



# DYJH

ESG Report 2024/2025



DYNAM JAPAN HOLDINGS Co., Ltd.

(Incorporated in Japan with limited liability)  
Stock Code: 06889



# Guideline Comparison Table

Environmental, Social and Governance (“ESG”) Report 2024/2025 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 of Hong Kong”). Please refer to the pages listed in the table for the information disclosure contents.

## Appendix C2 to the Listing Rules


Environmental, Social and Governance Reporting Code

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	3, 10, 14
			Compliance with relevant laws and regulations that have a significant impact on the issuer	3, 14
	Indicators	A1.1	The types of emissions and respective emissions data	18
		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)	Note 2 18
		A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	Note 3
		A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	Note 3
		A1.5	Description of emissions target(s) set and steps taken to achieve them	15 ~ 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 ~ 20
A2: Use of Resources	General Disclosure		Policies on the efficient use of resources, including energy, water and other raw materials	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)	16
		A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility)	18
		A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	15 ~ 20
		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	17, 18
		A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Note 3
A3: The Environment and Natural Resources	General Disclosure		Policies on minimising the issuer's significant impacts on the environment and natural resources	3, 15, 17, 19, 20
	Indicator	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	15, 16, 18
A4: Climate change	General Disclosure		Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	3, 15, 17, 19, 20
	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	Note 2 15 ~ 20
B. Social				
B1: Employment	General Disclosure		Policies relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	3, 10, 27, 28, 29, 30
			Compliance with relevant laws and regulations that have a significant impact on the issuer	3, 24
	Indicators	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	31, 32
		B1.2	Employee turnover rate by gender, age group and geographical region	Note 2
B2: Health and Safety	General Disclosure		Policies relating to providing a safe working environment and protecting employees from occupational hazards	33
			Compliance with relevant laws and regulations that have a significant impact on the issuer	33
	Indicators	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	33, 34
		B2.2	Lost days due to work injury	34
		B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	33, 34

Key Items	General Disclosure/Indicators			Posting Page
B3: Development and Training	General Disclosure		Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	3, 10, 27, 28, 29, 30
	Indicators	B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management)	31, 32
		B3.2	The average training hours completed per employee by gender and employee category	31, 32
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
	Indicators	B4.1	Description of measures to review employment practices to avoid child and forced labour	34
		B4.2	Description of steps taken to eliminate such practices when discovered	47, 48
B5: Supply Chain Management	General Disclosure		Policies on managing environmental and social risks of the supply chain	3, 36, 38
	Indicators	B5.1	Number of suppliers by geographical region	Note 2
		B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	36
		B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	36, 38
		B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	36
B6: Product Responsibility	General Disclosure		Policies relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	24
			Compliance with relevant laws and regulations that have a significant impact on the issuer	24
	Indicators	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Note 2
		B6.2	Number of products and service related complaints received and how they are dealt with	24
		B6.3	Description of practices relating to observing and protecting intellectual property rights	Note 2
		B6.4	Description of quality assurance process and recall procedures	Note 2
		B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	24
B7: Anti-corruption	General Disclosure		Policies relating to bribery, extortion, fraud and money laundering	48
			Compliance with relevant laws and regulations that have a significant impact on the issuer	48
	Indicators	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	48
		B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	47, 48
		B7.3	Description of anti-corruption training provided to directors and staff	23
B8: Community Investment	General Disclosure		Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	35, 36, 37, 38
	Indicators	B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport)	25, 26, 35, 36, 37, 38
		B8.2	Resources contributed (e.g., money or time) to the focus area	36, 37, 38

#### Notes

- 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.
- Indicators A1.2 and A4.1 were applied to us as Part C: "Comply or explain" Provisions of Appendix C2 to the Listing Rules for the fiscal year ended 31 March 2025 and will be applied as Part D: Climate-related Disclosures thereof from the fiscal year ending 31 March 2026.
- 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.



## The Group works as one to continuously take on new challenges for the future.

In 2012, Dynam Japan Holdings Co., Ltd., (hereinafter referred to as “DYJH”) was listed on the Stock Exchange of Hong Kong and currently operates the Group businesses in a multifaceted manner as a corporate entity. In the pachinko business, which is the core business of DYJH, we operate 427 pachinko halls around Japan as of March 2025. All pachinko halls are eco-friendly and make an effort to save energy and effectively use resources. For example, the Group chooses to establish many wooden pachinko halls, which is one of our characteristics, and this effort helps to reduce CO<sub>2</sub> emissions and the industrial waste produced when demolishing pachinko halls.

In business operations, DYJH has established good relationships with many stakeholders, including the employees who serve customers at each pachinko hall, partner companies that support pachinko operations, and members of the local communities where the pachinko halls are located. The Dynam Group calls such stakeholders trusted partners. Literally, a substantial amount of trust has been built with stakeholders and has become the foundation of business operations. In addition, each effort made with trusted partners not only reflects the Dynam Group vision of transforming pachinko into a daily entertainment that anyone can enjoy but also supports the growth of the whole Group. In addition to operating the pachinko business, the Group consists of affiliated companies that provide a variety of support services related to business operations, a special subsidiary company established to promote the employment of people with disabilities, other companies engaged in the aircraft leasing business, and operations related to the overseas business. These group companies will continue to work as one to take on new challenges for the future with the aim of building trust and nurturing dreams for next 100 years.





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Efforts in the Social Field	21 Measures and objectives (KPI) 23 Efforts for customers/Development of the overall ability required to live as independent individuals 25 Efforts for customers/Creation of the game environment 27 Efforts for employees/Human Resource Development System 31 Efforts for employees/Active engagement of diverse human resources 33 Efforts for employees/Workplace environment/Mental and physical health 35 Social contribution activities/Initiatives at our Tochigi Iwafune Hall 37 Efforts for local communities/Activities as part of the local infrastructure 39 Efforts for shareholders and investors
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## Message from the editor

The Group issues a report every year according to the ESG rules of the Stock Exchange of Hong Kong. We report to a wide range of trusted partners on the three items: (1) measures to respond to environmental risks such as climate change in the pachinko hall operation business and other businesses, (2) relationship between the pachinko halls that are part of the infrastructure of the cities and society, and (3) corporate governance of the whole group that operates the businesses. The objective is to make our report and strategies understood by a wide range of trusted partners.

When editing the 2025 report, we considered in a comprehensive manner the fact that the Stock Exchange of Hong Kong had published the consultation paper on the strengthening of climate change disclosures under the ESG rules in April 2023 and then adjusted the timing of making disclosures mandatory and closely examined the contents of the report.

We strive to promote mutual understanding with trusted partners and further build trust by disclosing information in a transparent manner and continue to improve our corporate value on a continuous basis by always reflecting their opinions and feedback on the Group in management.



## Dynam Japan Holdings Co., Ltd.

The Group consists of the holding company Dynam Japan Holdings Co., Ltd., the three companies operating pachinko halls, including Dynam Co., Ltd., and five related companies. These companies strive to contribute to the development of the whole group by utilizing their expertise and synergy based on the corporate philosophy and the five management policies while sharing the same value.

控股公司  
Dynam Japan Holdings Co., Ltd.

Head Office	2-25-1-702 Nishinippori, Arakawa-ku, Tokyo 116-0013 TEL: 81-3-5615-1222
Incorporation Date	20 September 2011
Capital	15 Billion Yen
CEO	Akira Hosaka
URL	<a href="https://www.dyjh.co.jp/english.html">https://www.dyjh.co.jp/english.html</a>

### Dynam Co., Ltd.



It is the company operating pachinko halls that plays a central part in the Group. The company runs 392 pachinko halls around Japan. In addition to operating pachinko halls where customers can mainly enjoy playing ordinary pachinko/slot, the company runs another types of halls tailored to customer needs, those where customers can mainly enjoy playing pachinko with cheaper balls.

### Dynam Business Support Co., Ltd.



Dynam Business Support is entrusted with the procedures related to human resources by the group companies. The company also manages group pachinko halls' contracts and landowners.

### Nihon Humap Co., Ltd.



Humap is engaged in businesses closely related to pachinko halls, such as provision of coffee in pachinko halls and cleaning of group pachinko halls while operating restaurants adjacent to Dynam's pachinko halls. The company also operates restaurants, such as ramen restaurants.

### Cabin Plaza Co., Ltd.



Cabin Plaza runs 5 pachinko halls in total that operate under a different name from Dynam in Fukushima, Yamanashi, and Mie. Based on the vision of "transforming pachinko into a daily entertainment" just like Dynam, the company aims to establish an operating base in each area and improve pachinko halls so that they can win the favor of customers.

## 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

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>● Principle of Customers First</li> <li>● Information Disclosure</li> <li>● Chain Store Management</li> <li>● Training of Human Resources</li> <li>● Social Contribution</li> </ul> | <ol style="list-style-type: none"> <li>1. We comply with laws and regulations and treat people with respect.</li> <li>2. We strive for proactive behavior and value teamwork.</li> <li>3. We confirm the actual situation on-site and express it in numbers.</li> </ol> |
|--|---|



	Dynam Co., Ltd.
	Dynam Business Support Co., Ltd.
	Cabin Plaza Co., Ltd.
	Nihon Humap Co., Ltd.
	Yume Corporation Co., Ltd.
	Business Partners Co., Ltd.
	Dynam Hong Kong Co., Limited
	Dynam Aviation Ireland Limited

### Yume Corporation Co., Ltd.



Yume Corporation became DYJH's pachinko hall subsidiary in November 2015 and operates 30 halls, particularly "Yumeya" halls, around Japan. The company has managed chain stores since its establishment and aims to make its pachinko halls loved by local communities.

