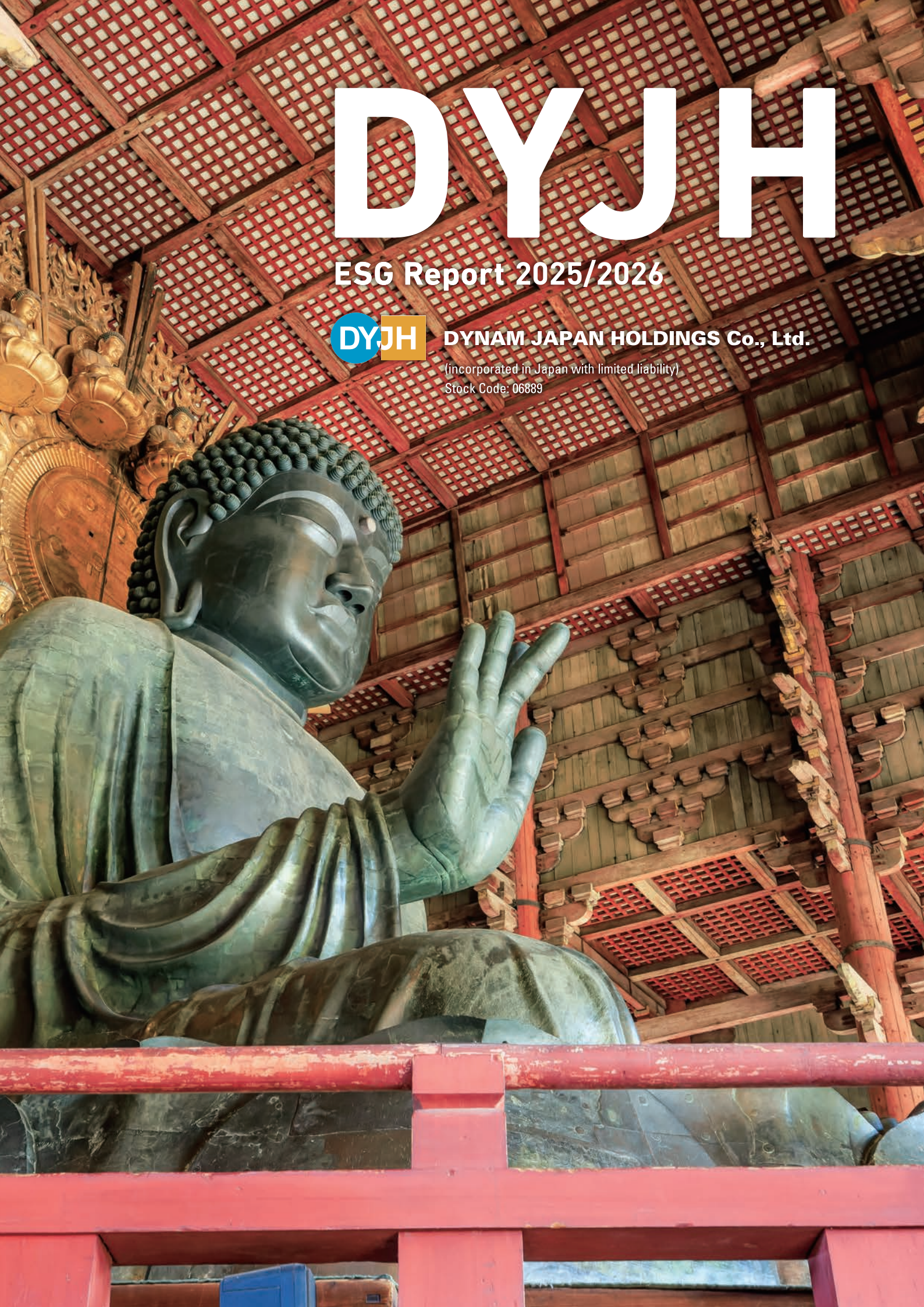


DYJH

ESG Report 2025/2026

DYNAM JAPAN HOLDINGS Co., Ltd.

(incorporated in Japan with limited liability)

Stock Code: 06889

Guideline Comparison Table

Appendix C2 to the Listing Rules

Environmental, Social and Governance Reporting Code

Environmental, Social and Governance ("ESG") Report 2025/2026 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.

Key Items	Contents		Posting Page
Environmental			
Part C A1: Emissions	Qualitative information for emissions	Policies relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	3, 11~12, 16, 17~18
		Compliance with relevant laws and regulations that have a significant impact on the issuer	3, 11~12, 16, 17~18
	Emissions indicators	The types of emissions and respective emissions data	20 ~ 22
		Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	Note 2
		Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	Note 2
		Description of emissions target(s) set and steps taken to achieve them	17 ~ 24
		Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	17 ~ 24
Part C A2: Use of Resources	Qualitative information about resource consumption	Policies on the efficient use of resources, including energy, water and other raw materials	3, 11~12, 16
	Resource consumption indicators	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)	20 ~ 22
		Water consumption in total and intensity (e.g., per unit of production volume, per facility)	21
		Description of energy use efficiency target(s) set and steps taken to achieve them	11~12, 17~24
		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	21 ~ 22
		Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Note 2
Part C A3: The Environment and Natural Resources	Qualitative information about the environment and natural resources	Policies on minimising the issuer's significant impacts on the environment and natural resources	3, 11~12, 19, 21, 23
	Environmental and Natural Resource Indicators	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	17 ~ 22
Part D: Climate-related Risks	Qualitative information about climate change	Climate-related issues that could affect the issuer or enable the issuer to exert influence, along with policies to reduce these issues	3, 11~12, 17~22
	Climate change indicators	Description of the measures to manage climate-related issues that could affect the issuer or enable the issuer to exert influence	19 ~ 22
	Governance activities undertaken by the board of directors of the Company (the "Board")	Description of an organization or individuals responsible for overseeing climate-related risks and opportunities	11 ~ 12
		Description of the ability to oversee strategies for addressing climate-related risks and opportunities, or whether this ability has been improved	11 ~ 12
		Description of the method and frequency of collecting information on climate-related risks and opportunities	11 ~ 12
		Policies that address climate-related risks, opportunities, and related trade-offs when overseeing the issuer's strategies, major transaction decisions, risk management processes, and relevant regulations	11 ~ 12
		Description of target setting concerning climate-related risks and opportunities, how to monitor progress, and whether and how to incorporate relevant performance indicators into reward policies	11 ~ 12
	Impact of the risk occurrence on the future of the business	Information on climate-related risks that are reasonably expected to affect the issuer's cash flow, access to financing, or capital costs over the short, medium, and long term	11 ~ 12
		a. Description of climate-related risks and opportunities	11 ~ 12
		b. Expected duration of the impact of climate-related risks and opportunities (short-term, medium-term, and long-term)	11 ~ 12
		c. Definitions of short-term, medium-term, and long-term	11 ~ 12
	Relationship between risks, business models, and value chains	Description of business model and value chain improvements to mitigate climate-related risks, along with subsequent managerial decision-making	11 ~ 12
	Risk management and business recovery scenarios	Description of whether climate-related risks could have a financial impact, and the strategic policies for business recovery if such impacts occur	11 ~ 12
		Processes used to identify, assess, prioritize, and monitor climate-related risks, as well as relevant regulations and processes for implementing them	11 ~ 12
	Climate-related risks and greenhouse gas emissions	Scope 1, Scope 2, and Scope 3 greenhouse gas emissions	21 ~ 22
		Method employed to measure greenhouse gas emissions and reasons for its selection	21 ~ 22
		Scope 1 and 2 emissions by measurement location during the reporting period	21 ~ 22
		Categories included in Scope 3 emissions measured during the reporting period	21 ~ 22
	Internal carbon price	Price setting and incentive structure	Note 2
	Response by the Industry	Applicability of industry indicators on climate-related risks	11 ~ 12

