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NIRAKU GC HOLDINGS

株式会社ニラク・ジー・シー・ホールディングス

NIRAKU GC HOLDINGS, INC.*

(Incorporated in Japan with limited liability)

(Stock Code: 1245)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025**

RESULTS HIGHLIGHTS

- Gross pay-ins were ¥74,176 million (or HK\$3,877 million[#]), recording an increase of 3.5% as compared with the same period last year;
- Revenue was ¥15,453 million (or HK\$807 million[#]), recording an increase of 9.1% as compared with the same period last year;
- Profit before income tax was ¥1,236 million (or HK\$65 million[#]), recording an increase of 32.2% compared with the same period last year;
- Profit for the period attributable to owners of the Company was ¥698 million (or HK\$36 million[#]), recording an increase of ¥247 million as compared with the same period last year;
- Basic earnings per share of the Company was ¥0.58 (or HK\$0.03[#]) (Six months ended 30 September 2024: ¥0.38);
- The Board has resolved to declare an interim dividend of ¥0.20 per common share for the six months ended 30 September 2025 (Six months ended 30 September 2024: ¥0.09 per common share); and
- The Group operated 49 halls as at 30 September 2025.

[#] Translated into Hong Kong dollar at the rate of ¥19.13 to HK\$1.00, the exchange rate prevailing on 30 September 2025 (i.e. the last business day in September 2025).

* For identification purpose only

The board (the “Board”) of directors (the “Directors”) of NIRAKU GC HOLDINGS, INC.* (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2025 together with the comparative figures for the six months ended 30 September 2024 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2025

		Six months ended 30 September 2025	2024
	<i>Note</i>	¥ million (Unaudited)	¥ million (Unaudited)
Revenue	4	15,453	14,158
Other income	5	193	202
Other losses, net	5	(61)	(155)
Cost of revenue			
Hall, hotel and restaurant operating expenses	6	(11,172)	(10,733)
Real estate operating expenses	6	(417)	–
Administrative expenses	6	(2,328)	(2,095)
Operating profit		1,668	1,377
Finance income		37	36
Finance costs		(469)	(478)
Finance costs, net	7	(432)	(442)
Profit before income tax		1,236	935
Income tax expense	8	(523)	(484)
Profit for the period		713	451
Profit for the period attributable to:			
Owners of the Company		698	451
Non-controlling interests		15	–
		713	451

		Six months ended 30 September	
		2025	2024
	Note	¥ million (Unaudited)	¥ million (Unaudited)
Earnings per share for profit attributable to owners of the Company			
— Basic and diluted (expressed in ¥ per share)	10		
Profit for the period		<u>0.58</u>	<u>0.38</u>
Profit for the period		713	451
Other comprehensive income/(loss)			
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Change in value of financial assets through other comprehensive income		33	(88)
<i>Items that have been or may be subsequently reclassified to profit or loss</i>			
Currency translation differences		<u>4</u>	<u>69</u>
Total comprehensive income for the period		<u>750</u>	<u>432</u>
Total comprehensive income for the period attributable to:			
Owners of the Company		734	422
Non-controlling interest		<u>16</u>	<u>10</u>
		<u>750</u>	<u>432</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		30 September 2025	31 March 2025
	Note	¥ million (Unaudited)	¥ million (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	12	18,022	17,721
Right-of-use assets	13	20,800	21,679
Investment properties	12	1,448	1,471
Intangible assets	12	214	236
Prepayments, deposits and other receivables		4,265	4,208
Interest in an associate		–	–
Financial assets at fair value through other comprehensive income		462	418
Deferred income tax assets		5,088	5,114
		<u>50,299</u>	<u>50,847</u>
Current assets			
Inventories		54	53
Properties held for sale		1,290	–
Trade receivables	14	239	199
Prepayments, deposits and other receivables		1,070	1,047
Financial assets at fair value through profit or loss		–	99
Bank deposits with maturity over 3 months		905	834
Cash and cash equivalents		10,618	10,574
		<u>14,176</u>	<u>12,806</u>
Total current assets		<u>14,176</u>	<u>12,806</u>
Total assets		<u><u>64,475</u></u>	<u><u>63,653</u></u>

		30 September 2025 ¥ million (Unaudited)	31 March 2025 ¥ million (Audited)
	Note		
EQUITY			
Equity attributable to shareholders of the Company			
Share capital		3,000	3,000
Reserves		17,996	17,406
		<u>20,996</u>	<u>20,406</u>
Non-controlling interest		(1,155)	(1,171)
Total equity		<u>19,841</u>	<u>19,235</u>
LIABILITIES			
Non-current liabilities			
Borrowings	16	5,445	4,998
Lease liabilities	13	22,241	23,154
Provisions and other payables		2,037	2,051
		<u>29,723</u>	<u>30,203</u>
Current liabilities			
Trade payables	15	94	111
Borrowings	16	5,778	4,842
Lease liabilities	13	2,805	2,813
Accruals, provisions and other payables		5,742	5,721
Current income tax liabilities		492	728
		<u>14,911</u>	<u>14,215</u>
Total liabilities		<u>44,634</u>	<u>44,418</u>
Total equity and liabilities		<u>64,475</u>	<u>63,653</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

株式会社ニラク・ジー・シー・ホールディングス NIRAKU GC HOLDINGS, INC.* was incorporated in Japan under the Japan Companies Act with limited liability on 10 January 2013. The address of its registered office is 1-39 Hohaccho 1-chome, Koriyama-shi, Fukushima, Japan.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) are principally engaged in pachinko and pachislot hall operations, hotel and restaurant operations in Japan, a newly established investment in real estate business, amusement arcade operations in Southeast Asian countries and was previously also engaged in restaurant operations in China. In August 2023, the Group discontinued the restaurant operation in China. Details are set out in Note 9. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

This interim condensed consolidated financial information is presented in millions of Japanese Yen (“¥”), unless otherwise stated.

This interim condensed consolidated financial information was approved for issue on 25 November 2025.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 September 2025 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”). The interim condensed consolidated financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2025, which have been prepared in accordance with IFRS Accounting Standards.

