
DIRECTORS AND SENIOR MANAGEMENT

GENERAL

Directors

The table below presents certain information in respect of the members of our Board:

Name	Age	Current Position/Title in our Group	Date of Joining our Group	Date of Appointment as a Director	Roles and Responsibilities
Executive Director					
Hisanori TANIGUCHI (谷口久徳) [#] (also known as Mr. JEONG Seonggi) ⁽²⁾	52	Chairman of the Board, Executive Director and Chief Executive Officer	1 April 1983	10 January 2013	Responsible for our overall corporate strategies, management and business development; member of our Nomination and Remuneration Committees
Independent Non-executive Directors					
Hiroaki MORITA (森田弘昭)	78	Independent Non-executive Director	N/A ⁽¹⁾	25 June 2014	Supervising the overall management and business operations of our Group; chairman of our Nomination Committee and member of our Audit and Remuneration Committees
Norio NAKAYAMA (中山宣男)	67	Independent Non-executive Director	N/A ⁽¹⁾	25 June 2014	Supervising the overall management and business operations of our Group; chairman of our Remuneration Committee and member of our Audit Committee
Masaharu TOGO (東郷正春)	66	Independent Non-executive Director	N/A ⁽¹⁾	25 June 2014	Supervising the overall management and business operations of our Group; member of our Nomination Committee
Hiroaki KUMAMOTO (熊本浩明)	46	Independent Non-executive Director	N/A ⁽¹⁾	28 November 2014	Supervising the overall management and business operations of our Group; chairman of our Audit Committee

DIRECTORS AND SENIOR MANAGEMENT

Notes:

- (1) Except for our Chairman, all Directors of our Company are external Directors* (社外取締役) under the Japan Companies Act. They are not employees of our Group and have no executive functions in our Group whatsoever.
- (2) Our Chairman is a brother of Mr. Tatsuo TANIGUCHI (谷口龍雄), a Controlling Shareholder, a member of our senior management and an associate of him under the Listing Rules. He is also a person acting in concert with him within the meanings of the Takeovers Code.

Executive Officers

The table below presents certain information in respect of our Executive Officers:

Name	Age	Current Position/Title in our Group	Date of Joining our Group	Date of Appointment as an Executive Officer	Roles and Responsibilities
Hisanori TANIGUCHI (谷口久徳) [#] (also known as Mr. JEONG Seonggi)	52	Chairman of the Board, Executive Director and Chief Executive Officer	1 April 1983	10 January 2013	Responsible for our overall corporate strategies, management and business development; member of our Nomination and Remuneration Committees
Akinori OHISHI (大石明徳)	50	Executive Officer	1 April 2010	25 June 2014	Management of our Group's day-to-day operations
Hidenori MOROTA (諸田英模)	49	Executive Officer	6 October 1988	28 November 2014	Oversight of our sales department; Director of Niraku Corporation
Mototaka TANAKA (田中基隆)	48	Executive Officer	21 September 2012	28 November 2014	Oversight of our legal and corporate affairs; corporate records and general compliance with corporate and other relevant laws and regulations in Japan

Note:

- (1) The business address of all of our Executive Officers is our headquarters at 1-39 Hohaccho 1-chome, Koriyama-shi, Fukushima, Japan

DIRECTORS AND SENIOR MANAGEMENT

Other senior management

The table below presents certain matters in respect of the members of our senior management (other than our Directors and Executive Officers):

Name	Age	Current Position/Title in our Group	Date of Joining our Group	Date of Appointment as our senior management	Roles and Responsibilities
Tatsuo TANIGUCHI (谷口龍雄) ⁽¹⁾	61	Representative director and president, Nexia	1 June 1974	19 June 2009	Oversight of our property activities
Tadashi UCHIYAMA (内山忠)	63	Statutory auditor, Niraku Corporation	24 June 2011	24 June 2011	Auditing the directors of Niraku Corporation in the proper execution of their duties

Notes:

- (1) Mr. Tatsuo TANIGUCHI (谷口龍雄) is a brother of our Chairman and an associate of our Chairman under the Listing Rules. He is also a person acting in concert with our Chairman within the meanings of the Takeovers Code.
- (2) The business address of all of our senior management is our headquarters at 1-39 Hohaccho 1-chome, Koriyama-shi, Fukushima, Japan

BOARD OF DIRECTORS

Our Board of Directors is the primary decision-making body of our Company, setting fundamental business strategies and policies for the management and operation of our business and monitoring their implementation.

Our Board currently consists of five Directors, comprising one Executive Director and four Independent Non-executive Directors. Pursuant to our Articles and the Japan Companies Act, our Directors are elected by our Shareholders in our general meetings. The term of office of a Director shall expire at the end of the next AGM to be held after his appointment.