### Business Partners Co., Ltd.



Business Partners is DYJH's Special Subsidiary Company established to directly employ people with disabilities. The company provides a cleaning service for office buildings and creates and sells handmade bags of its original brand. It aims to realize a society where all people can coexist harmoniously by providing opportunities for people with disabilities to actively participate.

### Dynam Hong Kong Co., Limited



Dynam Hong Kong is a Hong Kong-based affiliate that invests in, manages, and develops DYJH Group's overseas businesses mainly in Asia. The company explores the possibility of establishing new businesses in the rapidly growing Asian market and makes efforts to launch new businesses.

### Dynam Aviation Ireland Limited



Dynam Aviation Ireland is based in Ireland and engaged in the airplane leasing business that is expected to grow. The company provides operating leases mainly of popular narrow-body aircrafts.

## 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.

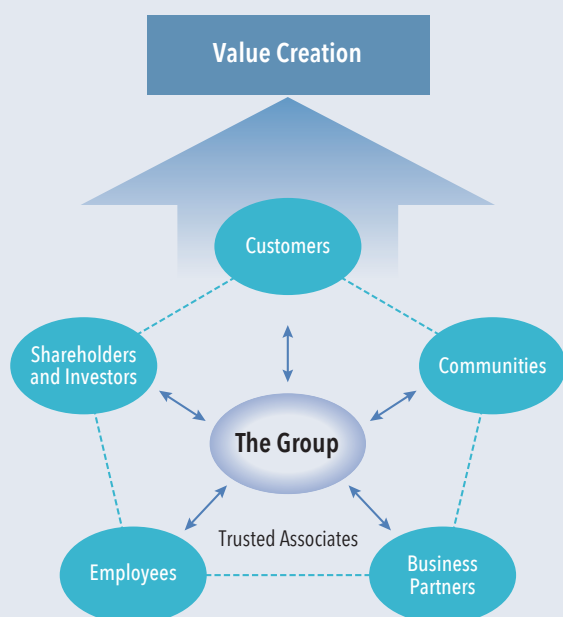


## We will continue to enhance our corporate value as regional infrastructure to meet the expectations of our trusted associates.

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.

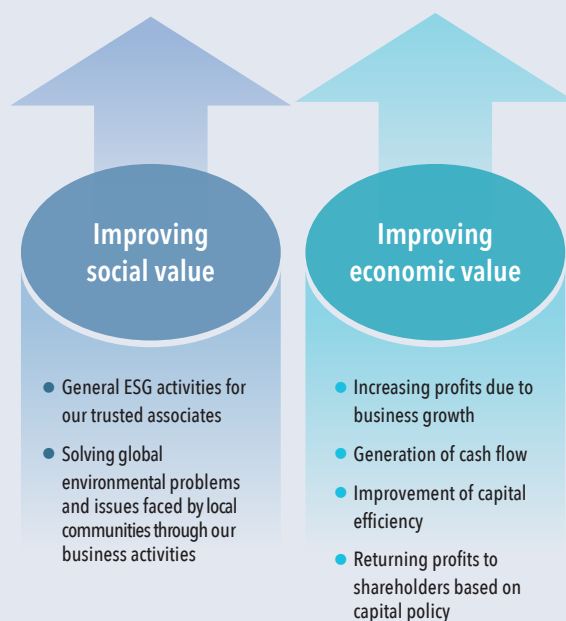
### Value Creation for All Trusted Associates

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.

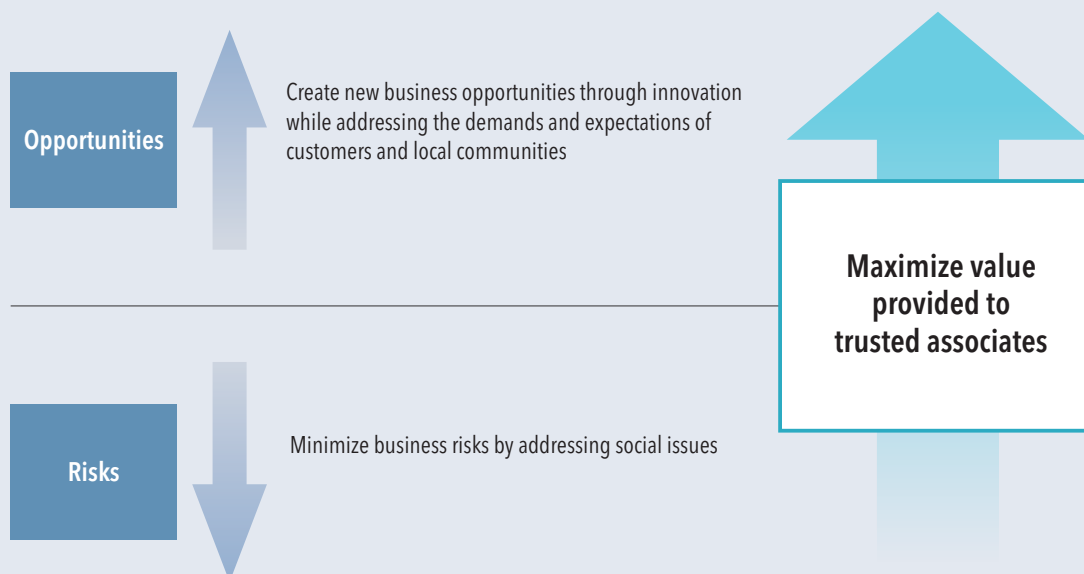


## ➤ Becoming an Indispensable Presence in the Community

By 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

In response to the aging of the population and other social issues, our Group proposes initiatives that focus on the health benefits of pachinko, as well as pachinko halls with universal designs that cater to a wide range of customer segments. In addition, concerning the “addiction problem,” we have set a goal of “zero addiction” and are taking proactive actions as a leader in the industry. We are identifying such risks and opportunities and managing them appropriately.





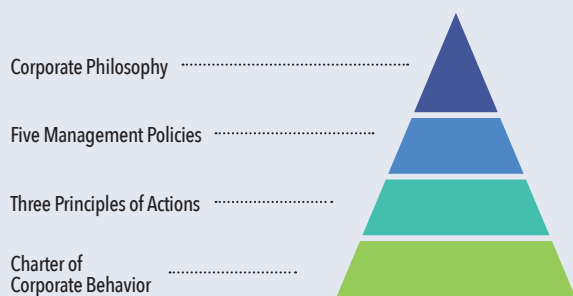
We will establish clear policies from the perspectives of the environment (E), society (S), and governance (G), and continue to conduct corporate activities that are valuable for our trusted stakeholders and contribute to our future.

### Message from the ESG Executive Officer

The Japanese economy is expected to see moderate growth in the future, considering the balance between rising prices and wage increases by firms. However, although there are projections that real wages will recover and households' savings tendency will ease in terms of personal consumption, the reality is that the public does not feel this change. Looking at the global situation, countries are fluctuating between joy and despair over the various policies proposed by the second Trump administration, and Japan needs to respond while closely monitoring these trends. Under such circumstances, our Group is actively working to enhance corporate value, always keeping an ESG perspective in mind, particularly in our pachinko business. As for the environment, climate change, which is believed to be caused by global warming, has become increasingly severe around the world, and in Japan, there has been unprecedented heavy snowfall and forest fires thought to be caused by unusual dryness. Recognizing that climate change

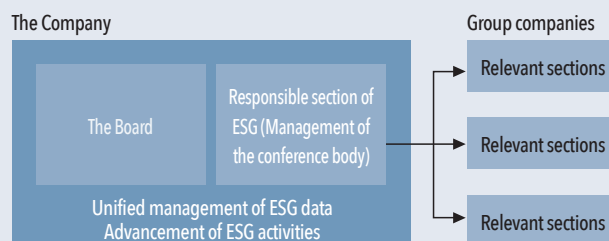
### Group philosophy and approach to ESG

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.



### 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.

is a significant issue, the Group is taking various measures to reduce CO<sub>2</sub> emissions and minimize the environmental impact as much as possible at our halls nationwide. In addition, we are continuously strengthening our engagement with all stakeholders regarding our commitment to society. In particular, a number of initiatives to promote women's active participation have gained momentum. Without forgetting the traditional enhancement of value as regional infrastructure, we are engaged in various initiatives in both the environmental and social aspects. Furthermore, our governance is established to be suitable for our business in order to achieve sound, sustainable growth and increase corporate value over the medium to long term, and the board of directors of the Company (the "Board") has clearly stated its governance policy. Through these ESG initiatives, the Group will contribute to the future of pachinko as an everyday pastime and the realization of a sustainable society.

Executive Officer **Seiji Obe**



## ▶ 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.

### 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.



## 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.

(See P.23-P.26 for more information)

- 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.

(See P.35-P.38 for more information)

- 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.

(See P.16, P.38 for more information)

- 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.

(See P.27-P.34 for more information)

- 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 frontlines, we give tours and hands-on events at our pachinko halls to further the understanding of our strengths and competitive advantages.