The Group had net current liabilities of ¥735 million as at 30 September 2025. The Directors believed that the Group has adequate cash flows to maintain the Group’s operation as the Group has cash and cash equivalents of ¥10,618 million and unutilised banking facilities readily available to the Group amounted to ¥2,257 million as at 30 September 2025.

Accordingly, the Directors are of the opinion that the Group is able to meet in full its financial obligations as they fall due for the foreseeable future and it is appropriate to prepare the interim condensed consolidated financial information on a going concern basis.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those as described in the annual financial statements for the year ended 31 March 2025.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards, improvements and practice statement to existing standards (collectively, the “Amendments”) adopted by the Group

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 April 2025:

Amendments to IAS 21 and IFRS 1 Lack of Exchangeability

The adoption of these Amendments did not have any material impact on the Group’s accounting policies.

(b) New and amended standards not yet adopted by the Group

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning on 1 April 2025 and have not been early adopted by the Group:

		Effective for accounting period beginning on or after
Amendments to IFRS 7 and IFRS 9	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 7 and IFRS 9	Contracts Referencing Nature — Dependent Electricity	1 January 2026
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	To be determined
IFRS S2	Climate-related Disclosures	To be determined
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The related impacts of the adoption of these new and amended standards to the Group are currently under assessment and the Group is not yet in a position to state whether any substantial changes to the Group’s significant policies and presentation of the financial information will result.

4 REVENUE AND SEGMENT INFORMATION

(a) Revenue

An analysis of the revenue of the Group is as follows:

	Six months ended 30 September	
	2025	2024
	¥ million	¥ million
	(Unaudited)	(Unaudited)
Revenue		
Gross pay-ins	74,176	71,653
Less: gross pay-outs	(61,546)	(59,279)
	<hr/>	<hr/>
Revenue from pachinko and pachislot hall business	12,630	12,374
Revenue from amusement arcades	925	896
Vending machine income	289	275
Revenue from hotel operation	232	112
Revenue from restaurant operation	643	501
Revenue from sales of real estate	734	–
	<hr/>	<hr/>
Revenue for the period	<u>15,453</u>	<u>14,158</u>

(b) Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker (“CODM”) that are used for making strategic decisions. The CODM is identified as the executive directors of the Company. The executive directors consider the business from a service perspective and assess the performance of the operating segments based on a measure of adjusted loss before income tax and unallocated corporate expenses for the purposes of allocating resources and assessing performance. These reports are prepared on the same basis as this interim condensed consolidated financial information.

During the six months ended 30 September 2025, the Group commenced investment in real estate business segment. The business segment engages in investing in hotel properties for resales. Management has identified four reportable segments based on the types of services, namely (i) pachinko and pachislot hall operations, (ii) amusement arcade operations, (iii) investment in real estate and (iv) others, representing hotel, restaurant and other operations in Japan and Hong Kong.

Segment assets consist primarily of property, plant and equipment, investment properties, right-of-use assets, intangible assets, inventories, trade receivables, prepayments, deposits and other receivables, bank deposits and cash and cash equivalents. They exclude deferred income tax assets and assets used for corporate functions including financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

Capital expenditure comprises additions to property, plant and equipment, right-of-use assets, investment properties and intangible assets. Unallocated amounts and income tax expenses are not included in segment results.

The segment information provided to the executive directors for the six months ended 30 September 2025 and 2024 are as follows:

	Six months ended 30 September 2025				
	Pachinko and pachislot hall operations Japan ¥ million	Amusement arcade operations Southeast Asia ¥ million	Investment in real estate Japan ¥ million	Other Japan & Hong Kong ¥ million	Total ¥ million
Segment revenue from external customers	12,919	925	734	875	15,453
Segment results	1,509	52	222	20	1,803
Unallocated amount					(567)
Profit before income tax					1,236
Income tax expense					(523)
Profit for the period					713
Other segment items					
Depreciation and amortisation expenses	(1,879)	(195)	(6)	(44)	(2,124)
Impairment loss on right-of-use assets	(108)	-	-	(26)	(134)
Impairment loss on property, plant and equipment	(56)	-	-	(28)	(84)
Impairment loss on prepayment	-	-	-	(5)	(5)
Finance income	34	2	1	-	37
Finance costs	(400)	(44)	(16)	(9)	(469)

	Six months ended 30 September 2024			
	Pachinko and pachislot hall operations Japan ¥ million	Amusement arcade operations Southeast Asia ¥ million	Other Japan & Hong Kong ¥ million	Total ¥ million
Segment revenue from external customers	12,649	896	613	14,158
Segment results	1,591	6	23	1,620
Unallocated amount				(685)
Profit before income tax				935
Income tax expense				(484)
Profit for the period				451
Other segment items				
Depreciation and amortisation expenses	(1,933)	(172)	(28)	(2,133)
Impairment loss on right-of-use assets	(55)	–	–	(55)
Impairment loss on property, plant and equipment	(42)	–	–	(42)
Finance income	34	2	–	36
Finance costs	(435)	(39)	(4)	(478)

The segment assets as at 30 September 2025 and 31 March 2025 are as follows:

	Pachinko and pachislot hall operations Japan ¥ million	Amusement arcade operations Southeast Asia ¥ million	Investment in real estate Japan ¥ million	Other Japan & Hong Kong ¥ million	Total ¥ million
As at 30 September 2025					
Segment assets	46,888	2,025	2,606	4,078	55,597
Unallocated assets					3,790
Deferred income tax assets					5,088
Total assets					64,475
Addition to non-current assets other than financial instruments and deferred tax assets	<u>1,538</u>	<u>207</u>	<u>32</u>	<u>2</u>	<u>1,779</u>
	Pachinko and pachislot hall operations Japan ¥ million	Amusement arcade operations Southeast Asia ¥ million		Other Japan & Hong Kong ¥ million	Total ¥ million
As at 31 March 2025					
Segment assets		51,829	1,895	1,497	55,221
Unallocated assets					3,318
Deferred income tax assets					5,114
Total assets					63,653
Addition to non-current assets other than financial instruments and deferred tax assets	<u>3,214</u>	<u>747</u>	<u>262</u>		<u>4,223</u>

The total non-current assets other than financial instruments and deferred tax assets, analysed by location of the assets, are as follows:

	As at 30 September 2025 ¥ million (Unaudited)	As at 31 March 2025 ¥ million (Audited)
Japan	39,570	40,112
Southeast Asia	1,106	1,135
	<u>40,676</u>	<u>41,247</u>

No single external customer contributed more than 10% revenue to the Group's revenue for the six months ended 30 September 2025 and 2024.