Key Items	Contents		Posting Page
Social			
Part C B1: Employment	Qualitative information about employment	Policies relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	3, 11~12, 26
		Compliance with relevant laws and regulations that have a significant impact on the issuer	3, 27~28
	Indicators about employment	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	33 ~ 34
		Employee turnover rate by gender, age group and geographical region	Note 2
Part C B2: Health and Safety	Qualitative Health and Safety Information	Policies relating to providing a safe working environment and protecting employees from occupational hazards	11~12, 31~32, 35~36
		Compliance with relevant laws and regulations that have a significant impact on the issuer	35 ~ 36
	Health and Safety Indicators	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	35 ~ 36
		Lost days due to work injury	35 ~ 36
		A description of the occupational health and safety measures in place and how they are implemented and monitored	35 ~ 36
Part C B3: Development and Training	Qualitative information about education and training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	3, 11~12, 26
	Education and training indicators	The percentage of employees trained by gender and employee category (e.g., senior management, middle management)	33 ~ 34
		The average training hours completed per employee by gender and employee category	33 ~ 34
Part C B4: Labour Standards	Qualitative information on labor-related legislation	Child Labor and Forced Labor Prevention Policy	27 ~ 28
		Compliance with relevant laws and regulations that have a significant impact on the issuer	27 ~ 28
	Labor Bill Indicators	Employment Practices Review Strategy to Prevent Child Labor and Forced Labor	35 ~ 36
		Corrective measures upon discovery	49 ~ 50
Part C B5: Supply Chain Management	Qualitative information about supply chain management	Supply Chain Environmental and Social Risk Management Policy	3, 20
	Supply Chain Management Indicators	Number of suppliers by geographical region	Note 2
		Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	37, 40
		Identifying and managing environmental and social risks in the supply chain	37
		Description of priority selection measures for environmentally friendly products and services, and implementation and monitoring methods	20
Part C B6: Product Responsibility	Qualitative Information on Product Responsibility	Policies relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	27 ~ 28
		Compliance with relevant laws and regulations that have a significant impact on the issuer	27 ~ 28
	Product Responsibility Index	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Note 2
		A description of the number of complaints received about products and services and how they have been addressed	27 ~ 28
		Description of practices relating to observing and protecting intellectual property rights	Note 2
		Description of quality assurance process and recall procedures	Note 2
		Description of consumer data protection and privacy policies, and how they are implemented and monitored	27 ~ 28
Part C B7: Anti-corruption	Qualitative information about anti-corruption	Policies relating to bribery, extortion, fraud and money laundering	49 ~ 50
		Compliance with relevant laws and regulations that have a significant impact on the issuer	49 ~ 50
	Anti-corruption indicators	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	49 ~ 50
		A description of preventative measures and whistleblowing procedures, how they are implemented and how they are monitored	49 ~ 50
		Description of anti-corruption training provided to directors and staff	27 ~ 28
Part C B8: Community Investment	Qualitative information about community investment	A community involvement policy to conduct business activities based on the needs of the local community and respect the interests of the local community.	37 ~ 40
	Community Investment Indicators	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport)	21~30, 37~40
		Resources contributed (e.g., money or time) to the focus area	37 ~ 40

Notes

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

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

In 2012, Dynam Japan Holdings (hereinafter "DYJH") listed its shares on the Stock Exchange of Hong Kong. Dynam has since grown into a diversified business group operating across multiple sectors. At the heart of this enterprise is the pachinko hall business, which as of March 2026 spans 423 locations across Japan. Every one of the pachinko halls operates with a commitment to environmental stewardship and with active efforts toward energy conservation and the efficient use of resources. One of the defining characteristics of the DYJH Group is the extensive use of timber-frame hall construction, which helps reduce CO_2 emissions and minimise industrial waste when the halls are eventually demolished. The Group has also been upgrading hall facilities with LED lighting and air conditioning systems with lower CO_2 emissions.

In running the pachinko business, DYJH is committed to the wellbeing of the personnel who serve customers in the halls every day as well as to all of the employees. The Group also maintains strong relationships with a wide range of stakeholders, such as partner companies that support pachinko hall operations and with the communities where the halls are located. Within the Group, DYJH refers to these stakeholders as trusted partners – a term that reflects the deep, long-standing trust that forms the very foundation of how the Group does business. The initiatives DYJH has carried out together with its trusted partners not only advance the company vision of transforming pachinko into an everyday form of entertainment that anyone can enjoy but continues to drive the growth of the Group as a whole.

Beyond its pachinko hall operations, the DYJH Group includes service companies that provide a range of operational support functions, a special-purpose subsidiary dedicated to promoting the employment of people with disabilities, and companies engaged in overseas business ventures and aircraft leasing. Together, these group companies share a common purpose: pursue the ideal of building trust and nurturing dreams for the next 100 years. The Group will continue to push forward with that ambition.



Ibaraki Inashiki Hall



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About the DYJH Group	05	Introduction of the Group companies
	07	Value creation model
	09	ESG promotion structure
	11	Climate-Related Risk Measures
	13	Connection with trusted partners
Efforts in the Field of Environment	15	Measures and objectives (KPI)
	17	Climate Change Response/CO_2 Emission Reduction Initiatives
	19	Measures to realize a recycling-based society
	21	Measures to respond to climate change/Energy consumption in business operations
	23	Efforts for green IT
Efforts in the Social Field	25	Measures and objectives (KPI)
	27	Efforts for customers/Development of the overall ability required to live as independent individuals
	29	Efforts for customers/Creation of the game environment
	31	Employee Initiatives/Human Resource Development Framework
	33	Efforts for employees/Active engagement of diverse human resources
	35	Efforts for employees/Workplace environment/Mental and physical health
	37	Community Contribution/Public-Private-Academic Collaboration
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	41	Efforts for shareholders and investors
Corporate Governance	45	Governance system
	47	Risk management
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Message from the editor

The DYJH Group publishes an annual report in accordance with the disclosure standards set by the Stock Exchange of Hong Kong. Intended for a broad audience of trusted partners, the report covers three key areas: (1) the response to such environmental risks as climate change across all business activities centred on pachinko hall operations, (2) the relationship between the halls as community infrastructure and the wider society, and (3) the corporate governance of the DYJH Group as a whole. The report is designed to give readers a comprehensive understanding of both the disclosures and the strategy of DYJH.

In preparing the 2025/2026 edition, DYJH carefully reviewed its disclosures in light of the strengthened ESG regulations required by the Stock Exchange of Hong Kong for the fiscal years beginning on or after January 1, 2025, with particular attention to climate-related risks.

Going forward, the Group will continue to provide transparent disclosures to build mutual understanding and deeper confidence with its trusted partners, and DYJH will reflect the feedback and evaluations received in all management decisions as the Group works to sustain and enhance corporate value.

DYJH Group

Our Group consists of Dynam Japan Holdings Co., Ltd., as the parent holding company, three pachinko hall operating companies that include Dynam Co., Ltd., four other domestic subsidiaries, and two overseas subsidiaries. Guided by our corporate philosophy and five management principles, all group companies share the same values while leveraging their individual expertise and synergies to drive the growth of the Group as a whole.

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

Management Policy

- Principle of Customers First
- Information Disclosure
- Chain Hall Management
- Training of Human Resources
- Social Contribution

Code of Conduct

1. We comply with laws and regulations and treat people with respect.
2. We strive for proactive behavior and value teamwork.
3. We confirm the actual situation on-site and express it in numbers.

Dynam Co., Ltd.



It is the company operating pachinko halls that plays a central part in the Group. The company runs 389 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.

Yume Corporation Co., Ltd.



Yume Corporation became DYJH's pachinko hall subsidiary in November 2015 and operates 29 halls, particularly "Yumeya" halls, around Japan. The company has managed chain halls since its establishment and aims to make its pachinko halls loved by local communities.

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 Business Support Co., Ltd.



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

★The number of stores is current as of 31 March 2026.

The holding company
Dynam Japan Holdings Co., Ltd.

- Dynam Co., Ltd.
- Yume Corporation Co., Ltd.
- Cabin Plaza Co., Ltd.
- Dynam Business Support Co., Ltd.
- Nihon Humap Co., Ltd.
- Next Play's Co., Ltd.
- Business Partners Co., Ltd.
- Dynam Hong Kong Co., Limited
- Dynam Aviation Ireland Limited

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	https://www.dyjh.co.jp/english.html

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.

Nihon Humap Co., Ltd.



We operate restaurants adjacent to Dynam locations and provide cleaning services for group halls, maintaining close ties to our core pachinko hall business. We also operate other food and beverage businesses, including ramen restaurants.

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.

