

ESG REPORT 2026

株式会社 ニラク・ジーシー・ホールディングス

NIRAKU GC HOLDINGS, INC.*

(Incorporated in Japan with limited liability 於日本註冊成立的有限公司)

Stock Code 股份代號：1245



ESG REPORT 2026

Introduction

For more than 75 years, guided by our management philosophy, NIRAKU GC HOLDINGS, INC.* (“NGCH” or the “Company”) has been engaged in the business of operating pachinko halls, principally in Fukushima Prefecture, Japan. As a company rooted in the local community, NGCH (together with its subsidiaries, the “Group” or “NIRAKU Group”) believes that in order to achieve sustainable growth and develop together with society, it is essential that we leverage the experience we have cultivated since our founding and promote management with a focus on ESG (Environment, Social and Governance). In light of recent environmental changes and the various challenges facing society, we will continue to address these issues with sincerity and promote initiatives that lead to the creation of sustainable value, including responding to climate change, contributing to local communities, enhancing employee diversity and engagement, and strengthening sound governance.

NIRAKU Group has prepared this ESG Report (the “Report”) with the aim of enhancing our corporate value over the long term and fostering dialogue with our stakeholders. We would be pleased if this Report helps you gain a deeper understanding of the NIRAKU Group’s philosophy and specific initiatives.

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About this Report

This ESG report discloses information related to the environmental, social and governance ("ESG") aspects of NIRAKU GC HOLDINGS, INC.* in conformity with the Environmental, Social and Governance Reporting Guide of Appendix C2 to the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited.

** For information on governance, please refer to the Corporate Governance Report of the Annual Report 2025/2026 of the Company.

As the main activity of the Group is the management of pachinko halls, which is the principal business of Niraku Corporation (below, "NIRAKU"), a subsidiary of the Group, the Report will focus on ESG initiatives at NIRAKU.

Except where otherwise noted, the Report covers the period from 1 April 2025 through 31 March 2026, the same period covered by the Annual Report 2025/2026 of the Company.

The executive officer responsible for risk management ("CRMO") has compiled the Report and the board of directors of the Company (the "Board") has approved it.

ESG Initiatives and Stakeholders Engagement

The Board has responsibility for ESG-related strategies, including determining the risk evaluation related to ESG for NIRAKU Group, engaging in appropriate and effective ESG risk management, and keeping internal control system in place.

NIRAKU Group has identified relevant ESG issues and assessed their significance to the Group's business and to its stakeholders through daily reviews of operations and internal discussions with management and employees from different departments within the Group. As a result, the Report addresses in detail the areas we believe are significant from an ESG perspective.

As the Group considers the reduction of CO_2 emissions to be a top-priority ESG issue for management, the Board resolved at its meeting held in March 2022 that the Board will manage and supervise CO_2 emissions at NIRAKU. Furthermore, in order to ensure gender diversity on the Board, one female director was appointed in December 2024. Going forward, while continuing to value our engagement with local communities, we will further enhance diversity over the medium to long term and invite individuals to join the Board who will contribute to the sustainable growth of the Group.

During the reporting period, the NIRAKU Group was not aware of any non-compliance with laws and regulations that might have significant impact on the Group in relation to any key issues.

We solicit feedback from all of the stakeholders to make the Report's preparation process as inclusive as possible. For more detailed information about the feedback, please refer to "Feedback Form" at the end of the Report.



Making life happy, enjoyable, and fun



Top Message

Aiming for Sustainable Growth with the Community

The Group, guided by its management philosophy of “creating time of happiness for people by making the world a happier, more enjoyable and fun place to live”, has walked hand in hand with local communities for more than 75 years. In April 2025, we celebrated the 10th anniversary of our listing on the Main Board of The Stock Exchange of Hong Kong Limited. We would like to express our sincere gratitude to our shareholders, investors, local communities, and all other stakeholders for their continued understanding and support of the Group’s activities.

The driving force behind the Group's ability to sustain its business over many years lies in our commitment to our ties with local communities and the value we have created through coexistence. Companies exist within society, it cannot achieve sustainable growth in isolation. For this reason, companies are increasingly expected not only to pursue their own interests, but also to grow and develop alongside society.

In 2020, the Group passed its ESG Management Declaration as a basic concept for conducting sustainable business, which reads, “NIRAKU Group prioritizes the public interest and considers its employees, customers, business partners, local communities and the planet as a whole to be stakeholders. We aim for management that can achieve sustainable growth together with all”. The concept of ESG, which is the benchmark for sustainable growth, is becoming increasingly important in business, as it serves as an index for selecting investment targets worldwide.

Under this declaration, the Group has established the following three key policies.

- Properly appropriate the profits generated to employees, customers, local communities, environment, the entire earth, vendors and shareholders.
- Manage the business with a sustainable growth that can contribute to society from a medium- to long-term perspective, rather than from a short-term perspective.
- Audaciously invest in new areas and manage our business with an entrepreneurial spirit for the sustainable development of the Company.

These policies form the foundation for shaping a new corporate culture for the next era and serve as the core of the Group’s sustainability management.

Looking 100 years into the future, the Group will continue to take on the challenge of consistently meeting society's expectations and adapting to its changes. Guided by the ESG Management Declaration, we will continually reexamine our business approach and aim to remain a company that is valued by all stakeholders by reducing our environmental impact, fostering coexistence with local communities, developing human capital, and maintaining integrity in governance. Alongside our local communities, we will co-create a better and more sustainable future.

Hisanori TANIGUCHI
Chairman and Chief Executive Officer of NIRAKU GC HOLDINGS, INC.*



Management Philosophy

Group Management Philosophy

Happy Time Creation

Making life happy, enjoyable, and fun

By making the world happy, enjoyable and fun,
we create a happy time for people.

NIRAKU Mission

Making pachinko more fun! And make it more familiar to people!

More fun!

Only pachinko provided by NIRAKU
offers the essential enjoyment of pachinko.

More familiar!

As a part of the local community, we are
committed to creating plenty of local
places of safety.



Corporate guidelines

Customers

For the benefit of everyone who uses NIRAKU

- We provide familiar and comfortable spaces, like being with a friend who understands and knows you.
- We provide relaxing pleasure to help you lead a vibrant and healthy life every day.
- We continue to act sensible, using this as the foundation of a relationship of trust.