5 OTHER INCOME AND OTHER LOSSES, NET

	Six months ended 30 September 2025 ¥ million (Unaudited)	2024 ¥ million (Unaudited)
Other income		
Rental income	106	109
Income from expired IC and membership cards	17	15
Dividend income	13	13
Compensation and subsidies	4	2
Income from scrap sales of used pachinko and pachislot machines	43	54
Others	10	9
	<u>193</u>	<u>202</u>
Other losses, net		
Gain on fair value of financial assets through profit or loss	–	2
Gain on disposal of fair value of financial assets through profit or loss	2	–
Gain on fair value of derivative financial instruments	–	1
Loss on disposal of property, plant and equipment, net	(14)	(4)
Net exchange loss	(49)	(154)
	<u>(61)</u>	<u>(155)</u>

6 OPERATING PROFIT

Operating profit is stated after charging the following:

	Six months ended 30 September	
	2025	2024
	¥ million	¥ million
	(Unaudited)	(Unaudited)
Employee benefits expenses		
— Hall, hotel and restaurant operations	2,244	2,132
— Administrative and others	957	621
Short-term operating lease rental expense in respect of land and buildings	135	163
Depreciation of property, plant and equipment	803	742
Depreciation of right-of-use assets	1,272	1,348
Depreciation of investment properties	23	11
Amortisation of intangible assets	26	32
Impairment loss on property, plant and equipment	84	42
Impairment loss on right-of-use assets	134	55
Impairment loss on prepayment	5	—
Pachinko and pachislot machines expenses (Note i)	4,101	3,770
Cost of inventories (Note ii)	209	164
Cost of properties sold	417	—
	<u> </u>	<u> </u>

Note i:

Pachinko and pachislot machines are expensed off in the interim condensed consolidated statement of comprehensive income upon installation. The expected useful lives of these machines are less than one year.

Note ii:

The cost of inventories represents food and beverage costs.

7 FINANCE COSTS, NET

	Six months ended 30 September	
	2025	2024
	¥ million	¥ million
	(Unaudited)	(Unaudited)
Finance income		
Bank interest income	14	6
Interest income on lease receivables	15	16
Other interest income	8	14
	<u>37</u>	<u>36</u>
Finance costs		
Bank borrowings	(84)	(68)
Lease liabilities	(312)	(346)
Provision for unwinding discount	(73)	(64)
	<u>(469)</u>	<u>(478)</u>
Finance costs, net	<u>(432)</u>	<u>(442)</u>

8 INCOME TAX EXPENSE

	Six months ended 30 September	
	2025	2024
	¥ million	¥ million
	(Unaudited)	(Unaudited)
Current tax		
— Japan	456	405
— Other Asian countries	54	31
	<u>510</u>	<u>436</u>
Deferred income tax	13	48
	<u>523</u>	<u>484</u>
Total charge for the period		

Japan corporate income tax includes national corporate income tax, inhabitants tax, and enterprise tax, and has been calculated on the estimated assessable profit for the year. For the six months ended 30 September 2025, the effective rates of national corporate income tax, inhabitants tax, and enterprise tax resulted in statutory income tax rates of 34.1% (For the six months ended 30 September 2024: same).

Income tax for the Group's Vietnam operations has been provided at the rate of 20.0% for the six months ended 30 September 2025 (For the six months ended 30 September 2024: same) on the estimated assessable profit derived from Vietnam for the year. Taxation on other jurisdictions' profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the jurisdictions in which the Group operates.

9 WINDING UP OF NPJ CHINA YOKOCHO CO., LTD. ("NPJ China")

Due to the spread of COVID-19 and intermittent business suspension policy imposed in China, the restaurant operations in China ("YOKOCHO business") had been suffering from persistent loss. After due and careful consideration, on 27 July 2023, a written resolution was passed by all directors of NPJ Hong Kong Limited (an indirectly non-wholly-owned subsidiary of the Company) to resolve NPJ China, a wholly-owned subsidiary of NPJ Hong Kong Limited, to withdraw from its YOKOCHO business in China in August 2023. The YOKOCHO business officially ceased on 15 August 2023. Provision for loss on early termination of lease amounted ¥691 million was recognised upon the cessation of business. On 19 September 2023, another written resolution was passed by the board of directors of NPJ Hong Kong Limited to approve the bankruptcy plan of the YOKOCHO business. On 1 March 2024, another written resolution was passed by the board of directors of the Company to approve for filing of a bankruptcy liquidation to the court in China. Subsequently on 17 April 2024, a bankruptcy order was granted by the Shenzhen Intermediate People's Court (the "Court") and a trustee was then appointed by the Court on 22 April 2024. The management of the Group believes that the cessation of business operation of NPJ China will improve the financial position of the Group, which is in the interests of the Company and its shareholders as a whole. As at date of this interim results announcement, the bankruptcy process is ongoing.

10 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 September 2025 and 2024.

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (¥ million)	<u>698</u>	<u>451</u>
Weighted average number of shares for the purpose of calculating basic earnings per share (thousands)	<u>1,195,850</u>	<u>1,195,850</u>
Basic and diluted earnings per share (¥)	<u>0.58</u>	<u>0.38</u>

Diluted earnings per share is the same as basic earnings per share as there was no potential dilutive shares during the six months ended 30 September 2025 and 2024.

11 DIVIDENDS

For the six months ended 30 September 2025, the Company paid dividend of ¥144 million (¥0.12 per ordinary share) to their shareholders in respect of the year ended 31 March 2025.

On 25 November 2025, the Board declared an interim dividend of ¥0.20 per ordinary share totalling ¥239 million in respect of the six months ended 30 September 2025 (30 September 2024: ¥0.09 per ordinary share totalling ¥108 million). This interim condensed consolidated financial information does not reflect this dividend payable.