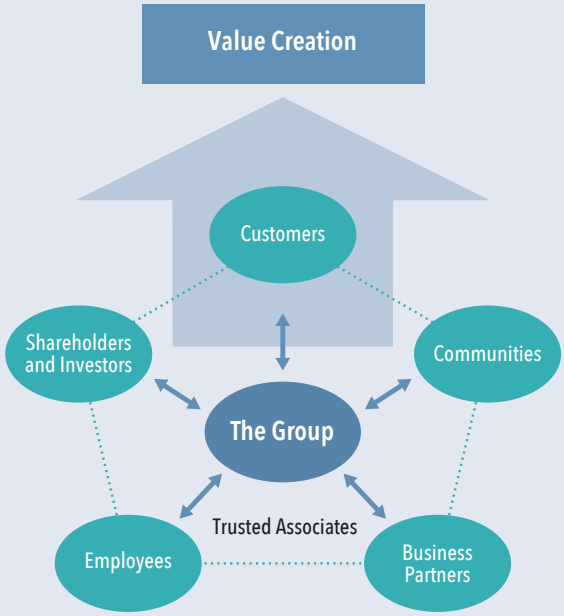
We will continue to enhance our corporate value as regional infrastructure to meet the expectations of our trusted associates.

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.

*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.

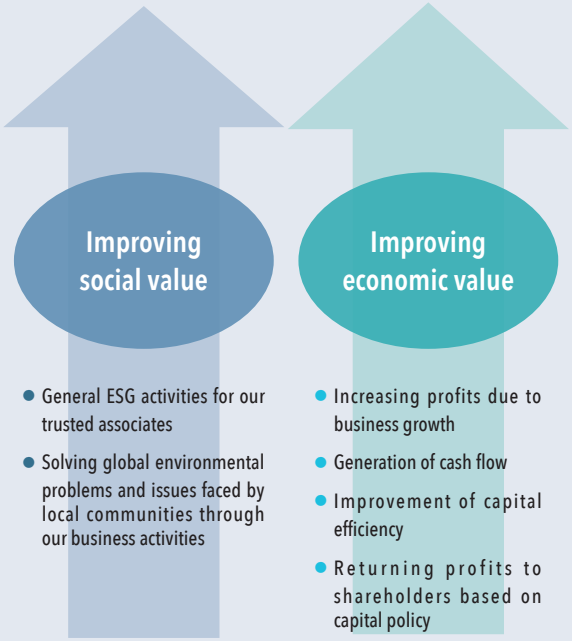
Value Creation for All Trusted Associates

Our Group connects daily with 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.

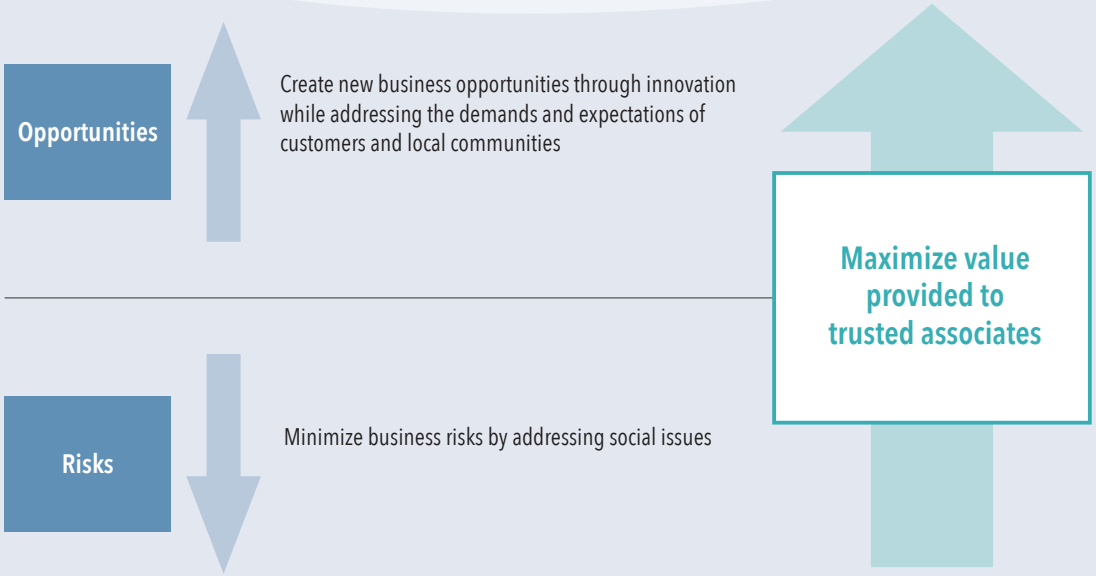


Becoming an Indispensable Presence in the Community

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

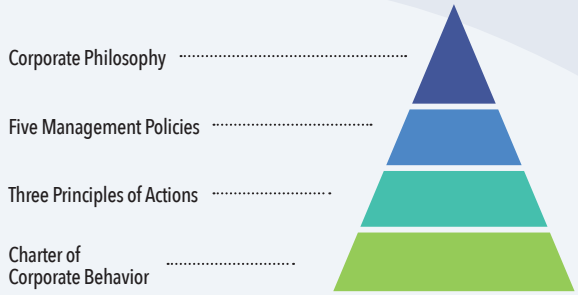
In response to the aging of the population and other social issues, our Group proposes initiatives that focus on the health benefits of pachinko, as well as pachinko halls with universal designs that cater to a wide range of customer segments. In addition, concerning the "addiction problem," we have 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.

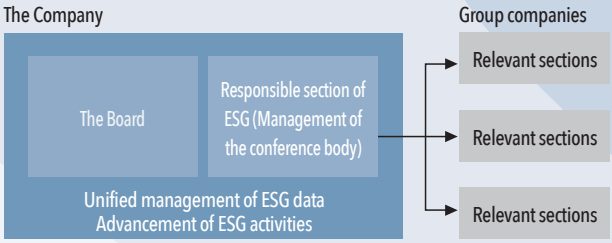
Group philosophy and approach to ESG

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.





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.





The variety of different climate-related risks arising from climate change



Linear precipitation bands and heavy rainfall



Tornadoes and gust



Water shortages



Chronic temperature rise

Message from the ESG Executive Seiji Obe, Executive Officer

By strengthening our efforts to identify climate-related risks from both the short-term and medium- to long-term perspectives, we are minimizing the impact on business earnings.

The global and domestic environments surrounding Japan are undergoing complex and significant changes at an unprecedented pace with extraordinary complexity. International conflicts and escalating trade tensions, tightening environmental regulations that include the introduction of carbon taxes and stronger emissions trading schemes, growing uncertainty in the global economy driven by inflation and recession fears, supply chain instability caused by surging raw material prices and logistics disruptions, and the accelerating impacts of climate change and resource depletion.

In the face of this turbulence, we believe it is essential to acknowledge and respect a diversity of perspectives, to stay attuned to shifts in the external environment, and to move forward steadily and strategically by doing what we can as a company to meet the needs of society and our customers.

Against this backdrop, the DYJH Group remains firmly committed to integrating the ESG principles into all aspects of business with the pachinko operations at the centre and to actively work to enhance corporate value. In the core business of operating pachinko halls, the industry as a whole has long been proactive about energy-saving initiatives. Following concerns about high electricity consumption due to the large number of gaming machines installed in each hall, an industrial association comprising pachinko hall operators, gaming machine manufacturers, distributors, etc. launched a five-year voluntary environmental action plan in fiscal year 2007 and succeeded in reducing CO_2 emissions by 12.6%. Under a subsequent plan, the Group set a target of a 22% reduction by fiscal year 2030 compared to 2007 levels, which was a target we achieved ahead of schedule in fiscal year 2015. As of fiscal

Impact of climate-related risks on our Group's operations

Linear precipitation bands affect customer visits to halls

Extended periods of closure due to catastrophic rainfall

Rising energy costs due to higher outdoor temperatures

Heat-related health risks for employees during periods of sustained high summer temperatures

Semiconductor production delays caused by water shortages that result in delays in receiving new gaming machines

Halls experience power outages caused by damage to electrical infrastructure from tornadoes and gust

Short-term business impacts

- Increased hall repair costs
- Staff shortages at halls

Medium- and long-term business impacts

- Higher electricity costs
- Increased numbers of halls temporarily closed

Measures by our Group to address climate-related risks

Introducing passive cooling design at our halls





The solar panels installed on hall rooftops generate the electricity used to power the gaming machines, in-hall air conditioning and other operations.

