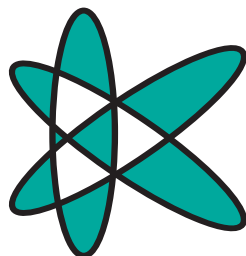


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Okura Holdings Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 01655)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Gross pay-ins increased by approximately 3.6% to approximately ¥33,736 million for FY2026 (FY2025: approximately ¥32,556 million).
- Revenue increased by approximately 4.4% to approximately ¥6,680 million for FY2026 (FY2025: approximately ¥6,396 million).
- Operating profit increased by approximately 27.0% to approximately ¥1,735 million for FY2026 (FY2025: approximately ¥1,366 million).
- Profit before income tax increased by approximately 29.2% to approximately ¥1,662 million for FY2026 (FY2025: approximately ¥1,286 million).
- Profit for the year attributable to the shareholders of the Company increased by approximately 27.9% to approximately ¥1,717 million for FY2026 (FY2025: approximately ¥1,342 million).
- Basic and diluted earnings per share amounted to approximately ¥2.64 for FY2026 (FY2025: basic and diluted earnings per share amounted to approximately ¥2.24).
- The Board does not recommend the payment of a final dividend for FY2026 (FY2025: Nil).

Note: The above % increases/decreases refer to the changes in respect of the Japanese Yen (“¥”) amounts.

The board (the “**Board**”) of directors (the “**Directors**”) of Okura Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (together the “**Group**”) for the year ended 30 June 2026 (the “**Year**” or “**FY2026**”), together with the comparative figures for the year ended 30 June 2025 (“**FY2025**”).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 ¥ million	2025 ¥ million
Revenue	3	6,680	6,396
Other income	4	285	281
Other gains/(losses), net	4	363	(50)
Hall operating expenses	5	(4,734)	(4,552)
Administrative and other operating expenses	5	(859)	(709)
Operating profit		1,735	1,366
Finance income		65	63
Finance costs		(138)	(143)
Finance costs, net	6	(73)	(80)
Profit before income tax		1,662	1,286
Income tax credit	7	55	56
Profit for the year attributable to shareholders of the Company		1,717	1,342
Earnings per share attributable to shareholders of the Company for the year (expressed in ¥ per share)			
Basic and diluted	8	2.64	2.24

	2026 ¥ million	2025 <i>¥ million</i>
Profit for the year	1,717	1,342
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Remeasurement of employee benefit obligations, net of tax	20	28
Changes in fair value of financial assets at fair value through other comprehensive loss, net of tax	<u>(2)</u>	<u>(22)</u>
	<u>18</u>	<u>6</u>
Total comprehensive income for the year attributable to shareholders of the Company	<u>1,735</u>	<u>1,348</u>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	2026 ¥ million	2025 ¥ million
Assets			
Non-current assets			
Property, plant and equipment		7,102	7,137
Right-of-use assets		768	1,026
Investment properties		3,968	4,133
Intangible assets		121	123
Prepayments and deposits		577	568
Financial assets at amortised cost		498	995
Financial assets at fair value through other comprehensive income		55	60
Deferred income tax assets		1,331	959
		<u>14,420</u>	<u>15,001</u>
Current assets			
Inventories	10	148	114
Trade receivables	11	13	13
Prepayments, deposits and other receivables		286	180
Financial assets at amortised cost		506	—
Financial assets at fair value through profit or loss		1,873	119
Short-term bank deposits		100	100
Cash and cash equivalents		2,077	2,987
		<u>5,003</u>	<u>3,513</u>
Total assets		<u><u>19,423</u></u>	<u><u>18,514</u></u>
Equity and liabilities			
Equity attributable to shareholders of the Company			
Share capital		20,985	20,644
Reserves		(9,792)	(11,527)
Total equity		<u>11,193</u>	<u>9,117</u>