Executive Director

Mr. Hisanori TANIGUCHI (谷口久徳)[#] (also known as Mr. JEONG Seonggi)
Chairman of the Board, Executive Director and Chief Executive Officer

Our Chairman, aged 52, is the primary leadership figure of our Group. He was appointed as the Representative Director and President* (代表取締役社長) of our Company on 10 January 2013, the date of incorporation of our Company, and was re-designated as a Director and Chief

DIRECTORS AND SENIOR MANAGEMENT

Executive Officer on 25 June 2014 when our Shareholders resolved to convert our Company into a company with three committees* (委員会設置会社) under the Japan Companies Act. Apart from his role as an Executive Director and Chief Executive Officer, our Chairman was appointed as our Chairman of the Board in February 2013 and is responsible for our Group's overall corporate strategies, management and business development. He is also a member of our Nomination Committee and Remuneration Committee.

Having joined Niraku Corporation in April 1983, our Chairman has spent over 31 years in our Group and worked closely with generations of the Taniguchi family in building up our Group from a small-scale operation to the fourth largest pachinko hall operator in Japan in 2013 (based on gross pay-ins¹), according to EBI. Between 1987 and 2002, our Chairman headed a number of departments across our operations, from human resources to hall development and sales, and acquired extensive knowledge in a wide array of aspects in pachinko and pachislot hall operations.

Our Chairman first involved in our overall general management in November 2002, when he was appointed as the managing director* (常務取締役) of Niraku Corporation. He was subsequently elected as the vice president* (取締役副社長), president* (取締役社長) and representative director and president* (代表取締役社長) of Niraku Corporation in June 2008, June 2009 and April 2010, respectively. He is currently the representative director and president* (代表取締役社長) of Niraku Corporation and Merrist.

Our Chairman spent substantially his entire career with our Group and has led us in achieving significant milestones through several economic cycles. He is instrumental in the implementation of our centralised management strategy since 1999 and the gradual introduction of low-cost pachinko and pachislot machines in our halls since 2007. Under his leadership, we opened our 50th pachinko hall in Koriyama Arai (郡山荒井), Fukushima Prefecture (福島県) in May 2011 and have continued to grow organically beyond this significant accomplishment.

We believe that the success of our Group and his personal attributes earned our Chairman wide recognition as a leading figure in the pachinko industry in Japan. He is currently the vice president* (副理事長) of Nihon Yugi-kanren Jigyo Kyokai* (Japan Amusement Business Association*) (一般社団法人日本遊技関連事業協会) and the head of its Tohoku branch. He is also a director* (理事) of Pachinko Trusty Board* (一般社団法人パチンコ・トラスティ・ボード), an organisation comprised of pachinko operators as well as third party professionals, such as lawyers, accountants and experts in business and corporate governance.

Our Chairman was born and brought up in Japan. He is one of our Controlling Shareholders and, together with other members of the Taniguchi Consortium with whom he acts in concert, will control approximately 69.5% of the voting rights in our Company upon completion of the Global Offering.

¹ Represents the amount received from customers for rental pachinko balls and pachislot tokens.

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Independent Non-executive Directors

Mr. Hiroaki MORITA (森田弘昭)

Independent Non-executive Director

Mr. Morita, aged 78, is an external Director* (社外取締役) of our Company and has held this position since 25 June 2014. He was previously a statutory auditor* (監査役) of our Company between 10 January 2013, the date of incorporation of our Company, and 25 June 2014, when our Shareholders resolved to convert our Company into a company with three committees* (委員会設置会社) under the Japan Companies Act. Under the Listing Rules, Mr. Morita is an Independent Non-executive Director.

Mr. Morita has been a director of IPO Research Institute, Ltd.* (IPO総合研究所), a consulting firm that provides management and business advice to Japanese corporations looking to conduct initial public offerings and listings, since April 2000. In addition, Mr. Morita also worked for Nomura Securities Co., Ltd.* (野村證券株式会社) between April 1960 and June 1989 and served various positions in its underwriting and finance divisions. He has also been the representative director (代表取締役) of Morita Office* (株式会社森田・栗山事務所), which provides management consulting services, since August 1997. With his current and previous positions in these institutions in Japan and as a chartered member of the Securities Analysts Association of Japan* (日本証券アナリスト協会) since August 1981, he has extensive experience in securities dealings, financial analysis, corporate governance and other aspects relating to listed companies in Japan.

Mr. Morita supervises the overall management and business operations of our Group. He is also the chairman of our Nomination Committee and a member of our Audit Committee and Remuneration Committee. Our Directors have confirmed that Mr. Morita fulfils the independence requirements under Rule 3.13 of the Listing Rules.

Mr. Morita graduated from Nagasaki University* (長崎大学) with a bachelor's degree in economics in March 1960.

Mr. Norio NAKAYAMA (中山宣男)

Independent Non-executive Director

Mr. Nakayama, aged 67, was appointed as an external Director* (社外取締役) of our Company on 25 June 2014, when our Shareholders resolved to convert our Company into a company with three committees* (委員会設置会社) under the Japan Companies Act. Under the Listing Rules, Mr. Nakayama is an Independent Non-executive Director.