Employees

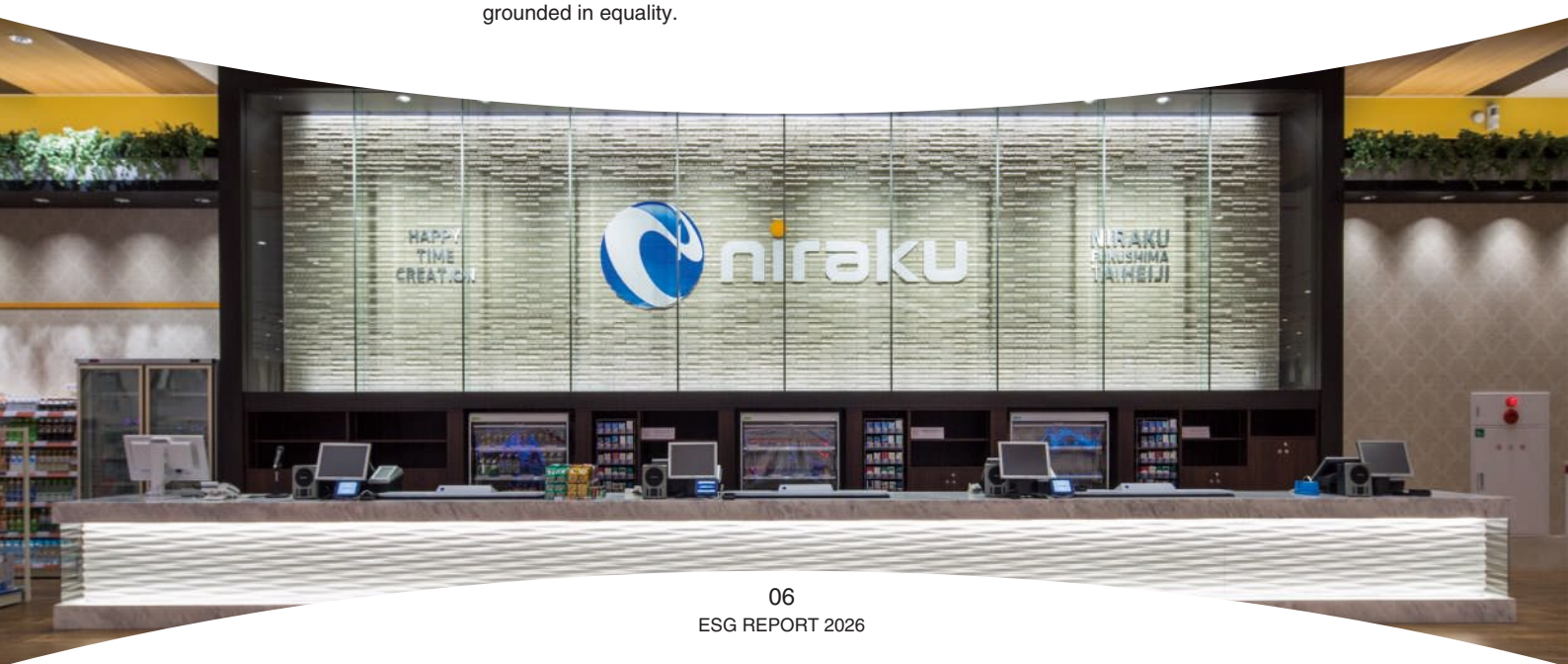
For those who work at NIRAKU

- We promise to provide every opportunity to our employees as we believe that the growth of individuals with infinite potential is linked to the growth of the Company.
- Through mutual communication, we create a culture in which we encourage and motivate one another.
- United by bonds as strong as family, we continue to be a forward-looking group that rises to meet new challenges.
- We maintain a healthy, safe work environment that delivers peace of mind.

Regional Communities

For the Community and Business Partners

- As a good corporate citizen with outstanding ethical standards, we contribute to the development of local communities through our corporate activities.
- We are grateful to the earth, we are committed to reducing the environmental burden generated by our corporate activities, and we support individual environmental conservation activities wherever we can.
- We respect all like-minded business partners, and we build appropriate relationships grounded in equality.



ESG Management Declaration

"NIRAKU Group prioritizes the public interest and considers its employees, business partners, local communities, and the planet as a whole to be stakeholders. We aim for management that can achieve sustainable growth together with all."

- Properly appropriate the profits generated to employees, customers, local communities, environment, the entire earth, venders and shareholders.
- Manage the business with a sustainable growth that can contribute to society from a medium- to long-term perspective, rather than from a short-term perspective.
- Audaciously invest in new areas boldly and manage our business with an entrepreneurial spirit for the sustainable development of the Company.

This declaration represents our fundamental approach to running a sustainable business, and moving forward, underpins the management policy of the Group, centered on ESG/SDGs (CSV 2.0) concepts.

"Setting ESG themes"

	7 core ESG themes	ESG priority issues	International community goals
E	Environment	Climate change	
		Prevention of air pollution	
		Promotion of energy conservation	
		Conserving biodiversity	
		Water management	
		Waste and recycling	
S	Fair business practices	Compliance with fair trading	
		Supply chain management	
	Human rights	Respect for human rights	
	Labor practices	Personnel & benefits	
		Employee health & safety	
		Human resource development	
		Diversity	
	Consumer issues	Product quality & safety	
		Value of health (health & nutrition)	
		Product packaging information disclosure	
		Product availability	
		Fair marketing and advertising	
		Protection of personal information	
	Participation to communities Community development	Community and human rights issues	
		Community and local activities	
		Community and industry development	
		Community and environment/culture	
		Community support in disaster recovery	
G	Organizational governance	Corporate governance	
		Risk management	
		Compliance	



Environment

Environment

Based on our corporate philosophy of “Being grateful to the earth, reducing the environmental burden caused by our corporate activities, and supporting individual environmental conservation activities as much as possible”, the Group is committed to contributing to a low-carbon and sustainable society.



Environmental Management

We are actively undertaking environmental conservation activities aimed at preventing global warming, which has come under increased scrutiny for its environmental impact. In addition to complying with environmental laws and regulations, we will address this in all business aspects, for instance, reducing consumption of electricity for air conditioning and lighting in all halls and buildings, introducing paperless internal communications, waste recycling, reducing use of water resources, and more. We are committed to reducing the burden on the environment and continuously improving our business activities to be more considerate of the global environment.

Climate Change

Effective governance is essential to the business operation and success of NIRAKU. The Board is responsible for overseeing climate-related matters, including risks and opportunities. ESG taskforce is formed to assists the Board in implementing the climate related policies and initiatives. The Board receives update on climate-related matters and recommendations in relation to climate risks from ESG taskforce at least once a year, and when needed.

Given the principal activity of NIRAKU is pachinko hall operation, the Group's exposure to climate-related risks and opportunities is primarily indirect in nature. As such, climate-related risks are assessed mainly in the context of their potential impact on business continuity, operating costs and regulatory compliance. Climate risks identified by the Board are generally classified as (i) Physical risks from climate change, such as acute event like storm and floods and chronic events like increased temperatures and sea levels; and (ii) Transition risks being costs of transitioning to a low-carbon economy, driven by regulatory environment changes.

The Board considered severe weather like flooding and storms to be the most significant hazard as they are expected to cause great disruption on business activities. To mitigate the negative impact caused by these climate risks, the Board has implemented various measures, including property insurance and public liability insurance to protect our interests and reduce potential financial loss. Further, contingency plans are formulated to provide clear guidelines to our employees and customers under extreme weather events such as storms and flooding. The Board will continue evaluate the potential impact, formulate and implement appropriate strategies to mitigate the impact on both operational and financial aspects.

While an increase in carbon pricing might affect utility expense of the operation, which policies are in place to enhance greater energy saving, we consider transition risks in near-term to be insignificant given the impact of increasing transition drivers are minimal.

At the current stage, the Board has not set specific climate-related targets or adopted a formal climate scenario analysis framework due to the simplicity of its business operation. The Board will continue to monitor regulatory developments and industry practices, and will review and enhance the Group's climate-related disclosures when climate-related risks become more material.

The Board has considered various climate-related governance, strategy, metrics and targets during the current fiscal year. The Board does not apply an internal carbon price in its decision-making processes, including but not limited to investment decisions or scenario analysis, during the current fiscal year. Further, climate-related considerations have not been incorporated into the Group's remuneration policies.

Having considered the nature and simplicity of the Group's operations, the Board does not have a formal climate-related transition plan, nor has it set specific climate-related targets during the current fiscal year. The Board has not conducted any climate-related scenario analysis in relation to climate resilience during the current fiscal year. The Board will continue to monitor relevant developments and assess the appropriateness of enhancing its climate resilience assessment as necessary.

Further, considering the nature of the operations and data availability, the Board has not quantified the amount or percentage of assets or business activities exposed to climate-related transition risks, physical risks or climate-related opportunities, nor the capital deployed towards such risks and opportunities. The Board will review the applicability of relevant cross-industry metrics as its climate-related disclosures continue to evolve.

Energy Conservation and Decarbonization

Introducing LED lighting

As part of our initiative to reduce electric power consumption, NIRAKU switched over lighting fixtures in its business center to LED lighting in 2012, the year after the Great East Japan Earthquake. Furthermore, during the 6 years from 2012 to 2017, we switched over all interior and exterior lighting at our halls to LED lighting in order to improve the gaming environment for customers and reduce electricity costs, thereby reducing the amount of electricity consumed by lighting by 66%.



Coordination with HVAC management

- Performing rigorous temperature control to maintain air conditioning inside halls at no less than 26°C.
- Implementing air conditioning power supply management in backyards according to the space and purpose of usage.

