

# DYJH

**ESG Report 2022**



**DYNAM JAPAN HOLDINGS Co., Ltd.**

(incorporated in Japan with limited liability)

Stock Code: 06889



# Guideline Comparison Table

Environmental, Social and Governance (“ESG”) Report 2022 contains information required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Please refer to the pages listed in the table for the information disclosure contents.

## Appendix 27 to the Listing Rules

Environmental, Social and Governance Reporting Guide

Key Items		General Disclosure/Indicators		Posting Page
A. Environmental				
A1: Emissions	General Disclosure		Policies relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	12
			Compliance with relevant laws and regulations that have a significant impact on the issuer	12
	Indicators	A1.1	The types of emissions and respective emissions data	13
		A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	13
		A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	16
		A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	16
		A1.5	Description of emissions target(s) set and steps taken to achieve them	13 ~ 20
		A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	15 ~ 18, 20
A2: Use of Resources Consumption	General Disclosure		Policies on the efficient use of resources, including energy, water and other raw materials	13, 15, 17, 19
	Indicators	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	13, 14
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		A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	14, 15
		A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Notes 2
A3: Environment and Natural Resources	General Disclosure		Policies on minimising the issuer's significant impacts on the environment and natural resources	13, 15, 17, 19
	Indicator	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Notes 2
A4: Climate change	General Disclosure		Policies on minimising the issuer's significant impacts on the environment and natural resources	13, 15, 17, 19
	Indicator	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	13 ~ 20
B. Social				
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		B1.2	Employee turnover rate by gender, age group and geographical region	Notes 2
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			Compliance with relevant laws and regulations that have a significant impact on the issuer	31
	Indicators	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	32
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		B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	31, 32

Key Items	General Disclosure/Indicators			Posting Page
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		B3.2	The average training hours completed per employee by gender and employee category	28
B4: Labour Standards	General Disclosure		Policies relating to preventing child and forced labour	24
			Compliance with relevant laws and regulations that have a significant impact on the issuer	24
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		B8.2	Resources contributed (e.g. money or time) to the focus area	35, 36

Notes

1. DYNAM JAPAN HOLDINGS Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group" or "we") are fully aware of various social demands, including the prevention of human rights violations in the form of forced labor and child labor, pollution of the global environment, etc., as well as international norms and initiatives, and complies with relevant laws and social norms applicable in the countries and regions where it operates. There have been no instances of violations of corporate ethics by our Group and our business partners in Japan.
2. We will consider extending the disclosure of information and statistics based on each situation, taking into consideration the risks to society and the environment, as well as the magnitude of the impact on our business activities.

# A Centurial Commitment to Building Trust and Fostering Dreams



## Never stop creating better values to reform pachinko into daily entertainment that everyone can enjoy.

We will continue to create further value to become an indispensable presence in the community so that people will say they are glad to have a pachinko hall nearby.

In the fiscal year ending 31 March 2022, the COVID-19 situation is still not under control. Although there are differences among countries and regions, the situation remains as severe as the previous fiscal year. Under such circumstances, we strive to realize a safe and secure amusement environment in our core pachinko business by creating our own guidelines for infection prevention as an industry leader and thoroughly implementing necessary measures to prevent

COVID-19 infection. As a result, even under the pre-emergency declaration and others to prevent the spread of the virus, we were able to continue our operations throughout the year, resulting in an operating profit of over ¥10.6 billion and net profit of over ¥4.9 billion for the fiscal year.

There have been no clusters of COVID-19 infections in pachinko halls all over Japan. We believe that our customers' sense of security toward pachinko halls is recovering gradually. The number of customers visiting the Group's pachinko halls has increased and returned to about 80% of the level before the COVID-19 pandemic. We



## Dynam Japan Holdings Group Corporate Philosophy

A company cannot survive if it does not consistently fulfill its responsibilities toward its employees, shareholders, financial institutions, business partners, and other stakeholders while at the same time serving and contributing to customers and local residents. This corporate philosophy expresses a constantly challenging spirit in creating a circle of trust, where people and organizations bring together their energy to realize a long-lasting growth to achieve their dreams. The term "centurial," specified in our corporate philosophy, means a long and enduring period, and refers to the future. Our Group hereby declares that it will continue to build trust and foster dreams for the future.

## Five Management Policies and Three Codes of Conduct

- |                                |                               |   |
|--------------------------------|-------------------------------|---|
| ● Principle of Customers First | ● Training of Human Resources | 1. We comply with laws and regulations and treat people with respect.<br>2. We strive for proactive behavior and value teamwork.<br>3. We confirm the actual situation on-site and express it in numbers. |
| ● Information Disclosure       |                               |   |
| ● Chain Store Management       | ● Social Contribution         |   |

## Charter of Corporate Behavior

The main reason for a company's existence is to grow sustainably and contribute to society as a stronger and larger company, in line with the expectations of its shareholders, managers, employees, business partners, financial institutions, and customers toward a better future. We consider these stakeholders to be our trusted associates and strive to build a strong relationship of trust through our business activities and dream big for a better future. However, trust is fragile, and even the slightest moment of error will damage it forever. To ensure that we can continue our corporate activities without compromising trust, the Group is adopting a business improvement mechanism into its internal controls and will always identify and eliminate detrimental factors such as misconduct and violations of laws and regulations. All employees, including field workers, shall understand this purpose, work to improve it, and always continue to do so. Through such initiatives, we will be able to achieve greater performance and contribute more to society.

will continue our efforts to prevent the spread of COVID-19 infection and to earn the confidence of everyone in the safety and security of our pachinko halls.

We feel that the fiscal year 2021 was a year in which our Group was able to gain new insights and discover various issues through its response to COVID-19 infection. We were able to gain valuable experiences that will lead us into the future. Our goal remains the same: We will continue to reform pachinko into a daily entertainment that everyone can enjoy. We will continue to create better values to become an indispensable presence in the community so that people can feel happy to have a

pachinko hall in their neighborhood.

We have secured the same profitability as last year in the aircraft leasing business, even amidst the ongoing COVID-19 pandemic.

We would like to ask for the continued understanding and support of all those who have placed their trust in us.

Chairman of the Board and  
Chief Executive Officer

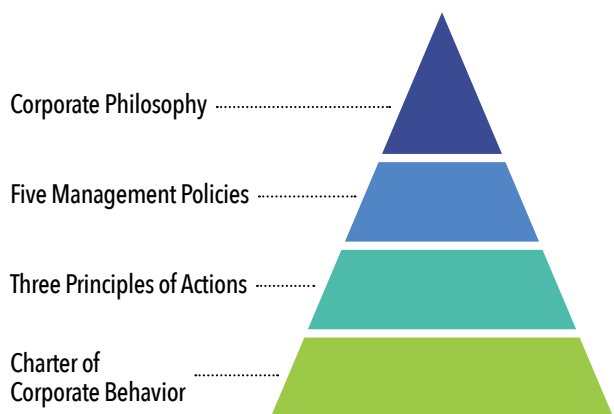
**Makoto Sakamoto**

We will contribute to the future by establishing solid policies from the perspectives of the environment (E), society (S), and governance (G), while offering value to all those who have placed their trust in us through our sustainable corporate activities.



## Group philosophy and approach to ESG

The Group will promote ESG to achieve sustainable growth based on the corporate philosophy, "A Centurial Commitment to Building Trust and Fostering Dreams". We believe that the promotion of ESG equals the realization of our corporate philosophy. We are committed to driving ESG activities by bringing all employees together to realize our Corporate Philosophy, with a strong awareness of the five Management Policies and the three Principles of Actions, as well as our Charter of Corporate Behavior.



## ESG basic policy

### 1. Environment

By recognizing that environmental problems are common challenges faced by mankind, we aim to coexist with regional societies by proactively tackling environmental problems and focusing on climate change. In addition, we observe environment-related laws and regulations and continue to practice environmental management.

### 2. For our Customers

We prioritize our customers by constantly offering products and services from our customers' points of view.

### 3. Communities

We aim to exist in a symbiosis with everyone in the community through our business activities. As a leading company in the industry, we aim to become a treasured company and contribute to the development of regional society by collaborating with local communities.

### 4. Fair Business Practices

We aim toward mutual development with our business partners and by building legally-, socially-, and ethically-sound relationships. To achieve that, we enter into basic agreements, continuing to improve our supply chain management.

## Message from ESG Director

Since the COVID-19 pandemic continues in the long run, its continuing impact on business activities across industries cannot be avoided. Even under such circumstances, our Group always puts the ESG perspective in mind in its entire business activities, which are centered on pachinko hall operations, and strives to improve corporate value. Since climate change is an important issue for the environment, we are working to reduce CO<sub>2</sub> emissions and build a circular society in our stores all over Japan. Our commitment to society is reinforced by our engagement with all our trusted associates, including our customers. Our Group's activities to increase the value of its presence as a regional infrastructure are reflected in a number of environmental and social initiatives. To achieve stronger governance, the board of directors of the Company (the "Board") has articulated a policy to establish a system that fits our business to achieve healthy and sustainable

growth and improve our Company's value in the medium to long term. Through such ESG initiatives, the Group will contribute to the future of pachinko as a form of daily entertainment and the realization of a sustainable society.

Executive Officer **Yoshiyuki Mizutani**



### 5. Human Rights

We respect basic human rights and differences in hiring and treating our employees and do not discriminate in terms of nationality, gender, faith, ideology, physical appearance, and others. We conduct personnel evaluations based on the overall assessment of each employee's abilities, motivation, personality, awareness of compliance, and contributions to business performance.

### 6. Labor Practices

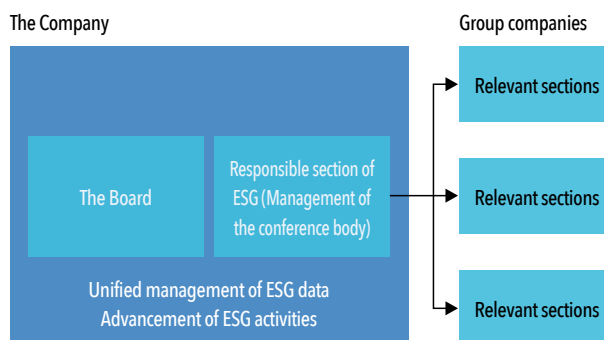
We prioritize the development of our employees to harness the collective energy of our personnel. To expand our corporate activities, we obey the laws and regulations in Japan and abroad on hiring and working hours so that our employees can work in safe and healthy environments.

### 7. Organizational Governance

We strive to collect and record accurate information, disclose that information, and implement transparent and fair management.

## Group ESG Advancement Structure

Based on ESG Basic Policy, all employees shall work together to promote ESG activities throughout the Group under the leadership of the Board, the highest level of managerial decision-makers. Also, to contribute to the sustainable development of society together with our trusted associates\*, we discuss and evaluate our ESG activities at a meeting body centered on our ESG division.



★In this ESG report, we disclose the information mainly to our customers, local communities, business partners, employees, shareholders, and investors, as our trusted associates. However, the scope of trusted associates is not limited to those. We think of it as a broad concept, which includes those involved in the Corporate Philosophy and the Corporate Code of Conduct (financial institutions, etc.), and we intend to include all relevant parties.

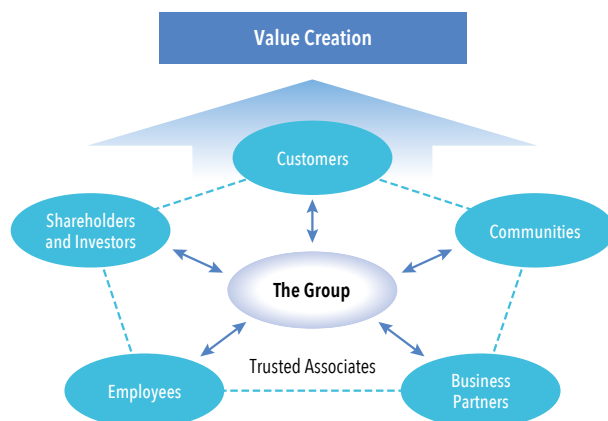


## We will continue to enhance our company value as regional infrastructure to meet the expectations of our trusted associates.

Our Group aims to continuously improve its values to all trusted associates and become an indispensable part of the region. We believe that this should be our role as regional infrastructure, mainly in the pachinko hall business, and we will continue to enhance our corporate value by setting our ten goals.