Mr. Nakayama joined Kaneka Corporation* (株式会社力ネカ), a listed company on both The Tokyo Stock Exchange (4118:JP) and Nagoya Stock Exchange (4118:JP) which is primarily engaged in the manufacturing of chemical products in Japan, in April 1969, and was its corporate auditor prior to his departure in May 2009. Through his positions within Kaneka Corporation* (株式会社力ネカ), Mr. Nakayama acquired experiences in on-going compliance matters and corporate governance of a listed corporation in Japan. Until November 2006, Mr. Nakayama also

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served as an external corporate auditor for Asahi Homes Co. Ltd * (旭ホームズ株式会社). Mr. Nakayama has also been a director of Fire Stove Japan Co., Ltd.* (株式会社ファイヤーストーブジャパン), a company primarily engaged in the sales of stoves and related accessories in Japan since December 2010.

The primary duty of Mr. Nakayama within our Group is to supervise our overall management and business operations. He was also appointed as the chairman of our Remuneration Committee and a member of our Audit Committee. Our Directors have confirmed that Mr. Nakayama fulfils the independence requirements under Rule 3.13 of the Listing Rules.

Mr. Nakayama obtained a bachelor's degree in commerce from Keio University* (慶応義塾大学) in March 1969.

Mr. Masaharu TOGO (東郷正春)
Independent Non-executive Director

Mr. Togo, aged 66, has been an external Director* (社外取締役) of our Company since 25 June 2014, when our Shareholders resolved to convert our Company into a company with three committees* (委員会設置会社) under the Japan Companies Act. Under the Listing Rules, Mr. Togo is an Independent Non-executive Director.

In April 1973, Mr. Togo joined Sumitomo Corporation* (住友商事株式会社), one of the leading general trading conglomerates in Japan (the shares of which are listed on The Tokyo Stock Exchange (8053:JP), Osaka Securities Exchange Co., Ltd. (8053:JP), Nagoya Stock Exchange (8053:JP) and Fukuoka Stock Exchange (8053:JP)) and was a manager in charge of its stainless steel and magnesium production division until his departure in May 2006. Prior to that, Mr. Togo was a corporate auditor for Daiwa Kohtai Co., Ltd* (大和鋼帯株式会社) from June 2001 to June 2003.

Mr. Togo received a bachelor's degree in commerce from Keio University* (慶応義塾大学) in March 1973. He was appointed to our Board to supervise the overall management and business operations of our Group and is also a member of our Nomination Committee. Our Directors have confirmed that Mr. Togo fulfils the independence requirements under Rule 3.13 of the Listing Rules.

Mr. Hiroaki KUMAMOTO (熊本浩明)
Independent Non-executive Director

Mr. Kumamoto, aged 46, is an external Director* (社外取締役) of our Company and has held this position since 28 November 2014. Within the meanings of the Listing Rules, He is an Independent Non-executive Director of our Company.

Mr. Kumamoto spent over 14 years of his career both in the Japan and Hong Kong offices of PricewaterhouseCoopers, gaining experience in their audit, business development and consulting divisions. Between October 1997 and July 2004, Mr. Kumamoto was a senior audit associate at the Tokyo office of PricewaterhouseCoopers. He was subsequently seconded to PricewaterhouseCoopers' Hong Kong office as a manager of its Japan business development division and supported the local auditing teams in performing statutory audit in accordance with

DIRECTORS AND SENIOR MANAGEMENT

the accounting principles in Hong Kong and acquired the requisite knowledge in the financial reporting standards of Hong Kong. Upon his return to Japan, he was promoted to a senior manager of the consulting division and specialised in assisting Japanese companies, including listed companies, to prepare their financial statements under the IFRS.

Mr. Kumamoto left PricewaterhouseCoopers in December 2011 to set up his own business, Global Japan Consulting Limited, which provides business, financial and marketing consulting services. He is currently its chief executive officer* (代表執行役). Mr. Kumamoto received a bachelor's degree in economics from the University of Tokyo* (東京大学) in March 1993 and a master's degree in international business administration from the University of Tsukuba* (筑波大学) in July 2012. He qualified as a certified public accountant in Japan in May 2001. Our Directors consider his unique experience and knowledge in JGAAP and IFRS made him a suitable candidate as an Independent Non-executive Director of our Company and a valuable addition to our Board. Our Directors have confirmed that Mr. Kumamoto possesses the appropriate accounting or related financial management expertise required under Rule 3.10(2) and 3.21 of the Listing Rules.

Mr. Kumamoto supervises the overall management and business operations of our Group. He is also the chairman of our Audit Committee. Our Directors have confirmed that Mr. Kumamoto fulfils the independence requirements under Rule 3.13 of the Listing Rules.

