Quarter of 2021 (January 1 to September 30, 2021)	The Cumulative 3rd Quarter of 2022 (January 1 to September 30, 2022)
Net income (loss)	(18,398)	2,529
Other comprehensive income		
Valuation difference on available-for-sale securities	134	(29)
Foreign currency translation adjustment	(2,641)	(1,926)
Remeasurements of defined benefit plans, net of tax	1	10
Total other comprehensive income	(2,505)	(1,945)
Comprehensive income	(20,904)	584
(Breakdown)		
Comprehensive income attributable to owners of parent	(20,904)	584
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)

(Application of the Accounting Standard for Revenue Recognition)

Universal Entertainment has applied the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of 2022. Based on this standard, revenue expected to be received in exchange for the provision of goods and services is recognized when the control of the promised goods and services is transferred to customers. For the application of the accounting standard for revenue recognition, etc., in accordance with the transitional treatment in the proviso to Paragraph 84 of this standard, the cumulative effect of the retrospective application of the new accounting standard, if it is applied prior to the first quarter of 2022, is added to or subtracted from retained earnings at the beginning of the first quarter of 2022. The new standard is then applied beginning with this amount of retained earnings.

The impact on profit in the first nine months of 2022 and the balance of retained earnings at the beginning of 2022 is immaterial.

In accordance with the transitional treatment set forth in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, reclassification based on the new presentation method has not been carried out for 2021. Furthermore, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), Universal Entertainment has not presented information on revenue from contracts with customers broken down for the first nine months of 2021.

(Application of the Accounting Standard for Fair Value Measurement)

Universal Entertainment has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019), etc. from the beginning of the first quarter of 2022. In accordance with the transitional treatment set forth in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), Universal Entertainment has decided to prospectively apply the new accounting policy set forth in the Accounting Standard for Fair Value Measurement, etc.

The impact on profit in the first nine months of 2022 is immaterial.

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

There is no applicable information.

(Notes to Consolidated Statement of Income)

(Non-recurring loss)

TIGER RESORT, LEISURE AND ENTERTAINMENT, INC., a consolidated subsidiary of Universal Entertainment, has posted an extraordinary loss for fixed expenses (depreciation and other items) during the period that OKADA MANILA was closed in accordance with orders of the Philippine government and PAGCOR in order to prevent the spread of COVID-19.

(Loss on sales and retirement of non-current assets)

There is currently a dispute with a construction company concerning defects in non-current assets provided by this company. After reexamining the prospects for receiving a payment for these defects, it was determined that proving that defects exist would be difficult. Therefore, the decision was made to retire these assets, which resulted in a loss on sales and retirement of non-current assets of 1,331 million yen including 1,181 million yen for the disputed assets in the third quarter of 2022.

(4) Additional Information

(Information concerning the illegal occupation)

As was announced on July 12, 2022 in a release titled "Notice of Delay in Disclosure of Quarterly Results of TRLEI," Kazuo Okada and a group operating acting under his instructions forcibly entered a facility at OKADA MANILA operated by TIGER RESORT, LEISURE AND ENTERTAINMENT, INC. (TRLEI) on May 31, 2022 and continued to occupy and operate the facility. Subsequently, as was announced on September 5, 2022 in a release titled "(Progress of Disclosed Matter) Notice of Repossession of Facility and Operations of OKADA MANILA," the operation and management of the OKADA MANILA facilities were returned to the Universal Entertainment Group on September 2, 2022.

During the occupation of OKADA MANILA by Mr. Okada and a group acting under his instructions, which took place from May 31 to September 1, 2022, TRLEI executives were fired, employees who did not follow orders were fired, contracts and other TRLEI documents that can be used as evidence were taken to a different location, some physical assets were improperly acquired (some cash handled at the casino cage was taken to a different location), and there are suspicions that digital data were altered. Universal Entertainment has conducted an investigation of this incident and is determining the effect on its financial statements and other matters.

For all payments concerning improper transactions during the first nine months of 2022 made by Mr. Okada and a group acting under his instructions, as determined by the investigation of this incident, claims for damages have been posted for the recovery of these payments from all recipients, Mr. Okada and a group acting under his instructions. These claims are in the third quarter consolidated balance sheet as long-term accounts receivables-other in the investments and other assets section. After thoroughly examining prospects for collecting these claims, we have established an allowance for doubtful accounts in the same amount due to doubts about the ability to receive the amount due. As a result, an extraordinary loss for losses associated with an illegal occupation has been recorded.

The effects of these events on the quarterly consolidated financial statements are as follows.

1) Quarterly Consolidated Balance Sheet

Investments and other assets	
Other	1,615 million yen
Allowance for doubtful accounts	(1,615) million yen

2) Quarterly Consolidated statement of income

Losses associated with an illegal occupation	1,615 million yen
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(End of bank deposit account freeze)

The deposit account of Universal Entertainment Group consolidated subsidiary TIGER RESORT, LEISURE AND ENTERTAINMENT, INC. at BDO Unibank was frozen. On November 15, 2022, the freeze on this account ended and the funds can now be withdrawn at any time.

(5) Material Subsequent Events

There is no applicable information.