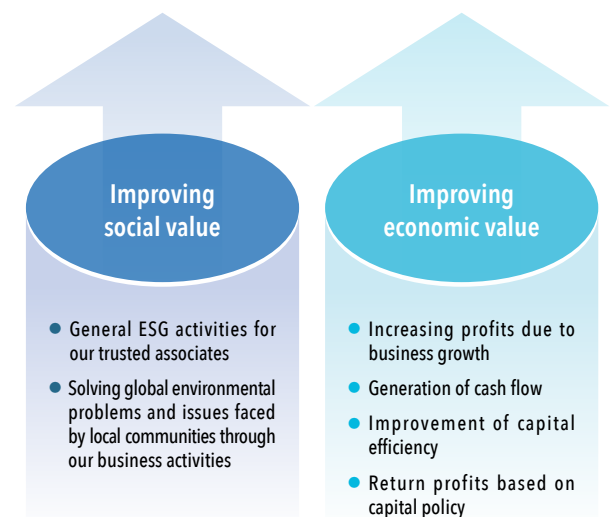
### Value Creation for All Trusted Associates

Our Group connects daily with its stakeholders, known as our trusted associates, and engages in activities based on the Corporate Code of Conduct. Furthermore, we believe that meeting the expectations of our trusted associates and addressing the issues of local communities will lead to an increase in the value of our business. To this end, all employees of the Group will work together to achieve sustainable growth as a company in terms of the environment (E), society (S), and governance (G).



### Enhancing Social and Economic Values through ESG

Our Group aims for continued development through the improvement of its social and economic values.





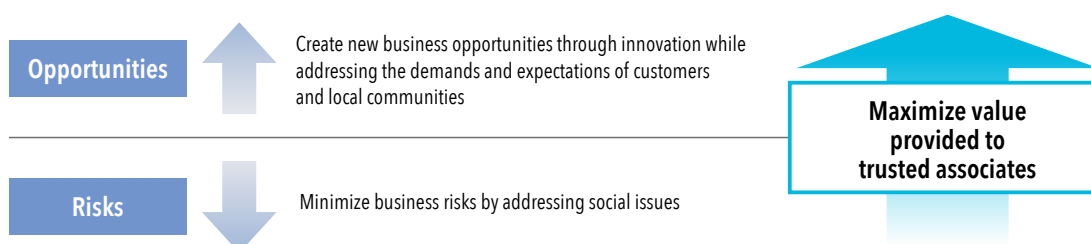


## Becoming an Indispensable Presence in the Community

In operating pachinko halls, we rely not only on the customers who come to the halls but also on the support of all trusted associates such as local residents, business partners, and employees. Without the development of local communities, our Group cannot develop. Therefore, our Group aims to become an indispensable presence in the community and strives to develop its business and improve its corporate values along with the development of local communities.

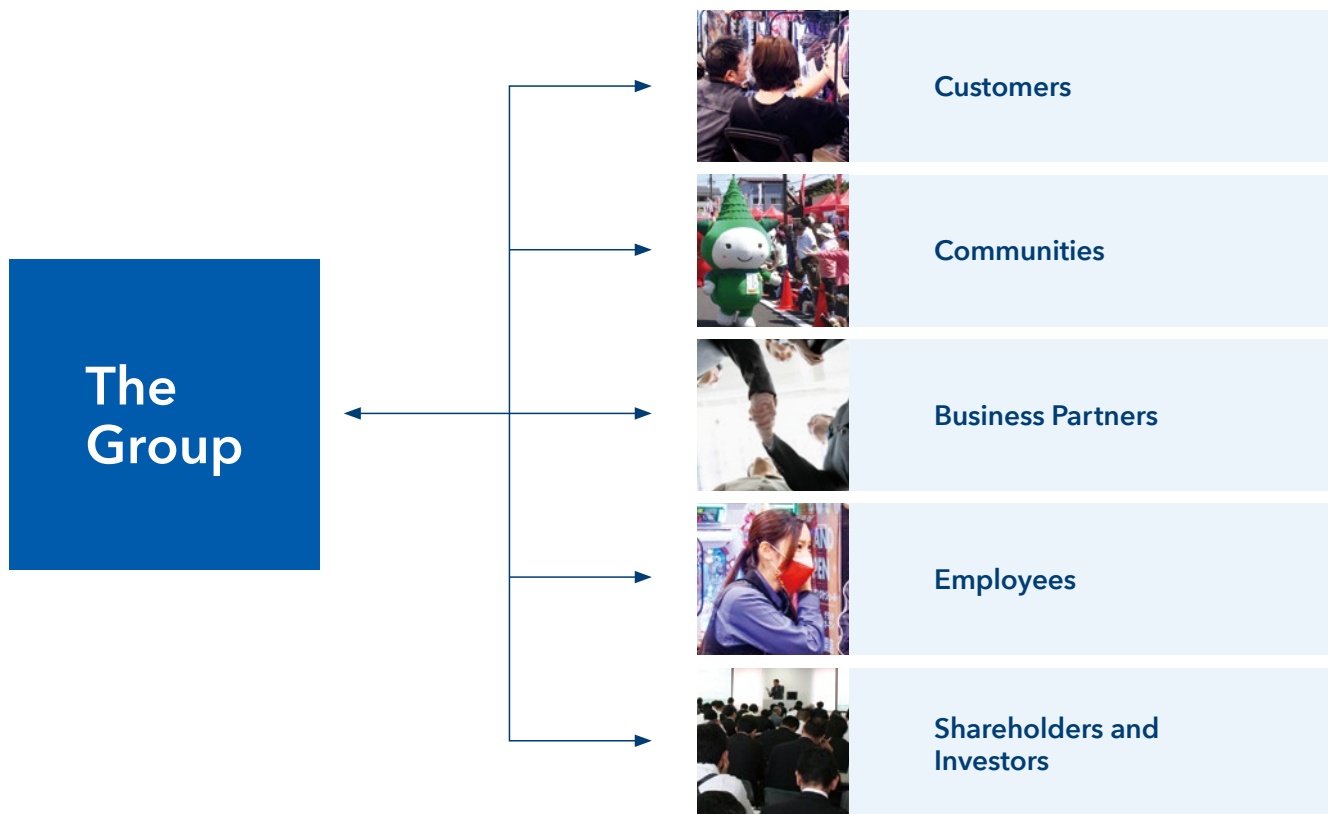
## Risk and Opportunity Management

As a response to the aging of the population, our Group is proposing initiatives focusing on the health effects of pachinko and the establishment of pachinko halls that incorporate universal designs to cater to a wide range of customers. In addition, we have set the goal of zero addiction in 2050 to address the issue of addiction, and we are seriously working on the problem of passive smoking and making proactive efforts as an industry leader. We actively identify such risks and opportunities and manage them appropriately.



## We strive to further improve the relationship of trust with our trusted associates by disclosing information and engaging in dialogues.

Our Group listens to the opinions of our trusted associates and verifies whether its business activities correspond to their demands and expectations through appropriate information disclosure and dialogues, and feeds back such information in our business activities. We believe that this two-way communication is essential for the continued development of the entire Group.





## Main Initiatives

- Based on our people-focused business policy, we internally share the requests and opinions of our customers received through face-to-face interactions with them and our consultation desk. This information is reflected in how we create pachinko halls.
- We cooperate, participate and interact as a member of regional societies when asked by local residents to help with events to revitalize the region.
- We continue to offer disaster relief to areas damaged by natural disasters.
- We support the promotion of sports by sponsoring squash tournaments and other events.
- We will strengthen relationships with our business partners through the joint development of game machines and general prizes. We aim to enhance the value chain with our business partners by increasing the value of our pachinko halls as spaces for entertainment.
- To enhance work environments, we are examining the best way to improve our workplaces by taking to heart the issues raised by our employees through surveys and meeting between management and employee.
- We are taking practical steps to update our systems beyond what is required by law, focusing on support for child raising and empowering women in the workplace.
- We politely explain the Group's management policies and strategies at results briefings and individual Investor Relations ("IR") meetings. We make every effort to satisfactorily answer any questions attendees may have.
- For the operational front lines, we give tours and hands-on events at our pachinko halls to further attendees' understanding of our strengths and competitive advantages.

## Methods of Engagement

- Face-to-face interaction with customers at pachinko halls
- Customer consultation desk
- Meet-the-manager events for customers
- Participation to community events
- Volunteer activities of employees
- Support for disaster sites
- Support for sports activities
- Meetings for each business proposal
- Meetings about joint development (game machines and general prizes)
- Meetings to periodically exchange information
- Business partner briefings
- Intranet and in-house newsletter
- Training and briefings for employees
- Individual interviews and self-assessments
- Meetings between management and employee (union)
- Corporate ethics consultation
- Worksite meetings
- Employee surveys
- Annual general meeting
- Results briefings
- IR meetings
- Tours of our pachinko halls and hands-on events
- Surveys







# Environment

Our Group treats climate change caused by global environmental issues, resource reuse, and the suppression of natural resource consumption as common issues to all humankind and aims to reduce environmental impact through its business activities. In particular, we care about the energy consumption of our halls and disclose the total power consumption. In addition, as we realize that fulfilling our corporate responsibility for the environment is essential for the continued development of the Group, we shall comply with environment-related laws and regulations and make efforts to improve our environmental management.



Response to Climate Change .....	P13
Circular Society .....	P17
Green IT .....	P19

Alongside local communities, our Group considers climate change countermeasures to be an important issue and has been working to reduce CO<sub>2</sub> emissions by saving electricity and reducing water consumption at each hall.

Our Group recognizes the importance of tackling global warming, among other global environmental problems, and manages energy consumption appropriately by reducing the emission of greenhouse gases, such as CO<sub>2</sub>, and saving water at our head office and all operational locations, including our 433 pachinko halls all over Japan.

### Implementing energy-saving measures by air conditioning control at all locations including the head office and most pachinko halls all over Japan

In pachinko halls all over Japan, air conditioning is operated during business hours throughout the year to ensure that the customers can enjoy pachinko comfortably. Since the electrical energy used for air conditioning is considered to be one of the major factors in CO<sub>2</sub> emission, our Group has introduced energy-saving air conditioning systems in most of its halls.



Halls with energy efficient air conditioning <sup>★1</sup>



As of 31 March 2022  
<sup>★1</sup> Calculated based on three pachinko hall operators in the Group (Dynam Co., Ltd. ("Dynam"), Yume Corporation Co., Ltd. ("Yume Corporation"), and Cabin Plaza Co., Ltd. ("Cabin Plaza"))

### LED lighting in all 433 halls reduces CO<sub>2</sub> emissions

As part of its efforts to reduce power consumption, our Group has been promoting the use of LED lighting fixtures in our halls for some time, and the transitioning process at its existing halls



Halls with LED lighting <sup>★2</sup>

100%

As of 31 March 2022  
<sup>★2</sup> Calculated based on three pachinko hall operators in the Group (Dynam, Yume Corporation and Cabin Plaza)

has already been completed. In addition to installing LED lighting in newly-built halls, we are also working to save energy by using LED lighting in our head office and branch offices.

### Our Group's climate change countermeasures through the reduction of power consumption

We understand that CO<sub>2</sub> emissions from the use of electricity in operating pachinko halls, which is our main business, are affecting the global environment. That is why we are promoting and implementing energy conservation in air conditioning and lighting to reduce indirect greenhouse gas emissions from the use of electricity.

Total power consumption <sup>★3</sup>

298 mill. kWh

CO<sub>2</sub> emissions <sup>★4</sup>

141 thou. CO<sub>2</sub>

Energy consumption rate <sup>★5</sup>

0.12 kJ/m<sup>2</sup>

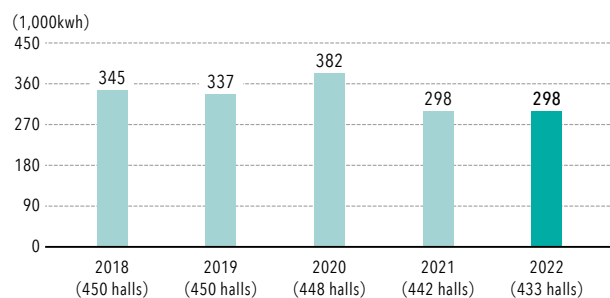
The total power consumption and CO<sub>2</sub> emissions are calculated in accordance with the prescribed aggregation method for environmental reporting to the Ministry of Economy, Trade and Industry in Japan.

<sup>★3, 4, 5</sup> Calculated based on the Group in Japan (For the year ended 31 March 2022)





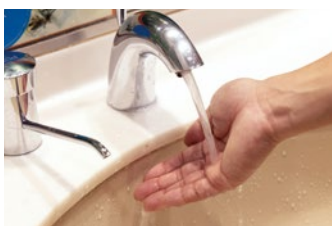
### Trend of Total Electricity Consumption



★ Natural gas and oil are not used directly in our Group's business.