Planned equipment upgrades

We developed a multi-year equipment upgrade plan and carried out regular updates that included replacement of lighting with LEDs and upgrading to high-efficiency air conditioning systems. We also introduced heat-shielding glass coatings to reduce electricity costs and curb greenhouse gas emissions.

Crisis management system

In the event of a major disaster, Group Crisis Management Committee comprising top executives from each group company is swiftly convened. The committee conducts wide-ranging discussions about emergency measures, long-term solutions, and personnel, financial, and public relations matters and then issues directives and instructions to all business locations.

year 2025, the estimated reduction rate has reached 50.7%. In step with these industry-wide efforts on climate-related risk, the DYJH Group has implemented a range of measures across the nationwide hall network to reduce CO_2 emissions and minimise the environmental impact wherever possible.

The DYJH Group is deepening its engagement with all trusted partners on social contribution initiatives. Among these initiatives, the wide-ranging programmes focused on women's empowerment have gained real momentum, and DYJH continues to prioritise employee health and safety to create fair and compliant working conditions in line with labour laws. In the event of natural disasters, the safety of customers and employees is the top priority. As pachinko halls whose goal is to serve as local infrastructure, we strive to contribute to both society and the environment while providing support to people in disaster-affected areas through our stores across Japan.

On the governance side, DYJH established a structure suited to its business needs and developed a clear governance policy at the board level with the goal of achieving sound, sustainable growth and enhancing corporate value over the medium to long term.

The DYJH Group is building a risk management framework that is overseen by the board and led by the chief executive officer to anticipate the potential business impact of a variety of external factors, including climate-related risks, and then determine the appropriate response.

Through these ESG initiatives, the DYJH Group will continue to contribute to the future of pachinko as an everyday form of entertainment and to the realisation of a sustainable society.

*Source: Nichiyukyo Pachinko Industry Data Book 2025

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

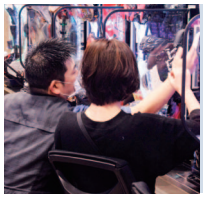
Our Group listens to the opinions of our trusted associates and verifies whether its business activities correspond to their demands and expectations through appropriate information disclosure and dialogues, and feeds back such information in our business activities. We believe that this two-way communication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

The Group

*The Group carries out year-round initiatives described in the diagram for each of the trusted associates shown in the diagram to the right.

*The Group is centered on Dynam Co.,Ltd. (“Dynam”), which operates pachinko halls, and is also formed by service companies and other companies that support peripheral operations.

*This report discloses information on our initiatives for the fiscal year ended 31 March 2026 (April 2025 to 31 March 2026). However, it also includes information from earlier and more recent times.



Customers



Communities



Business Partners



Employees



Shareholders and Investors

Main Initiatives	Methods of Engagement
● Under our customer-first management philosophy, we engage directly with customers and gather their feedback and requests through in-hall interactions and dedicated consultation channels, sharing those insights internally to create more comfortable and welcoming hall environments. (See P.27-P.30 for more information)	● Face-to-face interaction with customers at pachinko halls ● Customer consultation desk
● 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.37-P.40 for more information)	● Participation to community events ● Volunteer activities of employees (Nature conservation/Child support) ● Support for disaster sites ● Support for sports activities ● Disaster prevention agreements
● 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.20, P.40 for more information)	● Meetings for each business proposal ● Meetings about joint development (game machines and general prizes) ● Meetings to periodically exchange information ● Business partner briefings
● 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.31-P.36 for more information)	● 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
● 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.41-P.42 for more information)	● Annual general meeting ● Results briefings ● IR meetings ● Tours of our pachinko halls and hands-on events ● Surveys



E

Environment

Environment

The Group views climate risks stemming from global warming, resource recycling, and the need to curb consumption of natural resources as shared challenges for humanity, and our objective is to reduce the environmental footprint through business activities. Hall electricity use is a particularly important area; consequently, we are installing low-CO_2 air conditioning systems and converting in-hall lighting to LEDs. In addition to disclosing total electricity consumption, we continue to reduce water use and waste. In the firm belief that fulfilling our corporate environmental responsibilities is essential to the continued growth of the Group, we comply with all relevant environmental laws and ordinances and work continuously to improve environmental management.

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

Reduction of greenhouse gas emission

Each of the 423 halls nationwide sets a target of not exceeding the previous year's electricity use and continues operating with that goal in mind.

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.

Climate Change Response/CO_2 Emission Reduction Initiatives ··· P17

Measures to realize a recycling-based society ····· P19

Measures to respond to climate change/ Energy consumption in business operations ····· P21

Efforts for green IT ····· P23

Environment

Climate Change Response/ CO_2 Emission Reduction Initiatives

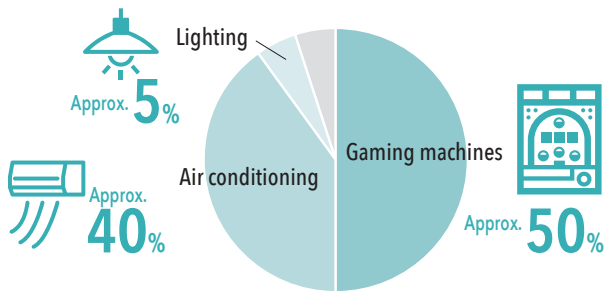
Interview with Dynam Property Management Department

The division is tackling CO_2 reduction through upgrades to air conditioning and lighting systems, along with site-specific innovations.

Can you tell us about electricity consumption at your halls?

Abe Gaming machines are the biggest consumer of electricity in a pachinko hall. They remain powered on at all times whether customers are playing or not. So, for hall-level energy savings, we start by focusing on improving the energy efficiency of air conditioning and lighting systems in order to tackle CO_2 emissions, and we address gaming machines through separate measures.

Otani It varies a bit depending on hall size, but on average, gaming machines account for roughly half of total consumption, air conditioning for about 40%, in-hall and exterior lighting for about 10%, and other uses for the remaining 5%.



Abe Improving the energy efficiency of gaming machines is certainly a priority because they account for half of total consumption. We have one hall that experimented with reducing the brightness and lighting effects of machines in standby mode, which is when customers are not using them, by enabling eco mode, and we are exploring how to roll that out more broadly.

What steps have you taken to reduce electricity use for lighting and air conditioning?

Sawazato For lighting, we are switching to LEDs. We started seriously converting hall lighting to LEDs right after the Great East Japan Earthquake, but since LED energy efficiency has continued to improve, we are progressively replacing older units with newer, more efficient models.

Abe Beyond that, air conditioning is still the big one. Manufacturers are competing on energy efficiency, and new products, including products using different refrigerants, are coming to market with increasingly better performance. Most of our halls previously used floor-mounted units, but from an energy efficiency standpoint, we developed a plan to switch to ceiling-cassette type systems.

Otani However, installing ceiling-cassette units in wooden-frame halls, which is a distinctive feature of our brand, presents challenges; therefore, we have been working through the installation details in close consultation with contractors. As a result of the switch to ceiling-cassette systems, electricity consumption per hall has been reduced by approximately 45%. We have also applied heat-shielding paint to outdoor units to reduce heat dissipation.

Abe We ran a pilot programme for the ceiling-cassette air conditioning upgrade at one hall in 2024, and after seeing strong results, we expanded the renovation to 28 halls. We plan to continue rolling it out further from fiscal year 2026 onward.

Can you tell us about renewable energy and other region-specific initiatives?

Otani We started scaling up solar power generation at all halls in earnest in 2023. As of the end of 2025, 41 halls, about 10% of the total, have solar panels installed on the rooftops. The fiscal year 2025 results show approximately 5 million kWh generated annually, all of which is consumed on-site.

Sawazato Just as we mentioned with ceiling-mounted air conditioning, the structural characteristics of the wooden-frame halls mean we must consider load-bearing constraints. For that reason, we have high hopes for perovskite solar cells,* which are attracting attention as a potential gamechanger for renewable energy.

*Next-generation lightweight solar cells

Abe Solar power has inherent regional variability depending on the hours of sunlight and solar irradiance. Since we operate halls nationwide, we cannot rely solely on solar; we also focus on hall-by-hall innovations during the shoulder seasons of spring and fall.

Otani Halls that switched to ceiling-cassette air conditioning use the existing ductwork from the old system to draw outside air into the hall to maintain a comfortable environment without running the air conditioning at all. We share this approach across all halls as a region-specific seasonal measure and put it into practice throughout the year.