Using AI to reduce air conditioning energy consumption

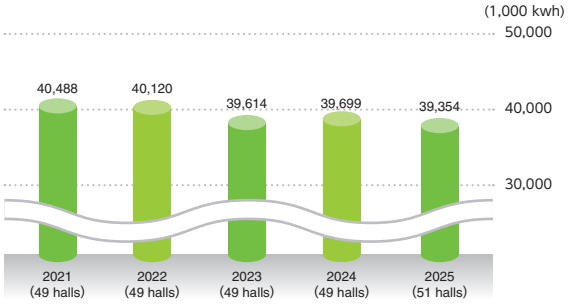
Air-conditioning equipment represents about 50% of total electricity use in our halls, and cutting the amount of electricity used by air conditioning has a powerful effect in reducing electricity consumption. To this end, in June 2021 we introduced a next-generation energy management system driven by AI and behavioral economics. AI studies past electricity usage, climate, and operational behaviors to detect waste and irregularity in electricity usage, and presents optimal energy-saving actions. We carry out energy-saving actions based on objective advice tailored to each of our halls. In August 2022, we introduced an AI-based automatic air conditioning control system, which has helped to reduce demand for electricity steadily without compromising the comfort of customers playing games.



◉ Power usage

Other energy conservation measures

- Partially turn off lighting inside halls and vending machines lighting
- Partially turn off backyard lighting and turn off all lighting when the premises is not in use
- Partially turn off parking lot and bicycle parking and turn off neon lighting
- Manage power conservation when equipment and machine are not in use
- Improve efficiency through the cleaning and inspection of HVAC equipment



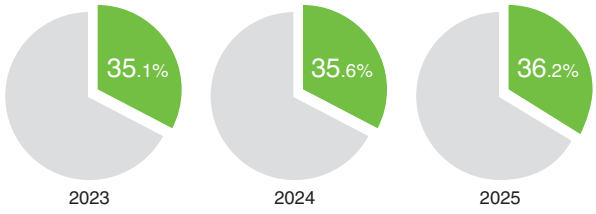
Utilizing solar power generation

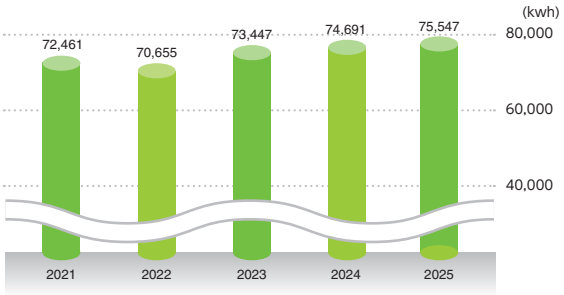
In June 2012, we started solar power generation — a form of green energy that does not emit CO_2 — at our business center. About 30% of the electricity used in the business center has been supplied by solar power since we commenced operations. Since April 2021, we have been moving ahead with installation of solar power generation equipment on our halls' rooftops. By the end of March 2026, installation was completed at 19 of the 51 halls we operate. Looking to the future, we will continue to move ahead with decarbonization of electricity used in our halls seeking to avoid cost increases due to future carbon tax burdens, and we contribute to local communities by being environmentally considerate. CO_2 emissions per basic unit (floor space) for the fiscal year ended 31 March 2026 were 0.188 t-CO_2/m^2.



◉ Solar power generation at the Business Center

◉ Percentage of solar power generation



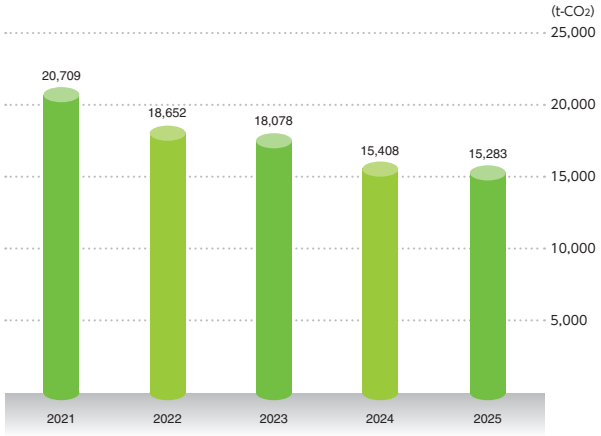


Preserving the environment

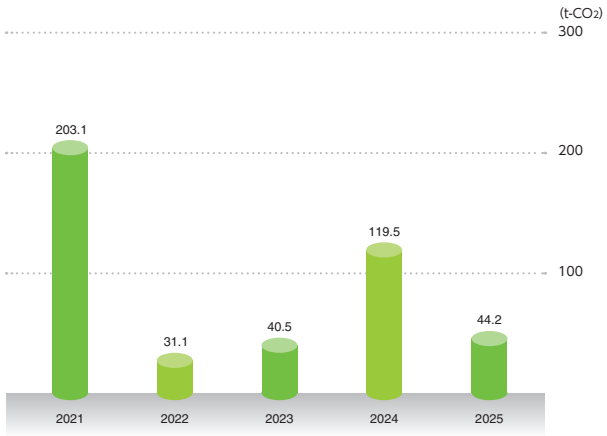
Effort to reduce greenhouse gas emissions

Through implementing initiatives to reduce emissions such as greenhouse gases, NIRAKU has been designated as a specified business operator under Japan's Energy Saving Act. To make effective use of fuel resources, we are promoting rational use of energy as well as working hard to reduce greenhouse gas emissions by managing air-conditioning equipment in accordance with Japan's chlorofluorocarbon (CFC) gas emission control law.

Trends in adjusted greenhouse gas emissions from electricity consumption



Trends in fluorocarbons emissions



Resource Conservation and Circulation Initiatives

Going paperless

The Group collects document waste annually, which is recycled into paper.

Online conferencing

For our monthly sales policy decision meetings, we have introduced web conferencing with remote areas, which reduces greenhouse gas emissions generated by using transportation as well as saving the cost involved in travel.

Recycling of papers

Obsolete documents collected throughout the Group are decomposed and recycled into papers.

Installation of water-saving toilets

We are working to reduce water consumption by installing water-saving toilets.

Introduction of eco-cars

We are actively undertaking environmental protection initiatives such as introducing eco-friendly cars.

Declaration of commitment to Natural Biz and Office Casual

As part of efforts to combat global warming, we declared the adoption of “Natural Biz” and “Office Casual” attire on 1 November 2023. We have transitioned to a system that allows employees to choose appropriate attire for their work year-round, achieving both comfort and energy conservation.

We also endorse the Ministry of the Environment's "COOL CHOICE" initiative and are promoting behavioral changes that contribute to the reduction of greenhouse gas emissions.

Natural Biz at stores

We have adopted comfortable working attire that takes energy and power-saving into consideration throughout the year, without limiting it to the “Cool Biz” or “Warm Biz” periods. Through this initiative, we aim to avoid excessive use of heating and cooling and reduce energy consumption in store operations.

Office Casual at head office

While remaining mindful of environmental impact, we promote communication and creativity through free and flexible attire, leading to the creation of innovation. By encouraging employees to express their individuality through office casual, we aim to enhance acceptance of comfortable temperature settings and improve energy efficiency.

Society

Society

Under our management philosophy of “Happy, Enjoyable, and Fun”, the Group values relationships of trust with all stakeholders — including our customers, employees, and local communities — and contributes to the realization of a sustainable society.

- Customers
- Employees
- Local Communities



Customers

For the benefit of everyone who uses NIRAKU

- We provide familiar, comfortable spaces, like being with a friend who understands and knows you.
- We provide relaxing pleasure to help you live in a vibrant, healthy life every day.
- We continue to act sensible, using this as the foundation of a relationship of trust.



Guided by our mission of “Making pachinko more fun! And make it more familiar to people!”, NIRAKU provides the inherent fun of pachinko and pachislot while fostering a safe and welcoming space rooted in local communities, where even those who do not usually play can feel comfortable stopping by, ensuring an exciting time for everyone.



Measures against addiction

NIRAKU is furthering advanced research into dependency countermeasures, against the background of the approval of the IR promotion Law in December 2016. In May 2018, we formulated and declared our basic policy, based on the concept of “responsible gaming”. We remain committed to addressing the problem of dependency and fixation on pachinko, with the aim of achieving “zero dependen-cy on pachinko by 2050”.

Basic policy

Responsible gaming

With regard to excessive fixation that may be caused by the gaming we provide, NIRAKU takes responsibility for making efforts to prevent and minimize this.

1 Human resources development
Educating employees

Training employees with accurate knowledge can lead to early detection and preventing customers from excessive fixation.

We need to have accurate knowledge in order to face the issue of excessive fixation. Having accurate knowledge creates opportunities to think more deeply about the state of gaming and the background of each customer in front of you. This will lead to actions that are more in line with customer's feelings.