### Use of water only for drinking and daily use by our customers

At each hall, water is used for daily consumption, which is drinking and toilet, by our in-store customers. We are reducing the environmental burden and properly managing water consumption, such as by installing water-saving equipment. There are no problems relating to the procurement of the water we use for our business.



### Optimal control of air-conditioning units throughout the four seasons provides comfort to customers and saves energy in halls.

Pachinko halls use a large amount of electricity, such as from the operation of gaming machines. Also, we need to pay particular attention to air conditioning so our customers can feel comfortable in our halls. Based on the Group's policy, we have been installing air conditioning equipment that emphasizes energy saving to counter global warming in our halls, leading to an overall reduction in electricity consumption. At the same time, we operate halls that provide a balance between air conditioning and ventilation in response to the COVID-19 pandemic.



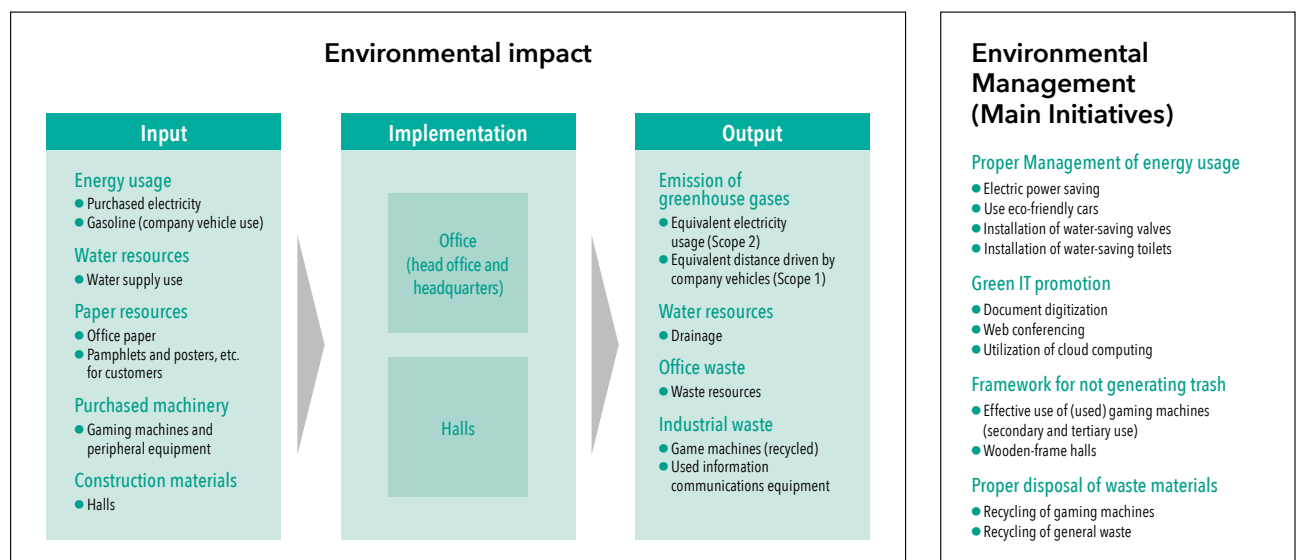
Hall Manager, Dynam  
Kanamachi Minamiguchi Hall  
**Hiroyasu Annaka**

# We will reduce CO<sub>2</sub> emissions due to excessive energy consumption in an effort to operate our business in a decarbonized society.

Excessive energy consumption due to economic activities with remarkable development and growth is a factor in global environmental problems. Our Group strives to protect the environment and reduce its burden to fulfill its responsibilities as a member of a society that aims to decarbonize itself to curb global warming.

## Climate Change Countermeasures in Pachinko Business

Our Group emits CO<sub>2</sub>, which affects the global environment in no small way, mainly through the operation of pachinko halls, which is our core business. For this reason, we have analyzed the environmental impact of our Group and its environmental management initiatives, as shown in the table below.

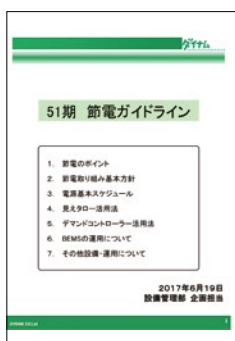






## Appropriate Energy Management at Each and Every Hall

A specialized division that manages hall facilities has formulated power saving guidelines to set targets for power consumption and manage the progress comprehensively. In addition, we also utilize an automatic control function of the energy management system to realize the management of efficient and effective electric power consumption. Furthermore, our Company's employee office has been raising awareness of power-saving efforts with regard to indoor lighting and air conditioning equipment, such as by thoroughly setting the air-conditioning temperature and turning off electrical equipment when not in use.



## Appropriate Waste Disposal

In our Group's pachinko hall, we do not generate nor dispose of harmful waste at our halls, including in spaces where our customers use the gaming machines. In addition, after recycling and recycling our general waste, which is considered industrial waste, we entrust the disposal to specialized contractors in accordance with laws and regulations.



We value coexistence with the surrounding environment, harmonize with the landscape, use resources effectively, and pay close attention to the living environment.

We comply with environmental laws and ordinances enforced in Japan and practice responsible expansion and waste treatment. We are also working to reduce CO<sub>2</sub> emissions in a number of ways.

## CO<sub>2</sub> Reduction in Wooden Buildings Considering Local Living Environments

One of the characteristics of pachinko halls operated by our Group is that their buildings are made from wood. Wooden buildings emit less CO<sub>2</sub> from the time of resource procurement to construction compared to the generally-used steel buildings and have the advantage of reduced production of industrial waste when they are demolished.



### ■ Multi-store Development of Wooden Halls

Our Group manages chain stores. We have standardized the design and construction of wooden halls, leading to low-cost construction that utilizes the benefits of multi-store development. As of 31 March 2022, we have introduced 373 wooden buildings, which comprise 86.1% of all of our Group's halls.

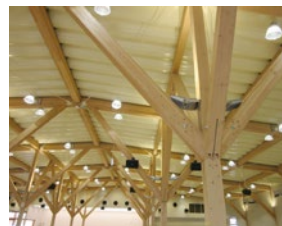
Pachinko hall with wood frame construction \*6



As of 31 March 2022  
\*6 Calculated based on three pachinko hall operators in the Group (Dynam, Yume Corporation, and Cabin Plaza)

### ■ Blending Into the Surrounding Landscape

We provide comfortable spaces without excessive decoration and equipment, such as spaces that transmit the warmth of wood, open high ceilings, and barrier-free halls



that anyone can visit with peace of mind. This is a unique initiative of our Group that develops many suburban halls.





### ■ Providing Low-noise Gaming Environments

To provide a comfortable gaming space for our customers, we always try to optimize the volume inside our halls and create an environment that minimizes sound leakage to the outside. We have installed sound-absorbing materials and sound-insulating walls. Furthermore, we are in the process of updating equipment that keeps the volume at a constant level at each hall. We are also taking sound insulation measures on the outdoor units of air-conditioning and exhaust systems to provide a comfortable living environment for the surrounding residents.

### Appropriate Processing of Used Gaming Machines

When disposing of used gaming machines, we treat them as industrial waste, and we follow the mandatory disposal method as stipulated in Japanese law. Our Group sets internal regulations to process waste legally and recycles all parts, materials, and raw materials that can be reused through the Yugiki Recycle Kyokai Association.



### ■ Reusing Gaming Machines in Different Group Halls

Our Group has 16 distribution centers (DCs) in Japan, each of which covers 20 to 30 halls. By accommodating and reusing gaming machines in different halls through the distribution center, we have reduced the purchase cost of gaming machines and the generation of industrial waste.



We aim to realize a decarbonized society by managing operational efficiency and power-saving while promoting green IT in our head office and pachinko halls.

Our Group is doing what it can to reduce its impact on the global environment by reducing the power consumption of its information and communication equipment used by employees in the head office and all of its pachinko halls.

Also, as remote work has been progressing along with work-style reform and as a way to slow down the spread of COVID-19, our Group is actively incorporating cloud computing services to promote green IT.

## Green IT Initiatives

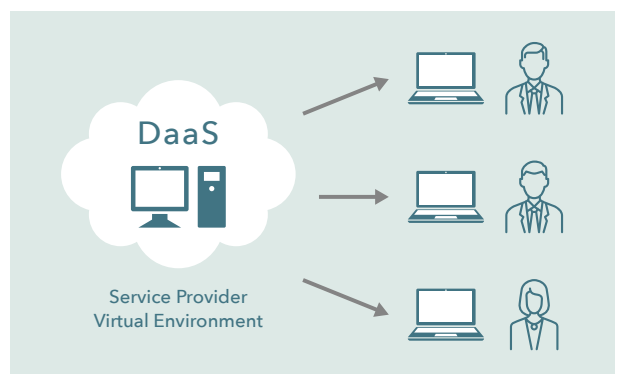
We are working on energy saving of our IT equipment through the use of cloud computing and other means. We have also introduced energy-efficient lighting and air conditioners in our offices and halls, and use sensor technology to ensure proper management of electronic devices. In addition, we are actively promoting Green IT by improving the fuel efficiency of company vehicles through eco-driving and the introduction of fuel-efficient vehicles, improving the efficiency of gaming machine delivery through the use of 16 distribution centers nationwide, and utilizing IT for our internal systems such as telework, web conferencing, electronic approvals for internal payments, and training programs.



Network of 16 distribution centers all over Japan

## ■ Reducing Server Operation in the Company

We are using the cloud service DaaS (Desktop as a Service) to further support our power-saving efforts. DaaS provides individual desktop environments from the cloud as virtual desktops, and the required software is available across the network. By doing this, we can reduce the load on the server and reduce power consumption.





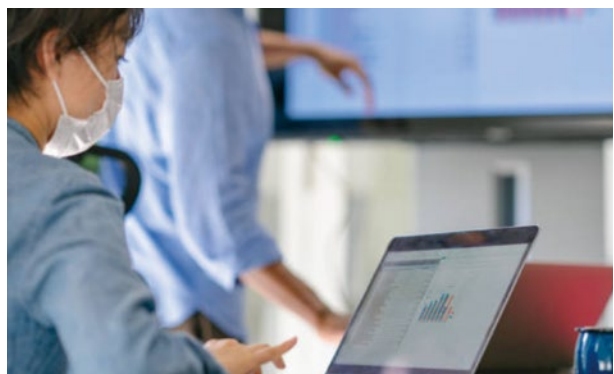
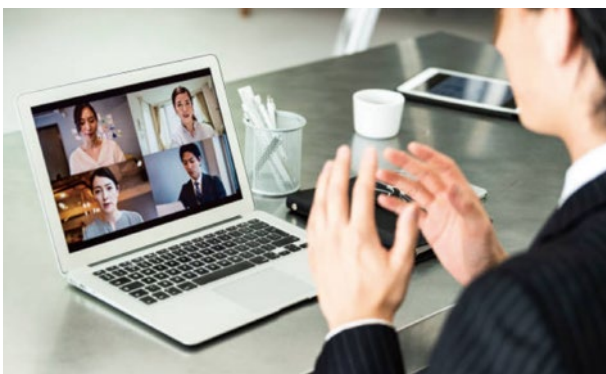