12 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND INTANGIBLE ASSETS

During the six months ended 30 September 2025, the Group incurred capital expenditures of approximately ¥1,199 million and ¥6 million for property, plant and equipment and intangible assets, respectively (For the six months ended 30 September 2024: ¥1,019 million for property, plant and equipment, ¥666 million for investment properties and ¥2 million for intangible assets, respectively).

During the six months ended 30 September 2025, the net book amounts of disposal of property, plant and equipment amounted to approximately ¥7 million (For the six months ended 30 September 2024: ¥116 million).

As at 30 September 2025, property, plant and equipment and investment properties of ¥8,535 million and ¥1,297 million, respectively (31 March 2025: ¥8,756 million and ¥532 million, respectively), were pledged to secure bank borrowings.

The Group carries out reviews of the recoverable amounts of each cash-generating unit ("CGU"), which is determined as each individual pachinko and pachislot hall in Japan, each hotel in Japan, each restaurant in Japan and each amusement arcade in Southeast Asia, whenever impairment indicator is noted.

For the six months ended 30 September 2025, management assessed for whether each of the CGU has any impairment indicator by considering whether the CGU recorded operating loss after overhead allocation with a performance below budget (defined as not fulfilling the projected operating cashflow after overhead allocation), or consecutive operating loss after overhead allocation for 2 periods, unless the CGU is still in investment stage. Management has also considered that impairment indicators may arise from changes in economic conditions, technological advancements, political changes, and other external factors. The management has reviewed the recoverability of the relevant carrying amounts of these CGUs.

The recoverable amount of a CGU is determined as the higher of value-in-use or the fair value less cost of disposal.

For pachinko and pachislot hall operations and restaurant operations, the value-in-use calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 18-month period, which has taken into account the performance of each of the CGU in current year and incorporating management's latest plans for each CGU. Cash flows beyond the 18-month period are extrapolated using the estimated growth rates stated below.

	Six months ended 30 September					
	2025			2024		
	Revenue			Revenue		
First	growth rate			growth rate		
18-month	after first			after first		
revenue	18-month	Pre-tax		18-month	Pre-tax	
growth rate	period	discount rate		period	discount rate	
Pachinko and pachislot hall operations	-7% to +16%	0%	9.8%	-8% to +20%	0%	9.3%
Restaurant operations	+5 to +6%	0%	9.8%	N/A	N/A	N/A

For amusement arcade operations, the value-in-use calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 18-month period which has taken into account the performance of each of the CGU in current year and incorporating management's latest plans for each CGU. Cash flows beyond the two-years period are extrapolated using the estimated growth rates stated below.

	Six months ended 30 September					
	2025				2024	
	First 18-month revenue growth rate	Revenue growth rate after first 18-month period	Pre-tax discount rate	First 18-month revenue growth rate	Revenue growth rate after first 18-month period	Pre-tax discount rate
Amusement arcade operations	<u>-8% to +62%</u>	<u>+4% to +8%</u>	<u>11.5%</u>	<u>+11% to +35%</u>	<u>0%</u>	<u>11.3%</u>

The discount rates applied by the Group are rates that reflect current market assessment of the time value of money and the risk specific to the CGUs. Revenue growth rates are based on past experience and expectations on market and operational development.

The fair value less cost of disposal is applied for CGU with significant self-owned property, for impairment assessment purpose. The fair value less cost of disposal calculations are based on valuation carried out by an independent professionally qualified valuer, who holds recognised relevant professional qualifications and has recent experiences in the locations and segments of the properties valued. The valuations were determined using the sales comparison approach or income approach, which largely used observable and unobservable inputs, including unit price per square meter of sales comparable for land and monthly rental per square meter of sales comparable for land and building.

The key assumptions used for fair value less costs of disposal calculation for the six months ended 30 September 2025 and 2024 are as follows

	Six months ended 30 September	
	2025	2024
Income approach		
Monthly rental per square meter	¥1,284 – ¥4,380	N/A
Sales comparison approach		
Land — unit price/square meter	¥3,730 – ¥644,000	¥644,000
Land and building — unit price/square meter	<u>N/A</u>	<u>¥151,000</u>

The Group's finance department includes a team that reviews the valuations performed by the independent valuer and adopted the inputs from the latest property market transactions, for purposes of the fair value less cost of disposal calculation. This team reports directly to the executive directors. Discussions of valuation processes and results are held between the valuation team and the senior management at least annually.

The management compared the recoverable amounts derived by the value-in-use and fair value less cost of disposal, and applied the higher of the two for the provision for impairment.

For the six months ended 30 September 2025, as a result of the impairment review, impairment loss of approximately ¥84 million (For the six months ended 30 September 2024: ¥42 million), ¥134 million (For the six months ended 30 September 2024: ¥55 million) and ¥5 million (For the six months ended 30 September 2024: Nil) has been recognised on property, plant and equipment, right-of-use assets and prepayment respectively. There was no impairment loss recognised for other non-current assets for the six months ended 30 September 2025 (For the six months ended 30 September 2024: same).

For pachinko and pachislot operations, if the first 18-month revenue growth rate in the value-in-use calculations decreased by 2% with other assumptions remain constant, addition in impairment loss of ¥125 million (For the six months ended 30 September 2024: addition in impairment loss of ¥123 million) would be recorded. If the annual revenue growth rate after the first 18-month period decreases by 1%, with other assumptions remain constant, impairment loss would be increased by ¥42 million (For the six months ended 30 September 2024: Nil). If the discount rate in the value-in-use calculations increased by 1% with other assumptions remain constant, addition in impairment loss of ¥25 million (For the six months ended 30 September 2024: addition in impairment loss of ¥82 million) would be recorded. For fair value less costs of disposal, management has applied sensitivity to the result by decreasing the monthly rental per square meter by 2%. No additional impairment loss would be recorded.

For restaurant operations, if the 18-month revenue growth rate in the value-in-use calculations decreased by 2%, annual revenue growth rate after the first 18-month period decreases by 1% or the discount rate increased by 1%, with other assumptions remain constant, the additional impairment loss would be immaterial to the financial statement (For the six months ended 30 September 2024: Same).