	Note	2026 ¥ million	2025 ¥ million
Liabilities			
Non-current liabilities			
Borrowings	13	2,549	3,328
Lease liabilities		1,854	2,303
Accruals, provisions and other payables		209	264
Employee benefit obligations		192	195
Deferred income tax liabilities		324	267
		<u>5,128</u>	<u>6,357</u>
Current liabilities			
Borrowings	13	809	883
Lease liabilities		492	474
Trade payables	12	14	11
Accruals, provisions and other payables		1,625	1,535
Amount due to a director		3	3
Current income tax liabilities		159	134
		<u>3,102</u>	<u>3,040</u>
Total liabilities		<u>8,230</u>	<u>9,397</u>
Total equity and liabilities		<u>19,423</u>	<u>18,514</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Okura Holdings Limited (the “**Company**”) was established as a limited company in Hong Kong under the Hong Kong Companies Ordinance on 16 June 2015. The address of the Company’s registered office is 16th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in pachinko and pachislot hall operations in Japan.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The consolidated financial statements are presented in millions of Japanese Yen (“¥”), unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”) and the requirements of the Hong Kong Companies Ordinance Cap. 622. HKFRS Accounting Standards are substantially consistent with IFRS Accounting Standards and the accounting policy selections that the Group has made in preparing the consolidated financial statements are such that the Group is able to comply with both HKFRS Accounting Standards and IFRS Accounting Standards. Reference to IFRS Accounting Standards, International Accounting Standards (“**IAS**”) and Interpretations developed by the IFRS Interpretations Committee (“**IFRIC**”) in the consolidated financial statements should be read as referring to the equivalent HKFRS Accounting Standards, Hong Kong Accounting Standards (“**HKAS**”) and Hong Kong (IFRIC) Interpretation (“**HK(IFRIC)-Int**”) as the case may be. Accordingly, there are no differences of accounting practice between IFRS Accounting Standards and HKFRS Accounting Standards affecting the consolidated financial statements.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards and IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the annual report.

(a) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention except for the financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, which are stated at fair value.

(b) New and amended standards and practice statement adopted by the Group

The Group has applied the following new and amendments to standards and practice statement for the first time for their annual reporting period commencing 1 July 2025:

Amendments to IAS 21 (HKAS 21) and
IFRS 1 (HKFRS 1)

Lack of Exchangeability

The adoption of these amendments to accounting standards has no material impact on the Group's financial statements.

(c) New and amended standards and interpretation to existing standards not yet adopted by the Group

Certain new and amendments to accounting standards and interpretation have been published that are not mandatory for 30 June 2026 reporting periods and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
Amendments to IFRS 9 (HKFRS 9) and IFRS 7 (HKFRS 7)	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 1 (HKFRS 1) and IFRS 7 (HKFRS 7), IFRS 9 (HKFRS 9), IFRS 10 (HKFRS 10), and IAS 7 (HKAS 7)	Annual Improvements to IFRS (HKFRS) Accounting Standards — Volume 11	1 January 2026
Amendments to IFRS 9 (HKFRS 9) and IFRS 7 (HKFRS 7)	Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18 (HKFRS 18)	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 (HKFRS 19)	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 19 (HKFRS 19)	Amendments to IFRS 19 (HKFRS 19) Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 (HKFRS 10) and IAS 28 (HKAS 28)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Amendments under HKFRS Accounting Standards only

Hong Kong Interpretation 5 (Amendments)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
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The directors are in the process of assessing the impact of these amended standards and interpretations in the period of initial application. Other than those disclosed below, the directors do not expect the adoption of these amended standards and interpretations to have a material impact on the Group's financial statements when they become effective.

IFRS 18 (HKFRS 18) — Presentation and Disclosure in Financial Statements

IFRS 18 (HKFRS 18) will replace IAS 1 (HKAS 1) Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 (HKFRS 18) will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the Group's financial statements.

The directors are currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Although the adoption of IFRS 18 (HKFRS 18) will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the consolidated statement of comprehensive income into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

- o Foreign exchange differences currently aggregated in the line item 'Other gains/(losses), net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Group will disaggregate goodwill and other intangible assets and present them separately in the consolidated statement of financial position.