### ■ Promoting the Use of Web Conference Systems

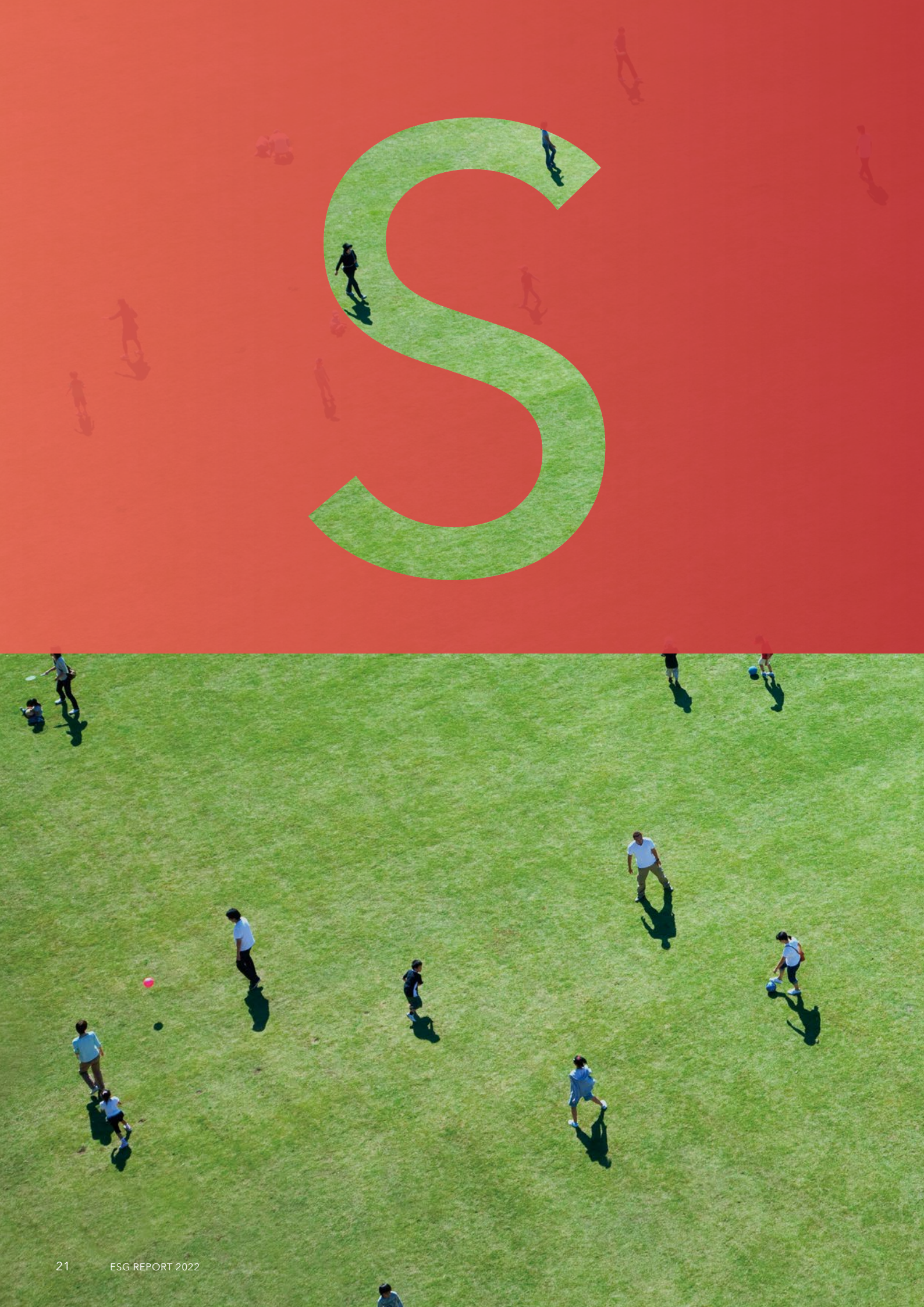
We promote the use of web conference systems, for example, when our employees who work in multiple locations hold meetings. By doing this, we can eliminate the uneven dissemination of information in various locations. In addition, the use of web conference systems can also be expected to reduce the emission of greenhouse gases such as CO<sub>2</sub> by reducing the use of public transportation by our employees.

### ■ Accelerating Document Digitization

Most of the documents used in our Group's operations have been digitized, and we aim to improve work efficiency and reduce costs through a paperless system. By going paperless, it not only facilitates retrieval of documents and information, but also ensures that information assets are secure. At the same time, it reduces costs for paper, printing, and maintenance of printing equipment, as well as the associated environmental impact.









# Social

To pursue the ideal way of managing pachinko halls, our Group promotes various activities focusing on people. We strive to improve our corporate values, setting our points of view based on not only the perspective of our customers, which is our top priority, but also the perspectives of our business partners and employees. We will continue to conduct business to realize comfortable halls with many game machines and top-notch customer service that stems from well-developed employee education and to enhance daily entertainment as a space where customers can spend their time having fun.



Customers _ Creating Dynam’s Human Potential .....	P23
Creating an Amusement Environment for Customers .....	P25
Employees _ Human Resource Development System .....	P27
Employees _ Activities of Diverse Human Resources .....	P29
Employees _ Workplace Environment, Health, and Dialogue .....	P31
Healthy Transactions with Business Partners .....	P33
Local Communities and Dynam .....	P35
Activities for Shareholders and Investors .....	P37



We aim to further enhance customer service and sales to improve customer satisfaction and repeat rate and to create a comfortable, safe and secure place for fun.

We aim to build cozy pachinko halls with well-educated employees to serve our customers. Based on the idea that having customers enjoying their gaming times will lead to pachinko becoming a form of daily entertainment, we are implementing CS activities that focus on people, employee education, improvement and enhancement of gaming areas, and creating an environment where customers can play safely and with peace of mind.

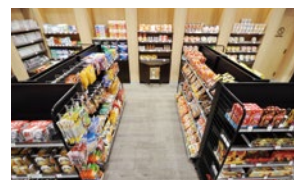
Dynam's keyword is "Focus on People". I obtained customer service skills from training and OJT.



After I started working in Dynam, I learned the idea of customer service focusing on people. At Dynam, employees are assigned to work at the actual hall after completing a certain period of training. Although we learned the details of customer service in our classes from external lecturers and qualified senior employees, each customer has a unique personality, making many of us confused about how to provide actual customer service. However, I think I could finally figure it out surprisingly quickly from the training method that combines group training and OJT.

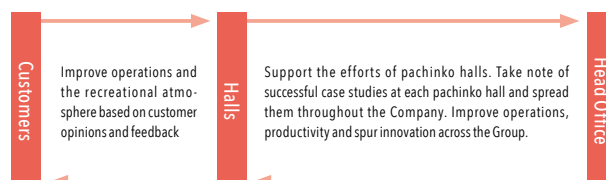
#### ■ Implement the Customer-first Principle of Pursuing "Price, Quality, and Comfort"

Based on the awareness and ideas that we gained through the work, each employee always thinks about "Price, Quality, and Comfort" without forgetting the customer-first principle and applies them to customer service. Improvement items are organized in detail at each hall.



#### ■ Efforts to Integrate Sales Sites and the Head Office

Sales activities that focus on people are not only completed on the sales sites but also require effective support at the head office. For example, we work together with those on the sales floor in sharing success stories using our internal network and hold various competitions, study meetings, and promotional events.







## Compliance with Relevant Laws and Regulations

Our Group supports and respects the fundamental rights at work as set forth in the ILO Declaration on Fundamental Principles and Rights at Work. Our hiring process and working hours are in compliance with labor-related laws and regulations in Japan and abroad. There is no child labor or forced labor in our Group. We also comply with relevant laws and regulations in Japan regarding the health and safety, advertising, labeling, and privacy protection of the services we provide.

## Efforts to Improve Customer Satisfaction (CS)

Our Group has accumulated the knowledge needed to improve customer satisfaction. Having a system that allows many employees to share and implement such knowledge has become the strength and core competence unique to our Group. The system has been our source of growth because it is accumulated as a value created

During the fiscal year ending 31 March 2022, Dynam Co., Ltd.'s customer service department responded to a total of 3,000 phone calls, emails, and other correspondence. Of those, 80% were complaints, 15% were opinions or requests, the remaining 5% were questions and praise. The content of all of this correspondence has been recorded, and the information has been shared with all relevant departments in order to implement necessary improvements and reforms. The content of all of this correspondence has been recorded, and the information has been shared with all relevant departments in order to implement necessary improvements and reforms. Our Group provides training for all of our employees in the appropriate protection of customer information and compliance with our Privacy Policy. This training is compulsory for all employees.

by "People = Employees", which is then added to the intrinsic value of pachinko itself.

### ■ Customer Service Desk

Customer testimonials are important as we strive to improve our customer service. Other than listening directly to customers at each location, we have also set up a customer service desk to listen to our customers' opinions and requests through phone calls, letters, emails, etc., which helps to improve customer satisfaction.



### ■ Personnel Exchanges between Group Companies

Dynam Corporation and Yume Corporation, both of which are subsidiaries of our Group, are conducting personnel exchanges by dispatching employees to the other's sales locations. We bring in the know-how that the Company has developed over the years, such as customer service, so that both companies can provide even higher quality services.

### ■ Organizing Contests to Increase the Number of Customers and Grow Business

We hold contests that are open to our pachinko halls from all over Japan on customer service improvements and business growth and commend stores that achieved excellent results. The information on the actions taken by the commended stores is shared at once and is expanded horizontally.

We always try to improve the safety and comfort of our halls so that customers can enjoy pachinko as a form of daily entertainment comfortably. Dynam is also working to prevent pachinko and pachislot addiction.

Our Group aims to reform pachinko and pachislot gaming to become a form of daily entertainment that everyone can enjoy with peace of mind. To achieve that, we believe that it is essential to solve the addiction problem, which is an unstable element of society.

## Toward "Zero Pachinko Addiction by 2050"

As a regional infrastructure that aims to coexist with local residents through its business, our Group regards "pachinko addiction prevention" as an important topic. For this, we will push the concept of daily entertainment a step further and aim to achieve "zero addiction" by 2050. We believe that this is our mission as a leading company in the industry, and we will continue to promote a wide range of awareness-raising activities. One concrete example is our collaboration with the "Pachinko Dependency Problem Telephone Consultation Service" conducted by the Recovery Support Network ("RSN"), a certified non-profit organization that provides consultation for pachinko dependence problems.

RSN's professionally-trained counselors offer free telephone counseling and recovery assistance services to prevent the addiction from becoming more serious. The pachinko industry, including the All-Japan Federation of Amusement Industry Cooperative Associations, has been strengthening its support system for the RSN as part of its measures to combat gambling and other forms of addiction. Three pachinko hall companies in the Group are providing support and cooperation to the RSN in its mission to find solutions to the problem and supporting activities to achieve the "Zero Pachinko Addiction by 2050".

### ■ Expanding the Activities as an Industry-wide Efforts

The entire pachinko industry is responsible for tackling the addiction issue. So, we are conducting industry-wide activities to gain the understanding and cooperation of society

through appropriate methods of information dissemination. Pachinko hall operators jointly hold study sessions on addiction issues to improve the knowledge of their employees to respond appropriately to customers.

### ■ Internal System to Address Addiction Problems

To acquire knowledge on addiction problems and the relevant countermeasures for pachinko parlors, we hold a Study Group on Countermeasures for Addiction Problems led by top management of our Group companies on a regular basis. Also, we have been receiving expert opinions from RSN as an advisor.

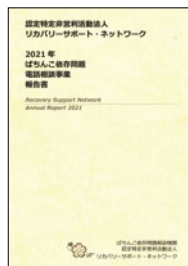
### ■ Reaching Customers Based on Guidelines

We are implementing activities to alert customers and disseminate information both inside and outside our Company to prevent addiction based on the guidelines issued by the Pachinko and Pachislot Industry 21st Century Association.

- ① Raise Awareness through Commercials and Leaflets. Display a common expression, "Enjoy pachinko and pachislot moderately. Do not let yourself get addicted to it."
- ② Post the contact information of the Recovery Support Network on posters and stickers in our halls.
- ③ Introduction of a Self-assessment Program.
- ④ Provision of Trustworthy Pachinko and Pachislot Advisors.

### ■ Education System and Awareness-raising Activities

We regularly hold lectures and study sessions by inviting external experts to deliver in-house education so that all employees can correctly understand the addiction problem as an urgent issue and take appropriate measures.



Poster for raising awareness



## Efforts to Improve and Enhance the Gaming Area

We aim to increase the value of our pachinko halls as recreational spaces, improving them in both soft and hard aspects, so customers can enjoy playing games comfortably at our pachinko halls.

### ■ Examples of Main Implementations

#### ● Universally-designed halls

All of our halls are equipped with barrier-free toilets and removable chairs so our machines can be used by those in wheelchairs.

#### ● Creating a comfortable environment

Use of soundproof materials to improve the sound environment. Installation of windbreak panels and armrests.

#### ● Providing rest spaces

Installation of rest spaces. Installation of manga corners and regional information notice corners.

#### ● A complete lineup of prizes

Arranging an extensive range of prizes. Offering season-based prizes. Development of a service that allows winners to select prizes from a catalog.

#### ● Creating a clean gaming environment

Installation of air purification systems for customers to enjoy clean air.

### ■ Efforts to Prevent Passive Smoking

Our Group thinks about daily entertainment and health and security in combination and implements complete smoke separation at all of our pachinko halls. We comply with the revised Health Promotion Law that came into effect on 1 April 2020.



## Creating a System for Customer Security and Safety

### ■ Countermeasures to Prevent Leaving Children in Vehicles

The number of incidents of children being left in the car continued to be zero in the fiscal year ended 31 March 2022, thanks to the thorough patrolling of parking lots, posting warning posters and banners, and calling attention through in-store announcements.