SENIOR MANAGEMENT

Our senior management comprises our Executive Officers and two other management personnel.

Executive Officers

As a company with three committees* (委員会設置会社), Directors of our Company do not execute the business of our Group and are intended to perform a supervisory role. Instead, our Directors formulate general business strategies and entrust the implementation and execution of these strategies, together with the day-to-day management and operation of our Group, to our Executive Officers. Executive Officers are thus key members of our management. Under our Articles, Executive Officers are elected and appointed by our Board of Directors.

Our Company has four Executive Officers. Our Chairman, who also serves as an Executive Director and our Chairman of the Board, is our Chief Executive Officer. Under the Japan Companies Act, our Chief Executive Officer is the legal representative of our Company with the authority to sign and effect agreements for and on behalf of our Company. We are required to appoint at least one Executive Officer from time to time.

See “— Board of Directors — Executive Director” in this section above for the biographical details of our Chairman.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Akinori OHISHI (大石明德)

Executive officer

Mr. Ohishi, aged 50, has been our Executive Officer since 25 June 2014, when our Shareholders resolved to convert our Company into a company with three committees* (委員会設置会社) under the Japan Companies Act. He is a prominent management figure in our Group and manages our day-to-day operations. Mr. Ohishi is also a member of our Risk Management Committee.

Mr. Ohishi joined our Group in April 2010 as an advisor of Niraku Corporation. He was promoted to his current position of director and head of corporate planning of Niraku Corporation in June 2012 and is chiefly responsible for implementing the corporate and business strategies of our pachinko and pachislot hall operations. Mr. Ohishi was elected as a Director of our Company upon our incorporation in January 2013, and was re-designated as an Executive Officer on 25 June 2014. Mr. Ohishi's prior business management experiences include his services at WorkDesign Co., Ltd.* (株式会社ワーク・デザイン), where he was the representative director* (代表取締役) from July 2006 to March 2010.

Mr. Ohishi's industry positions include his directorship* (理事) at Pachinko Chain Store Association* (一般社団法人パチンコ・チェーンストア協会). Mr. Ohishi graduated from Nihon University* (日本大学) in March 1987 with a bachelor's degree in sociology.

Mr. Hidenori MOROTA (諸田英模)

Executive Officer

Mr. Morota, aged 49, was appointed as our Executive Officer on 28 November 2014. He is also a director of Niraku Corporation, our subsidiary, and has held this position since 22 June 2012. He is the head of our sales department and oversees the advertising, marketing, sales, machine selection and general prize offerings functions of our Group. Mr. Morota is also a member of our Risk Management Committee.

Mr. Morota joined our Group in October 1988 and spent over 13 years in operating and managing our pachinko hall operations. Throughout his career with us, Mr. Morota has served a range of corporate positions across our sales, corporate management, store operations and information technology divisions and has gained extensive experiences in the pachinko industry throughout the process. His senior management duties came in June 2001 when he was elected as a director of Niraku Corporation and was subsequently promoted to an executive officer* (執行役) in June 2005. He served as a Director of our Company from 10 January 2013 to 25 June 2014. On 28 November 2014, he was designated as our Executive Officer. Prior to joining our Group, Mr. Morota worked at Koriyama Meat Wholesale Co., Ltd.* (郡山食肉御売(株)) from July 1985 to October 1986.

As at the date of this Prospectus, Mr. Morota is interested in approximately 0.1% of our total number of issued Shares.

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Mr. Mototaka TANAKA (田中基隆)

Executive Officer

Mr. Tanaka, aged 50, was elected as our Executive Officer on 28 November 2014. Concurrently he also serves as a manager of our legal department and is primarily in charge of our legal and corporate affairs, corporate records and our general compliance with corporate and other relevant laws and regulations in Japan.

Mr. Tanaka is a graduate from Kansai University* (関西大学) and obtained a bachelor's degree in law in March 1990. Prior to joining our Group, he served in the legal department and the general department of SG Holdings Co., Ltd.* (SGホールディングス), a Japanese conglomerate that provides logistics, courier, real estate and other related services in Japan, from 2005 to 2010, and was the deputy head of its legal department prior to his departure. Having joined our Group in September 2012, he has been a manager of our legal department and was promoted as our Executive Officer in November 2014 in an attempt to strengthen the management and corporate governance functions of our Company.

Other Senior Management

Mr. Tatsuo TANIGUCHI (谷口龍雄)

Representative Director and President, Nexia

Mr. Taniguchi, aged 61, was appointed as the representative director and president* (代表取締役社長) of Nexia on 19 June 2009. His primary duties within our Group are the oversight of our property activities, including the selection, acquisition and maintenance of the lands and premises of our pachinko halls. He also manages the office premises and residential apartment building owned by our Group which were leased to third party customers as an ancillary business.