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- o management-defined performance measures;
- o a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss — this break-down is only required for certain nature expenses; and
- o for the first annual period of application of IFRS 18, a reconciliation for each line item in the consolidated statement of comprehensive income between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

From a consolidated statement of cash flow perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date for the year ending 30 June 2028. Retrospective application is required, and so the comparative information for the financial year ending 30 June 2027 will be restated in accordance with IFRS 18.

3 REVENUE AND SEGMENT INFORMATION

(a) Revenue

	2026 ¥ million	2025 ¥ million
Revenue		
Gross pay-ins	33,736	32,556
Less: gross pay-outs	<u>(27,668)</u>	<u>(26,676)</u>
Revenue from pachinko and pachislot hall business	6,068	5,880
Vending machine income	100	94
Property rental	477	418
Revenue from other operations	<u>35</u>	<u>4</u>
	<u>6,680</u>	<u>6,396</u>
Timing of revenue recognition		
At a point in time	6,203	5,975
Over time	<u>477</u>	<u>421</u>
	<u>6,680</u>	<u>6,396</u>

Except for revenue from pachinko and pachislot hall business, vending machine income and retail business which are recognised at a point-in-time, all of the Group's revenues are recognised over-time as the services are performed.

During the year ended 30 June 2026, revenue recognised that was included in the contract liabilities balances of unutilised balls and tokens at the beginning of the year amounted to ¥657 million (2025: ¥606 million). Unutilised balls and tokens have an expiry term of 1 year and the Company expects to deliver the services to satisfy the remaining performance obligations of these contract liabilities during the next reporting period.

(b) Segment information

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

The CODM has identified three reportable segments based on the types of services, namely (i) pachinko and pachislot hall operation, (ii) property rental and (iii) other segments which include motor vehicle rental operation, and retail operation. These operations in the other segments do not meet the reportable segment threshold and thus they are not separately presented but included as “other segments”.

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

Capital expenditure comprises additions to property, plant and equipment, right-of-use assets, investment properties and intangible assets. Income tax credit is not included in segment results.

The segment information provided to the executive directors for the years ended 30 June 2026 and 2025 are as follows:

	Year ended 30 June 2026				
	Pachinko and pachislot hall operation ¥ million	Property rental ¥ million	Other segments ¥ million	Unallocated amounts ¥ million	Total ¥ million
Segment revenue from external customers	6,168	477	35	—	6,680
Segment results	1,675	44	(15)	—	1,704
Unallocated amount				(42)	(42)
Income tax credit					55
Profit for the year					1,717
Other segment items					
Provision for impairment loss of property, plant and equipment	(11)	—	(9)	—	(20)
Provision for impairment loss of right-of-use assets	(56)	—	—	—	(56)
Provision for impairment loss of investment properties	—	(130)	—	—	(130)
Depreciation and amortisation	(538)	(124)	(1)	(33)	(696)
Finance income	—	—	—	65	65
Finance costs	(79)	(58)	—	(1)	(138)

Year ended 30 June 2025

	Pachinko and pachislot hall operation ¥ million	Property rental ¥ million	Other segments ¥ million	Unallocated amounts ¥ million	Total ¥ million
Segment revenue from external customers	<u>5,974</u>	<u>418</u>	<u>4</u>	<u>—</u>	<u>6,396</u>
Segment results	1,628	86	2	—	1,716
Unallocated amount				(430)	(430)
Income tax credit					<u>56</u>
Profit for the year					<u><u>1,342</u></u>
Other segment items					
Provision for impairment loss of property, plant and equipment	(1)	—	—	—	(1)
Provision for impairment loss of right-of-use assets	(2)	—	—	—	(2)
Provision for impairment loss of investment properties	—	(2)	—	—	(2)
Depreciation and amortisation	(478)	(127)	—	(34)	(639)
Finance income	—	—	—	63	63
Finance costs	<u>(82)</u>	<u>(59)</u>	<u>—</u>	<u>(2)</u>	<u>(143)</u>