### ■ Evacuation Guidance during a Large-scale Disaster

We have created evacuation guidance during large-scale disasters and regularly conduct evacuation training.



### ■ Emergency Response (AED Installation)

AEDs are installed in all stores. We are conducting training that simulates emergency response.



## Promotion of Low-cost Machines

One of the pillars of our efforts for daily entertainment is the promotion of low-cost machines. The low-cost machines aim to reduce the amount of game money for users by setting the ball usage fee to 1 yen and the medal usage fee to 10 yen so that users can enjoy playing without having to pay a hefty cost. Our Group has been promoting this initiative ahead of other companies.

Proportion of Halls  
Featuring Low Playing  
Cost Machines \*1

**99.5%**

As at 31 March 2022

Proportion of Low Play-  
ing Cost Halls to Total  
Number of Halls \*2

**59.8%**

As at 31 March 2022

Proportion of Low Playing  
Cost Machines to Total  
Number of Machines \*3

**67.2%**

As at 31 March 2022

\*1,2,3 Calculated based on three pachinko hall operators of the Group (Dynam, Yume Corporation, and Cabin Plaza)



# Our unique human resources development system leads to improved motivation of our employees at each level and improved customer satisfaction.

The strength of our Group's human resources is supported by our ability to develop them. We are creating the uniqueness of the Group by adding a new perspective to the unique mechanism that has been built up over many years to nurture our people. We believe that utilizing the strengths of all employees and creating a condition to secure talented human resources at each level will lead to a sustainable improvement of our corporate value.

## Interview with a member of the Board in charge of human resources development

From homogeneous human resources to the blooming of individual strengths and talents.

We will show the new policy of human resources development and expand the opportunities for our employees to contribute actively.

Executive officer of Dynam **Haruko Mochizuki**



### Q1 What is the new theme of human resources development after changing its policy?

Based on the Policy of the Ministry of Economy, Trade, and Industry, we have changed our human resources development policy. Until now, we have been training our human resources based on ranks, but our new Policy is centered on how we can expand opportunities for our employees to discover a wide range of activities, increase engagement, and work with a sense of satisfaction. In other words, the new theme of human resource development is for each employee to choose their career tracks freely to climb their career ladder not vertically, but more like the bouldering way of free climbing.

### Q2 Please explain the implementation system of the Group's human resources development.

The system is divided into three streams: Independent, Adjustable, and General. Each target and method is used to achieve a purpose or goal. The foundation involves programs that have been proven to be effective, such as Life University, where corporate culture and vision are shared. In addition, we have started an in-house training course to ac-

quire the qualification of a career counselor. The "Self-Career Docking" managed by our employees promotes career autonomy by providing career training and career counseling to employees at their milestone ages (25, 35, 45, and 55 years old).

### Q3 What are some examples of initiatives that utilize each employee's unique strengths?

One example is the PB Machine Idea Contest. Until now, only those who are involved in the production of pachinko and pachislot machines could apply to enter this contest. However, now, we are opening this contest to everyone, and we have received more than 400 applications for a variety of items such as illustrations, songs, voices, and songwriting. The work that wins the illustration category will be installed on the PB machine, and the winner will be involved in the creation of leaflets for PR. Likewise, the winner of the song category will be used as the song when a player hits the jackpot.




#### Q4 Please tell us about the training of the Board.

When appointed, our directors receive external governance and compliance training, including anti-corruption content. We also provide training on skills that are required in corporate management, such as accounting. Each director spends a week of training after assuming his or her position. At the beginning of the term, an annual plan for external training for executives is presented to encourage active attendance. Each director will also enroll in a training session outside of the chain store once a year.

#### Q5 Please tell us about the training for new graduates.

One of the characteristics of our new graduate recruitment system is that we are working on a plan to develop human resources with the goal of being promoted to an assistant manager at an early stage. For example, we provide one-year intensive on-site education courses to new graduates and focus on various educational programs, such as OJT.

	Independent (diversity, self-learning)		Adjustable (uniformity, within working hours)		General
Purpose	Basic knowledge support (Business basics, business knowledge)	Diverse capacity development	<ul style="list-style-type: none"> <li>Capacity development by level</li> <li>Development of management and professional human resources</li> </ul>	Role-based education	Internal control
Subject	All employees	<ul style="list-style-type: none"> <li>Those aiming for a profession</li> <li>Special skill holders</li> </ul>	<ul style="list-style-type: none"> <li>Promotion by rank, appointer</li> <li>Management personnel, professional personnel</li> </ul>	<ul style="list-style-type: none"> <li>OJT / Business certification</li> <li>Role-based training (MT / M / ArM)</li> </ul>	All employees
Method	<ul style="list-style-type: none"> <li>e-Learning</li> <li>Web-based seminars</li> </ul>	<ul style="list-style-type: none"> <li>Qualification support</li> <li>Contests (awards)</li> <li>Side business (inside and outside the Company)</li> <li>In-house internships</li> <li>External internships</li> </ul>	<ul style="list-style-type: none"> <li>Blended training</li> <li>Employee experience (Shuraba experience)</li> </ul>	Blended training (request to the department in charge of sales, risk, personnel, etc.)	e-Learning
Goal	<ul style="list-style-type: none"> <li>Learning advancement</li> <li>Risking</li> <li>Visualization of learning records (visualization of interests)</li> </ul>	Visualization of human resources pool (visualization of individual strengths and talents)	Human resources development necessary for corporate management	Improvement of business knowledge centered on sales sites	Corporate governance



Career support (for all employees at each milestone age / web-based training)
Sharing of vision, values, and company direction (for all employees / group training)

## Three Pillars of Human Resources Development Implemented by Dynam

### ① Education and training

#### ■ Self-career dock and improved engagement

We carry out our proprietary training program based on the concept that all employees can find a place to play an active role at work. We divide the program into three types, Independent, Adjustable, and General, and employees can choose a practical style according to their ranks and purpose.

#### ■ Chain store education

Mid-level executives and above participate in various seminars organized by Japan's only chain store consulting educational institution.

#### ■ Development of next-generation leaders

We are implementing a program to train employees selected from our Group as candidates for the next generation of leaders.

### ② OJT

#### ■ Improvement of on-site practical skills

In order to help new employees acquire the skills to work independently at an early stage, a certain number of mid-career employees from the field can be transferred to the Human Resource Development Department each year to provide one-on-one training.

#### ■ Visualization of goals and achievements from OJT

We visualize the knowledge, experience, and skills required for each position. We provide a full range of supportive education, from training to support examinations for promotion to higher positions to follow-up training after promotion.

### ③ Life University

#### ■ Inheritance of corporate culture and growth as a person

This program was established as a unique educational program that conveys the corporate culture of our Group and is closely related to our new human resource development system. Employees from various departments, positions, and ages read learning materials and engage in group discussions while sharing their food and living communally. By reaffirming our corporate philosophy and vision and at the same time reexamining our mental and physical health, we pass on and instill our cultivated corporate culture to each and every one of our employees.

## Training Facility

#### ■ Tenrei 301

This facility is located in Izu Kogen National Park, an optimal training environment with lush greenery.



We are creating an environment that allows diverse human resources to demonstrate their unique talents based on the concept of valuing diversity.

We are working to keep on improving our human resources through the growth of our employees and to create value by focusing on people based on the belief that high-quality human resources are the greatest capital for a company's continuous development and the source of its competitive advantage. We also strive to maintain and improve an appropriate working environment so that our employees can work in a healthy condition.

## Equal Employment Opportunities and Fair Treatment

We respect human rights and accept diverse human resources without discrimination in employment in accordance with our employment policy set forth in the Corporate Code of Conduct. As of 31 March 2022, our Group has 13,425 employees, consisting of a diverse range of human resources regardless of nationality, gender, age, disability, etc. Our Group has introduced a personnel system that gives each employee fair opportunities to climb up the career ladder based solely on the goals they set and the degree to which they achieve them.

## Promotion of Women's Involvement

We consider the promotion of women's involvement in the workplace to be a driving force for improving our competitiveness and corporate value and have set a goal of increasing the percentage of female new graduates that we hire to around 40%. To achieve this goal, we are reforming our corporate structure and employee workstyles to expand opportunities for women to be actively involved in the workplace.

Ratio of female employees (Numbers)

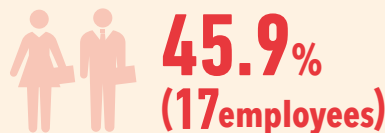


As of 31 March 2022

## Support System Enhancement

We have established a mentoring system as a support system for our female employees, in which senior female employees (mentors) provide mental and other forms of support to newly graduated female employees (mentees). Mentors think together with their mentees on issues that are difficult to discuss with their superiors and provide support through internal social media systems, emails, and social events held in various locations. In addition, we promote shorter working hours for employees who are engaged in childcare, encourage both male and female employees to take childcare leave, and curb overtime and late-night work.

Ratio of women in new college graduate hires (Numbers)



For the year ended 31 March 2022

## Development of Female Executives and Managers

Each Group company is developing programs to help female employees build their careers by taking advantage of their unique characteristics. This not only strengthens the ties among female employees but also motivates them to expand their career opportunities by making the most of their own areas of expertise.



Our Group has a total of 13,425 employees (as of 31 March 2022), of whom 6,210 (46.3%) are men and 7,215 (53.7%) are women. By employment type, 4,646 are regular employees and 8,779 are temporary employees. By region, 13,336 are in Japan and 89 are in other regions.

## ■ Declaration of Positive Action Certified by the Ministry of Health, Labor and Welfare

Based on Positive Action, which is the Ministry of Health, Labor and Welfare's plan for promoting women's activities, Dynam Corporation and Yume Corporation have declared that they will improve the workplace environment, increase the recruitment of women, support women's continued employment, and increase the number of women in management positions, and will proactively implement initiatives to eliminate the substantial employment gap between men and women.

## ■ Compliance with the Law for the Promotion of Women's Activities and Goal Setting

Based on the "Law Concerning the Promotion of Women's Activity in the Workplace" (hereinafter referred to as the "Women's Activity Promotion Law"), our Group has formulated and implemented the following action plan.

### Action Plan under the Women's Activity Promotion Law

(Plan period: 1 April 2018 - 31 March 2022)

- (1) Target: Increase the ratio of female workers among full-time employees to 9.0% or more.
- (2) Goal: To realize an environment where both men and women can easily choose how to work, a system to understand employees' satisfaction and awareness will be developed.
- (3) Goal: Provide training for female employees for the purpose of managerial development.

## ■ Certifications and Awards for Companies that Promote Gender Equality

There is a system in place to recognize businesses that provide a workplace environment that transcends gender differences in terms of education systems, benefit programs, work/life balance, and legal compliance. Dynam has received awards from five local governments and has been certified by 13 local governments. We will continue our efforts to utilize our employees' abilities and expand their opportunities regardless of gender.



## Promotion of Employment of People with Disabilities

Regardless of the presence or absence of handicaps, our Group aims to realize a society where people with and without disabilities can live together and share their joys and hardships. We employ people with disabilities mainly through our special subsidiary, Business Partners Co., Ltd. ("Business Partners"). For example, we clean office buildings, produce and sell handmade bags and accessories under the Tampopo no Oka brand, and donate a portion of the proceeds to the Special Olympics Nippon (SON).

### Number of employees with disabilities\*1

 **223 employees**

★1 Calculated based on the Group in Japan As of 31 March 2022

## ■ Operation of Asahi, an Employment Support Facility for People with Disabilities

Business Partners has been operating Asahi, an employment support facility for people with disabilities since April 2016, providing continuous support throughout the life stages of people with disabilities.



## Understanding and Supporting LGBT

Dynam has introduced a same-sex partnership system effective on 1 August 2020. Under this system, various systems are applied to same-sex partners in the same way as for legal marriages. In addition, consultation services by specialists are also available.

## ■ Received Gold, the highest award in the PRIDE Index 2020

Dynam was awarded Gold, the highest award in the PRIDE Index 2020, an evaluation index for LGBT and other sexual minorities in companies and organizations, established by the voluntary organization "work with Pride".



## We aim to create a work environment that takes mental and physical health into consideration to ensure that each employee can work comfortably.

Our Group supports and respects the fundamental rights at work as set forth in the ILO Declaration on Fundamental Principles and Rights at Work. On this basis, we comply with labor-related laws and regulations in Japan and have established systems to ensure that our corporate organization is engaged in this and that each and every employee can fully demonstrate his or her abilities. We believe that improving employee satisfaction and maintaining their mental and physical health is important, and we aim to create a comfortable work environment.