For hotel operations, no reasonably possible change in a key assumption which would cause the carrying amount to exceed its recoverable amount (For the six months ended 30 September 2024: Same).

For amusement arcade operations, if the first 18-month period revenue growth rate in the value-in-use calculations decreases by 2% with other assumptions remain constant, impairment loss would be increased by ¥14 million (For the six months ended 30 September 2024: Nil). If the annual revenue growth rate after the first 18-month period decreases by 1%, with other assumptions remain constant, impairment loss would be increased by ¥6 million (For the six months ended 30 September 2024: Nil). If the discount rate in the value-in-use calculations increases by 1% with other assumptions remain constant, impairment loss would be increased by ¥7 million (For the six months ended 30 September 2024: Nil).

13 LEASES

During the six months ended 30 September 2025, the Group entered into a number of lease agreements for renewal of existing pachinko hall and restaurant lease contracts, and therefore recognised the additions of right-of-use assets ¥574 million (For the six months ended 30 September 2024: ¥931 million).

Amounts recognised in the interim condensed consolidated statement of financial position are as follows:

	30 September 2025 ¥ million (Unaudited)	31 March 2025 ¥ million (Audited)
Right-of-use assets		
Buildings	17,601	18,415
Leasehold improvement	2,991	3,020
Equipment and tools	172	206
Vehicles	36	38
	<u>20,800</u>	<u>21,679</u>
Lease liabilities		
Current	2,805	2,813
Non-current	22,241	23,154
	<u>25,046</u>	<u>25,967</u>

For the six months ended 30 September 2025, as a result of the impairment review, impairment loss of approximately ¥134 million (For the six months ended 30 September 2024: ¥55 million) has been recognised on right-of-use assets. Please refer to Note 12 for details of the impairment review.

14 TRADE RECEIVABLES

	30 September 2025 ¥ million (Unaudited)	31 March 2025 ¥ million (Audited)
Trade receivables	<u>239</u>	<u>199</u>

Trade receivables represent commission income receivable from vending machines and income receivables from hotel and restaurant operations. The credit terms granted by the Group generally ranged from 0 to 30 days.

The ageing analysis of the trade receivables, based on invoice date, is as follows:

	30 September 2025 ¥ million (Unaudited)	31 March 2025 ¥ million (Audited)
Less than 30 days	<u>239</u>	<u>199</u>

15 TRADE PAYABLES

The ageing analysis of the trade payables, based on invoice dates, were as follows:

	30 September 2025 ¥ million (Unaudited)	31 March 2025 ¥ million (Audited)
Less than 30 days	93	110
31–90 days	1	1
	<u>94</u>	<u>111</u>

16 BORROWINGS

	30 September 2025 ¥ million (Unaudited)	31 March 2025 ¥ million (Audited)
Non-current portion		
Bank loans	2,443	2,294
Syndicated loans	3,002	2,704
	<u>5,445</u>	<u>4,998</u>
Current portion		
Bank loans	4,070	3,057
Syndicated loans	1,708	1,785
	<u>5,778</u>	<u>4,842</u>
Total borrowings	<u>11,223</u>	<u>9,840</u>

17 SUBSEQUENT EVENTS

(i) Acquisition and disposal of land, buildings and assets

On 29 August 2025, a wholly-owned subsidiary of the Company, NBI Holdings Co., Ltd. (“NBI”), entered into purchase and sale agreement with the two independent third party sellers for the acquisition of the land, buildings and assets (the “properties”) located at Kanagawa Prefecture, Japan, at a total consideration of ¥901 million. On the same day, NBI signed a purchase and sale agreement with an independent third-party purchaser for disposing the properties at a total consideration of ¥1,166 million. Both transactions had been completed on 2 October 2025.

(ii) Acquisition of pachinko hall business

On 30 September 2025, a wholly-owned subsidiary of the Company, Niraku Corporation, entered into an absorption-type company split agreement with a third-party seller for the acquisition of two pachinko hall businesses at a consideration of ¥520 million. The completion date of the acquisition is expected to be on 1 December 2025.

(iii) Acquisition of land and buildings

On 16 October 2025, NBI entered into a purchase and sale agreement with an independent third-party seller, for the acquisition of the land and the buildings located at Shizuoka Prefecture, Japan, at a total consideration of ¥791 million. The transaction was completed on 4 November 2025.

(iv) Disposal of land and buildings

On 20 November 2025, NBI Regional Revitalization Investment Co., Ltd. (“NBII”), an indirect non-wholly-owned subsidiary of the Company, entered into two trust agreements (the “Entrustments”) with two separate trustees to entrust two properties held for sale located at Oita Prefecture and Shizuoka Prefecture, Japan, respectively (the “Properties”).

On the same day, NBII entered into two separate trust beneficial interest assignment agreements (the “Assignments”) with an independent third-party purchaser for the assignment of the trust beneficial interest in the Properties, at a transfer price of ¥956 million and ¥875 million, respectively. The completion date of the Entrustments and the Assignments is expected to be on 2 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Along with the robust consumer spending power, the pent-up demand stimulated by rising wages, and resurge in tourism industry in Asian countries, the economic conditions in both Japan and Southeast Asia continue to see a moderate improvement. For the six months ended 30 September 2025, the Group recorded a satisfactory increase in revenue by ¥1,295 million to ¥15,453 million, as compared to ¥14,158 million for the six months ended 30 September 2024. Profit before tax was ¥1,236 million for the six months ended 30 September 2025, with net profit attributable to the owners of the Company amounted to ¥698 million, recording a noticeable increase by ¥247 million as compared to the same period in prior year. Receptive to new opportunities, deploying in digitisation and economising on expense remain the Group's core focus in achieving a stable return.

BUSINESS SEGMENT ANALYSIS

Pachinko business

Continued improvement in consumer confidence as economic recovery picks up along with the uptrend in disposable income as wages hikes, pachinko revenue recorded a considerable increase of ¥2,523 million, from ¥71,653 million for the six months ended 30 September 2024 to ¥74,176 million in the current period.