(See P.39-P.40 for more information)

## Methods of Engagement

- Face-to-face interaction with customers at pachinko halls
- Customer consultation desk

- Participation to community events
- Volunteer activities of employees (Nature conservation/Child support)
- Support for disaster sites
- Support for sports activities
- Disaster prevention agreements

- 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



# Environment

Our Group considers climate change due to global environmental issues, resource reuse, the reduction of natural resource consumption as issues humankind shares and aims to reduce our environmental impact through our business activities.

Specifically, considering the use of electricity in our halls to be important, we will disclose our total electricity consumption and continue our efforts to reduce water consumption and waste generation. Recognizing that fulfilling our corporate responsibility for the environment is essential for the continuous development of our Group, we will comply with environmental laws, regulations, and bylaws, and strive to improve our environmental management.

## Measures and Targets (KPI) of the Group's Environmental Activities

### ➤ Reduction of greenhouse gas emission

Each of our Group's 427 halls in Japan will continue its operation with the goal of staying within the previous year's electricity consumption based on an individual hall basis.

### ➤ Amount of generated waste Reduction and disposal

Each hall does not and will not handle hazardous waste that is subject to government regulations. In addition, each hall will continue to strive to further reduce the amount of general waste generated based on the 3R principle.

### ➤ Water conservation measures

We strive to make sure that the amount of water required for the facility and operation of each hall does not exceed the previous year's level.

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Energy consumption in business operations ..... P17

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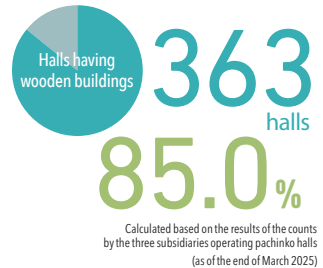


We strive to reduce CO<sub>2</sub> emissions and operate pachinko halls that are in harmony with the landscape by building wooden pachinko halls with a focus on coexistence with the surrounding environment.

The wooden pachinko halls that characterize the Group's operation of pachinko halls have evolved since the first generation of wooden halls was built in 1994, and now they are the ninth generation. We continue to adopt the hall design that takes harmony with the local landscape into consideration and the wooden structure that attracts attention in terms of environmental protection.

## Operation of multiple wooden pachinko halls

The Group conducts chain store management. We standardize the design and architecture of wooden pachinko halls and construct them at a low cost by utilizing the economies of scale that occur because of the operation of multiple wooden halls. As of 31 March 2025, 363 pachinko halls, 85.0% of all the pachinko halls of the Group, consist of wooden buildings.



## Wooden pachinko halls operated by Dynam

Pachinko halls are associated with flashy lights brightly decorating their appearance. However, our pachinko halls are located in large areas in the suburbs and characterized by their relaxing design that takes the surrounding environment and landscape into consideration. We explain to local residents that we keep the streetlights for the parking space to the bare minimum. Because we rent the land from landowners in local communities for a certain period of time, we put harmony with the local communities first.

## Eco-friendly pachinko halls with the warmth of wood

It was once believed that trees would never absorb CO<sub>2</sub> once they were cut down. However, it is now said that CO<sub>2</sub> are stored in buildings made with wood. The Group developed a policy to actively use wood for the buildings of pachinko halls from the perspective of responding to climate change. The Forestry Agency promotes the use of wood in the non-housing category, such as warehouses and stores other than general housing.

	Wooden house	Steel-frame prefabricated house	Reinforced concrete house
Amount of stored carbon	22t-CO <sub>2</sub>	5.5t-CO <sub>2</sub>	5.9t-CO <sub>2</sub>

\* t-CO<sub>2</sub>: stands for ton(s) of CO<sub>2</sub>

Source: Motoaki Okuma (2003) Conservation of Global Environment and Wood Utilization, Zenrinkyou: 54, Yasuo Okazaki, Motoaki Okuma (1998), Mokuzai Kogyo, Vol. 53-No. 4: 161-163.

## Selection of wood with a focus on the location and quality

Oita Hita Hall located in Hita City, Oita, the city flourishing with forestry, was constructed with the domestic timber produced in Hita by processing it into laminated wood at a company based in Kagoshima in the same Kyushu region. Furthermore, Ehime Shikoku Chuo Hall was constructed with Japanese Agricultural Standards (JAS) structural members.



Oita Hita Hall



Ehime Shikoku Chuo Hall

Amount of wood used 98m<sup>3</sup>  
Amount of stored carbon 79t-CO<sub>2</sub>  
Equivalent to the amount of CO<sub>2</sub> stored in 0.2 ha of cedar plantation, 7.9 tennis courts, or 155 cedar trees

## Interior design only made possible with wood

We provide a comfortable space by providing a high ceiling that makes the space look wide and open and creating a barrier-free environment so that anyone can visit our halls with peace of mind while eliminating excessive decorations and facilities.



## Development of the low-noise game environment

We are working to improve the hall environment by optimizing the sound volume in the halls and reduce sound leakage to the outside. Sound-absorbing materials and sound-insulating walls are being introduced, and the equipment to control the sound to a certain level is being upgraded at all the halls sequentially. We sound-insulate air conditioner compressor units and exhaust systems to pay attention to the living environment of people living near the halls.

## Proper management of used pachinko/slot machines

When disposing of used pachinko/slot machines, they are handled as industrial waste, and we are obliged to manage them by following the procedure specified in the Japanese law. The Group set the internal rules to manage waste in compliance with the laws and recycle waste that can be reused as parts, materials, or raw materials through Yugiki Recycle Kyokai and the center for machine collection and management of the Nihon Yugiki Kogyo Kumiai.



## Reuse of pachinko/slot machines among group pachinko halls

The Group has 16 logistics centers around Japan, and each of them is in charge of 20-30 halls. Industrial waste is reduced by sharing used machines among the halls through the logistics centers and reusing them.



# We are contributing to the creation of a sustainable society through the development of innovative private brand (PB) machines.

Dedicated to fostering the originality of gaming machines, we have developed around 90,000 private brand machines since 2006. In 2018, we launched the Goraku Brand and have since been dedicated to developing pachinko machines that address the various challenges within the industry.



In-store private brand machine lineup

## New private brand machine: ZGO Series, designed with social sustainability in mind

The newly adopted cabinet features a large 25.2-inch display monitor, one of the largest in the industry, which delivers dynamic visual experiences. Moreover, new game content can be easily provided, just like swapping out software. This approach is also effective in reducing industrial waste because it only requires changing the content without the need to replace the cabinet.



Private brand machine  
eA Natsuuro Nikki GO

## Features of our new private brand machine ZGO

- (1) Addressing the rising prices of pachinko machines**  
By replacing moving parts with a full-screen display, you can lower component costs and reduce machine unit prices. We anticipate reducing the price of pachinko machines to one-half of the current price through continuous machine development.
- (2) Reducing the workload for replacement tasks**  
The current pachinko machines weigh approximately 40 kg each with some exceeding 60 kg, which poses a challenge for setup and installation. This device features a design that only requires the replacement of the cabinet board and panel, resulting in a significant reduction in the workload associated with replacement.
- (3) Eco-friendly**  
The ZGO cabinet is designed for continuous use of the display monitor. Used parts can be reused, and by utilizing this cabinet for an extended period, we will strengthen the foundation of a sustainable industry.



New private brand machine presentation

## 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 society that aims to decarbonize itself to curb global warming.



### Climate Change Countermeasures in Pachinko Business

Operations of the Group results in the emission of 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.

#### Environmental impact

Input	Implementation	Output
<b>Energy usage</b> <ul style="list-style-type: none"> <li>● Purchased electricity</li> <li>● Gasoline (company vehicle use)</li> </ul> <b>Water resources</b> <ul style="list-style-type: none"> <li>● Water supply use</li> </ul> <b>Paper resources</b> <ul style="list-style-type: none"> <li>● Office paper</li> <li>● Pamphlets and posters, etc. for customers</li> </ul> <b>Purchased machinery</b> <ul style="list-style-type: none"> <li>● Gaming machines and peripheral equipment</li> </ul> <b>Construction materials</b> <ul style="list-style-type: none"> <li>● Halls</li> </ul>	<div>Office (head office and headquarters)</div> <div>Halls</div>	<b>Emission of greenhouse gases</b> <ul style="list-style-type: none"> <li>● Equivalent electricity usage (Scope 2)</li> <li>● Equivalent distance driven by company vehicles (Scope 1)</li> </ul> <b>Water resources</b> <ul style="list-style-type: none"> <li>● Drainage</li> </ul> <b>Office waste</b> <ul style="list-style-type: none"> <li>● Waste resources</li> </ul> <b>Industrial waste</b> <ul style="list-style-type: none"> <li>● Game machines (recycled)</li> <li>● Used information communications equipment</li> </ul>

#### Environmental Management (Main Initiatives)

##### Proper Management of energy usage

- Electric power saving
- Installation of water-saving valves
- Installation of water-saving toilets

##### Green IT promotion

- Document digitization
- Web conferencing
- Utilization of cloud computing

##### Framework for not generating trash

- Effective use of (used) gaming machines (secondary and tertiary use)
- Wooden-frame halls

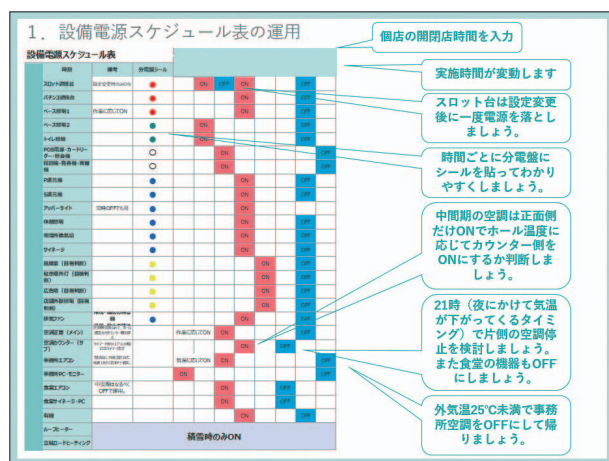
##### Proper disposal of waste materials

- Recycling of gaming machines
- Recycling of general waste



## 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 use 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, 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 reusing and recycling our non-hazardous general and industrial wastes, we entrust the disposal to specialized contractors in accordance with laws and regulations. The Group is engaged in a cooperative effort with specialized contractors to calculate the total amount of waste generated from each hall.