The segment assets as at 30 June 2026 and 2025 are as follows:

	Pachinko and pachislot hall operation ¥ million	Property rental ¥ million	Other segments ¥ million	Total ¥ million
As at 30 June 2026				
Segment assets	8,660	4,248	97	13,005
Unallocated assets				2,155
Financial assets held at amortised cost				1,004
Financial assets at fair value through profit or loss				1,873
Financial assets at fair value through other comprehensive income				55
Deferred income tax assets				1,331
Total assets				19,423
Additions to non-current assets other than financial instruments and deferred tax assets	<u>417</u>	<u>79</u>	<u>—</u>	<u>496</u>
As at 30 June 2025				
Segment assets	8,813	4,512	—	13,325
Unallocated assets				3,056
Financial assets held at amortised cost				995
Financial assets at fair value through profit or loss				119
Financial assets at fair value through other comprehensive income				60
Deferred income tax assets				959
Total assets				18,514
Additions to non-current assets other than financial instruments and deferred tax assets	<u>430</u>	<u>18</u>	<u>—</u>	<u>448</u>

There is no single external customer contributed more than 10% revenue to the Group's revenue for the years ended 30 June 2026 and 2025.

The Group is domiciled in Japan and majority of the non-current assets of the Group as at 30 June 2026 and 2025 are located in Japan.

4 OTHER INCOME AND OTHER GAINS/(LOSSES), NET

	2026 ¥ million	2025 ¥ million
Other income		
Income from scrap sales of used pachinko machines	226	230
Dividend income	6	4
Income from expired prepaid IC and membership card	7	7
Income from forfeited unutilised balls	26	23
Government subsidies	1	2
Others	19	15
	<u>285</u>	<u>281</u>
	2026 ¥ million	2025 ¥ million
Other gains/(losses), net		
Exchange gains/(losses), net	93	(77)
Losses on disposal of property, plant and equipment, net	(12)	(1)
Losses on disposal of investment properties	(1)	(9)
Fair value changes on financial assets at fair value through profit or loss	256	39
Demolition cost on investment properties	(16)	(18)
Remeasurement of provision for reinstatement costs	31	—
Others	12	16
	<u>363</u>	<u>(50)</u>

5 HALL OPERATING EXPENSES AND ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	2026 ¥ million	2025 ¥ million
Pachinko and pachislot machines expenses (Note)	2,117	2,120
Auditor's remuneration		
— Audit services	43	39
— Non-audit services	11	20
Employee benefits expenses, including directors' emolument		
— Hall operating expenses	821	779
— Administrative and other operating expenses	223	224
Short-term lease expense in respect of land and buildings	9	10
Depreciation and amortisation	696	639
Advertising and promotion expenses	296	273
Equipment and consumables costs	67	68
Provision for impairment loss of property, plant and equipment	20	1
Provision for impairment loss of right-of-use assets	56	2
Provision for impairment loss of investment properties	130	—
Provision for impairment loss of financial assets at amortised cost (Note 3.1(b))	—	5
Repairs and maintenance	98	106
Other taxes and duties	136	157
Outsourcing service expenses	31	66
Utilities expenses	225	242
G-prize procurement expenses to wholesalers	110	110
Legal and professional fees	48	51
Consultancy fees	64	—
Travel expenses	21	18
Insurance fee	21	22
Others	350	309
	<u>5,593</u>	<u>5,261</u>

Note:

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

6 FINANCE COSTS, NET

	2026 ¥ million	2025 ¥ million
Finance income		
Bank interest income	25	23
Interest from debt securities	40	40
	<u>65</u>	<u>63</u>
Finance costs		
Interest for lease liabilities	(58)	(63)
Interest for borrowings	(76)	(73)
Others	(4)	(7)
	<u>(138)</u>	<u>(143)</u>
Finance costs, net	<u>(73)</u>	<u>(80)</u>

7 INCOME TAX CREDIT

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

	2026 ¥ million	2025 ¥ million
Current income tax		
— Japan	268	156
Deferred income tax		
— Japan	(323)	(212)
	<u>(55)</u>	<u>(56)</u>

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the years ended 30 June 2026 and 2025.