Despite the performance in this business sector has seen a decent growth over the last two years, the relentless contraction in pachinko market, the impact of geopolitical risk on commodity prices compounded by the high inflation rate have affected consumers' spending sentiment, constituting a barrier to business growth. Investing in new pachinko halls, maximising pay-out ratio and frequent replacement of game machines are the Group's business strategy on widening revenue and boosting hall traffic. During the six months ended 30 September 2025, the Group adjusted the pay-out ratio from an average of 82% to 83%. This strategy has proven to be successful in increasing the gross revenue. The Group continuously reviews the net pay-out ratios and where necessary, revises the rate to achieve a stable gross profit margin.

Frequent replacement of new machine models featuring with popular animations and installation of digitised Smart Slot machines across all pachinko halls to stimulate player visits remain one of the core business strategies in driving sustained return. During the six months ended 30 September 2025, the Group allocated ¥4,101 million on machine expenditure, representing an increase of 8.8% as compared to the same period in prior year. The Group strives to curtail its spending through streamlining operating structure and deploying digital technology to improve productivity and to maintain a sustainable growth.

Amusement arcade business

Benefiting from the increasing demand of entertaining facilities, revenue from amusement arcade business has noted a 3.2% increase from ¥896 million for the six months ended 30 September 2024 to ¥925 million in the current period. With the combination of rising income, strong household consumption and increased leisure spending, the economies in Southeast Asian countries continue to thrive. This was evidenced by the results from Cambodia where revenue for the current period rose by 19.1% as compared to the prior period. The management is confident in achieving persistent revenue growth in Southeast Asian markets.

Restaurant business

The Group's franchised food and beverage business comprises 4 Spanish restaurants named "LIZARRAN", 3 cafés named "KOMEDA", 2 Taiwanese bubble tea cafés called "Gong Cha", as well as a private branded restaurant named "PLANCHAL", which are all located in Japan. Revenue from this sector surged by 28.3%, from ¥501 million for the six months ended 30 September 2024 to ¥643 million in the current period. The popularity of café visiting and the appealing of bubble tea with its colourful appearance and customisable nature made it a food trend among domestic younger generations, thus, contributed to a steadfast growth in this sector.

Investment in real estate business

The Group began its preparations in August 2024 for investing in the real estate business. This business is intended to contribute to regional revitalization, a key initiative actively promoted by the Japanese government. By turning local ryokan inns and hotels into financial products and selling them to investors, we aim to redirect capital, which is often concentrated in Tokyo, to regional economies. We believe there are many promising ryokan inns and hotels with untapped potential throughout Japan's regions that can be regenerated with injections of capital and expertise.

This newly start up business which focuses on investing in hotels and potential leisure facilities with high resell value was debuted in April 2025. During the six months ended 30 September 2025, multiple transactions were taken place, contributing a total revenue of ¥734 million. As the tourism industry in Japan has been undergoing a strong revival, and more and more foreigners are travelling to Japan for leisure tourism, the management of the Group is cautiously optimistic in this business sector.

PROSPECT AND FUTURE DEVELOPMENT

Amid the global economic slowdown and increasing geopolitical complexity, the Group is resilient and committed to maximising its return through broadening revenue streams and effective cost control. The Group is also open to any possible options for market expansion including business buyout and new outlet set up.

The Group continues to refine its business strategies to address customer needs and react to social changes, which are the vital factors in business success. In response to the accelerated demand on contactless technologies, the Group increases the number of smart machines across all pachinko halls as these machines have become the most popular machines among younger generations. Further, the self-serviced prize-exchange system named “Self-POS”, with its first rollout in 10 pachinko halls in 2022, has now extended to 46 halls. The Group plans to launch the “Self-POS” system to all halls in the near future. To enhance future corporate performance and as part of its long-term business plan, the Group periodically looks for opportunities to invest in new hall developments and acquire existing pachinko halls to secure a consistent revenue stream from gaming operations. On 30 September 2025, the Group entered into an agreement to acquire two pachinko hall businesses from a leading hall owner and operator with the expected completion date of 1 December 2025. The Group believes that acquiring the businesses will significantly expand its market presence and enhance its performance in pachinko industry.

With the influx of international tourists and inbound visitors bolstered by persistent weak Japanese Yen, hospitality industry in Japan continues to show a vigorous growth. Grasping the strong momentum, the Group plans to open two Spanish restaurants in the third and fourth quarter of this financial year.

Aligning with the Group’s business strategy, in October 2025, the Group, through its wholly-owned subsidiary, acquired a land with buildings which formed an established ryokan inn in a favourable resort location attractive to leisure tourists. With the vibrant tourism in Japan, the Group is optimistic in this business sector.

Partnering with AEON, a renowned shopping mall developer, remains the key strategic approach of the Group in its Southeast Asian investment. Coupled with AEON’s business plan on mall development, a new store in Vietnam was opened in late September 2025.

The economic landscape ahead is expected to be volatile as geopolitical pressure remains unsettled in the short run. Nevertheless, the Group has demonstrated resilience amidst the severity of economic condition. The Group sees every challenge as a motivation to grow and learn, and to strengthen up. The Group embraces its motto of “Happy Time, Creation”, brings joy to players, establishes a rapport and long-term relationship with customers and business partners, and strives for sustainable returns to shareholders.

FINANCIAL REVIEW

Revenue from Pachinko and Pachislot Business

Revenue from pachinko and pachislot business is derived from gross pay-ins netted with gross pay-outs.

Revenue from pachinko and pachislot business recorded a moderate increase of ¥256 million, or 2.1%, from ¥12,374 million for the six months ended 30 September 2024 to ¥12,630 million for the same period in 2025. The rise in revenue was attributable to the continuous improvement in hall performance as a result of economic recovery and the increase in gross pay-outs boosting customer turnover.

Gross pay-ins

Gross pay-ins recorded a considerable increase of ¥2,523 million, or 3.5%, from ¥71,653 million for the six months ended 30 September 2024 to ¥74,176 million for the same period in current year which was resulted from the factors as explained above.

Gross pay-outs

Gross pay-outs, being the aggregate cost of G-prizes and general prizes exchanged by customers, increased by ¥2,267 million, or 3.8%, from ¥59,279 million for the six months ended 30 September 2024 to ¥61,546 million for the same period in 2025 which corresponded with the rise in gross pay-ins.