2 Environmental initiatives
Encouraging prevention

We encourage suitable methods of gaming and healthy behavioral habits, and we offer appropriate support so that our customers can enjoy gaming in a safe and reasonable way.

Conventionally, countermeasures focused on taking action only after problems occurred. We now work to prevent the occurrence of problems by addressing preventive measures at earlier stage.

3 As a member of society
Maintaining a safety net

Working in conjunction with support groups and recovery facilities, we endeavor to help customers with problems head toward recovery at an early stage.

We maintain a safety net for the local area around each of our halls. We also cooperate and coordinate with existing consultation services and support groups.

4 Regional and social contribution activities
Harmonising with local communities

Through the above activities, we create gaming halls that help local residents to enjoy gaming in safe and peace of mind.

Our halls exist with the support of the local community. We contribute to the development of the local community so that customers and local residents know that they can play with peace of mind at NIRAKU — so they are happy that NIRAKU is there.









Specific efforts

Evacuation drill & evacuation guidance in the event of disaster, based on our BCP

Countless customers visit our pachinko halls every day. NIRAKU works to ensure our customers' safety by complying with the Fire Service Act, offering disaster preventive education to our employees as well as conducting firefighting training (twice annually), firefighting equipment inspection (twice annually), and fire prevention target inspection (once annually) at all our halls. Furthermore, drawing on our experience from the Great East Japan Earthquake, we continue to conduct regular drills for emergency disaster scenarios based on the BCP (Business Continuity Plan) formulated in 2017. Through these efforts, we aim to enhance every single employee's awareness of disaster preparedness and strengthen our readiness for emergencies.





●Drills
Fire drills 2 x per year / Firefighting equipment inspection 2 x per year /
Fire prevention inspections 1 x per year

Measures to prevent children being left in vehicles

NIRAKU is stepping up efforts to prevent incidents stemming from children being left unattended in cars. At all halls with parking facilities, store employees patrol the parking areas at regular intervals once every hour from May to October and once every two hours from November to April, to check for the presence of children in cars and ensure safety. There were zero cases of children left in vehicles during the fiscal year ended 31 March 2026.



Emergency measures (installation of AEDs)

NIRAKU started installing AEDs (Automatic External Defibrillators) in 2010 and we completed AED installation in all halls and sales offices by January 2011. Since then, all employees have undergone training using cardiopulmonary resuscitation (CPR) training kits. Currently, we have entered into a service agreement with a security company to conduct regular maintenance of AED equipment and provide ongoing training, in order to maintain equipment performance and strengthen our emergency response system.





●Training content
By watching the accompanying DVD (about 40 minutes), trainees learn the importance of life-saving, the importance of the first discoverer, chest compressions, and the correct usage and significance of AEDs. Trainees open the CPR training box, prepare pseudo-AED and AED pads, practice exercise strength by performing chest compressions and applying proper timing and pressure on plastic molded heart equipment.

Measures to prevent passive smoking

Following the amendment of the Health Promotion Act, indoor smoking has been generally prohibited at pachinko halls since April 2020. At all NIRAKU halls, smoking is prohibited in gaming areas, and we have implemented measures to separate smoking areas, including the installation of smoking rooms that meet required standards. We will continue to improve the gaming environment so that both smokers and non-smokers can feel at ease and enjoy a safe and comfortable space.



Installation of “All Gender” restrooms

To create a store environment where all customers feel safe and comfortable, we are promoting the installation of multipurpose restrooms incorporating universal design, striving to create an environment that is safe and accessible for everyone, regardless of disability or gender. In addition, we have installed JIS-compliant pictograms and information signs indicating all-gender facilities at entrances and exits to improve visibility.



Employees

For those who work at NIRAKU

- We believe that the growth of individuals with infinite potential is linked to our growth as a company, and we promise opportunities to grow.
- By talking together, we create a culture in which we encourage and motivate one another.
- United by bonds as strong as family, we continue to be a forward-looking group that rises to meet new challenges.
- We maintain a healthy, safe work environment that delivers peace of mind.



Our approach to human capital

At NIRAKU, we position human capital as our most important management resource. We believe that each and every employee is a valuable asset with unlimited potential, and that their growth leads to the sustainable growth of the Company.

Based on this notion, we continue to invest in education and strive to cultivate a corporate culture that supports learning and growth through taking on challenges. By maximizing the abilities of each employee and bringing those strengths together, we aim to drive transformation in the pachinko industry and achieve “innovation” in new business domains. Through these efforts, we seek to realize both the growth of our employees and our business, thereby contributing to the development of a sustainable society and the long-term growth of the Company.



Creating a culture of personal growth and organizational revitalization through development of human resources

At NIRAKU, we believe the growth of individuals with infinite potential is linked to the growth of the Company. By actively providing all employees with opportunities for growth and developing human resources capable of sparking innovation, we are working to revitalize our organization.

Education and Training

In addition to fostering a positive corporate culture, we are working to identify talent for the future and develop management-level leaders through our unique training programs centered on leadership development.

The training participation rate and average hours of training per employee for the fiscal year ended 31 March 2026 (April 2025 to March 2026) were 90.8% and 7.3 hours overall, 186.7% and 10.4 hours for managers and above by position, 88.2% and 7.2 hours for those below the managerial level; and 97.3% and 7.5 hours for men, and 56.0% and 6.2 hours for women by gender.

*The participation rate is calculated based on the total number of participants, so it may exceed 100%.

Training system

<table>
<tr><th colspan="3">Grade</th><th>Ⅰ</th><th>Ⅱ</th><th>Ⅲ</th><th>Ⅳ</th><th>Ⅴ</th><th>Ⅵ</th></tr>
<tr><td colspan="3">Position</td><td>New employees</td><td>Crew</td><td>Assistant Manager</td><td>Store Manager</td><td>Area Manager</td><td>General Manager</td><td>Director
Executive Officer</td></tr>
<tr><td colspan="3">Job</td><td colspan="2">General personnel</td><td>Junior management</td><td colspan="2">Mid-level management</td><td>Senior management</td><td>Top management</td></tr>
<tr><td colspan="3" rowspan="2">Common education</td><td colspan="5">Literacy education (history of NIRAKU, the Entertainment Business Act, basics of pachinko, anti-money laundering, addiction countermeasures, compliance, harassment, business etiquette), etc.</td><td colspan="2"></td></tr>
<tr><td colspan="7">Philosophy Education</td></tr>
<tr><td rowspan="3">Training by department/ by level</td><td rowspan="2">Pachinko business department</td><td>Promotion</td><td rowspan="2">New employee training
Ⅰ・Ⅱ・Ⅲ</td><td></td><td>Assistant Manager challenge</td><td></td><td>Store Manager challenge</td><td colspan="2"></td></tr>
<tr><td>By level</td><td>Crew Training</td><td></td><td>Assistant Manager Training</td><td></td><td>Store Manager Training</td><td>Area Manager Training</td><td></td></tr>
<tr><td>Head office/ Other business departments</td><td colspan="3">Practical education</td><td colspan="3">External training dispatch and specialized field education</td><td></td></tr>
<tr><td colspan="3">Selective education</td><td colspan="5">Future innovation academy (first academy, second academy and third academy)</td><td colspan="2">External education dispatch</td></tr>
<tr><td colspan="3" rowspan="4">Career development</td><td colspan="2"></td><td colspan="3">Top Management Interviews</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td><td colspan="4">Career follow-up training</td><td></td></tr>
<tr><td colspan="2"></td><td colspan="3">Internal job posting</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td><td colspan="4">Educational secondment</td><td></td></tr>
</table>

e-learning

Based on our commitment that all employees should continue to hone their own capabilities, we offer autonomous e-learning courses based on our own training programs.





OJT

The OJT program is helping employees improve their proficiency in practical operations in four steps (preparation, explanation, execution, and follow-up) under the guidance of a trainer, according to a practical performance assessment sheet at each job position.





Creating a corporate culture in which diverse human resources can play an active role

Promotion of Women's Participation

We are working to provide a comfortable working environment to help all employees not only find employment opportunities, but also improve their abilities and develop their careers. Through these initiatives, we are working to support the achievement of the ideal work-life balance while striving to promote success for women.