General wastes	Halls	5,365t
	Other business sites	111t
Other incombustible wastes, etc.		774t
Total		6,251t

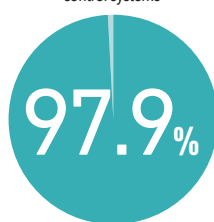


The resource collection boxes installed in the parking space

## Energy saving is practiced at the pachinko halls around Japan, the head office, and all the bases.

Air conditioners are always turned on at the pachinko halls that we operate around Japan during business hours so that customers can enjoy playing pachinko comfortably. Since the electrical energy used for air conditioning is considered to be one of the major CO<sub>2</sub> emissions factors, the Group has introduced the energy-saving air conditioning systems in almost all the pachinko halls.

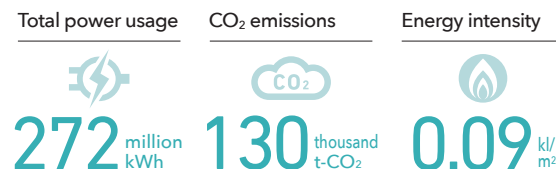
Proportion of the halls that have introduced the air-conditioning control systems



Calculated based on the results of the counts by the three subsidiaries operating pachinko halls (as of the end of March 2025)

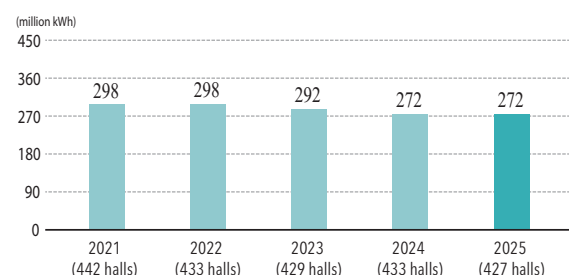
## Measures the Group implements to respond to climate change by reducing power usage

Realizing that CO<sub>2</sub> emissions caused by power usage in the operation of the pachinko halls that is our core business affect the global environment, we make efforts to reduce indirect greenhouse gas emissions (Scope 2) caused by power usage by promoting energy savings in the use of air conditioners and lighting. In addition, there is no direct energy consumption through the use of natural gas and oil in the businesses of the Group.



The above figures are calculated according to the calculation method used when reporting to the Ministry of Economy, Trade and Industry of Japan and calculated based on the performance of the domestic group companies (fiscal year ended in March 2025).

## The trend in total electricity consumption



## Water used only as drinking water for customers and domestic water

Water is used as domestic water for customers, such as drinking water and toilet water at each pachinko hall. We strive to reduce the environmental impact and properly manage usage of water by installing the water-saving facilities. In addition, we have no problem procuring water for business use.

**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

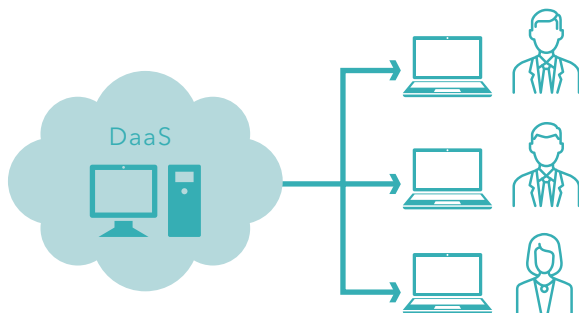
We are working on energy saving of our IT equipment through the use of cloud computing and other means. We have also introduced energy-efficient lighting and air conditioners in our offices and halls, and use sensor technology to ensure proper management of electronic devices. In addition, we are actively 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 by using 16 distribution centers nationwide, and using IT for internal systems during 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 servers and reduce power consumption.



Service Provider Virtual Environment

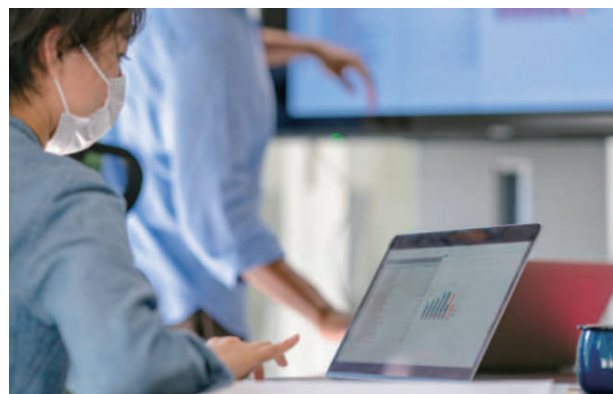
## Promoting the Use of Web Conference Systems

We promote the use of Web conference systems, for meetings of our employees who work in multiple locations. 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. Going paperless not only facilitates the 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 impacts.







Social

# Social

In pursuit of the ideal of pachinko hall operations, our Group promotes a number of activities focused on people.

They are part of our efforts to enhance our corporate value, not only from the viewpoint of our customers, who are our top priority, but also from that of all stakeholders.

We always strive to provide a full lineup of amusement machines and provide top-level customer service as the result of the meticulous training of our employees, as well as to realize comfortable halls and enhance our daily entertainment concept as places where people can have a more enjoyable time.

## Our Group's efforts in the social field Key Performance Indicators (KPI)

### » Efforts regarding general employment conditions

We will further strengthen our efforts in recruitment and promotion, working hours, equal employment opportunities, diversity, and non-discrimination to increase employee retention and reduce turnover.

### » Ensuring the health and safety of our employees

We will strengthen our efforts to prevent occupational accidents at each of our halls in order to maintain and sustain zero work-related fatalities for the past three years.

### » Education and training for employees

As we enter the implementation phase of our new human resource development plan, we will further enhance our training programs to ensure that each employee is able to advance the career.

### » Compliance with labor-related laws and regulations

We will continue to comply with laws and regulations and ensure that there is no child labor or forced labor in our Group. We will also strengthen our internal reporting system to ensure the protection of whistleblowers.

### » Supply chain management

We plan to prioritize suppliers that are proactively implementing environmental conservation initiatives.

### » Complaint correspondence

Other than responding to customer inquiries at each hall, we will strive to improve customer satisfaction by further enhancing our sincere response through the customer service desk and other means.

### » Anti-corruption training

We conduct anti-corruption e-training for directors and all employees every year. This training is based on the Group's Charter of Corporate Behavior and includes items on general corruption, leading to the establishment of a solid compliance system.

### » Contribution to local communities

By utilizing our nationwide network of halls, we will increase the number of activities tailored to the characteristics of each region while continuing current activities that will lead to the development of local communities.

Efforts for customers/Development of the overall ability required to live as independent individuals .....	P23
Efforts for customers/Creation of the game environment .....	P25
Efforts for employees/ Human Resource Development System .....	P27
Efforts for employees/Active engagement of diverse human resources .....	P31

Efforts for employees/Workplace environment/Mental and physical health .....	P33
Social contribution activities/ Initiatives at our Tochigi Iwafune Hall .....	P35
Efforts for local communities/ Activities as part of the local infrastructure .....	P37
Efforts for shareholders and investors .....	P39



**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 that serve customers. Based on the idea that having customers enjoy 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 the creation of an environment where customers can play safely and with peace of mind.

■ Voice of an in-store customer service staff

**Dynam's guiding principle is "customer-first."  
I learned the ins and outs of customer service through workshops and on-the-job training (OJT).**

Through my experience working at Dynam, I have learned the concept of customer-first service. At Dynam, you will be assigned to a hall after completing a training period. Although I believed I had learned the essentials of customer service from seminars conducted by senior employees, I found myself confused in actual interactions since each customer had a unique personality. However, I believe that by combining group training with OJT, I was able to learn the ropes more quickly than I initially expected.

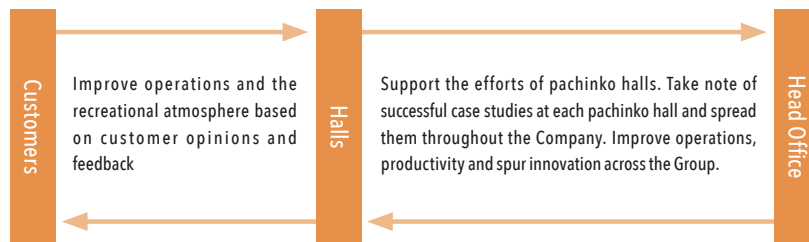


## ■ Our commitment to value, quality, and comfort, prioritizing the customer in all our actions

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.