Revenue margin

Revenue margin recorded at 17.0% for the six months ended 30 September 2025, which was slightly lowered by 0.3% as compared to 17.3% for the same period last year. The management continued to review pay-out ratio to strike the balance between improving customer visits and maximising gross profit returns.

Revenue from amusement arcade business

Revenue from amusement arcade business rose from ¥896 million for the six months ended 30 September 2024 to ¥925 million for the same period in 2025. The amount comprised revenue derived from Vietnam and Cambodia amounting to ¥551 million and ¥374 million, respectively (30 September 2024: ¥581 million and ¥315 million, respectively). The increase in revenue was attributable to the continuous growth in entertainment industry in Southeast Asian countries.

Revenue from sales of real estate business

Revenue from sales of real estate business represents income generated from a start up business which focuses on investing in hotels for rental income and potential properties with high resell value. During the six months ended 30 September 2025, several transactions were taken place, generating a total revenue of ¥734 million.

Other revenue

Other revenue represents incomes from vending machines, hotel and restaurant operations.

Vending machine income amounted to ¥289 million for the six months ended 30 September 2025. The mild increase of ¥14 million, or 5.1%, as compared to ¥275 million for the six months ended 30 September 2024 was resulted from the increase in customer turnover rate as mentioned above.

Income from hotel operation amounted to ¥232 million for the six months ended 30 September 2025, recording an increase of ¥120 million as compared to ¥112 million for the six months ended 30 September 2024. The robust increase in hotel income was attributable to the acquisition of two ryokan inns in August 2024 and the increase in room rate at an average of 7% as compared to the same period last year.

Revenue from restaurant operations amounted to ¥643 million for the six months ended 30 September 2025, increased by 28.3%, as compared to ¥501 million for the six months ended 30 September 2024. Other than the increasing popularity of “KOMEDA” cafés, a “LIZARRAN” restaurant and a new private branded restaurant named “PLANCHAL” which were opened in the second quarter of last financial year had contributed an additional revenue of ¥80 million.

Hall, hotel and restaurant operating expenses

Hall, hotel and restaurant operating expenses increased by ¥439 million, or 4.1%, from ¥10,733 million for the six months ended 30 September 2024 to ¥11,172 million for the same period in current year. Major components of hall, hotel and restaurant operating expenses are pachinko and pachislot machine expenses, staff cost for hall staff and depreciation expenses, amounting to ¥4,101 million, ¥2,244 million and ¥1,940 million, respectively, for the six months ended 30 September 2025 (30 September 2024: ¥3,770 million, ¥2,132 million and ¥1,748 million, respectively).

Hall, hotel and restaurant operating expenses increased as a result of (i) more smart machines installed to stimulate player visits; (ii) the increase in impairment loss by ¥126 million; and (iii) the increase in staff and utilities expenses due to inflation; netted with the decrease in repair and maintenance expenses.

Administrative expenses

Administrative expenses increased by ¥233 million, or 11.1% from ¥2,095 million for the six months ended 30 September 2024 to ¥2,328 million for the same period in 2025. The increase in expense was due to the increase in staff wages and launch of various promotional events to boost up sales.

Finance costs

Finance costs, net amounted to ¥432 million for the six months ended 30 September 2025, recorded a drop of ¥10 million, or 2.3%, as compared to ¥442 million for the same period in 2024 as a result of the decrease in lease related interest expenses in the current period.

Profit attributable to owners of the Company, basic earnings per share and dividend

Profit attributable to owners of the Company of ¥698 million was recorded for the six months ended 30 September 2025, as compared to ¥451 million for the six months ended 30 September 2024. Profit increased noticeably, mainly attributable to the continuous improvement in revenue across different business segments outweighing the rise in hall and administrative expenses.

Basic earnings per share for the six months ended 30 September 2025 was ¥0.58 (30 September 2024: ¥0.38). The Board has declared an interim dividend of ¥0.20 per common share for the six months ended 30 September 2025 (30 September 2024: ¥0.09 per common share).

CAPITAL STRUCTURE

The Group principally meets its working capital and other liquidity requirements through a combination of capital contributions, including cash flow from operations and bank borrowings. The Group's daily operation is mainly financed by operating cash flows, and relied on short- and long-term borrowings for financing working capital, future expansion plans and unexpected needs. The Group's treasury objective is mainly to ensure there is sufficient cash flow to meet the payment of expenses, loans and to fund any capital expenditure and commitment that the Group may have from time to time. The Group's cash surpluses are placed in short-term and long-term fixed deposits to maintain liquidity. The Group has not experienced any difficulty in repaying its borrowings.

The Group's principal business activities are carried out in Japan, with income, expenditure, assets and liabilities mainly denominated in Japanese Yen, as such, the Group does not have any material foreign exchange exposure.

The table below sets forth the information regarding the cash and bank balances, borrowings, lease liabilities, working capital, total equity and gearing ratio of the Group as at 30 September 2025 and 31 March 2025, and operating cash flows before movements in working capital of the Group for the six months ended 30 September 2025 and 2024, respectively:

	As at 30 September 2025 ¥ million	As at 31 March 2025 ¥ million
Cash and cash equivalents	10,618	10,574
Bank deposits with maturity over 3 months	905	834
	<u>11,523</u>	<u>11,408</u>
Bank loans	6,513	5,351
Syndicated loans	4,710	4,489
Lease liabilities	25,046	25,967
	<u>36,269</u>	<u>35,807</u>
Total equity	19,841	19,235
Gearing ratio (<i>Note 1</i>)	1.3	1.3
Working capital (<i>Note 2</i>)	<u>(735)</u>	<u>(1,409)</u>

Note 1: Gearing ratio is calculated as total borrowings less cash and cash equivalents divided by equity.

Note 2: Working capital being current assets less current liabilities.