Mr. Taniguchi joined our Group in June 1974 as an operations manager of Niraku Corporation and was appointed as the managing director* (常務取締役) in October 1981. He served as the deputy president* (副社長) of Niraku Corporation between August 1998 and June 2012 and a Director of our Company since 10 January 2013 and was an integral part of our pachinko hall operations until his retirement, as a Director of our Company and Niraku Corporation, in June 2014 and September 2014, respectively. He remains on with an advisory role within our Group, focusing on property activities. Mr. Taniguchi is the brother of our Chairman and is therefore his associate under the Listing Rules. Mr. Taniguchi is also a Controlling Shareholder of our Company and also a person acting in concert with our Chairman within the meanings of the Takeovers Code. See "Relationship with our Controlling Shareholders — Controlling Shareholders acting in concert" for details.

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Mr. Tadashi UCHIYAMA (内山忠)
Statutory Auditor, Niraku Corporation

Mr. Uchiyama, aged 63, has been a statutory auditor* (監査役) of Niraku Corporation since 24 June 2011. As provided under the Japan Companies Act, Mr. Uchiyama's functions within Niraku Corporation is to audit its directors in the proper execution of their duties and supervises the overall management, operation, accounting and financial matters and corporate governance of Niraku Corporation.

Mr. Uchiyama has spent over 37 years in the group of companies under The Toho Bank, Ltd.* (東邦銀行) between April 1974 and June 2011, and had gained considerable experiences across its business functions, including banking, information system and business consulting. His last position prior to joining our Group was the representative director* (代表取締役) of Toho Computer Services Co., Ltd.* (東邦コンピューターサービス株式会社), a business administrative services and support provider to banking institutions in Japan, from June 2010 to June 2011. Mr. Uchiyama has been a member of the Civil Dispute Resolution Committee* (民事調停委員会) of the Japanese government since October 2012. He received a bachelor's degree in economics from Fukushima University* (福島大学) in March 1974.

JOINT COMPANY SECRETARIES

Pursuant to Rule 3.28 and Rule 8.17 of the Listing Rules, the secretary of our Company must be an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of a company secretary. The Stock Exchange considers (a) an ordinary member of The Hong Kong Institute of Company Secretaries, (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong) or (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) as acceptable academic or professional qualifications.

We have appointed Ms. YIU Wai Man Karen (姚慧敏) and Ms. NG Sau Mei (伍秀薇), both of whom satisfy the qualification requirements under Rules 3.17 and 8.28 of the Listing Rules, as our joint companies secretaries.

Ms. YIU Wai Man Karen (姚慧敏)
Joint Company Secretary

Ms. Yiu, aged 39, was appointed as our joint company secretary on 9 December 2014. Aside from her company secretarial duties, Ms. Yiu is also responsible for our accounting and financial reporting matters under IFRS and our financial management controls.

Prior to joining our Group in August 2014, Ms. Yiu was a senior manager in the assurance department of PricewaterhouseCoopers, where she mainly performed audit and financial reporting on Japanese clients, listed issuers on the Stock Exchange and applicants for listing on the Stock Exchange. Between September 2007 and December 2009, Ms. Yiu was seconded to PricewaterhouseCoopers Aarata in Japan and assisted a number of Japanese institutions in

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preparing their financial statements under IFRS and reconciliation of the differences between JGAAP and IFRS. Our Directors believe that her unique skill set and experiences both in Japan and Hong Kong will enhance our corporate governance and internal auditing functions upon Listing.

Ms. Yiu graduated from the University of Liverpool with a bachelor's degree of Arts in July 1998. She has been a member of the Hong Kong Institute of Certified Public Accountants since September 2009.

As a voluntary measure and for good corporate governance purposes, we have engaged KCS Hong Kong Limited and appointed Ms. NG Sau Mei (伍秀薇) as a joint company secretary to assist Ms. Yiu in her execution of our company secretarial matters upon Listing.

Ms. NG Sau Mei (伍秀薇)
Joint Company Secretary

Ms. Ng, aged 37, was appointed as our joint company secretary on 9 December 2014. She is a manager of the listing services department of KCS Hong Kong Limited, a corporate secretarial and accounting service provider in Hong Kong.