## ■ Collaborative efforts between on-site sales and head office

Sales efforts aimed at becoming number one in the market area cannot be fully realized on-site alone; they are also supported by effective support initiatives promoted at head office. For example, we are actively collaborating with on-site sales by sharing successful case studies, organizing competitions, seminars, campaigns, and other events, all while leveraging our internal networks.



## ► 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 by “People = Employees”, which is then added to the intrinsic value of pachinko itself.

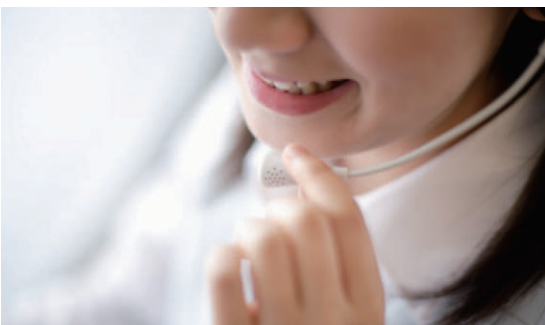
### ■ Customer service desk

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 help to improve customer satisfaction. In the fiscal year ended 31 March 2025, we responded to 1,171 calls and emails. Of these, 69% were complaints, 20% were opinions and requests, and the

remaining 11% were questions and praises. 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.

### ■ Conducting competitions to enhance performance

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

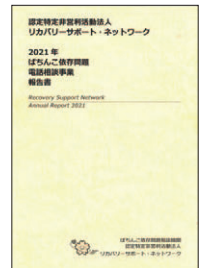
Our Group aims to reform pachinko and pachislot gaming to become a form of daily entertainment that everyone can enjoy with peace of mind. To achieve that, we believe that it is essential to solve the addiction problem, which is an unstable element of society.

## ➤ Toward "Zero Pachinko Addiction"

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". 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".



## ■ Expanding the Activities as Industry-wide Effort

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 in which the Group management and related departments participate. Also, we have been receiving expert opinions from RSN as an advisor.

## ■ Education System and Awareness-raising Activities

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

## ■ 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 become addicted."
- 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.



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 for noise reduction. 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.

## ➤ 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 2025, thanks to the thorough patrolling of parking lots, posting warning posters and banners, and calling attention through in-store announcements.



## ➤ 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 token 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.





## Discussion report with Dynam Human Resources Development Department



General Manager,  
Human Resources Development  
Department, Dynam

**Shinya Kanbayashi**

\*Affiliated as of 31 March 2025

The general manager of the Human Resources Development Department and the person in charge of personal development held a discussion about the Nadeshiko Project, which promotes women's active participation and institutional reforms on various themes.



Skill Development Representative,  
Human Resources Development  
Department, Dynam

**Kazuko Shimosawa**

\*Affiliated as of 31 March 2025

We are working on enhancing the activities of the ninth Dynam Nadeshiko Project and exploring new activities.

### ■ Reached the ninth project, looking back on the past

**Kanbayashi** There was a time when it wasn't possible to hold the event due to the influence of the COVID pandemic, but this project is now in its ninth year. I have been observing the activities from the outside as a salesperson, but I have been interested in Director Mochizuki's perspective. And now, having actually taken charge of the project due to the transfer, I feel the weight of its continuation.

**Shimosawa** I have been involved in management from the seventh period, but in the third period, I participated as a member of Nadeshiko, actually taking part in the activities.

**Kanbayashi** I see. So, as a member of the team in the early days, I think you know the difficulties of launching a project. What do you think? I imagine there must have been some twists and turns before the project got on track.

**Shimosawa** At that time, we had a stance of feeling free to do what we wanted, and everything was entrusted to each team. For example, there were many plans, such as conducting training for female employees at nearby halls, holding networking events, proposing systems to address issues, and proposing improvements in cooperation with the head office.

There were many systems proposed by Nadeshiko and actually implemented by Dynam. In April of 2024, two new childcare-related



The eighth Nadeshiko Project results presentation

## Personnel systems implemented and introduced based on the proposal made in the Dynam Nadeshiko Project

2014	The first members	Female employee roundtable/ distribution of resumes
2015	The second members	Mentor system (provision of support for the retention of female employees)
2016	The third members	Work-from-home system (for those who have limitations due to nursing care/childcare), development of the personnel procedure bulletin
2017	The fourth members	Joint study group with Maruhan Comeback system (for crew employees)
2018	The fifth members	Joint study group of companies operating pachinko halls LGBTQ study group Efforts to win the high ratings in the Pride Index, the index to evaluate initiatives related to LGBT
The project was suspended from 2019 to 2021 due to the COVID-19 pandemic		
2022	The seventh members	Training on unconscious biases
2023	The eighth members	Seminar on women's health
2024	The ninth members	Shift restriction system, Comeback system (return to the original position)

systems were introduced. One is a system that allows employees, who had been moved to Crew for reasons of childcare, to return to their original positions as regular employees without the need for a promotion exam or reappointment exam once their childcare responsibilities had settled. The other is a system that allows employees who are raising children to set their working hours and days of the week according to their pick-up and drop-off times at nursery schools.

**Kanbayashi** I have heard that the latter system received applications not only from female employees but also from male employees. It seems they adopted a work style that allowed them to adjust their working hours to support their spouse's job, effectively utilizing the system.

## Member selection, theme selection, and activity theme

**Kanbayashi** Selection of Nadeshiko Project members is based on nominations by the headquarters and self-nominations. Some

## Personnel system

Barriers	Statutes	Internal system
① Working hours	Short time (up to 2 h, up to 3 years old)	Short time (up to 4 h, up to the sixth grade of elementary school)
② Workdays		Short days (up to 10 days of the month, up to the sixth grade of elementary school)
③ Late-night shift	Late night restriction (22:00 to 5:00 the next day, preschool)	Late night restriction (22:00 to 5:00 the next day, preschool)
④ Working hour window		Shift system (restrictions due to pick up, etc., up to the third grade of elementary school)
⑤ Workday		Shift system (restricted due to the closure of children educational facility, up to the third grade of elementary school)
⑥ Location and transfer		Course B.
⑦ Maternity and childcare leave	Six weeks before childbirth, eight weeks after childbirth until 2 years old.	Six weeks before childbirth, eight weeks after childbirth until 3 years old.
⑧ Childcare	Nursing leave (five days per year, preschool)	Nursing leave (five days a year, up to the sixth grade of elementary school)

New

people express their desire to do it eventually when they join as new graduates.

**Shimosawa** The members are female assistant managers or above, but in addition to those who joined the company as new graduates, there are many people who have been promoted from crew employees to full-time employees. Many people have already been members.

**Kanbayashi** Looking back at the numbers, the percentage of female regular employees is increasing. Compared to the beginning of the Nadeshiko Project, the ratio of women has increased to about 9%. The average rate of female recruitment is 5%, so the figure of 9% indicates a high retention rate.

**Shimosawa** Over the years that this project has been developing, the theme of improving the retention rate of women has always been included. The three pillars of the project are "Settlement Support, Promotion Support, and System Improvement." I feel that this initiative, about 90 out of 400 female employees have become experienced members, reflects the strong support for the entire company.

**Kanbayashi** In the past few years, when the ratio of female regular employees has risen, I definitely feel the value of our activities. In light of this, we recognize the fact that only 1% of our store managers are female is a new challenge to tackle. We must take this reality seriously and implement further measures focused on promotion support.

**Shimosawa** Indeed, while the ratio of female assistant managers is close to 10%, there is a spike in the hurdles for female store managers.



Menopause leave seminar

**Kanbayashi** We explored various hypotheses to deepen our discussion on why the hurdles were raised. “The person has not been instructed in the job duties,” “There is no one to train employees,” “The person hates the job,” “The person is not good at the job,” and other reasons. Eventually, we were able to conclude that the employees were just not trained.

**Shimosawa** Then, you believe you could pull out different results by inputting the necessary sales skills and knowledge to individuals based on that policy, and you conducted sales training for about six months.

**Kanbayashi** That’s right. Unlike typical sales training, this has been created as a completely original version of sales training, delving into content that the individual can understand. In addition, it is also important to guide individuals in the training process to prevent dropouts. This time, there were six participants, as a result, two female store managers emerged.

## Future activities, including the perspective of new talent recruitment

**Kanbayashi** When I see the activities of the Nadeshiko Project, I can feel the enthusiasm of the members. Looking at female employees working towards a better, improved work environment based on various systems and the rules surrounding the projects they are involved in makes me feel that it is important to provide as many hooks as possible. Perhaps women have a more diverse range of role models than men.

**Shimosawa** I believe it is essential for individuals facing various struggles, worries, and environments to grow through project activities. This will lead to an increase in the number of female store managers, and it may be ideal to have a circular structure in which the increased number of store managers support junior employees. These sorts of effects will also extend to recruitment activities.

**Kanbayashi** The Nadeshiko Project will hold its 10th event next time. In preparation for this milestone, I expect activity themes that anticipate the trends of the times will emerge. As a department, we would like to further improve the environment for project activities contributing to the success of women.