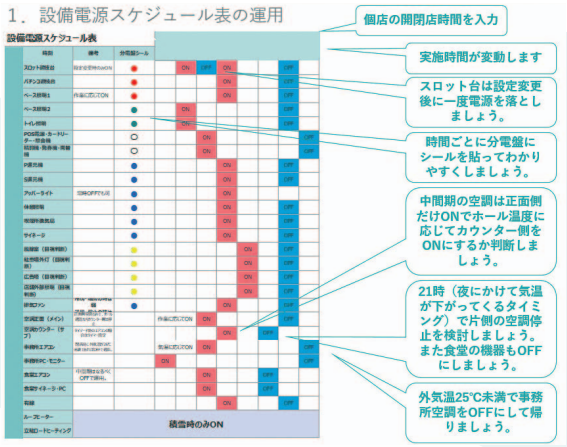


Ceiling-cassette type air conditioning system



Hall-level energy management

We have a dedicated department that manages hall facilities, and we developed an energy-saving manual, set electricity consumption targets and rigorously track progress. We also leverage the automated control functions of our energy management system to achieve efficient, effective power consumption management.



Equipment Planning, Dynam Property Management Department

Mitsunobu Otani

General Manager, Dynam Property Management Department

Hideaki Abe

Equipment Planning, Dynam Property Management Department

Masazumi Sawazato



E

Environment

Measures to realize a recycling-based society

We strive to reduce CO_2 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.



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 Disposal of Used Gaming Machines



Used gaming machines are classified as industrial waste when discarded, and their disposal must follow the legally prescribed procedures under Japanese law. Our group has established internal rules to ensure compliant waste disposal, and the components, materials, and raw materials that can be repurposed are recycled through the Yugiki Recycle Kyokai and the Gaming Machine Collection and Management Centre at Japan Pachinko Machine Manufacturers Association.

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.

Operation of multiple wooden pachinko halls

Halls havingwooden buildings

362 halls 86%

Calculated based on the results of the counts by the three subsidiaries operating pachinko halls (as of the end of March 2026)

The Group conducts chain hall 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 2026, 362 pachinko halls, 86% of all the pachinko halls of the Group, consist of wooden buildings.

Eco-friendly pachinko halls with the warmth of wood

It was once believed that trees would never absorb CO_2 once they were cut down. However, it is now said that CO_2 are halld 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 halls other than general housing.

	Wooden house	Steel-frame prefabricated house	Reinforced concrete house
Amount of stored carbon	22t-CO_2	5.5t-CO_2	5.9t-CO_2

* t-CO_2 stands for ton(s) of CO_2

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.

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.

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 98m³
Amount of halld carbon 79t-CO_2
Equivalent to the amount of CO_2 halld in 0.2 ha of cedar plantation, 7.9 tennis courts, or 155 cedar trees

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

We take pride in the pursuit of originality with regard to gaming machines. Since 2006, we have developed approximately 100 models and around 95,000 private-brand machines. 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-hall private brand machine lineup

Our own brand of gaming machine designed with social sustainability in mind: the ZGO Series

Featuring an industry-leading 25.2-inch large LCD screen that delivers stunning visuals, the ZGO Series provides new game content simply by swapping out software. Because only the content is replaced without exchanging the cabinet itself, this approach helps reduce industrial waste.

Features of the ZGO own-brand machine

(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.



Private brand machine
eA Planet Apollo GO

E

Environment

Measures to respond to climate change/ Energy consumption in business operations

We will reduce CO_2 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_2, 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
Energy usage ● Purchased electricity ● Gasoline (company vehicle use) **Water resources** ● Water supply use **Paper resources** ● Office paper ● Pamphlets and posters, etc. for customers **Purchased machinery** ● Gaming machines and peripheral equipment **Construction materials** ● Halls	Office (head office and headquarters) Halls	**Greenhouse Gas Emissions** ● Scope1.2 (Electricity consumption conversion / company-owned vehicles) ● Scope3 (Emissions from third parties related to our own business activities) **Water resources** ● Drainage **Office waste** ● Waste resources **Industrial waste** ● Game machines (recycled) ● Used information communications equipment

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 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	4,843t
	Other business sites	98t
Other incombustible wastes, etc.		686t
	Total	5,627t

Greenhouse Gas Emissions

Categories	Greenhouse Gas Emissions (Unit: t-CO2)	Share(%)	Calculation Method
Scope1	3,129	0.2	The amount of gasoline, gas, etc. used at the store is tallied and multiplied by emission intensity factor (*1).
Scope2	127,478	7.8	The amount of electricity purchased at the store is tallied and multiplied by emission intensity factor (*1).
Scope3	1,502,185	92.0	Refer to the table below (Scope 3 emissions).
Total	1,632,792	100.0	

Scope 3 Emissions

(Unit: t-CO2)

Categories	Emissions	Calculation Method
1. Purchased goods and services	425,358	Procurement items, primarily gaming machines and prizes, are tallied and multiplied by emission intensity factors (*1).
2. Capital goods	661,781	Asset value, primarily pachinko hall assets, is tallied and multiplied by emission intensity factors (*1).
3. Fuel- and energy-related activities not included in Scope 1 or 2	18,099	Energy use is multiplied by emission intensity factors for each energy type (*1).
4. Upstream transportation and distribution	28,874	Distance travelled, delivery frequency, and vehicle types for outsourced transportation are multiplied by emission intensity factors (*1).
5. Waste generated in operations	545	Operational waste is classified by disposal method, and disposal weight is multiplied by emission intensity factors (*1).
6. Business travel	1,570	Employee headcount is multiplied by emission intensity factors (*1).
7. Employee commuting	4,853	Employee commuting emissions are calculated by multiplying emission intensity factors (*1) based on the urban classification of workplaces and the number of commuting days.
8. Upstream leased assets	-	Not calculated (Energy consumption from the use of primary leased assets calculated under Scope 1 is excluded from this category.)
9. Downstream transportation and distribution	-	Not calculated (GHG emissions from the transportation of products sold are deemed negligible.)
10. Processing of sold products	-	Not calculated (GHG emissions from the processing of products sold are deemed negligible.)
11. Use of sold products	-	Not calculated (GHG emissions from the use of products sold are deemed negligible.)
12. End-of-life treatment of sold products	-	Not calculated (GHG emissions from the disposal of products sold are deemed negligible.)
13. Downstream leased assets	361,105	Calculated by prorating the emissions disclosed by lessees based on the number of machines held
14. Franchises	-	Not applicable
15. Investments	-	Not calculated
Total	1,502,185	

*1 Calculations are based on the internationally recognised GHG Protocol Scope 3 Standard and reference the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain developed by the Ministry of the Environment and the Ministry of Economy, Trade and Industry to reflect domestic conditions.

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_2 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



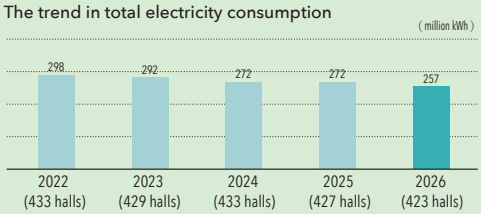
Calculated based on the results of the counts by the three subsidiaries operating pachinko halls (as of the end of March 2026)

Total power usage

257 million kWh

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 2026).

The trend in total electricity consumption



Environment

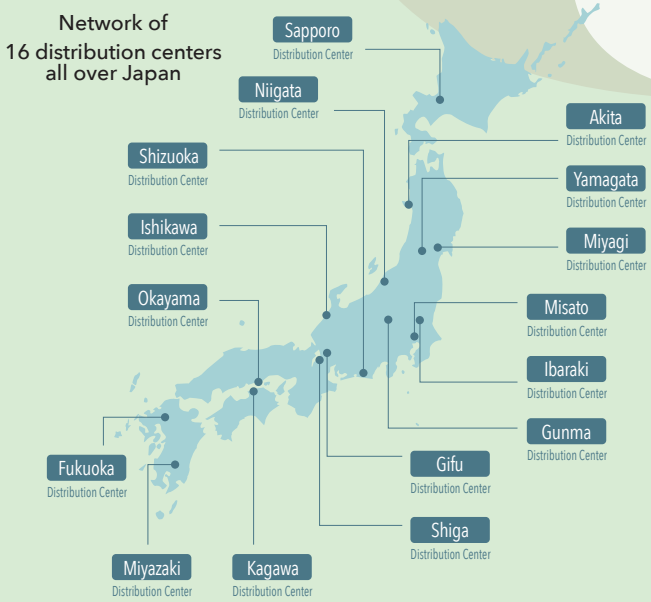
Efforts for green IT

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.