Support for each prospective female employee

Regarding work-life balance, we try to match prospective female employees with senior female employees with extensive experience, so they can discuss specifics about systems and well-being and deepen their understanding of work-life balance.

Exchange of information

Through their participation in various study sessions, we are working to improve women's skills and create a pleasant working environment.

Eruboshi Mark Obtained

In March 2017, NIRAKU was granted Level 3* Eruboshi certification by the Ministry of Health, Labour and Welfare, based on the Act on Promotion of Women's Participation and Advancement in the Workplace, for excellent implementation of initiatives to promote the success of women.

Five criteria

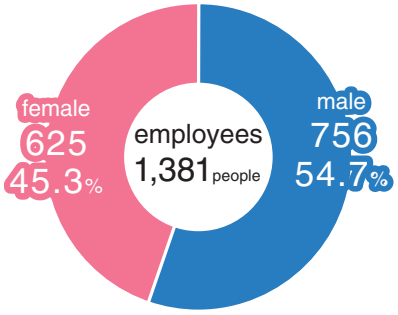
1. Recruitment
2. Continuing employment
3. Ways of working, including work hours, etc.
4. Proportion of female managers
5. Diverse career courses

Number of managers/Proportion of female employees

Year	2022	2023	2024	2025
Total	99	116	122	135
Number of male managers	96	113	117	126
Number of female managers	3	3	5	9
Proportion of female managers	3%	2.6%	4.1%	6.6%

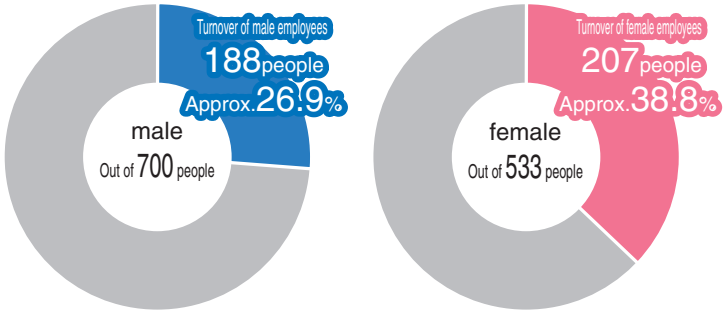
◉ Employee numbers and gender ratio
(as of 31 March 2026)

※Total number of full-time, part-time, and casual employees



◉ Employee turnover rate
(as of 31 March 2026)

※Total number of full-time, part-time, and casual employees



◉ Employee information
(as of 31 March 2026)

	Full-time employees		Part-time & casual employees	
Age	male	female	male	female
～29	45	24	124	211
30～39	143	45	48	85
40～49	242	16	51	116
50～59	58	17	24	84
60～	17	5	4	22

◉ Turnover information
(as of 31 March 2026)

	Full-time employees		Part-time & casual employees	
Age	male	female	male	female
～29	6	3	110	118
30～39	12	4	21	33
40～49	3	1	19	24
50～59	4	2	6	16
60～	6	1	1	5

Note: Total workforce and the employee turnover rate by geographical region is not applicable as the Report focuses on ESG initiative of Niraku Corporation, where Japan is the sole country of operation.

Promoting employment of people with disabilities

Based on its policy of contributing to the development of local communities, NIRAKU has achieved the legally mandated rate of employment of people with disabilities. In February 2010, we established a special subsidiary, NIRAKU MERRIST Corporation, to promote employment of persons with disabilities. At NIRAKU MERRIST Corporation, we are working to create an environment where people with disabilities can actively work and expand the scope of their employment, such as cleaning and weeding of halls and premises, and cleaning and management of company housing and training centers. As a result, in 2016, NIRAKU received a commendation from the Ministry of Health, Labour and Welfare at a national award ceremony to recognize and celebrate employment of persons with disabilities.



NIRAKU MERRIST

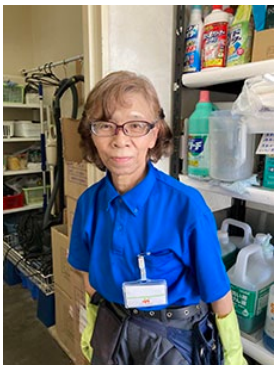
◉ Number of employees with disabilities

	Employees	Employment rate	Statutory employment rate
2026	28	2.7%	2.5%
2025	31	3.5%	2.5%
2024	32	3.3%	2.5%
2023	32	3.2%	2.3%
2022	39	4.2%	2.3%










We are creating an environment in which employees over 65 years old can stay actively and energetically engaged.

Creating a pleasant work environment

Our aim is to create a healthy, safe, and secure work environment. We seek to create an energized, pleasant work environment, and to optimize employees' work-life balance and working styles.

Work-life balance initiatives

At NIRAKU, we believe that personal growth leads to corporate growth. As part of our efforts to support the personal growth of employees, we have implemented various systems and created work environment to help our employees, regardless of gender, balance work and family life events such as marriage, childbirth, child rearing, and nursing care.

Systems to support work-life balance

Support systems for balancing work and family life

The workplace environment that we have established encourages employees to take annual paid leave (5 consecutive holidays planned), as well as accumulation of forfeited paid leave (life support allowance), childcare and nursing care leave, and so on.



Iku-Boss Declaration

In March 2017, we issued an Iku-Boss Declaration in support of the Iku-Boss Declaration movement as pursued by Fukushima Prefecture.

Platinum Kurumin Mark Obtained

Based on the Act on Advancement of Measures to Support Raising Next-Generation Children, NIRAKU has earned the Kurumin and Platinum Kurumin certifications from the Ministry of Health, Labour and Welfare in recognition of our efforts at a higher level.

◉Return-to-work rate after childcare leave (Counted from 1 April 2025 to 31 March 2026)

	Employees who have taken childcare leave	Proportion of employees taking childcare leave returning to work
male	7	100%

	Employees who have taken childcare leave	Returned to work in 2025	Proportion of employees taking childcare leave returning to work
female	11	9	82%

※Two persons are have resigned.

Remote working for employees

We have implemented remote working, including both telecommuting and mobile working, and are working to develop systems that support flexible work styles and a workplace culture that facilitates their use.



Dialogue with employees

Interviews with supervisors

Every six months, we provide opportunities for supervisors and junior employees to meet and offer each other support to expand opportunities for growth through goal setting and feedback on personnel evaluations.



Labor-management dialogue

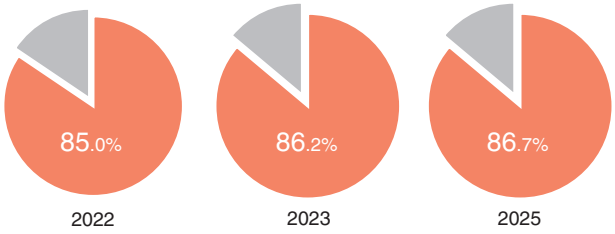
The UA Zensen NIRAKU Union was formed in 2005 with the aim of developing corporate business, maintaining and improving the working environment, and achieving comfortable lives for employees through labor-management cooperation. Regular labor-management meetings and committee meetings are held, including active discussions to resolve issues while also incorporating the opinions of employees in regard to the working environment and working conditions.

Safe working environment

In order to prevent occupational accidents and occupational illness in the workplace, we have instituted a company-wide safety and health management system by appointing a comprehensive safety and health manager to our business center (headquarters), as well as hygiene managers and industrial health physicians (safety and health promotion personnel for small-scale workplaces with fewer than 50 employees) for each workplace. We seek to gain an understanding of the actual situation and health and safety issues at each workplace. In regard to health management, in addition to regular health examinations, we have instituted both in-house and external consultation services, including NIRAKU Hotline (an internal reporting service) and EAP (mental health support), and we strive to prevent overwork by employing industrial health physicians to conducts checks of lengthy work hours and encouraging our employees to take annual paid leave.

Trends of paid vacation acquisition rate

※Currently, KPIs in 2024 are not available.