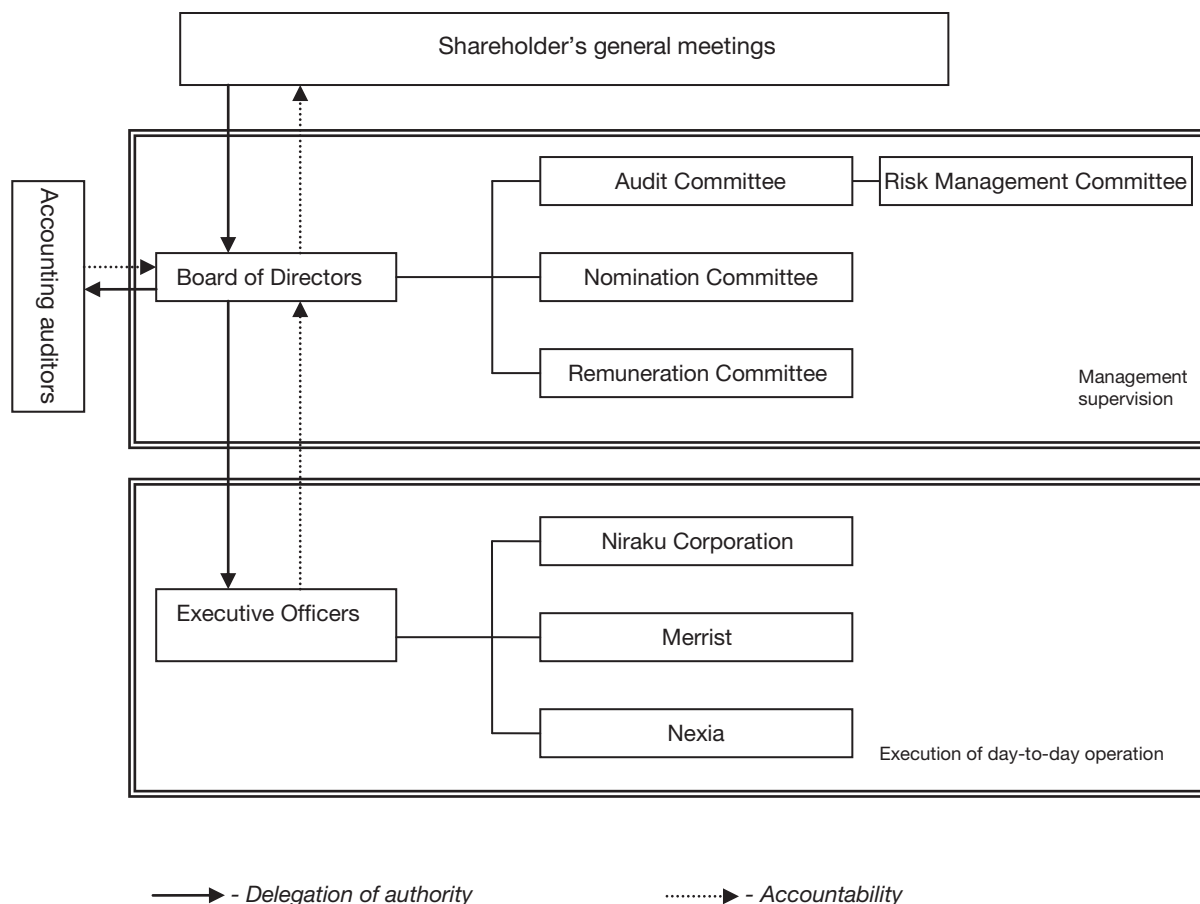
Ms. Ng currently serves as a joint company secretary of China Shipping Container Lines Co., Ltd. (2866:HK) and Tian Ge Interactive Holdings Ltd. (1980:HK). The shares of both companies are listed on the Stock Exchange.

Ms. Ng graduated from the City University of Hong Kong with a bachelor's degree in laws in November 2001. She has been an associate member of The Hong Kong Institute of Chartered Secretaries since September 2007 and an associate member of The Institute of Chartered Secretaries and Administrators in the United Kingdom since September 2007.

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CORPORATE GOVERNANCE

The following chart sets forth our organisational structure, which reflects our corporate governance regime:



Under the Japan Companies Act, a stock company* (株式会社) is in general required to adopt either (a) statutory auditors* (監査役) or a board of statutory auditors* (監査役), the primary function of which is to supervise and audit the executive actions of the directors or (b) a three-committee system by establishing a nominating committee, a remuneration committee and an audit committee. In addition, the Listing Rules require a listed issuer to establish an audit committee and a remuneration committee, and the Corporate Governance Code requires the establishment of a nomination committee. To ensure management transparency and sound corporate governance, our Shareholders resolved to adopt the three-committee system on 25 June 2014.

Unlike a statutory auditor system where directors perform executive functions, our corporate governance enables the management supervisory function of our Directors to be separate from the business-execution functions of our Executive Officers. Under our corporate governance regime, the primary decision-making body is our Board of Directors, the role of which is primarily supervisory and strategic. Our Executive Officers are entrusted by our Board with tasks of business execution, which are subject to the oversight of our Board and the supervision of our Audit Committee. The majority of our Directors do not serve as Executive Officers, which reinforces the supervisory function of our Board.

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Our organisational structure consists of our Company, one directly wholly-owned subsidiary and two indirectly wholly-owned subsidiaries. Niraku Corporation, our wholly-owned subsidiary, conducts our primary business of pachinko and pachislot hall operations. Nexia, our indirectly wholly-owned subsidiary, is a property holding and investment company which holds the land and premises on which our Group operates some of our pachinko halls, as well as an office building and a residential apartment building for lease to third party tenants. Merrist, our indirectly wholly-owned subsidiary, is primarily engaged in the employment of disabled people to provide gardening, cleaning and general management services in our pachinko halls.