### Work-Life Balance and Optimization of Work Styles

Our Group aims to be a company where employees, regardless of gender, can balance their work with marriage, childbirth, childcare, and nursing care, thereby achieving a work-life balance.

Ratio of employees returning to work after childcare leave\*2



\*2 Calculated based on the Group For the year ended 31 March 2022

#### ■ Formulating and Implementing Action Plans Based on the Act on Advancement of Measures to Support Raising the Next Generation

- (1) Objective: To promote the taking of childcare leave when an employee's child is born and to create an environment that facilitates employees to return to work.
- (2) Objective: To create a comfortable work environment for employees during pregnancy, childbirth, and childcare.
- (3) Objective: To create an environment that fosters management positions for female employees.

Obtained Platinum Kurumin Mark certification from the Ministry of Health, Labor, and Welfare as a company that supports child-rearing.

Dynam has obtained the Platinum Kurumin Mark, the highest standard, after obtaining Kurumin Marks previously.



#### ■ Enhancement of Support Systems for Balancing Work and Family Life

In addition to encouraging employees to take six-day vacations, memorial leave, etc., our Company has established a system for balancing work and family life that exceeds the legal requirements that is available to employees with children younger than the third grade of elementary school, and a nursing leave system available until the employee's child reaches the end of the sixth grade of elementary school, to make the shortened working hours system easier to use.

#### ■ Improving Productivity through Working Hour Management

We are working to improve operational efficiency and reduce working hours by reviewing work styles and implementing initiatives to achieve results within the allotted time. By monitoring employees' working hours and encouraging them to improve their work, we are working to improve productivity, reduce overtime, and deter unpaid overtime.

#### ■ Reduction of Employee Workload

In order to reduce the amount of manual equipment maintenance by our employees, in-store equipment is being made nearly maintenance-free, allowing employees to focus on highly productive work.

#### ■ Work Style Reforms of Dynam Head Office Employees

We have been implementing a remote work system, mainly for employees working at the head office of Dynam. We are implementing a new way of working that is not restricted by work location or working hours.

### Promotion of Health Management

Dynam has established the Dynam Health Management Declaration and is promoting health management with three pillars: obesity control, smoking control, and improvement of health literacy.

## Dynam Health Management Declaration

Based on its corporate philosophy of "A Centurial Commitment to Building Trust and Fostering Dreams", Dynam aims to continuously challenge itself to create an ideal cycle where people and organizations connected by trust mobilize their positive energy to realize their dreams and grow sustainably.

Our employees, who are the driving force behind this, are an important asset to the Company, and we strongly hope that each and all of them will improve their awareness of health and lead a fruitful life. We recognize that the creation of an environment where employees can achieve a work-life balance and live and work in a healthy and comfortable manner, both physically and mentally, is not only necessary for the Company's continued growth and development but also what our employees and their families want.

We will support our employees and their families to lead fruitful lives by promoting physical health and mental health and improving the workplace environment through various efforts, taking their full 100 years of life into account.

Furthermore, through various business activities to reform pachinko into a form of daily entertainment that can be enjoyed casually, we will contribute to society as a part of local infrastructure to allow members of communities to spend healthy and rich leisure time.

## ■ Health Management for All Employees

Our employees are required to undergo periodic health checkups, and our target is to achieve a 100% health checkup rate, although the rate has reached 91.7% in the fiscal year ended 31 March 2022. Employees whose results exceed reference values are provided with lifestyle improvement guidance by resident occupational health staff. In addition, we are implementing a campaign to reduce the smoking rate among our employees.

## ■ Mental and Physical Health Consultation Service

We have established the Dynam Group Consultation Office, where resident medical staff provide health consultations in cooperation with external professional organizations, and the EAP Consultation Office, which focuses on mental health care. In addition, we conduct stress checks periodically.

## Safe Work Environment

As we aim to improve the safety of the workplace environment of the entire Group, we have established our Company's own Safety and Health Management Regulations and are working to prevent and reduce occupational accidents. In the fiscal year ended 31 March 2022, there were no work-related fatalities. Dynam (number of employees: 7,528), our Group's primary subsidiary, had a total of 93 accidents, of which 71 were work-related accidents and 22 were commuting accidents, in the fiscal year that ended on 31 March 2021. The number of days of leave taken due to work-related accidents was 300 days, and the number of days of leave taken due to commuting accidents was 111 days, for a total of 411 days.

## ■ Measures to Prevent Workplace Accidents and Overwork

Our employees are required to submit an Occupational Injury Situation Report, which allows us to confirm the circumstances of work-related accidents, analyze their cause-and-effect relationships, and apply the results to future preventive measures. In addition, in order to prevent deterioration of mental and physical health caused by long working hours, we monitor working hours and take measures against overwork.

### Work-related injuries severity rate \*3



# 0.07

\*3 Calculated based on the Group in Japan  
The work-related severity rate is calculated by the number of lost work days divided by total working hours multiplied by 1,000. This indicates the severity of labor accidents.

There have been no fatal accidents during work in the past three years.

For the year ended 31 March 2022

## Dialogue with Employees

Since the formation of the Dynam Union, the first labor union in the pachinko industry, we have been conducting the dialogue between labor and management continuously.

## ■ Self-assessment System

Self-assessment is conducted every year for regular employees and employees with limited work locations to confirm their job situation

and personal circumstances. This system provides our employees with opportunities to think about their career plans and enables the Company to understand the individual circumstances of its employees, leading to the appropriate placement of human resources and the development of competent personnel.

## ■ Interviews with Supervisors

We provide semi-annual opportunities for supervisors and their subordinates to meet with each other to set goals, receive feedback on performance evaluations, and discuss work-related issues.

## ■ Creating a Healthy Work Environment Based on Dialogue between Labor and Management

The labor union functions as a forum for dialogue between the Company and employees to develop a healthy working environment and holds regular council meetings. In addition, subcommittees such as the Working Environment Improvement Committee have been established to study the establishment of systems other than those required by law, reduction of overtime hours, and promotion of paid leave utilization.

## Appropriate Management of Working hours and Publication of Average Monthly Overtime Hours

Dynam is striving to manage overtime work appropriately by managing working hours on a minute-by-minute basis and other means. We also publish average monthly overtime hours to motivate our employees to reduce overtime work. In the fiscal year ended 31 March 2022, the average number of monthly overtime hours for all Dynam employees was 1.8 hours.

### [ Appropriate Management of Working Hours ]

- Minute-by-minute work time management
- Allowing employees to leave work 5 minutes before the end of the work day
- Checking the difference between overtime and the time when the computer is turned off or when the employee leaves the workplace

### [ Efforts to Prevent Long Working Hours ]

- Use of a variable working hour system
- Review of shifts by reorganizing work
- Weekly alerts sent to department managers
- Analysis of obstructing factors through interviews at business sites and implementation of improvement measures

At the time of hire, prospective employees are required to submit an official certificate that can be used to confirm the individual's age and other information, as well as a graduation certificate from the last educational institution attended. To avoid forced labor, our Company has a whistleblower system that allows affected employees, as well as any witnesses, to report incidents within the company. When a whistleblower report is received, an investigation is conducted through interviews by outside experts including attorneys and personnel department staff to confirm the facts. If the factuality of the report is confirmed, a disciplinary committee including directors of the Company will determine what disciplinary actions are to be taken.



# We conduct fair transactions with our business partners based on compliance with laws and regulations to continue to improve our supply chain management.

Our Group purchases required items to run our pachinko halls, such as amusement machine, peripheral equipment, and general prizes, from external suppliers. Since the operation of pachinko halls is a comprehensive effort that includes suppliers not only within the Group's organization but also outside of it, we are committed to evolving the value chain together with our suppliers through fair transactions and partnerships that comply with laws and regulations.



Manager of Purchasing Department, Dynam  
**Koichi Tamura**

## Interview with Purchasing Manager

"We promote fair partnerships with our business partners. We also support companies that are active in environmental preservation activities."



Manager of Central Purchasing, Purchasing Department, Dynam  
**Tatsuhiko Koga**

## Selection of Suppliers

**Tamura** In the past, we used to emphasize price when selecting the suppliers of prize goods. However, considering logistics and the ability to cover a particular area, we have been purchasing from multiple suppliers instead of just one since about 10 years ago.

**Koga** Supplier management is an essential duty of the Purchasing Department. In particular, we select new suppliers based on a strict policy. The first and most fundamental step is to obtain quotations from multiple companies and select them based on the quality and price of the goods they offer.

**Tamura** Our suppliers have understood what we need when dealing with us in recent years. Not only are they providing good-quality products, but they have also given us a variety of suggestions on balancing the number of deliveries per week

with transportation costs. In fact, we can feel the benefits of having multiple suppliers as the selection target.

## What is unique about your prizes and consumables?

**Koga** "Consideration for the environment" has really come to the fore. For example, we have begun to offer more environmentally-friendly bags for carrying the prizes given to customers. This is a definite change from the past when cost was the primary consideration.

**Tamura** There are many proposals to use consumables made of LIMEX, a material that has been attracting attention from the standpoint of SDGs due to its environmentally-friendly nature, as pachinko ball trays used in our pachinko halls and our business cards. In this way, our suppliers have been taking new approaches, not only in how they interact with our purchasing department.

**Koga** I think it is clear that our society has become more concerned about the environment, and our suppliers have in-



creased the volume of items they handle. With the change in people's awareness and the increase in the volume of products manufactured and handled, competition arises, and the price range changes. Hence, purchasers are also choosing suppliers based on added values, such as environmental aspects, in addition to price.



## Arrangements for Supplier election

**Tamura** We sign a basic agreement for each transaction. We assume that we will only enter into contracts and transactions with companies that can adhere to the contractual compliance items. The deal includes clauses on compliance with our Charter of Corporate Behavior. In particular, we enforce strict standards regarding relations with antisocial forces and require our partners to show their adherence to such standards.

**Koga** The basic agreement remains valid as long as a supplier engages in business with us. We also conduct credit checks on potential business partners to determine whether or not they fulfill our strict standards. Also, we carefully investigate the ratio of our purchase to the total sales of the potential supplier.

★Whenever our Group begins doing business with a supplier, we always present our Group's Corporate Behavior Charter, without exception. Furthermore, we only do business with suppliers that agree with the content of the charter.

## Regarding the Private Brand (PB) Prizes

**Tamura** We started this project hoping that our customers and business partners throughout Japan can enjoy the top-quality natural water from Izu, where our training facilities are located. The development of our PB products started with the concept of pleasing our customers and has been expanded to include tea in plastic bottles, based on a survey of the preference of our pachinko hall visitors.

**Koga** When we conducted a market survey for dark and regular tea, we found that convenience store and supermarket products consist of more than 90% regular tea and less than 10% dark tea. However, our survey showed that about 30% of the tea drinks sold in our pachinko halls were dark tea.

**Tamura** We are not sure why, but we noticed that dark tea was at least more preferred by those at our pachinko halls compared to those in the general market, so we developed a product with a strong flavor that can compete with the existing commercial products. Subsequently, we also tried our hands at black oolong tea and other types of tea in response to the market trend.



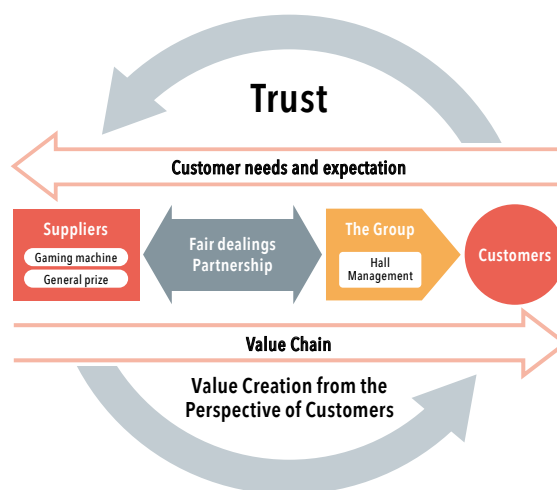
## Dynam's Role in Calling for Joint Purchasing and Other Initiatives

**Koga** We call upon industry associations and other companies in the same field to make joint purchases of consumables

and other items for pachinko hall operation. We have gained approval for many indispensable items during the COVID-19 pandemic, such as sanitizing alcohol and paper towels since it is easier to purchase them jointly. We understand that unexpected expenses cause a headache for any company, so this initiative aims to reduce costs in areas where we can cooperate with each other even as competitors and use the savings to improve customer service's quality.

**Tamura** The industry needs to implement optimal measures collectively, not only for a company's cost-cutting activities. Such measures naturally include the consideration of the global environment. We believe that we can play a role by sharing with our suppliers our commitment to take a firm step forward rather than simply engaging in price competition.