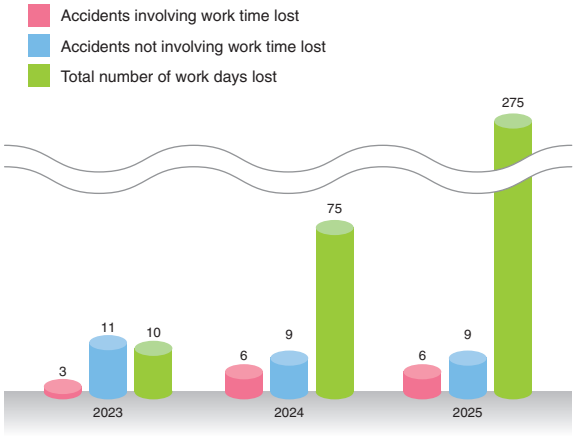


Work-related injuries severity rate※(as of 31 March 2026)

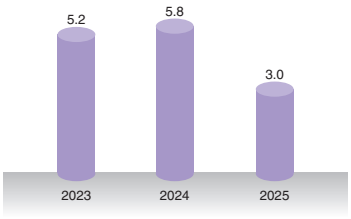
0.14%

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

Number of occupational accidents and total number of work days lost



Trend of monthly average overtime hours



Health management initiatives

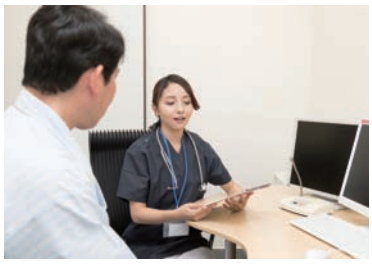
To maintain the good health of our employees, we have set a target rate for health checkups and are pursuing a series of expanded initiatives to increase the rate of health checkups.

Monitoring the mental health of employees through interviews

We regularly monitor the mental health status of our employees through stress checks conducted by an external specialist organization and interviews with occupational physicians for overworked employees, striving to grasp the actual status of employment and health.

EAP counseling room

We have established an EAP counseling room for mental and physical counseling, which provides mental health care in consideration of privacy.



Health checkup rate (past 3 years)

	2023	2024	2025
Regular	100.0%	100.0%	100.0%

Secondary health checkup rate (past 3 years)

	2023	2024	2025
Regular	96.3%	95.8%	98.0%

Local Communities

For the Community and Business Partners

- As a good corporate citizen with outstanding ethical standards, we contribute to the development of local communities through our corporate activities.
- We are grateful to the earth, we are committed to reducing the environmental burden generated by our corporate activities, and we support individual environmental conservation activities wherever we can.
- We respect all like-minded business partners, and we build appropriate relationships grounded in equality.



At NIRAKU, under our management philosophy — "By making the world happy, enjoyable, and fun, we provide a happy time for people" — the Company itself, our halls, and all our employees are committed to be good corporate citizens contributing to sustainable development, both in our relations with society as a whole and with local communities.

At NIRAKU, our local halls play a central role in our efforts to live in harmony with local communities. One such initiative is the "Active Local Engine".

The Active Local Engine connects our halls with local communities and aims to promote coexistence and mutual development.

Specifically, we identify "happy, enjoyable, and fun" things within each hall's local business area, share them with local residents, and cultivate common topics of conversation, thereby contributing to creating communities that are happy, enjoyable, and fun alongside local residents.

ACTIVE LOCAL ENGINE

Social contribution activities

Assisted with management of the Shakadogawa Fireworks Festival in Sukagawa City

During the Shakadogawa Fireworks Display held in Sukagawa City (Fukushima Prefecture) every August, NIRAKU opens up its entire Sukagawa hall free of charge, pro-actively interacting with the local community by conducting 24-hour charity fundraising activities, donating proceeds from stall sales, and hosting and managing events on our premises.













Held an event for light up in Koriyama

To coincide with the Big Tree Pageant Festa in Koriyama light-up event hosted by the Koriyama Chamber of Commerce and Industry, and with the cooperation of the residents' association, we collect lampshades from local children depicting various feelings on the theme of “When things are fun and happy”, with which we decorate the east exit of Koriyama Station.



ACTIVE LOCAL ENGINE

Donations of gaming machines

We donate pachinko machines and slot machines no longer in use at halls to nearby welfare facilities for the elderly, homes for the elderly, nursing care facilities, etc. We have received positive feed backs from those with actual experience of these games, stating that they help with “brain rehabilitation and finger movement”.





Volunteer activities supporting reconstruction in disaster-affected areas

Since the Great East Japan Earthquake on 11 March 2011, we have taken part in the “Midori no Kizuna Regeneration Project” organized by the Tohoku Branch of the Pachinko Industry Association (Nichiyukyo). This initiative is undertaken by the Forestry Agency of Japan to regenerate coastal disaster prevention forests damaged by the Great East Japan Earthquake, and is carried out every year near Arahama Ipponsugi, Wakabayashi, Sendai City, Miyagi Prefecture.

In fiscal year 2025, marking our 12th year of participation, four employees from the Company took part as volunteers and contributed to environmental conservation and reconstruction support in the region through tree-planting activities.



Creating practical learning opportunities for students through industry-academia collaboration

To create practical learning opportunities for students whose academic options have been limited by the COVID-19 pandemic, we asked students of the International Art & Design College to create a corporate image commercial for NIRAKU and invited lecturers to hold classes and deliver presentations.





ACTIVE LOCAL ENGINE

Free seminar addressing dependency and fixation issues

We consider measures against gambling and other dependency and fixation issues to be the corporate social responsibility (CSR) of pachinko hall companies, and we are proactively working on anti-dependency measures under our basic policy of "responsible gaming". Focusing on the four basic cornerstones of (1) educating employees; (2) encouraging prevention; (3) maintaining a safety net; and (4) harmony with local communities, we will continue to implement measures to prevent excessive fixation and prevent expansion of problems.

The 1st
“Seminar on Awareness for Dependency Measures: Knowing about Pachinko Dependency and Thinking About Dependency Countermeasures”

On 15 May 2019, as part of an awareness week held in recognition of Japan's Basic Law for Countermeasures against Gambling Dependencies, we held a free seminar for 49 people either involved or interested in dependency issues.

The 2nd
“Pachinko Dependency Study Session in Koriyama City”

On 8 November 2019, a free seminar was held for about 80 people involved with pachinko or with local community support.





The 3rd
“Study Session on Countermeasures for Pachinko Dependency (Fixation) Problems”

On 2 November 2021, at the request of Fukushima University,we held a study session for students interested in the current state of gambling dependence and NIRAKU's contribution to local communities, as well as measures to combat problems of dependency (fixation) in the pachinko industry, in line with the themes the students were addressing.

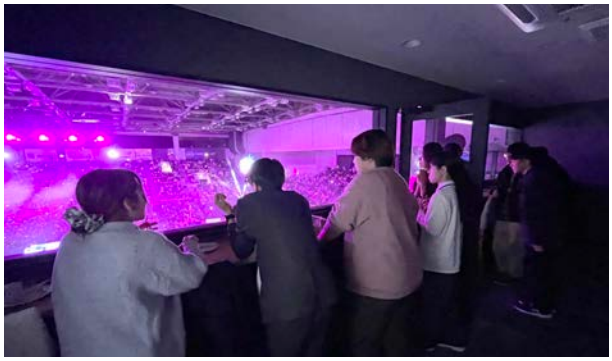


The 4th
“Study Session for Students and the Press”

On 27 January 2025, we held a seminar on countermeasures against dependency (fixation) problems in the entertainment industry for students of Fukushima University and the media in Fukushima Prefecture.

The 5th
“Exchange Meeting for Students”

In January 2026, we held an exchange program for 13 students in cooperation with the Fukushima Firebonds, a professional basketball team. The program included an introduction to our CSR activities, dialogues on healthy ways to enjoy pachinko/pachislot, and watching a match. We also engaged in efforts to support education for the next generation, promote responsible enjoyment, and raise awareness of measures to address dependency (fixation) problems.

ACTIVE LOCAL ENGINE

Support for sports promotions (Sponsorship agreement with a B.LEAGUE team)

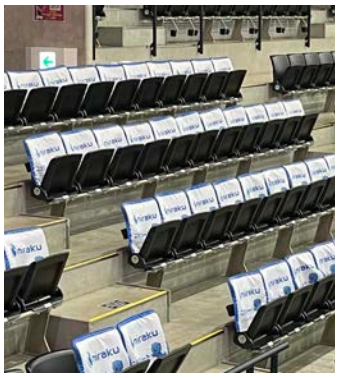
At NIRAKU, we support the development of basketball, which offers dreams and hope. To demonstrate our commitment to their vision, we have entered into a sponsorship agreement with the local Fukushima Firebonds professional basketball team, which was established in the wake of the Great East Japan Earthquake of 11 March 2011, as a gesture of hope for the children who will go on to form the next generation.