We were awarded the Innovation Prize at the Good Career Company Awards 2024 in appreciation of our activities to support employees' autonomous career development.



Human Resources Development Support Representative,  
Human Resources Development Department, Dynam

**Osamu Shibutani**

\*Affiliated as of 31 March 2025

## ► Goals and reasons for applying

The Ministry of Health, Labor and Welfare focuses on supporting employees' autonomous career development and evaluates companies that implement activities to that end. We have long been involved in a variety of activities such as "Life University", "Self-Career Checkup" and "Career Consultation Services", and have launched many variety of initiatives to help employees come to terms with their own careers and themselves, and we applied for this award because we felt that it was in line with our purposes. We were therefore interested to see how our activities would be evaluated.

## ► Receiving the Innovation Award

In the sum-up speech of the awards ceremony, it was emphasized that we are a company that represents a model for others and that our activities have produced results. In particular, the Innovation Award is given to companies that have set a good example for others to follow that are also "expected to produce even more results in the future". We now have a clear goal in mind as we aim for the Grand Prize next.



Director, Dynam Haruko Mochizuki (left)

From the organizer's statement :

The Innovation Award is given to companies that have made efforts to support workers' autonomous career development in order to address important issues in their own companies, with particular emphasis on the target audience and the methods used, and that are expected to further develop career development support in the future, and promoted initiatives serving as a model for others, lead to human resource development and tangible results in corporate management, and are recognized for their achievements.



Award Certificate and Plaque

## ► What aspect of the company's efforts received particular praise?

I would say that the most praised was the "Life University" program, which has been held for nearly 30 years since 1997 and continues to this day, and serves as a foundation for business operations and employee career development. The "Self-Career Checkup" and "Career Consultation Services" initiatives were also highly commended. The value of combining training and counseling and creating a system that allows the general public to receive counseling too has been widely recognized. Such a model is in line with the format recommended by the Ministry of Health, Labor and Welfare.

## Our initiatives aimed at improving career autonomy and engagement for all employees

### 1. Life University

This is a four-day, three-night group training program for all employees regardless of position, management persons included, and is designed to improve engagement. It is an opportunity to enhance the sense of unity between company and employees through our corporate philosophy, and at the same time, to proactively rethink one's life and career.



Life University Participants (2024)

### 2. Self-Career Checkup

A combination of training and career interviews to promote career autonomy that is open to employees aged 25, 35, 45, and 55. Themes discussed include career, life, health and money.

### 3. Career Consultation Services

In-house career counselors are available for consultation at all times.

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 2025, our Group has 12,446 employees, consisting of a diverse range of human resources regardless of nationality, gender, age, and disability. Our Group has introduced a personnel system that gives each employee fair opportunities to climb the career ladder based solely on the goals they set and the degree to which they achieve them.

### About the provision of support for qualification acquisition

The Group provides various training programs, such as statistical and marketing examinations, to support the skill development of our employees. A wide range of employees from part-time employees to hall manager-level employees took the courses.

	Number of training sessions attended (total)	Participation rate	Average participation hours
man	2,572times	69.6%	14.7hour
woman	439times	118.3%	12.6hour

	Number of training sessions attended (total)	Participation rate	Average participation hours
Managers	92times	93.9%	12.7hour
Rank-and-file employees	2,919times	73.5%	14.5hour

## Promotion of Employment of People with Disabilities

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) regardless of the presence or absence of handicaps.

Number of employees with disabilities\*1



223 employees

★1 Calculated based on the Group in Japan As of 31 March 2025

### 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, and providing continuous support throughout the life stages of people with disabilities.



## ► 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.

### ■ 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 must provide childcare, encourage both male and female employees to take childcare leave, and curb overtime and late-night work.

Our Group has a total of 12,446 employees (as of 31 March 2025), of whom 5,991 (48.1%) are men and 6,455 (51.9%) are women. By employment type, 4,313 are regular employees and 8,133 are temporary employees. By region, 12,332 are in Japan and 114 are in other regions.

### ■ 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.

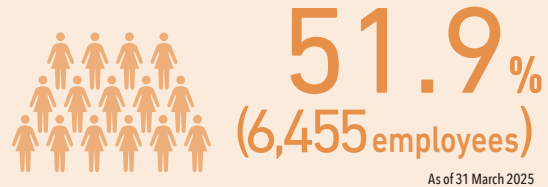
### ■ Declaration of Positive Action Certified by the Ministry of Health, Labor and Welfare

Based on Positive Action, which is the Ministry of Health, Labor and Welfare's plan for promoting women's activities, Dynam 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 we will proactively implement initiatives to eliminate the substantial employment gap between men and women.

## ► Understanding and Supporting LGBTQ

Dynam has introduced a same-sex partnership system effective 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.

Ratio of female employees (Numbers)



### ■ Compliance with the "Act on the Promotion of Women's Active Engagement in Professional Life" and target setting

Our Group has established and is implementing the following action plan based on the "Act on the Promotion of Women's Active Engagement in Professional Life" (hereinafter referred to as the "Women's Activity Promotion Act").

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

(Plan period: 1 April 2022 - 31 March 2026)

- (1) Target: HR personnel will visit group halls at least once every six months to check and improve the workplace environment.
- (2) Target: The ratio of employees taking childcare leave shall exceed 90% for women and 50% for men, and the ratio of male workers who take only one day of childcare leave should be 40% or less.

### ■ 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.



### ■ Received Gold, the highest rating, in the PRIDE Index 2024 for the fifth consecutive year

Dynam has been awarded the highest rank of gold for the fifth consecutive year in the PRIDE Index 2024, an evaluation index for companies and organizations' efforts toward LGBTQ+, formulated by the voluntary organization "Working 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 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.

### 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 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 provide the necessary support for 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.

## 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 work-life balance.

### 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 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 to 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.

### 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 96.0% in the fiscal year ended 31 March 2025. 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 established our own Safety and Health Management Regulations and are working to prevent and reduce occupational accidents. In the fiscal year ended 31 March 2025, there were no work-related fatalities. Dynam, our Group's primary subsidiary, had a total of 105 accidents, of which 78 were work-related accidents and 27 were commuting accidents, during the fiscal year. There were 610 days of leave due to occupational accidents and 160 days of leave due to commuting accidents, for a total of 770 days.

### Measures to Prevent Workplace Accidents and Overwork

Our employees are required to submit an Occupational Injury Status 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.



## Dialogues with Employees

Since the formation of the Dynam Union, the first labor union in the pachinko industry, we have been conducting the dialogues 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 all 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.

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

The labor union functions as a forum for dialogues 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.

### 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 2025, the average number of monthly overtime hours for all Dynam employees was 2.9 hours.

### Appropriate Management of Working Hours

- Minute-by-minute work time management
- Allowing employees to leave work five 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 recruitment, 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.

## Our Group, wishing to maintain close ties with local communities, conducts practical activities on a store-by-store basis with the goal of contributing to society.

As a member of the local community, the Group places great importance on its relationship with society and its residents. In the spirit of coexistence with local communities, each of our 433 halls nationwide engages in activities that emphasize interaction with local residents, including cleaning up neighboring areas and protecting nature.

We asked some of our store managers about their social contribution activities.

### 01 Introducing Tochigi Iwafune Hall

The Tochigi Iwafune Hall is located about 20 minutes by car from JR Oyama Station, an area where several automobile manufacturers and their related distribution centers are located. The presence of the national highway nearby means that many customers drive from relatively far away to visit the hall, and since many companies are located in the area, people on their way home from work also stop by here. The hall was established in 2003, making it relatively old among all Dynam halls, and is well known by local residents.



Tochigi Iwafune Hall

### 02 Cleanup activities as a contribution to the local community

Four companies in this area currently conduct joint cleanup activities. Our company's regional coexistence representative for the Tochigi area initiated this effort with three companies at first. A fourth company joined at a later date, and the four of them now conduct 30-minute cleanups once a month starting at around 9:00 a.m. We currently have 12 halls in Tochigi Prefecture, and each of them conducts similar activities in their respective areas.



Joint cleanup activities



Separating trash after collection

### 03 Feedback from participating members

One of the companies we work with had been conducting cleanup activities on their own for some time, but when we asked them to join us, they agreed, and the circle of participation grew. As the four companies began to hold the event together, a feeling of togetherness among the participants gradually began to emerge. We heard many of our staff members say how glad they were to be doing this. We now have a total of about 15 participants from the four companies.



Store Manager, Dynam Tochigi Iwafune Hall

**Tomohiro Kanda**

\*Affiliated as of 31 March 2025

As a member of the local community, we engage in activities near our halls such as cleanups and preservation of the natural environment, placing great importance on interacting with local residents.





## 04 Voices from neighbors

We find a wide variety of items strewn about during the cleanup activities. Plastic bags, empty cans, and plastic bottles are the most common items, but we sometimes pick up even tire covers. What makes this clean up unique is the presence of a national highway with heavy automobile traffic nearby. We have also begun to receive comments of appreciation from customers who visit our hall.