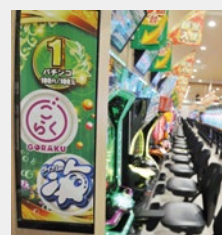
### Concept chart



To further promote ESG, we have made several proposals as a member of an industry association, and we have begun discussions on issues that should be addressed at each stage in the supply chain, either individually by each party or collaboratively.

## Development and Deployment of Private Brand (PB) Machines

Dynam is developing PB machines with machine companies based on accumulated game data. Our PB machines are designed to allow customers to enjoy pachinko for a while with a small amount of money. They are named "Goraku" (entertainment) to express the Company's commitment to providing daily entertainment to its customers.





# We aim to be a place to relax and a place for mutual help, while staying close to towns and their people as part of communities' infrastructure

Our Group promotes the concept of pachinko halls that coexist with the surroundings. We believe that the development of our Group cannot be realized without the development of the surrounding communities. To this end, we have been reforming pachinko as a local infrastructure so that it can become a form of daily entertainment for everyone to enjoy with peace of mind, and we have been working to provide the town with places to relax and places for mutual help. We will continue to be a part of the community's infrastructure and aim to coexist in harmony with everyone in the community.

## Becoming the Daily Entertainment that Communities Need

Through the operation of pachinko halls, our core business, our Group practices the provision of social value as daily entertainment. In Japan's entertainment industry, facilities tend to be concentrated in large metropolitan areas, so pachinko halls in rural areas play a significant role. Our Group has adopted a suburban strategy as part of its chain store management, which enables it to open new halls in Japan without being biased toward any particular region of the country.

### ■ Initiatives That Take into Account Autonomy Support for the Elderly

As a pachinko hall operator, we have begun to respond to the needs of local communities from the perspective of elderly welfare as the population ages in most regions in Japan. Our Group is committed to supporting the active lives of the elderly through pachinko.

#### Organizing Pachinko Experience Sessions at Nursing Care Facilities

As part of its social contribution activities, Dynam has been promoting the use of the Torepachi! by the elderly. Torepachi! is a specialized machine developed by Toyomaru Sangyo Co. Recently, pachinko has been shown to be effective in preventing and treating dementia, and training can be done while having fun. Since the machine has been well received by our users and staff, we will continue to provide entertainment through pachinko and hold trial sessions at nursing care facilities in the surrounding area as a form of our contribution to the local community.



## Promoting Regional Employment

We believe that the creation of employment opportunities through the opening of new halls in various regions of Japan and contributing to the stable lives of local residents is an important role for our Group to play.

### ■ Employees With Limited Work Locations

Our Group has developed a program to hire hall employees as employees with limited work locations. This system allows employees hired in the area where the hall is located to commute from their homes and continue working thereafter without having to relocate.

### ■ Extension of Employment for the Elderly

In August 2016, the employment age for our crew members was extended from 65 to 70, and the maximum age for the work extension program was extended to 75, with the aim of creating a community where elderly can live vibrantly through social participation. Crew members work in a variety of positions, including hall staff, parking lot managers, and clerical work.

## As Local Infrastructure

We will continue our activities so that our Group's pachinko halls all over Japan can always contribute as indispensable parts of local infrastructure to local communities by providing human and financial support.

## ■ Disaster Response and Reconstruction Assistance in Affected Areas

Each area in Japan is facing the challenge of preparing for disasters in advance and recovering quickly after it happens. For our Group, which operates halls in many areas in Japan, it is essential to support the reconstruction of disaster-affected areas as part of its community-based activities. Based on our experience with natural disasters in the past, we have reacted quickly to provide support mainly through material assistance, volunteer activities, and donations, and have been engaged in these activities for a long time.

## ■ Collaboration with Sakura Line 311, a Certified Non-profit Organization

This activity aims to encourage people to evacuate above the tree line when a tsunami threat occurs by creating a row of cherry blossom trees along the 170-km tsunami-stricken coastal line in Rikuzentakata City, Iwate Prefecture, an area damaged by the Great East Japan Earthquake. Our Group agrees with this objective and participates as a volunteer in tree-planting events held every spring and fall. As a member of the community, the growth of the cherry trees acts as a reminder of the lessons of the Great East Japan Earthquake.



## Building Relationships of Trust through Community-based Activities

We emphasize collaboration and cooperation with local communities by fostering communication with local residents and steadily continuing activities that benefit the region.

### ■ Community-based Initiatives

We help coordinate the cleaning of areas around our pachinko halls all over Japan, volunteer to hold festivals and fireworks displays, donate gifts to social welfare councils and other organizations, and cooperate in blood donation programs by providing space in our parking lots.

### ■ Dialogue with Local Residents

We hold events for local residents to communicate directly to the managers of our pachinko halls all over Japan to voice their opinions about our stores and provide information about the community, which is then utilized in the management of our pachinko halls.

### ■ Building Relationships with Landowners

When negotiating agreements on land for opening new halls with landowners, staff from the department responsible for developing new halls patiently explain the rent, duration, and other land lease stipulations in detail while provid-

ing an overview of the Group's business philosophy and content.

## Economic Support through Donations and Contributions to the Community

Our Group provides economic assistance in the form of donations and financial contributions to local governments and philanthropic organizations in regions where it operates pachinko halls, as well as sports sponsorship.

### Social expenditure

 **¥128<sub>mill.</sub>**

For the year ended 31 March 2022

## ■ Donations and Contributions by Dynam

To support those whose livelihood is affected by COVID-19 and in need of food, we donated food, confectionery, daily necessities, etc. to 13 children's cafeterias and food pantries across Japan. We also provided 60,000 non-woven masks and processed foods to support medical and nursing students. In addition, Dynam gave a donation to Takashima City, Shiga Prefecture, through a corporate version of the hometown tax payment, and donated original Dynam road crossing flags to Nagai City, Yamagata Prefecture, to ensure the safety of local children.

## ■ Support Activities through the Yumeya Foundation

Yumeya Foundation was created as a part of Yume Corporation's ESG activities. Through the My Fund System of the Association for the Promotion of Public Welfare, we help people who need assistance with sound childhood development, protecting the environment, and recovering from natural disasters, while also assisting emerging countries.

## ■ Support for Sports Activities

Our Group supports sports activities as a part of its efforts to contribute to the community. However, in order to prevent the spread of the COVID-19 infection, we were unable to provide such activities due to the cancellation of various sports competitions that we are supporting. We plan to continue to provide support after the sporting events are resumed.

### Amount of support for sports promotion

 **¥24<sub>mill.</sub>**

For the year ended 31 March 2022



# We strive to communicate honestly and transparently with our shareholders and investors and meet their expectations through shareholder returns.

In order to build a relationship of trust with our shareholders and investors, our Group strives to ensure the correct understanding of the activities of the entire Group through proactive investor relations activities in accordance with the principles of information disclosure set forth in our Management Policy and Corporate Code of Conduct. We also believe it is important to meet shareholder expectations through shareholder returns, and our basic policy is to maintain the distribution of stable dividends.

## High Creditworthiness and a Stable Financial Base

We are the first pachinko hall operator to receive an investment-grade rating and to have multiple financial institutions provide us with commitment lines of credit (bank loan facilities) and syndicated loans. Furthermore, we have built long-term relationships of trust with major financial institutions. As a result, our Company is able to receive stable working capital in the event of a major disaster or other unforeseen circumstances. In addition, we are striving to create an amusement environment where players can enjoy pachinko casually and safely and to build a stable financial base to drive the pachinko industry forward through efforts such as promoting low-cost machines that can curb the gambling nature of the game, anticipating the intentions of the National Police Agency, the regulatory authority for pachinko, and working toward the goal of zero pachinko addiction by the year 2050.



small meetings at any time while also inviting foreign investors to Japan for explanatory meetings and tours of our facilities. Furthermore, we continue to engage in direct communications with investors by participating in conferences for individual investors that are sponsored by securities firms in Japan.

In addition to the above, we provide opportunities for top management to directly explain our business strategies twice a year, at the time of the main and interim closing of accounts. In these small meetings, the top management, which is made of directors in charge of each department, and executive officers explain our Group's business to securities analysts and the media in order to deepen their understanding of the Company.

★Some activities were not implemented due to the COVID-19 pandemic.

### ■ Major IR Briefings Held (For the Fiscal Year Ended on 31 March 2022)

Major IR Briefings Held	
Financial Results Briefings (Hong Kong)	Full-year results and interim results (2 times) Hybrid format (face-to-face and online)
Overseas Investors Meeting	Held in a hybrid format (face-to-face and online)
Individual Investor Meeting	★ Cancelled to prevent the spread of COVID-19 infection

## Proactive IR Activities Explanation from Top Management

Our Company holds results briefings twice a year in Hong Kong and Tokyo for financial analysts and institutional investors. We also entertain requests for follow-up interviews and

## Communication with Shareholders and Investors

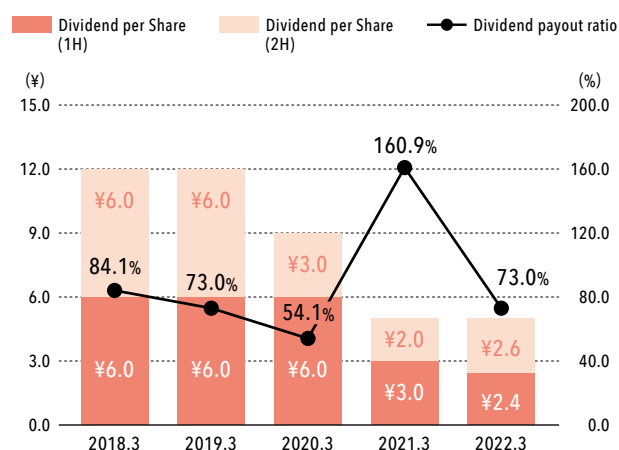
We take special care to promptly and fairly disclose information while proactively disseminating information. To disseminate IR information from the standpoint of fair disclosure

promptly and openly, we have created an IR section on our website to publish earnings results, financial data, and other information in English, Japanese and Chinese.

## Meeting Shareholders' Expectations through Returns to Shareholders

Our Group believes in the importance of returning some of the profits generated through the Group's business activities to Shareholders. By providing a reliable stream of cash returns to Shareholders, we hope to meet their expectations and build relationships of trust.

### Dividend per Share and dividend payout ratio



## Consistent Payment of Stable Dividends

Our Company focuses on the consistent payment of stable dividends as its basic policy for distributing profits to Shareholders. For the fiscal year ended 31 March 2022, we decided to distribute a year-end dividend of ¥2.6 per share to maintain our stable dividend policy. Combined with the interim dividend of ¥2.4 per share, the total annual dividend is ¥5 per share, with a dividend payout ratio of 73.0%.

## Dividend Policy

The Company's policy is to pay a dividend of no less than 35% of consolidated net income each year as calculated under International Financial Reporting Standards. Dividends are determined and paid in compliance with applicable laws and regulations, including the Companies Act and the Company's Articles of Incorporation. The Board will review and update the dividend policy from time to time.

### Selected for Inclusion in the Hang Seng Foreign Companies Composite Indexes on the Hong Kong Stock Exchange

Since 2013, our shares have been continuously selected for inclusion in the Hang Seng Foreign Companies Composite Index ("HSFCCI") of the Hong Kong Stock Exchange. As of 31 March 2022, a total of 12 foreign companies, including our Group, have been selected for inclusion in the HSFCCI.







# Corporate Governance

Our Group has established a corporate governance system to properly manage its decision-making and business execution processes. We aim to build and maintain an optimal corporate governance system that will enhance the soundness, transparency, and efficiency of management. The Board monitors and manages progress toward reaching the targets set for each ESG area, and makes appropriate decisions to meet the expectations of all stakeholders, thereby working to comprehensively enhance corporate value.