At each home game, 52 “NIRAKU Seats” are provided, and individuals from social welfare organizations are invited free of charge.

Fukushima Firebonds [B.LEAGUE]

The team name of Firebonds is derived from the English words “fire”, which suggests a fiery fighting spirit, and “bonds”, which suggests ties and unity.





Participated in cleanup activities and workshops to learn about the environment

With a desire to contribute to the development of local communities through appreciation of the earth, we participated in the CHANGE THE GOODs ACTION event organized by Fukushima Firebonds, where we learned how to separate and reduce waste.





Pachinko (Torepachi) hands-on event at elderly living facility

To help the elderly stay healthy and energetic through exercise, we held a hands-on event at Koriyama Care Center Soyokaze featuring simple exercises using basketballs and the Torepachi machines developed by Toyomaru Industry Co., Ltd., which are understood to help prevent dementia and assist rehabilitation.





Hosting Recreational Activities at Senior Care Facilities

We conducted events at senior care facilities in collaboration with the professional basketball team, Fukushima Firebonds. In addition to helping the elderly improve their health and create a sense of fulfillment through health exercises and recreational activities, we are developing initiatives that balance environmental considerations with community contribution by utilizing games made from recycled pachinko machines.



Attracting local food trucks in free parking spaces

At 17 of our NIRAKU stores, we are implementing an initiative to attract food trucks by providing free parking lot space.



ACTIVE LOCAL ENGINE

Support and volunteer activities

Concluded disaster response agreements with Koriyama City and Ebina City

In light of the damage caused by large-scale natural disasters such as unexpected heavy rainfalls and typhoons in recent years, and as a way to give back to the community and help support the creation of safe, secure communities, 10 NIRAKU halls located in the cities of Koriyama and Ebina signed an agreement on disaster response and other related matters.

Koriyama City, Fukushima Prefecture (9 halls)



Koriyama Oomachi



NIRAKU Koriyama Omachi hall's multi-story parking lot

Details of agreement

Provision of temporary vehicle evacuation sites, such as parking lots



Provision of tap water, toilet facilities, etc. to evacuees



Provision of various disaster information to evacuees



The large screens of the NIRAKU Koriyama Omachi hall display a variety of local community information, in addition to disaster readiness information.

Ebina City, Kanagawa Prefecture (1 hall)



NIRAKU Ebina Hongo hall



NIRAKU Ebina Hongo hall's multi-story parking lot

Details of agreement

Provision of temporary vehicle evacuation sites, such as parking lots

In response to a request from the Ebina City authorities, the multi-story parking lot (capacity 452 vehicles from 2nd floor to rooftop) of the NIRAKU Ebina Hongo hall will be provided in the event of a planned emergency discharge of the Shiroyama Dam, causing the Sagami River to overflow.

ACTIVE LOCAL ENGINE

Governance

Governance

In its ethical charter, NIRAKU Group defines corporate social responsibility to be the creation of new value in the world through ethical and legally fair management.

In addition to complying with laws and regulations and respecting social norms, we aim to earn the trust of all stakeholders through sincere corporate activities based on high ethical standards, thereby contributing to the realization of a sustainable society. Furthermore, by appropriately identifying and assessing all risks associated with our business activities and striving to minimize their impact, we will ensure business continuity and stable growth.

- Compliance
- Risk management



Policy on compliance

In its own ethical charter, the Group declares corporate social responsibility to be the creation of new value in the world through ethical and legally fair management. Following various laws and social norms as a matter of course, we will earn the trust of our customers and of wider society by expressing high ethical standards and morals, thereby fulfilling our corporate social responsibility and contribute to social development.

Industry-leading compliance system for Entertainment Business Law

Based on our Ethical Charter and Action Guidelines, the Group implements various initiatives to ensure that each and every individual acts appropriately with compliance awareness. These include establishing various regulations, as well as revising and operating operational manuals in response to legal changes and environmental shifts. In order to fully comply with the Law Controlling Business Affecting Public Morals, the law which regulates the entertainment and amusement business and mandates appropriate business operations, which is one of the most important laws in the management of pachinko halls, NIRAKU operates a double-check system at all pachinko halls and the Business Center. In addition, at each hall, checks in accordance with legal requirements are conducted once every three months, and the results are recorded and retained. Furthermore, as a backup mechanism, a dedicated business center team conducts audits of all halls every three months The results are reported to the executives, and evaluations and improvements are made through follow-ups.

● A double-check system has been established between the halls and the dedicated business center team

❶ Checks are conducted every three months at halls

❷ As a backup mechanism, a dedicated business center team conducts audits of all halls every three months

▼

Report to directors



Preventing corruption

The Company's Code of Conduct prohibits behavior that takes advantage of a company's position, including bribery, excessive client entertainment, illegitimate or personal transactions, and any dealings with organized crime, and the Company has implemented a training program to enable employees to achieve a full education in these matters.

Preventing unfair competition (Obtaining related qualifications)

At pachinko halls managed by NIRAKU, in order to prevent illegal remodeling of gaming machines, regardless whether internal or external, all store managers are qualified as gaming machine handlers by the Japan Gaming Business Association (Nichiyukyo), and are subject to regulation as persons responsible for management of installed gaming machines. Our store managers constantly collect up-to-date information on illegal behavior both inside and outside the industry, and make use of this to implement specific countermeasures.

●All store managers are certified as supervising gaming machine handlers (Pachinko Industry Association)

●We seek out the latest information on fraud, both within and outside the industry



Protecting intellectual property rights

We have established internal rules and regulations to appropriately manage intellectual property rights, and to ensure that third-party intellectual property rights are not infringed upon. In particular, we have established separate guidelines for trademark rights and copyrights, which are frequently encountered in our business operations, and we keep our employees informed of key points to keep in mind when handling these rights.

Protecting personal information

In accordance with Japan's Act on the Protection of Personal Information and related legislation, we have established internal regulations to ensure that personal information is handled appropriately.

Risk management policy

Our Basic Regulations on Crisis Management explain our policy of striving to eliminate or mitigate the impact of various risks on NIRAKU stakeholders. In our crisis management efforts, we have classified categories of crises to be considered and we implement efforts aimed at ensuring business continuity and stable development through management of these respective crises.

Establishment of Crisis Management Committee

NIRAKU Group aims for continuity of business and stability of development, and the Crisis Management Committee meets regularly to ensure these aims can be reliably achieved. The Committee assesses disasters, accidents, crimes, information security, and other significant risks and determines countermeasures, ensuring the effectiveness of these by carrying out continuous monitoring and in-house educational activities.



Crisis management

NIRAKU has built a system to minimize impacts on its business and on society by promptly and appropriately responding to crises arising due to various risks and by disclosing information based on its fundamental rules for crisis management. As part of crisis management, we maintain records and we devise and formulate appropriate measures to prevent recurrence.



BCP (business continuity plan) initiatives

In 2017, NIRAKU formulated a BCP to minimize damage to its business assets and achieve rapid business recovery in the event of an unexpected crisis such as a large-scale natural disaster. Led by its Crisis Management Committee, NIRAKU is committed to reducing the risk of natural disasters through regularly review of the BCP, preparing manuals, and conducting education and training. In addition, operating our BCP enabled us to promptly resume business activities after being struck by several natural disasters, including earthquakes, in 2021 and 2022.



Anti Money Laundering (AML)

We are sparing no efforts in promoting the discovery and reduction of anti-money laundering (AML) risks in pachinko hall management, which is the main business of our Group. In addition, a written pledge to guarantee the independence of the three-store system is obtained annually from our business partners. All incidents related to AML are brought before the secretariat that oversees the Crisis Management Committee, which carries out inspections and investigations, and reports them to the Company's Chief Risk Management Officer (CRMO) and the Audit Committee of the Company.