	For the six months ended 30 September 2025 ¥ million	2024 ¥ million
Operating cash flows before movements in working capital	<u>4,008</u>	<u>3,601</u>

As at 30 September 2025, net current liabilities of the Group totalled ¥735 million (31 March 2025: ¥1,409 million), and current ratio was 0.95 as at 30 September 2025 (31 March 2025: 0.90). As at 30 September 2025, there were cash and cash equivalents of ¥10,618 million (31 March 2025: ¥10,574 million), in which ¥9,464 million was denominated in Japanese Yen, ¥710 million was denominated in United States dollar, ¥393 million was denominated in Hong Kong dollar and ¥51 million was denominated in other currencies. As at 30 September 2025, the Group had total borrowings and lease liabilities of ¥36,269 million (31 March 2025: ¥35,807 million). Current portion of bank borrowings and current portion of lease liabilities amounted to ¥8,583 million as at 30 September 2025 (31 March 2025: ¥7,655 million).

The Group's bank borrowings during the current period comprised bank loans and syndicated loans. As at 30 September 2025, the total bank borrowings amounted to ¥11,223 million (31 March 2025: ¥9,840 million), with average effective interest rates on bank borrowings ranged from 1.57% to 1.59% (31 March 2025: 1.58% to 1.64%) per annum. Approximately 2.2% of bank borrowings as at 30 September 2025 were fixed rate borrowings.

HEDGING OF FLOATING RATE BORROWINGS AND FOREIGN EXCHANGE

As at 30 September 2025, the Group had two floating to fixed interest rate swap contracts with banks in Japan (i.e. the Group pays fixed interest rates and receives interests at floating rate). These interest rate swap contracts were entered into as a measure to manage interest rate risk in relation to loans of the Group. As interest rates of some of the Group's loans are on a floating rate basis, the floating to fixed interest rate swap contracts enabled the Group to reduce the volatility in the amount of interest being paid. For the six months ended 30 September 2025, there was no change in fair value for interest rate swap contracts (31 March 2025: fair value gain of ¥1 million).

The Group did not carry out significant foreign currency investment and its debts were all denominated in Japanese Yen as at 30 September 2025. As the functional currency of certain subsidiaries are different from the Company, the Group will be exposed to foreign exchange risk arising from such exposure, namely in Singapore Dollar, Vietnamese Dong, Cambodian Riel and Renminbi against Japanese Yen. The management is assessing the significance of the foreign currency exposures faced by the Group and will consider adopting appropriate measures to mitigate the risk, including but not limited to entering into currency hedges.

GEARING RATIO

The gearing ratio, defined as the aggregate of interest-bearing loans and lease liabilities less cash and cash equivalents, divided by total equity, was 1.3 as at 30 September 2025 (31 March 2025: 1.3).

CAPITAL EXPENDITURE

Capital expenditure is mainly comprised of expenditure for (i) the purchase of property, plant and equipment mainly used for construction of buildings, and (ii) the purchase of equipment and tools for the maintenance of our pachinko and pachislot hall and amusement arcade operations. The table below shows a breakdown of the capital expenditure for the indicated periods:

	As at 30 September 2025 ¥ million	As at 31 March 2025 ¥ million
Property, plant and equipment	1,199	1,986
Right-of-use assets	574	1,407
Intangible assets	6	3
Investment property	–	827
	<u>1,779</u>	<u>4,223</u>

CHARGES ON ASSETS

As at 30 September 2025 and 31 March 2025, the carrying values of charged assets were as below:

	As at 30 September 2025 ¥ million	As at 31 March 2025 ¥ million
Property, plant and equipment	8,535	8,756
Investment properties	1,297	532
Deposits and other receivables	152	154
	<u>9,984</u>	<u>9,442</u>

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 September 2025 and 31 March 2025.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Except for the acquisitions and disposals as disclosed in this interim results announcement, during the six months ended 30 September 2025, the Group did not conduct any significant investments, material acquisitions or disposals. Save for those disclosed in this interim results announcement, the Group had no plan authorized by the Board for other material investments or additions of capital assets as at the date of this interim results announcement.

IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL PERIOD

Other than the subsequent events as disclosed in this interim results announcement, there are no important events affecting the Group which have occurred after the six months ended 30 September 2025 and up to the date of this interim results announcement.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2025, the Group had 1,253 employees. The remuneration policy of the Group (including those for directors and employees) is determined by the Remuneration Committee under the Board as per the performance, qualifications and competence of the employees.

CORPORATE GOVERNANCE

During the six months ended 30 September 2025, the Company has adopted and complied with all the applicable principles and code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), with the exception for code provision C.2.1, which requires the roles of chairman and chief executive to be separated and should be performed by different individuals.

Code Provision C.2.1

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

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") as its own code of conduct regarding securities transactions by Directors. Having made specific enquiry with all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct during the six months ended 30 September 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company did not redeem any of its listed securities during the six months ended 30 September 2025. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities (including sale of treasury shares, if any) during the six months ended 30 September 2025. As at 30 September 2025, the Company did not hold any treasury shares.

CHANGE TO INFORMATION IN RESPECT OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information of the Directors since the date of the Company's annual report 2024/2025 is set out below:

- Mr. Hidenori MOROTA was appointed as a non-executive Director with effect from 30 June 2025.

Save as disclosed above, there is no change in information of the Directors since the date of the Company's annual report 2024/2025 which required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

INTERIM DIVIDEND

The Board has declared an interim dividend of ¥0.20 per common share for the six months ended 30 September 2025 (30 September 2024: ¥0.09 per common share).

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company has reviewed the unaudited interim condensed consolidated financial information and the interim report of the Group for the six months ended 30 September 2025 and discussed the financial related matters with the management. The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 September 2025 has been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (www.hkexnews.hk) and the Company (www.ngch.co.jp), and the interim report of the Company for the six months ended 30 September 2025 will be sent to the shareholders of the Company and will be published on the respective websites of the Stock Exchange and the Company in due course.

On behalf of the Board

株式会社ニラク・ジー・シー・ホールディングス

NIRAKU GC HOLDINGS, INC.*

Hisanori TANIGUCHI

Chairman, Executive Director and Chief Executive Officer

Fukushima, Japan, 25 November 2025

As at the date of this announcement, the executive Directors are Hisanori TANIGUCHI and Masataka WATANABE; the non-executive Directors are Hiroshi BANNAI and Hidenori MOROTA; and the independent non-executive Directors are Michio MINAKATA, Yoshihiro KOIZUMI, Kuraji KUTSUWATA, Akihito TANAKA and Reiko HACHISUKA.

* for identification purpose only