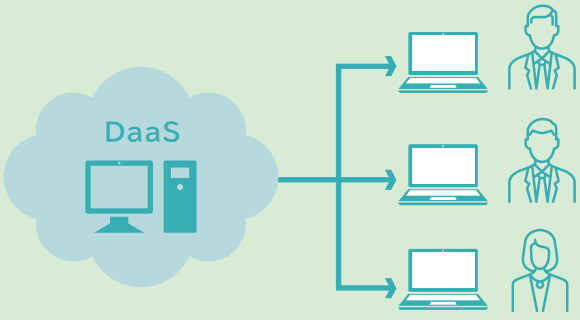
Accelerating Document Digitization

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.



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_2, by reducing the use of public transportation by our employees.





S

Social



Social

In pursuing our vision of the ideal pachinko hall operation, our Group promotes a wide range of initiatives under our "customer-first principle." This means maintaining an unwavering focus on our customers as our top priority, while never losing sight of all trusted associates, as we work to enhance corporate value. We will continue to develop our business to enrich "daily entertainment," delivering welcoming halls through an excellent gaming lineup and customer service built on thorough staff training and creating spaces where guests can enjoy quality leisure 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 employee health and safety

We have been recognised as a Health and Productivity Outstanding Organisation, and we are working across the entire company to promote health-conscious management, including tracking health data and incorporating expert advice.

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 annual compliance e-training for all employees, including directors. This training is based on our Charter of Corporate Behaviour and covers a broad range of anti-corruption topics, helping us build a robust culture of compliance.

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 ····· P27
Efforts for customers/Creation of the game environment ··· P29
Employee Initiatives/ Human Resource Development Framework ····· P31
Efforts for employees/Active engagement of diverse human resources ····· P33
Efforts for employees/Workplace environment/Mental and physical health ····· P35
Community Contribution/ Public-Private-Academic Collaboration ····· P37
Efforts for local communities/ Activities as part of the local infrastructure ····· P39
Efforts for shareholders and investors ····· P41

S

Social

Efforts for customers/ Development of the overall ability required to live as independent individuals

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.

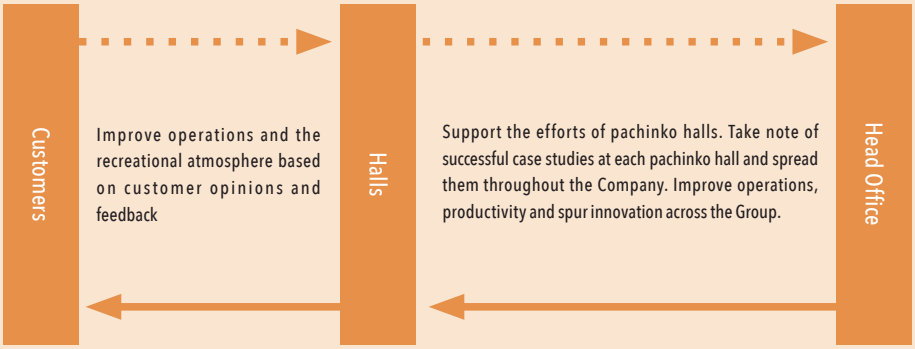
We aim to build cozy pachinko halls with well-educated employees that serve customers. Based on the idea that having customers enjoy gaming times will lead to pachinko becoming a form of daily entertainment, we are implementing CS activities that focus on people, employee education, improvement and enhancement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

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.





Voice of an in-hall customer service staff

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. (Female Floor Personnel)

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 2026, we responded to 882 calls and emails. Of these, 69% were complaints, 16% were opinions and requests, and the remaining 16% 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.

S

Social

Efforts for customers/ Creation of the game environment

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.



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.

- **Enhanced Connectivity**

To ensure a seamless and stress-free experience, we offer free Wi-Fi service throughout our locations.

- **Creating a clean gaming environment**

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

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

We provide leaflets featuring self-assessment checks, information on our problem gambling prevention program, and consultation resources to help customers enjoy pachinko responsibly, and we support responsible play through two types of programs: a family registration option and a self-registration option.

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.



Poster for raising awareness

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.

Creating a System for Customer Security and Safety

Parking Safety and Incident Prevention



During the summer season, the risk of heat-related incidents involving vehicles can increase even over a short period of time. To help prevent such incidents, we further strengthen safety measures through regular parking lot patrols, the use of posters and banners, and in-store announcements that remind customers to stay alert.

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.

Proportion of Halls Featuring Low Playing Cost Machines *1	Proportion of Low Playing Cost Halls to Total Number of Halls *2	Proportion of Low Playing Cost Machines to Total Number of Machines *3
99.8%	59.8%	67.9%
as of 31 March 2026	as of 31 March 2026	as of 31 March 2026

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

S

Social

Employee Initiatives / Human Resource Development Framework

Dynam HR Department - In-House Roundtable Discussion

First-ever recognition as a Health and Productivity Outstanding Organisation (Large Enterprise Category).

We are committed to health-conscious management as a pillar of the company's growth.



Dynam HR Department, General Manager
Shinya Kanbayashi

Dynam HR Department, Manager
Katsumi Takenaka

Dynam HR Department, Strategy Planning
Shunichi Watanabe

*Organisational affiliations are current as of 31 March 2026.

A company that takes ownership of employee health

Watanabe Our company takes the view that corporate growth flows naturally from nurturing the health of employees, and we announced the Health Management Declaration in 2018. In addition, the Health and Productivity Outstanding Organisation certification programme was launched, and we began working toward that recognition.


Watanabe, Strategy Planning

Takenaka Looking back at our efforts, I think it would be fair to say that we have built a meaningful level of understanding among employees. In fact, the number of people who participated in our pilot fitness initiative was higher than expected. On the other hand, achieving full participation company-wide remains a challenge, and there is still plenty of ground to cover.

Kanbayashi Within the industry, our Group is now seen as a leader in this space. I have personally been through the phase of working flat out without any thought to my own health; however, the tide has clearly turned. The company is putting out a clear message that it takes responsibility for employee health and that carries profound meaning.

Watanabe Above all, having the direction set through the words of our president has been invaluable. The company's commitment to health-conscious management opened the door to a whole range of initiatives, which ultimately led to us receiving recognition as an outstanding organisation. The important thing now is to sustain that effort.

What our Group's initiatives actually look like

Takenaka The activities have brought in approaches from a wide range of angles that include what employees can do in their daily lives, introduction of new systems, partnerships with external experts, and more.

Kanbayashi That's right. Our health checkup participation rate was 98.4% in 2024. As an Outstanding Health and Productivity Organisation, aiming for 100% is only natural, and I think analysing what's behind the remaining 1.6 % is essential. I believe we should use data from the Growbase system that we implemented to break down the relevant individuals into five categories for analysis.

Health management activities

(1) Complete ban on smoking during working hours
(2) Smoke-free customer areas
(3) Comprehensive health check subsidies (¥12,000 for employees turning 40; ¥5,000 for all other ages)
(4) Introduction of the Growbase health management system
(5) Building an occupational physician and public health nurse support structure

Watanabe I think the system's core concept of visualisation and communication is steadily showing results. Not only has it made it possible for employees to check their diagnostic results anytime on their smartphones, but it also enabled occupational physicians and public health nurses to send personalised messages, which created a three-way channel of communication. This lowered the barriers to taking health seriously and made it easier for employees to, for example, feel comfortable meeting with their doctors.

The driving force behind our efforts and the challenges ahead

Takenaka In carrying out these activities, the greatest driving force has been the Group's core principle of valuing the employees,



Takenaka, Manager



Kanbayashi, General Manager

which lies at the heart of all health management efforts. That principle is taking concrete form, and the Health Management Declaration is gradually taking root across the entire workforce.

Kanbayashi I would agree. We hear phrases like "a hundred-year life" and "working long-term as individuals" all the time today, but if you add the three words that often go unspoken, "in good health," the case for a company investing in employee health becomes much more compelling. I also think that taking stock of yourself at the midpoint of your life and renewing your focus on health can serve as motivation for younger employees, too.

Watanabe At the same time, our immediate challenge is to achieve measurable improvements worthy of the certification. The recognition only has real value when the shift in employee mindset leads to tangible changes in the numbers. We must prevent the decline in labour productivity that comes from employees continuing to work while in poor health.