## 05 Volunteering in nature conservation activities

In addition to cleanup activities, we are also involved in activities to remove invasive alien species from the Watarase Retarding Basin, located at the southern tip of Tochigi Prefecture. Spanning four prefectures (Tochigi, Gunma, Saitama, and Ibaraki), this is the largest anti-flood pond in Japan, covering a total area of 33 km<sup>2</sup>. In recent years it has experienced a collapse of its ecosystem due to an increase in non-native organisms and plants. Since they have to be removed by hand, we have started to participate in conservation activities to do that.



Removing invasive alien species in the Watarase Retarding Basin

## 06 Donating to children's cafeterias

Each city in Tochigi Prefecture has a children's cafeteria, (volunteer-run cafeterias providing free or inexpensive meals to children) and we often donate food items in the spirit of contributing to the local community and interacting with residents. In recent months, in response to the Noto Peninsula Earthquake of 1 January 2024, we purchased sweets produced in the Noto region and donated them to children's cafeterias in each city in the prefecture as a means of providing support to the affected areas.



Donation of sweets from the Noto region to children's cafeterias

We often take the initiative in coming up with ideas for these activities. And we aim to conduct all these meaningful activities in cooperation with local residents.

Corporate Planning Department,  
Regional Coexistence Representative

**Shinichi Ashikawa**

\*Affiliated as of 31 March 2025

### Social Contribution Activities at Tochigi Iwafune Hall (FY2025)

2024.4.30	Cleanup activities	Tochigi DYNAM activities
2024.5.11	Volunteer activities	Watarase Retarding Basin invasive plant removal
2024.7.16	Cleanup activities	Joint corporate activities
2024.7.20	Donation activities	Donation of sweets from the Noto region to a children's cafeteria
2024.9.7	Volunteer activities	Watarase Retarding Basin invasive plant removal
2024.9.11	Cleanup activities	Joint corporate activities
2024.11.3	Volunteer activities	"Our Concern, Wholeheartedly" welfare festival
2024.12.1	Volunteer activities	Volunteer Center Setup and Operation Training
2024.12.21	Volunteer activities	"Seiwa Wagamaru Cafe"
2025.1.14	Cleanup activities	Joint corporate activities
2025.2.13	Cleanup activities	Joint corporate activities

## 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 lead a fulfilling life through social participation. Crew members work in a variety of positions, including hall staff, parking lot managers, and clerical work.

### Installment of EV chargers

In June 2023, we started to install chargers for EVs in the parking spaces of the pachinko halls as the charging infrastructure for EVs. As of March 2025, EV chargers have been installed at 331 stores nationwide around Japan. We allow people other than customers visiting the halls to use the EV chargers while supporting the widespread use of eco-friendly EVs, expecting that the day will come when EVs become common around Japan.



## 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 mental and physical health 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.



### ➤ 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.

## 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.



### Donations and contributions by DYNAM

We carry out a wide variety of volunteer support activities and make donations across Japan in order to contribute to the development of local communities. Through the corporate version of the Hometown Tax scheme (a tax program designed to support regional revitalization), we have made donations to the “Make Miyazaki Beautiful” initiative promoted by Miyazaki Prefecture, and in January 2025 we made donations to 5 prefectures (including Hokkaido), and eight cities.

### Support for areas affected by the “2024 Noto Peninsula Earthquake”

In addition to collecting donations through metal balls and medals at the Group’s Pachinko parlors, we contribute to the development of local communities through activities like donating renowned sweets from Noto, Ishikawa, to children’s cafeterias nationwide and offering local specialties as prizes, with the aim of furthering coexistence with local communities.

### Forming “Disaster Prevention Agreements” with Local Governments

To ensure the safety of local residents, we have been working to conclude disaster prevention agreements so that a parts of our parking lots can be used as a community evacuation site in the event of a disaster. As of March 2025, 279 halls have concluded such agreements with municipalities across Japan. We will deploy our halls as evacuation centers and provide supplies such as beverages, food, blankets, and power when necessary. In addition, the buildings and premises of some of our halls can be temporarily used as volunteer centers or disaster response bases for firefighters and Self-Defense Forces, and their parking lots can be made available for use as temporary heliports. Through these efforts, we aim to further coexist with the local community and ensure that our contribution activities lead to the sustainable development of the local community.



Supplies stockpiled at each hall

## Sports promotion activities

As part of our contribution to society, the Group supports the diffusion of sports culture. In May 2024 we sponsored the “DYNAM CUP PSA SQ-CUBE OPEN 2024” certified by the PSA Professional Squash Association, and in November of the same year we sponsored the “Minister of Education, Culture, Sports, Science and Technology’s 53rd All Japan Squash Championship” organized by the Japan Squash Association. We intend to keep up efforts to support the diffusion and development of squash, a sport that gives dreams and inspiration to the world.



### Introduction of Private Brand (PB) Prizes

As part of our efforts to provide daily amusement, we focus on enhancing our general prizes. We strive to provide services that delight our customers by incorporating prizes that match seasonal events and products that everyone is talking about.



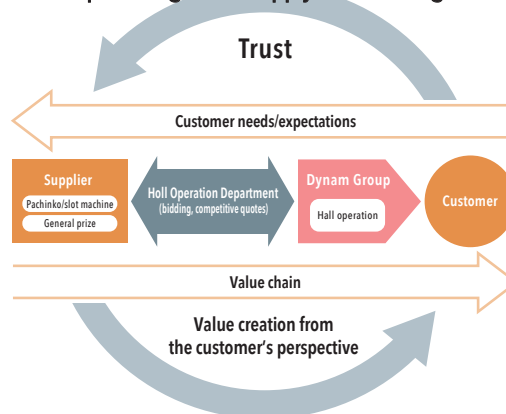
#### PB prizes

We develop and offer a variety of PB prizes by smoothly linking information about customer needs collected in our stores with the planning capabilities of our business partners.

### Initiatives for managing the supply chain

Our group purchases from our business partners a wide variety of items required for running pachinko halls and other businesses. In order to ensure the stability of our business activities, we engage in fair transactions and build partnerships in compliance with laws and regulations by conducting regular surveys of business partners as well as business negotiations with multiple business partners, and further develop the more than 1,000 business partners-strong value chain.

#### Conceptual diagram of Supply Chain Management





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

In order to build relationships 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 committed 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 strive to create an amusement environment where players enjoy pachinko casually and safely and to build a stable financial base to drive the pachinko industry forward through efforts of 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.



## Proactive IR Activities Explanation from Top Management

Our Company provides 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 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 2025)

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)

## 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 final and interim 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 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.

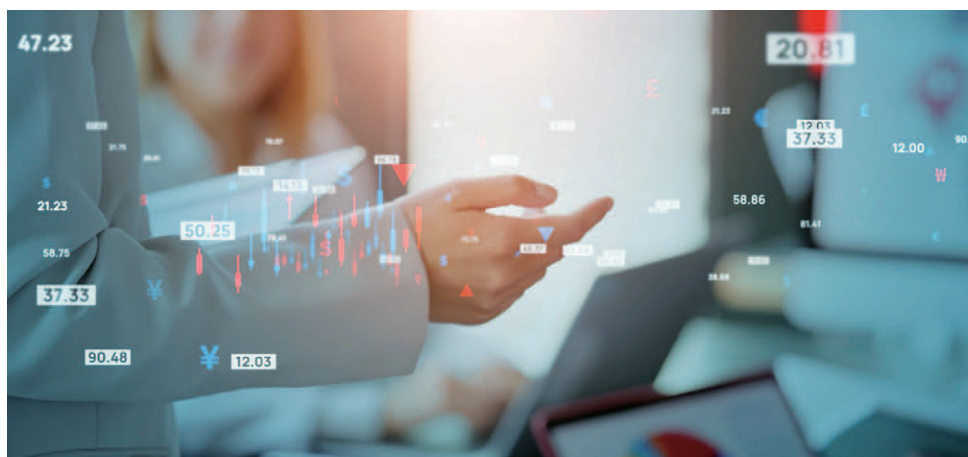
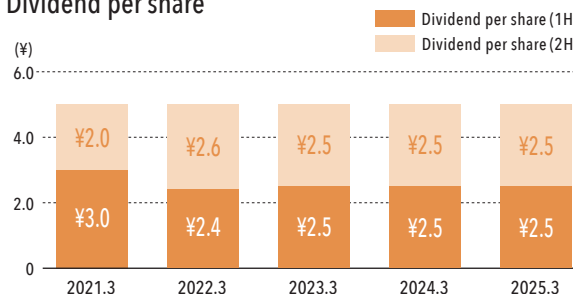
### Consistent Payment of Stable Dividends

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 2025, we decided to distribute a year-end dividend of ¥2.5 per share to maintain our stable dividend policy. Combined with the interim dividend of ¥2.5 per share, the total annual dividend is ¥5.0 per share.