We recognise the importance of building, maintaining and improving upon a corporate governance regime that is transparent, fair and shareholder-oriented. Our Shareholders elect and appoint our Directors, who in turn appoints our Executive Officers (including our Chief Executive Officer, whose executive actions are ultimately accountable to our Shareholders). Our general corporate strategies are formulated by our Board of Directors and implemented by our Executive Officers in our day-to-day operations.

Our Directors believe that we have established a sound corporate governance regime with the three-committee system that is in compliance with the requirements under the Japan Companies Act and the Listing Rules, adopting the good corporate governance practices recommended in the Corporate Governance Code in all material aspects.

CORPORATE GOVERNANCE CODE

Our Company complies or intends to comply with the Corporate Governance Code set out in Appendix 14 of the Listing Rules with the exception for Code A.2.1, which requires the roles of chairman and chief executive be different individuals.

Under code provision A.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Our Chairman holds both positions. Since April 2010, our Chairman has been the key leadership figure of our Group who has been primarily involved in the formulation of business strategies and determination of the overall direction of our Group. He has also been chiefly responsible for our Group's operations as he directly supervises our Executive Officers (other than himself) and members of our senior management. Taking into account the continuation of the implementation of our business plans, our Directors (including our Independent Non-executive Directors) consider our Chairman is the best candidate for both positions and the present arrangements are beneficial and in the interests of our Company and our Shareholders as a whole.

Our Directors will review our corporate governance policies and compliance with the Corporate Governance Code in each financial year and comply with the “*comply or explain*” principle in our corporate governance report which will be included in our annual reports after the Listing.

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BOARD COMMITTEES

Our Board delegates certain responsibilities to our Audit Committee, Remuneration Committee and Nomination Committee. In accordance with the Japan Companies Act, the Listing Rules, our Articles and the relevant laws and regulations in Hong Kong and Japan, we have formed the following committees:

Audit Committee

We established our Audit Committee pursuant to the Japan Companies Act on 25 June 2014. In preparation for the Listing, we have incorporated the contents required under paragraph C3 of the Corporate Governance Code as well as Rule 3.22 of the Listing Rules into the written rules of our Audit Committee on 16 March 2015. Our Audit Committee consists Mr. Hiroaki KUMAMOTO (熊本浩明) (chairman), Mr. Hiroaki MORITA (森田弘昭) and Mr. Norio NAKAYAMA (中山宣男). The primary duties of our Audit Committee are to assist our Board in providing an independent view of the effectiveness of our financial reporting process, internal control and risk management system, overseeing the audit process and performing other duties and responsibilities as assigned by our Board. Our Audit Committee also monitors our Directors in fulfilling their fiduciary duties.

We believe that the composition and the function of our Audit Committee complies with the applicable requirements of the Stock Exchange. We intend to comply with future requirements to the extent that they become applicable.

Remuneration Committee

We established our Remuneration Committee pursuant to the Japan Companies Act on 25 June 2014. In preparation for the Listing, we have incorporated the contents required under paragraph B1 of the Corporate Governance Code as well as Rule 3.26 of the Listing Rules into the written rules of our Remuneration Committee on 16 March 2015. Our Remuneration Committee consists of three members, namely Mr. Norio NAKAYAMA (中山宣男) (chairman), Mr. Hiroaki MORITA (森田弘昭) and our Chairman. The primary duties of our Remuneration Committee are to evaluate the performance of our Directors and senior management and determine the remuneration package of our Directors, Executive Officers and senior management.

Nomination Committee

We established our Nomination Committee pursuant to the Japan Companies Act on 25 June 2014. In preparation for the Listing, we have incorporated the contents required under paragraph A5 of the Corporate Governance Code into the written rules of our Nomination Committee on 16 March 2015. Our Nomination Committee consists of three members, namely Mr. Hiroaki MORITA (森田弘昭) (chairman), Mr. Masaharu TOGO (東郷正春) and our Chairman. The primary duties of our Nomination Committee are to make recommendations to our Shareholders on the appointment of our Directors and members of our senior management.

DIRECTORS AND SENIOR MANAGEMENT

We have limited the number of Executive Director in each of our Remuneration Committee and Nomination Committee to one, representing a minority in each of these committees, as a means to enhance transparency and protection of independent Shareholders.

Risk Management Committee

We established our Risk Management Committee on 19 December 2014 as a sub-committee under our Audit Committee with written rules adopted on the same day. Our Risk Management Committee consists of twelve members, namely, Mr. Akinori OHISHI (大石明德) (an Executive Officer) (chairman), Mr. Hidenori MOROTA (諸田英模) (an Executive Officer) and ten other officers of our Group. The primary duties of our Risk Management Committee are identifying, assessing and mitigating the risks faced by our business, including those pertaining to AML and compliance with the Three Party System. Our Risk Management Committee reports its findings (including any irregularity and deficiency) to our Audit Committee. See “Internal Controls and Anti-Money Laundering — Our AML Governance” for details.