Kanbayashi To that end, I would like us to use data analysis through the system to put a strong focus on blood pressure, lipid abnormalities, and glucose metabolism in particular and educate employees to monitor and manage these as part of their work routine. I also want to make the follow-up steps after diagnosis more visible, including guidance, treatment, and medication, and raise the overall standard of what we do.



S

Social

Efforts for employees/ Active engagement of diverse human resources

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 2026, our Group has 12,076 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	2,731 times	78.9%	14.0 hour
woman	318 times	92.7%	10.6 hour

	Number of training sessions attended (total)	Participation rate	Average participation hours
Managers	125 times	160.3%	14.3 hour
Rank-and-file employees	2,924 times	78.4%	13.7 hour

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

237 employees

*1 Calculated based on the Group in Japan As of 31 March 2026

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.

Ratio of female employees (Numbers)

52.2% (6,312 employees)

As of 31 March 2026



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 12,076 employees (as of 31 March 2026), of whom 5,764 (47.7%) are men and 6,312 (52.3%) are women. By employment type, 4,084 are regular employees and 7,992 are temporary employees. By region, 11,981 are in Japan and 95 are in other regions.

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.

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.

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.

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.

Received Gold, the highest rating, in the PRIDE Index 2025 for the fifth consecutive year

Dynam has been awarded the highest rank of gold for the fifth consecutive year in the PRIDE Index 2025, an evaluation index for companies and organizations' efforts toward LGBTQ+, formulated by the voluntary organization "Working with Pride".

work with Pride Gold 2025

S

Social

Efforts for employees/ Workplace environment/ Mental and physical health

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.



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 2026, there were no work-related fatalities. Dynam, our Group's primary subsidiary, had a total of 90 accidents, of which 81 were work-related accidents and 9 were commuting accidents, during the fiscal year. There were 712 days of leave due to occupational accidents and 31 days of leave due to commuting accidents, for a total of 743 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.

Work-related injuries severity rate *

0.11%

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

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

For the year ended 31 March 2026

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.

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.

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-hall equipment is being made nearly maintenance-free, allowing employees to focus on highly productive work.

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 99.5% in the fiscal year ended 31 March 2026. 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.

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 2026, the average number of monthly overtime hours for all Dynam employees was 3.0 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

S

Social

Community Contribution/ Public-Private-Academic Collaboration

Walking alongside the communities we serve, our Group creates opportunities for meaningful connections with children and their futures while contributing to the resolution of local challenges and the revitalisation of the region.



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 halls 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.



Support for the ICT Park Operations Project promoted by Asahikawa City, Hokkaido. Digital workshop held for elementary and middle school students.

Background

Fostering children's interest in ICT through public-private-academic collaboration

On 6 April 2025, we hosted a digital workshop for elementary and middle school students. This was part of a support initiative for the ICT Park Operations Project promoted by Asahikawa City in Hokkaido in partnership with the framework for the Corporate Hometown Tax Donation System (Regional Revitalisation Support Tax Incentive).

Event overview

ICT education programme: "A World First! Creating Games Using the e-Smart Ball"

Twenty children from the Asahikawa region participated in the digital workshop format and experienced the process of game creation. The e-Smart Ball is a next-generation game creation and educational tool that fuses digital technology with the traditional game of smart ball. Students from the National Institute of Technology, Asahikawa College, joined as instructors, bringing together local government, schools, and our company's Asahikawa Chikabumi Hall as a private sector partner.

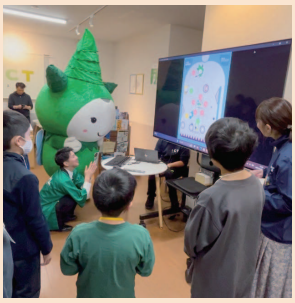
Outcomes and future vision

Cultivating the next generation and addressing local challenges

At the results presentation session, the children showcased their finished creations and the creative ideas they had brought to life. We believe this initiative carries great significance as an effort to nurture future talent by giving children an enjoyable and engaging way to connect with ICT. We will continue to support activities that contribute to solving local challenges and driving regional revitalisation, and we remain committed to making a positive difference in society.



A Dynam employee observing children at work on their creations



Results presentation session



Group photograph at the venue

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.

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.



Life University Participants

3.Career Consultation Services

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

S

Social

Efforts for local communities/ Activities as part of the local infrastructure

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.

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.

Charitable contributions

¥72mill.

For the year ended 31 March 2026

Gifts and donations by DYNAM

As part of the ongoing commitment to providing support to local communities, Dynam participates in a wide range of volunteer and charitable activities across Japan. Through the Corporate Hometown Tax Donation program (Regional Revitalization Support Tax System), DYJH donated to Saga Prefecture's SAGA BLUE PROJECT, an initiative aimed at creating a safe and secure Saga with zero traffic accidents. In January 2026, Dynam made donations to eight cities across eight prefectures.

Regarding disaster relief support for the August 2025 Heavy Rain Disaster

In addition to accepting in-hall pachinko ball and medal donations at the Group's halls nationwide, we now support recovery efforts through volunteer activities in Kirishima City, Kagoshima Prefecture; Fukutsu City, Fukuoka Prefecture; and Uki City, Kumamoto Prefecture. We will continue community contribution activities aimed at achieving deeper coexistence with the regions we serve and contributing to their development.

Becoming the Daily Entertainment that Communities Need

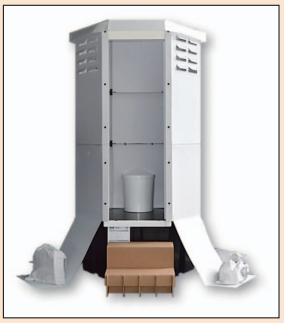
Through the operation of pachinko halls, our core business, our Group practices the provision of social value as daily entertainment. In Japan's entertainment industry, facilities tend to be concentrated in large metropolitan areas, so pachinko halls in rural areas play a significant role. Our Group has adopted a suburban strategy as part of its chain hall 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.

Sports promotion activities

Data indicates that most people need to use a toilet within six hours of a major disaster, and government disaster preparedness guidelines issued by the Cabinet Office emphasize that the lack of access to toilet facilities causes stress and sleep disruption. In support of the safety and well-being of local residents during a disaster, the DYJH Group deployed emergency toilets (product name: Hobo Kami Toilet) at six of its logistics centres across Japan; those toilets are ready to be dispatched quickly to affected areas in the event of a large-scale disaster.



Emergency Toilet Equipment
"Hobo Kami Toilet"



Halls with disaster preparedness agreements

306halls

For the year ended 31 March 2026

Each of these halls is stocked with supplies that include beverages, food, blankets, and power sources for evacuees as needed with halls serving as designated evacuation hubs.

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.

Sports Promotion Activities

As part of the social contribution efforts of the Group, DYJH actively supports the development of a sports culture. In April 2025, the Group sponsored DYNAMCUP PSA YOKOHAMA OPEN 2025, a Professional Squash Association (PSA)-sanctioned event, and in October, Dynam sponsored SQUASH JAPAN OPEN 2025. DYJH is proud to support the growth and wider recognition of squash, a sport that inspires dreams and excitement around the world.

Amount of support for sports promotion

¥31 mill.

For the year ended 31 March 2026

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.

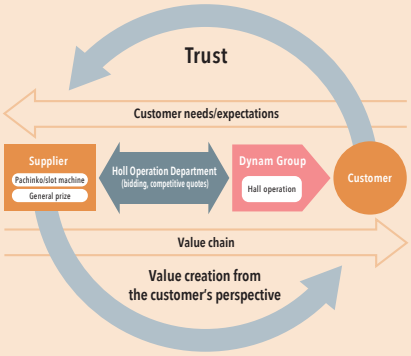


PB prizes

We develop and offer a variety of PB prizes by smoothly linking information about customer needs collected in our halls 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.



S

Social

Efforts for shareholders and investors

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.

Proactive IR Activities Explanation from Top Management

We hold financial results briefings twice a year in Hong Kong and Tokyo for securities analysts and institutional investors. We also accommodate individual interviews and meetings for follow-up at any time. In addition, we participate in individual investor conferences held domestically by securities firms, actively engaging in dialogue with investors. For both our full-year and interim financial results, we provide opportunities for senior management to directly present our business strategy.