### 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.

Dividend per share





## Governance





# 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.

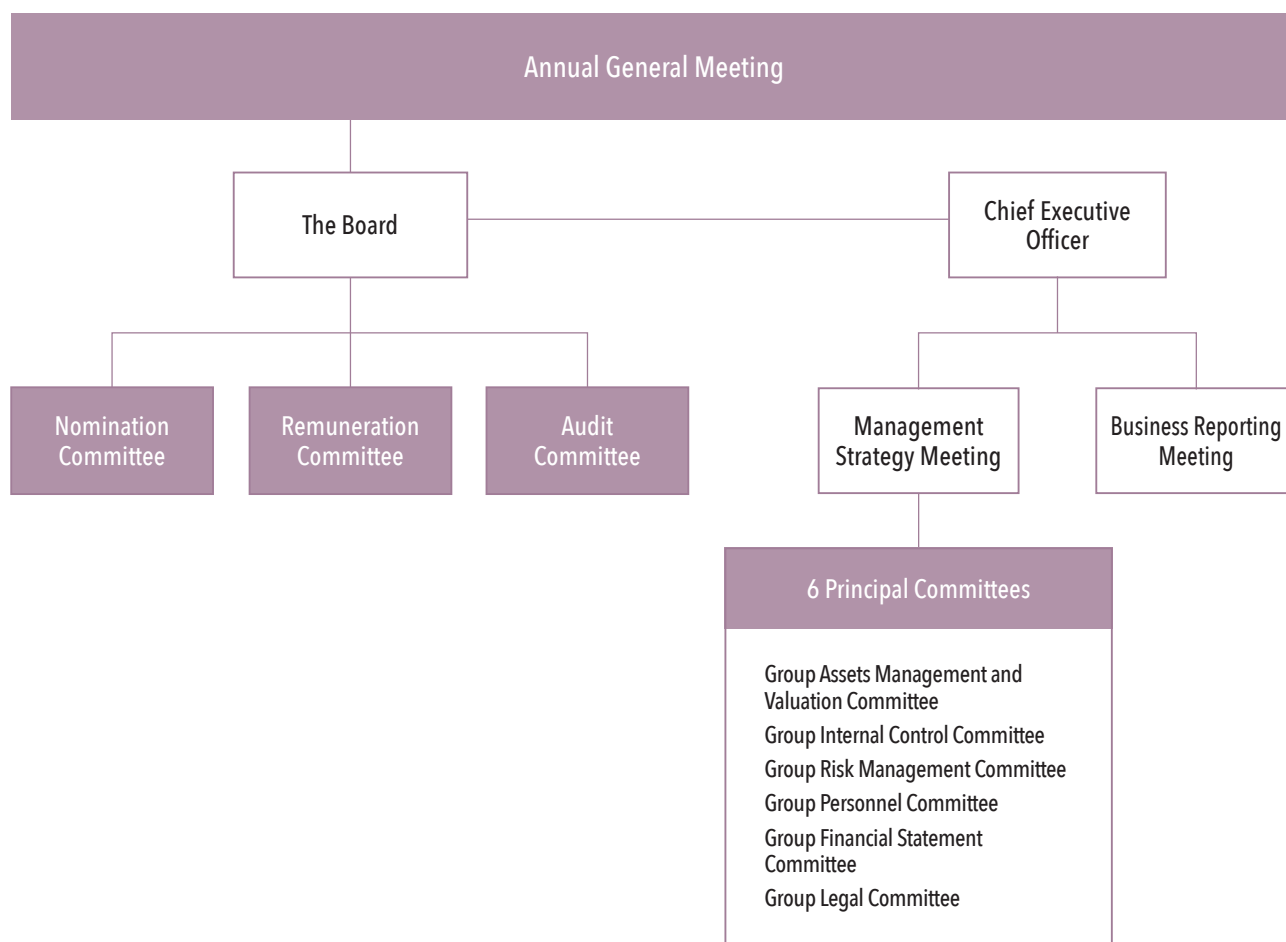
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We have established a corporate governance structure to support the continued development of our business.

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, and has established three committees: the Nomination Committee, the Remuneration Committee, and the Audit Committee. The Group also adopted an executive officer system to clarify management decision-making and supervisory functions and the 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. The 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 Annual Report 2024/2025 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 the 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 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 Risk Management Committee 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 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 important, and the Group Risk 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 2025, the Group Risk Management Committee alerted pachinko halls that were in the path of typhoons to avoid damage.

### ■ Migration to cloud platforms

As part of our BCP measures, we have transitioned our data to cloud platforms, which ensures robust security while maintaining a network as a backup system in case of an emergency and replaces the conventional data center.



### ■ Securing alternative facilities for our head office

In anticipation of a potential disaster striking our head office, we have prepared contingency manuals and conducted contingency head office drills so that our offices in other regions can serve as alternative facilities and function as a contingency head office.

### ■ Emergency communication network for all employees

This system is designed to automatically check the safety of employees working in areas with a seismic intensity of lower 6 on the Japanese seismic intensity scale through the "Disaster Contact System". Using this system, we conduct safety notification drills twice a year in preparation for emergencies.

### ■ Information security initiatives

An information security team has been established as part of our countermeasures against external server attacks. The team discusses preventative measures, emergency measures as well as permanent countermeasures, and works to maintain the system in optimal conditions.

### ■ Use of smartphones

In place of the wireless intercoms used for in-store conversations among employees, we are working to improve work efficiency and streamline operations through the effective use of a single device by utilizing smartphones' communication and barcode-reading functions for managing products and game machines.

## 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.

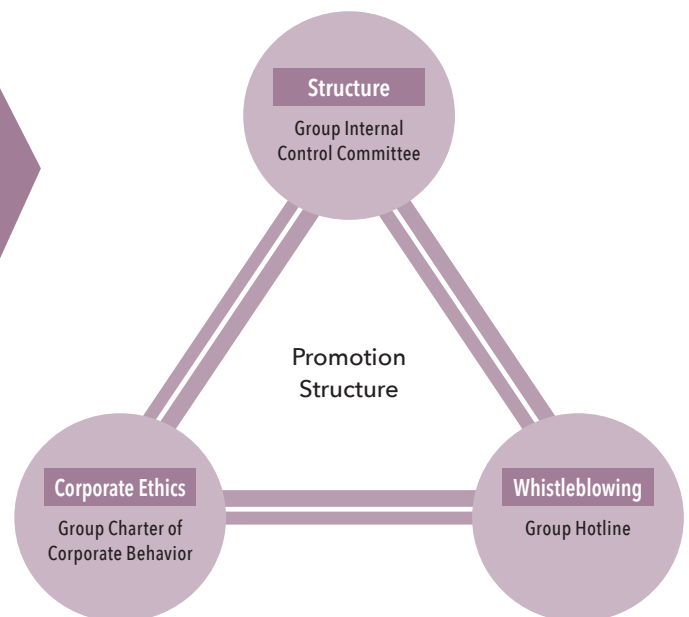


We take steps to develop our organization and corporate culture that prioritize compliance, to ensure that we meet the expectations of our customers and society and fulfill our corporate social responsibilities.

Our Group 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

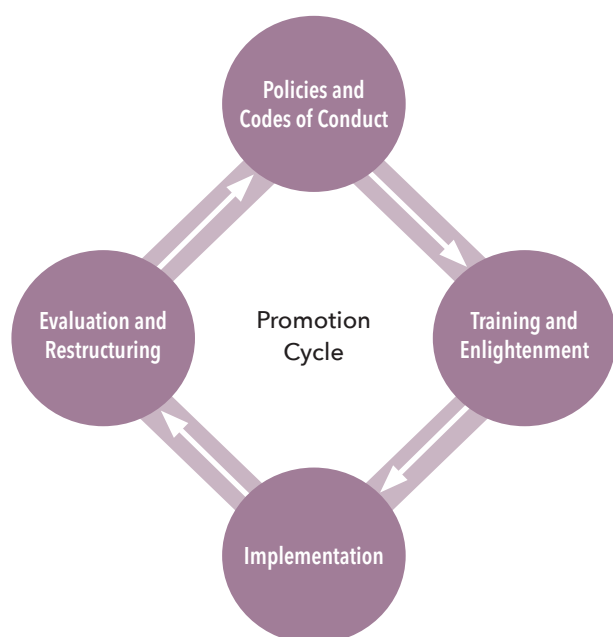
The reason for the existence of a company is to achieve sustainable growth in line with the expectations of stakeholders, including shareholders, managers, employees, partners, financial institutions, and customers, and to achieve a scale and a level of reliability that enable it to contribute to society. All employees of the Group share this principle. To ensure that it can continue to conduct its business without compromising that trust, the Group 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 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.



## ► Establishment of a Hotline System and Protection of Whistleblowers

When an employee becomes aware of any action that violates the Charter of Corporate Behavior, the person is required to report and consult with a 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 all 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 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 posted the Regulations Concerning Compliance with Anti-trust Laws, Regulations for Prevention of Unfair Competition Concerning Trade Secrets, Regulations for the 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.





## About the cover photo

### •Kasuisai Hinamatsuri Festival in Shizuoka Prefecture

The Kasuisai Temple in Fukuroi, Shizuoka Prefecture, has a large hall, Zuiryukaku, which is decorated with 1,200 Japanese Hina dolls. In Japan, there is a custom of displaying Hina dolls from February until the Hinamatsuri Festival on 3 March, symbolizing the dolls watching over a girl's growth. Here, the Hina dolls, having fulfilled their important role, are showcased after the festival to bring joy to everyone. It is a spectacular display of dolls with a different expression on each one.

### Photography: Hideki Nawate

Born in Niigata Prefecture in 1965, Nawate mainly photographed nature and cityscapes in Australia and various parts of Europe. After that, he was drawn to the Japanese landscape and the culture that has been passed down through generations in his hometown, and he continues to take photographs.



DYNAM JAPAN HOLDINGS Co., Ltd.