DIRECTOR’S INTEREST

Our Chairman, being a member of the Taniguchi Consortium, is one of our Controlling Shareholders. Our Chairman will be interested in approximately 69.5% of our total number of issued Shares immediately upon completion of the Global Offering together with other members of the Taniguchi Consortium, whom our Chairman acts in concert with. For further details of the identities of, and relationship among, each member of Taniguchi Consortium as well as their respective shareholdings in our Company, see “History and Corporate Development — Shareholding Structure — Taniguchi Consortium”.

Except as disclosed in this Prospectus, each of our Directors (i) did not hold other positions in our Company or other members of our Group as at the Latest Practicable Date; (ii) had no other relationship with any Director, senior management, substantial Shareholder or Controlling Shareholder of our Company as at the Latest Practicable Date; and (iii) did not hold any other directorships in listed public companies in the three years immediately prior to the date of this Prospectus. Except as disclosed in this Prospectus, none of our Executive Officers and senior management holds any directorships in listed public companies in the three years prior to the date of this Prospectus. As at the Latest Practicable Date, except as disclosed in this Prospectus, each of our Directors did not have any interest in the Shares within the meaning of Part XV of the SFO.

Further, save as disclosed in this Prospectus, there is no other matter with respect to our Directors that need to be brought to the attention of our Shareholders and there is no information to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

Our Directors and members of our senior management receive compensation in the form of salaries, allowances, bonuses and other benefits-in-kind, including our contribution to the pension scheme. Our Remuneration Committee determines the salaries of our Directors, Executive Officers and other senior management based on their qualifications, positions and seniority.

The aggregate amount of remuneration (including salaries, allowances, discretionary bonuses, other benefits and contributions to pension schemes) paid to our Directors for each of financial years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014 were ¥46 million, ¥110 million, ¥123 million and ¥685 million, respectively.

The aggregate amount of remuneration (including salaries, allowances, discretionary bonuses, other benefits and contributions to pension schemes) paid to our five highest paid individuals for each of financial years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014 were ¥165 million, ¥727 million, ¥131 million and ¥686 million, respectively.

It is estimated that an aggregate amount of remuneration equivalent to approximately ¥46.1 million will be paid and granted to our Directors by us for the year ending 31 March 2015 under arrangements in force on the date of this Prospectus.

During the year ended 31 March 2013, a ¥600 million special benefit was paid to Mr. Masataka TANIGUCHI (谷口晶貴) for his retirement, who resigned as a director of Niraku Corporation in September 2012. During the six months ended 30 September 2014, a ¥600 million special benefit was paid to Mr. Tatsuo TANIGUCHI (谷口龍雄) for his retirement, who resigned as a Director of our Company in June 2014 and a director of Niraku Corporation in September 2014. The special benefits paid to these former directors were calculated with a specific formula, taking into consideration (i) their number of years serviced in our Group; (ii) their number of positions served in our Group; and (iii) their remuneration prior to retirement, amongst others. Upon Listing, the remuneration (including retirement allowances) of our Directors, senior management and Executive Officers will be determined by our Remuneration Committee, the majority of which will be made up of Independent Non-executive Directors. The rules of our Remuneration Committee provide that our Group shall not make any retirement payments to our Directors after the Listing.

Save as disclosed in this Prospectus, (i) no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Group; (ii) no compensation was paid to, or receivable by, our Directors or past Directors or the five highest paid individuals during the Track Record Period for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group; and (iii) none of our Directors waived any emoluments during the same period.

DIRECTORS AND SENIOR MANAGEMENT

Our policy concerning the remuneration of our Directors is that the amount of remuneration is determined on the basis of the relevant Director's experience, responsibility, performance and the time devoted to our business.

Except as disclosed in this Prospectus, no Director has been paid in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a Director, or otherwise for service rendered by him in connection with the promotion or formation of us.

COMPLIANCE ADVISER

We have appointed Shenyin Wanguo Capital (H.K.) Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on the following circumstances:

- the publication of any announcements, circulars or financial reports under any applicable laws, rules, codes and guidelines;
- where a transaction, which might be discloseable or being a notifiable or connected transaction under Chapter 13, 14 and/or 14A of the Listing Rules, is contemplated including share issues and share repurchases;
- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this Prospectus or where our business activities, developments or results deviate from any forecast, estimate, or other information in this Prospectus; and
- where the Stock Exchange makes an inquiry of us in respect of unusual price movement and trading volume or other issues under Rule 13.10 of the Listing Rules.

The terms of the appointment shall commence on the Listing Date and end on the date of despatch of our annual report in respect of our financial results for the first full financial year commencing after the Listing Date and such appointment shall be subject to extension by mutual agreement.