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.

Major IR Briefings Held (For the Fiscal Year Ended on 31 March 2026)

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)



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.



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.

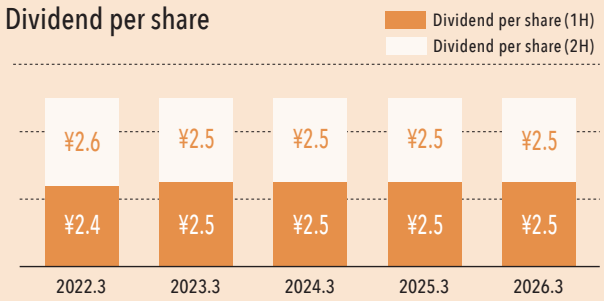
Consistent Payment of Stable Dividends

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 2026, 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.



G

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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Governance

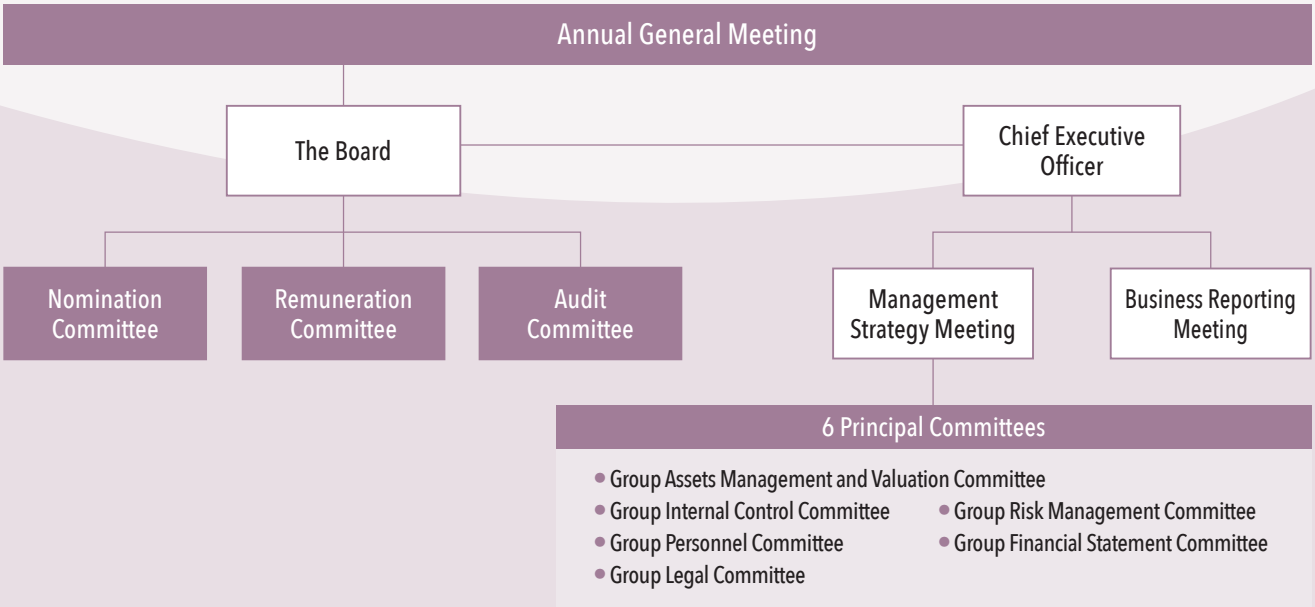
Governance system

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 2025/2026 for details of the Group's Corporate Governance.



G

Governance

Risk management

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 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.



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.

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.

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 2026, 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-hall 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.

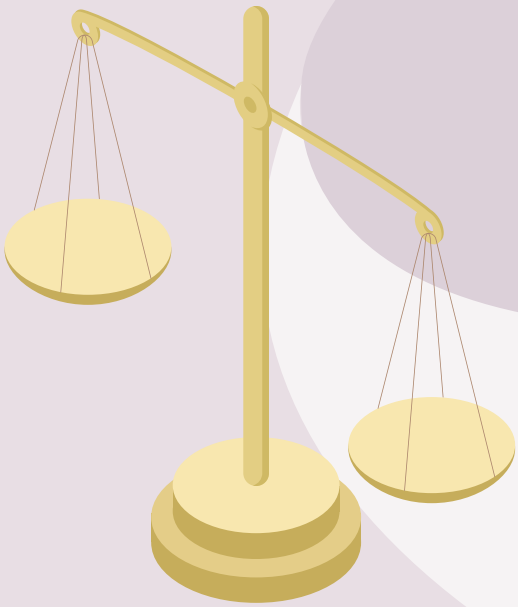
G

Governance

Compliance

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.



Thorough Implementation of Fair Business Activities

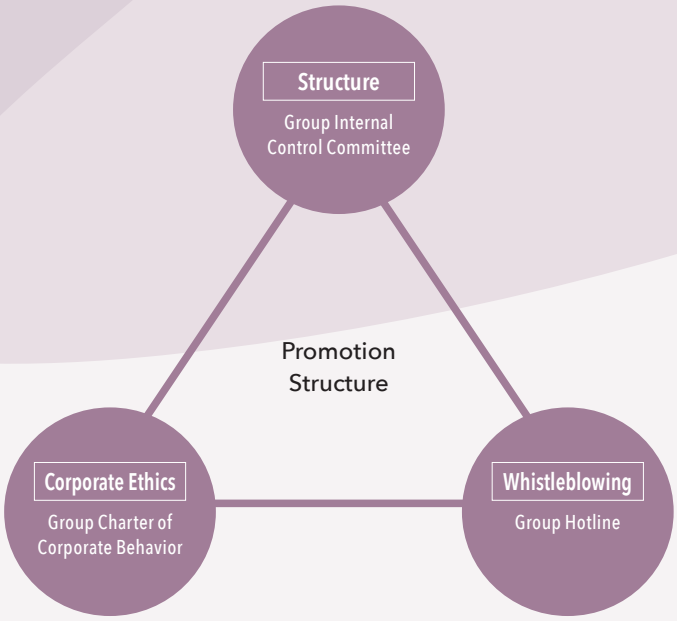
Our Group complies with all laws and regulations, including the Law Concerning Control and Improvement of Amusement and Entertainment Businesses and Other Businesses (the Amusement Business Law). In addition to revising and operating operation manuals in response to legal revisions and changes in the 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.

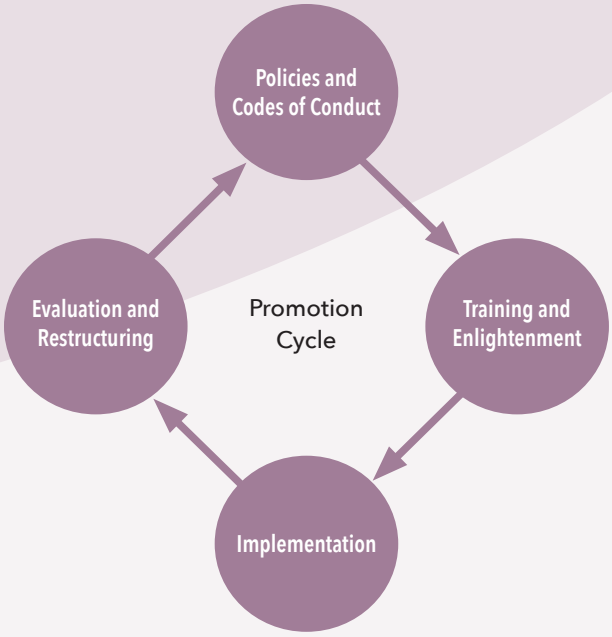
The Group Charter of Corporate Behavior outlines our actions and mindset

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.





About the cover photo

•Todai-ji Temple - Vairocana Buddha (Birushana Butsu) in Nara Prefecture

Commonly known as the Great Buddha of Nara and the fundamental Buddha of the universe, this statue was created during the reign of Emperor Shomu and has been revered by countless people throughout the centuries. The quiet air that fills the Great Buddha Hall and the statue's serene expression have a way of putting visitors' minds at ease.

Photography: Hideki Nawate

Born in Niigata Prefecture in 1965. His work focused primarily on nature and the cityscapes of Australia and Europe. He has since been drawn to Japan's scenery and the traditional cultures passed down through its regions, which remain central to his photography.

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DYNAM JAPAN HOLDINGS Co., Ltd.