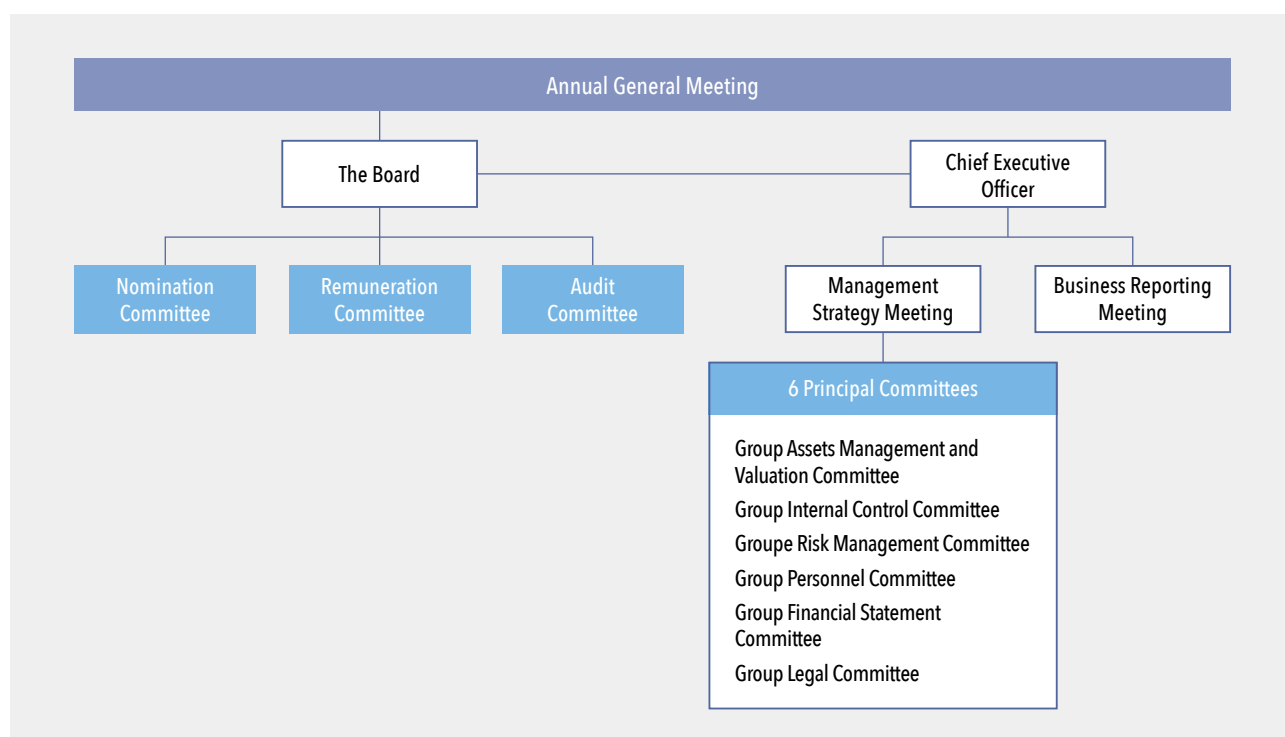
Governance Structure .....	P41
Risk Management .....	P43
Compliance .....	P45



# We have established a corporate governance structure to support the continued development of our business.

Our Group has established a corporate governance system to ensure sustainable growth and enhance corporate value by respecting its Corporate Philosophy, Five Management Policies, Three Codes of Conduct, and the Charter of Corporate Behavior, as well as the matters set forth in these policies.

## Corporate Governance Structure of Our Group





## Institutional Design

As an institutional design, the Group has chosen to become a company with committees, etc., and has established three committees: the Nomination Committee, the Remuneration Committee, and the Audit Committee. The Group has also adopted an executive officer system to clarify management decision-making and supervisory functions and execution of duty functions. Decision-making and supervisory functions are conducted by the Board and the individual directors who comprise the Board, while the execution of duties is

conducted by executive officers. Execution of duties at Group companies and items for discussion are reported on and discussed at business report meetings. A system is in place whereby progress on duties and matters to be addressed for each specific function are reported and discussed at the management strategy meeting and its six main subcommittees. Please refer to the Corporate Governance Report in the attached Annual Report 2022 for details of the Group's corporate governance.





## Each Company within the Group manages its own risk management and has established a Group Risk Management Committee across each company to resolve issues related to risk.

Our Group has clearly stated its risk management policy in order to avoid, eliminate, or mitigate various risks to all parties placing their trust in the Group. In addition, our Group categorizes the crises to be covered in its risk management efforts. Through these efforts, we aim for business continuity and stable development of our Company.

### Total Risk Management System

While each company within the Group covers its own risk management at the business execution level, we have also established a Group Risk Management Committee across all Group companies to address risk-related issues on a Group-wide basis.

#### Total Risk Management (Concept Chart)



### Establishment of Group Crisis Management Committee and Crisis Management

The Group Risk Management Committee, which functions to strengthen risk management for the entire Group, analyzes and evaluates risks to the entire Group with respect to compliance, information security, large-scale disasters, and other important issues to strengthen measures against risks. If a crisis should occur, the Group Crisis Management Committee has established a crisis management system that enables prompt decision-making, dissemination of information, and applying specific and appropriate measures. Under this system, the safety and security of customers and other parties placing their trust in our Group are given the highest priority, and measures are taken to prevent recurrence and to maintain records.

### BCP Development and Implementation to Respond to Emergencies

In response to the frequent occurrence of natural disasters such as strong earthquakes and heavy rain in various parts of Japan, our Group has formulated a Business Continuity Plan ("BCP") to minimize damage to its business assets in the event of a crisis situation, as well as to ensure the continuation and early recovery of its core business. Having a system in place to respond in the event of an emergency is an urgent issue, and the Group Crisis Management Committee is taking the lead in developing manuals and conducting periodic drills in preparation for emergencies.

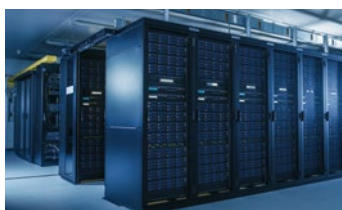


#### ■ Establishment of an Emergency Task Force to Quickly Gather Information and Respond Appropriately

In the fiscal year ended 31 March 2022, the Group Crisis Management Committee alerted pachinko halls that were in the path of typhoons to avoid damage.

#### ■ Backup Measures of Our Data Center

We have established a data center as a BCP measure. We have two servers with identical functions at two locations in Japan to maintain our network with a backup system in case of an emergency.



#### ■ Securing Alternative Facilities for Head Office Functions

We have prepared a contingency manual and conducted contingency head office drills so that in the event of a disaster at the head office, an office in another region can serve as an alternative facility and function as a contingency head office.

#### ■ Establishment of an Emergency Communication Network for All Employees

The emergency communication network automatically confirms the safety of employees working in areas where seismic activity with an intensity of 6 or higher is observed. Using this system, we conduct safety notification drills four times a year in preparation for emergencies.

### Strengthening Risk Financing

Our Group understands the importance of risk financing as a financial allowance required to respond to losses when a crisis situation arises, and the risk materializes.

#### ■ Commitment Line of ¥15 Billion for Earthquake Response

Dynam has a commitment line agreement with a syndicate of banks for use in the event of an earthquake. Under a traditional commitment line, there were some lingering concerns about being able to secure funds because financial institutions could invoke an exception clause for major natural disasters. By obtaining a commitment line specifically for use after an earthquake, we have a method for rapidly raising funds within the framework of the agreement in the event of an earthquake or other natural disaster. This commitment line is a revolving credit facility with an upper limit of ¥15 billion.



We take steps to develop our organization and corporate culture that prioritize compliance, to ensure that we meet the expectations of our customers and society and fulfill our corporate social responsibilities.

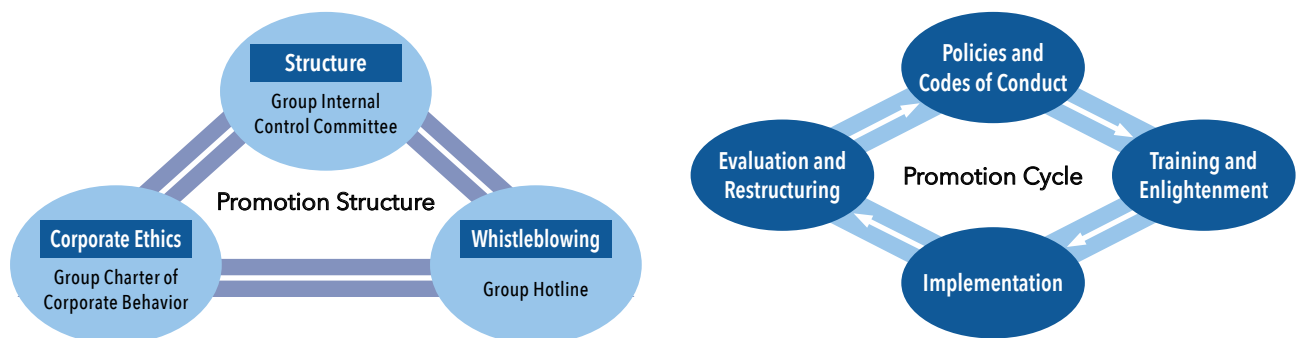
Our Group has established a Group Charter of Corporate Behavior. We believe that we can fulfill our corporate social responsibility by ensuring that all employees comply with various laws and regulations and social norms and by earning the trust of our valued customers and society as a whole with top-notch ethical and moral standards. Given that compliance tends to become more stringent as society matures, we will strengthen our Group's system to match the expectations.

### The Group Charter of Corporate Behavior outlines our actions and mindset

The reason for the existence of a company is to achieve sustainable growth in line with the expectations of stakeholders, including shareholders, managers, employees, partners, financial institutions, and customers, and to achieve a scale and a level of reliability that enable it to contribute to society. All employees of the Group share this principle. To ensure that it can continue to conduct its business without compromising that trust, the Group has adopted new internal control systems to improve its operations. These systems also continually clarify and eliminate factors that have the potential to lead to misconduct or violations of laws and regulations.

### Compliance Promotion Structure and Promotion Cycle

We have established a Group Internal Control Committee as a system to promote compliance across the Group. This committee examines policies related to the Group's compliance management and implementation plans for internal controls, and monitors the status of promotion of compliance and internal control systems.



At our Company, we ask all of our directors' questions about the mandatory provisions stipulated in the Model Code and the Insider Trading Prevention Regulations, verifying that they adhered to the provisions during the reporting period. Additionally, all Group employees are educated on issues regarding compliance through e-training at the start of employment, with additional compulsory training annually.



## Establishment of a Hotline System and Protection of Whistleblowers

When an employee becomes aware of any action that violates the Charter of Corporate Behavior, he/she is required to report and consult with his/her superior. In addition, a Group Hotline has been established at an external law firm as a shared contact point for the entire Group. The Group's employees, temporary employees, contract workers, and relatives of employees, including temporary employees, can use this system, and investigations are conducted with proper consideration of privacy protection. If any problems are found, recommendations for corrective action are made, and the findings are reported to the Audit Committee, which confirms that the problems have been corrected and that measures to prevent recurrence have been thoroughly implemented.

Under the Company's regulations, any treatment of whistleblowers in the hotline that would cause them to suffer disadvantages is prohibited, and the Group has established the Internal Reporting Regulations to ensure thorough regulations for the protection of whistleblowers.

## Thorough Implementation of Fair Business Activities

Our Group complies with various laws and regulations, including the Law Concerning Control and Improvement of Amusement and Entertainment Businesses and Other Businesses (the Amusement

Business Law). In addition to revising and operating operation manuals in response to legal revisions and changes in the business environment, our Group has set up websites and provided guidelines regarding sales promotion methods and advertising regulations to ensure compliance with laws and regulations at all of its nationwide branches. In addition, the Group has posted regulations such as Regulations Concerning Compliance with Antitrust Laws, Regulations for Prevention of Unfair Competition Concerning Trade Secrets, Regulations for Prevention of Insider Trading on its intranet information system to raise awareness and educate employees on compliance. Furthermore, we have established operational guidelines for anti-money laundering measures and regularly evaluate our measures to ensure their effectiveness. During the reporting period, there were no incidents of fraudulent acts involving our company or its employees that could have resulted in litigation.

## Prohibition of Bribery and Other Activities to Ensure the Transparency of Business Activities

Our Group confirms in its Charter of Corporate Behavior that it will develop legally, socially, and ethically sound, reasonable, and equal relationships with business partners to ensure that it can economically grow together with its business partners and in compliance with laws and regulations on prevention of bribery, extortion, fraud and money laundering. Furthermore, our Group prohibits its employees from receiving or offering entertainment or gifts from or to organizations, companies, individuals, or any other parties, and ensures that they maintain a sound and transparent relationship with such parties in compliance with laws and regulations.





**DYNAM JAPAN HOLDINGS Co., Ltd.**

#### About the Cover

Kumihimo (Japanese braided cord) is used as a symbol of respect, in addition to its meaning of connecting "fate", "things", "people", etc., and symbolizes a company that aims to improve its corporate value with respect for the society and its connection with trusted people. It is also consistent with the three colors (ESG) shown on the middle page.