※Please refer to www.ngch.co.jp/pdf/AMLPolicy.pdf/

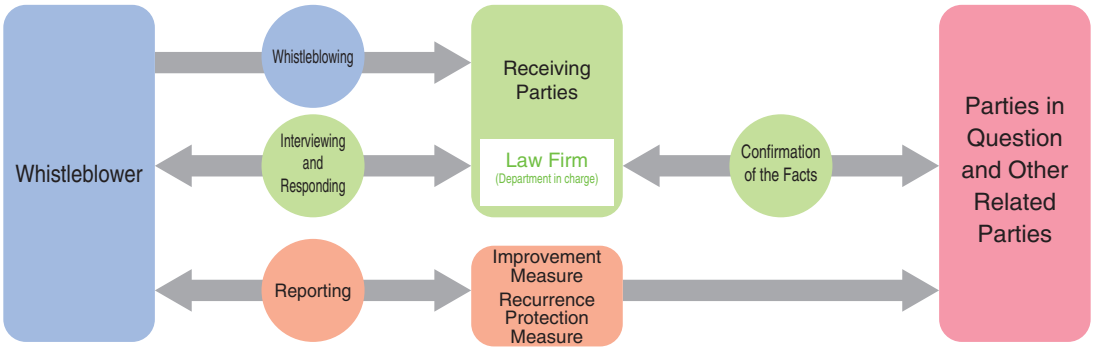


Internal & external reporting systems

NIRAKU Group has set up whistleblowing hotline that can be used by all employees as a shared point of contact across the Group when confronting acts that violate laws or ethical codes of conduct. In our response, we guarantee anonymity and thoroughly enforce the rules to protect whistleblowers.

With our external reporting service, an external consultant (law firm) receives any reports, conveys the content of reports to the responsible director, and monitors corrective actions and handling of the matter. With our internal reporting service, which is a system for reporting harassment and fraudulent activities, in order to strengthen compliance, we commission an external law firm to handle these operations.

● Flow of Handling of the Group's Hotline



We have set up internal and external whistleblowing lines and established a system to hear the opinions of all stakeholders to prevent any misconduct.

Customer feedback

We have established a customer feedback desk to receive inquiries and comments via email or telephone. All customer comments received via email are shared directly with our sales department to be acted upon as necessary. All customer comments received by email and telephone are also collected by the Group's General Affairs Division. After the content is examined carefully, it is shared at sales department meetings as part of each monthly report in a process designed to reflect customer feedback. The number of user comments for the fiscal year ended 31 March 2026 were 372, a 7.8% increase compared to the previous year.

Ensuring transparency in business activities

The Group has established numerous provisions including employment regulations, internal approval regulations, supplier regulations, entertainment policy, and other regulations, including a group ethics charter. In addition, our Business Partner Selection Committee screens both corporations and individuals seeking to initiate new transactions for compliance and credit management based on the required documents specified in internal rules. We also take into account qualitative evaluations such as ease of communication to determine whether or not to start trading with a partner. In the future, we intend to consider adding environmental and social factors to these qualitative evaluations. Corporations and individuals with whom we are already conducting transactions are screened annually, with ongoing transactions, etc. under review, in such a way that all screenings are completed over a three-year cycle. Our business partners for the year ended 31 March 2026 numbered 107 companies (23 in the Tohoku region, 63 in the Kanto region and 21 in other regions).



Reporting guideline comparison table

The Stock Exchange of Hong Kong Limited

Environmental, Social and Governance Reporting Guide

Core Issues	Qualitative information / Indicators			Page
A. Environment				
A1. Emissions	General disclosure		Policies relating to air emissions discharges into water and land, and generation of hazardous and non-hazardous waste.	8-11
			Compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions discharges into water and land, and generation of hazardous and non-hazardous waste.	8-10
	Index	KPI A1.1	The types of emissions and respective emissions data.	11
		KPI A1.2	[Repealed 1 January 2025]	
		KPI A1.3	Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Note 1
		KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Note 1
		KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	2, 8-11
		KPI A1.6	Description of how hazardous and non-hazardous waste is handled, a description of reduction target(s), and steps taken to achieve them.	Note 1
A2. Use of resources	General disclosure		Policies on the efficient use of resources, including energy, water and other raw materials.	8-11
	Index	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	10
		KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Note 2
		KPI A2.3	Description of energy efficiency target(s) set and steps taken to achieve them.	10
		KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Note 2
		KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	Note 3
A3. The Environment and Natural Resources	General disclosure		Policies on minimising the issuer's significant impact on the environment and natural resources.	8-11
	Index	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	8-11
A4. Climate Change	General disclosure		[Repealed 1 January 2025]	
	Index	KPI A4.1	[Repealed 1 January 2025]	
B.Social				
B1. Employment	General disclosure		Policies relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	16-21
			Compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	16-21
	Index	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	18
		KPI B1.2	Employee turnover rate by gender, age group and geographical region.	18
B2. Health and Safety	General disclosure		Policies relating to providing a safe working environment and protecting employees from occupational hazards.	21
			Compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	16
	Index	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	NULL
		KPI B2.2	Lost days due to work injury.	21
		KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	21

Reporting guideline comparison table

Core Issues	Qualitative information / Indicators			Page
B3. Development and Training	General disclosure		Policies on improving employees knowledge and skills for discharging duties at work. Description of training activities.	17
	Index	KPI B3.1	The percentage of employees trained by gender, employee category (e.g. senior management, middle management, etc.).	17
		KPI B3.2	The average training hours completed per gender, employee by employee category.	17
B4. Labour Standards	General disclosure		Policies relating to preventing child and forced labour.	Note 4
			Compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Note 4
	Index	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Note 4
		KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Note 4
B5. Supply Chain Management	General disclosure		Policies on managing environmental and social risks of the supply chain.	31
	Index	KPI B5.1	Number of suppliers by geographical region.	31
		KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	31
		KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how these measures are implemented and monitored	31
		KPI B5.4	Description of the practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	31
B6. Product Responsibility	General disclosure		Policies relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	29-31
			Compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	29-31
	Index	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Note 5
		KPI B6.2	Number of products and service related complaints received and how they are dealt with.	31
		KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	29
		KPI B6.4	Description of quality assurance process and recall procedures.	Note 5
		KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	29
B7. Anti-corruption	General disclosure		Policies relating to bribery, extortion, fraud and money laundering.	29-31
			Compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	29-31
	Index	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	NULL
		KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	31
		KPI B7.3	Description of anti-corruption training provided to directors and staff.	29-31
B8. Community Investment	General disclosure		Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities interests.	22-27
	Index	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	22-27
		KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	22-27

Notes:

Note 1 The Group's business activities do not generate significant levels of hazardous or non-hazardous waste.

Note 2 The Group's business activities do not involve significant consumption of water.

Note 3 The Group's business activities do not involve significant use of packaging materials.

Note 4 We consider upgrading disclosure of information and statistics for this item as necessary in light of materiality of its impact on environment, society and our business.

Note 5 The Group is not a manufacturer, so there are no relevant cases.

Request for feedback

Dear readers.

Thank you for reading the Report. The Group welcomes your feedback on the Report so that the Group can better shape the future ESG strategy and improve ESG reporting. Please send the filled feedback form to us via mail, fax, or post. Your feedback provided in this form will only be used for the purpose above and your personal data will not be transferred to any third party. The Group will make efforts to create happiness of people commencing the business philosophy “Happy, Enjoyable, Fun”.

Q1 Which of the following best describes you and your relationship with us?

☐Customer ☐Shareholder and Investor ☐Local community ☐Employee

☐Supplier and Partner ☐Industry peer ☐Media ☐Industry association

☐Government, Regulatory Authority ☐Academic, Research institution ☐Others( )

Q2 What is your overall rating on this Report?

1.Very Good 2.Quite Good 3.General 4.Poor 5.Very Poor

Q3 What is your rating on the following points about readability of this Report?

1	Structure of report	1.Good	2.General	3.Poor
2	Design, layout	1.Good	2.General	3.Poor
3	Length	1.Good	2.General	3.Poor

Q4 Which topics in this Report are you most interested in?

Q5 In addition to the contents that have been disclosed, what kind of topics do you wish to read?

Q6 Do you have any other suggestions for this Report?

Thank you for your cooperation.

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ESG REPORT
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NIRAKU GC HOLDINGS, INC.

Easy to read universal design fonts are used.