Japan corporate income tax include national corporate income tax, inhabitant tax, and enterprise tax, and has been calculated on the estimated assessable profit for the year. For the year ended 30 June 2026, the aggregated rates of national corporate income tax, inhabitant tax, and enterprise tax resulted in statutory income tax rates of 34.26% (2025: 34.26%).

8 EARNINGS PER SHARE

Basic earnings per share for the years ended 30 June 2026 and 2025 are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the years ended 30 June 2026 and 2025.

	2026	2025
Profit attributable to shareholders of the Company (¥ million)	<u>1,717</u>	<u>1,342</u>
Weighted average number of ordinary shares in issue (million) (Note)	<u>651</u>	<u>600</u>
Basic and diluted earnings per share (¥)	<u>2.64</u>	<u>2.24</u>

Note: No diluted earnings per share is presented as there was no potential dilutive share during the years ended 30 June 2026 and 2025. Diluted earnings per share is equal to the basic earnings per share.

9 DIVIDENDS

The board of directors did not recommend the payment of dividend for the year ended 30 June 2026 (2025: Nil).

10 INVENTORIES

	2026 ¥ million	2025 ¥ million
Uninstalled pachinko and pachislot machines	140	114
Merchant	<u>8</u>	<u>—</u>
	<u>148</u>	<u>114</u>

The cost of inventories recognised as expense and included in “Hall operating expenses” amounted to ¥2,117 million (2025: ¥2,120 million) for the year ended 30 June 2026.

11 TRADE RECEIVABLES

	2026 ¥ million	2025 ¥ million
Trade receivables	<u>13</u>	<u>13</u>

Trade receivables represent commission income receivable from vending machines, lease receivables and income receivables from other operations. The credit terms granted by the Group generally ranged from 30 to 60 days.

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

	2026 ¥ million	2025 ¥ million
Less than 30 days	<u>13</u>	<u>13</u>

The carrying amounts of the trade receivables approximate their fair values as at 30 June 2026 and 2025 and are denominated in ¥.

12 TRADE PAYABLES

The ageing analysis of the trade payables based on invoice dates as at 30 June 2026 and 2025 is as follows:

	2026 ¥ million	2025 ¥ million
Less than 30 days	<u>14</u>	<u>11</u>

The carrying amounts of trade payables approximate their fair values as at 30 June 2026 and 2025 and are denominated in ¥.

13 BORROWINGS

	2026 ¥ million	2025 ¥ million
Non-current portion		
Bank loans	1,559	2,245
Loans from a governmental financial institution	<u>990</u>	<u>1,083</u>
	<u>2,549</u>	<u>3,328</u>
Current portion		
Bank loans	716	789
Loans from a governmental financial institution	<u>93</u>	<u>94</u>
	<u>809</u>	<u>883</u>
Total borrowings	<u>3,358</u>	<u>4,211</u>

As at 30 June 2026 and 2025, the Group's borrowings were repayable as follows:

	Bank loans		Loans from a governmental financial institution	
	2026	2025	2026	2025
	¥ million	¥ million	¥ million	¥ million
Within 1 year	716	789	93	94
Between 1 and 2 years	282	685	94	93
Between 2 and 5 years	609	730	196	281
Over 5 years	668	830	700	709
	2,275	3,034	1,083	1,177

The average effective interest rates (per annum) at 30 June 2026 and 2025 were set out as follows:

	2026	2025
Bank loans	2.21%	1.84%
Loans from a governmental financial institution	2.07%	2.00%

As at 30 June 2026 and 2025, the total borrowings are pledged by certain assets and their carrying values are shown as below:

	2026	2025
	¥ million	¥ million
Property, plant and equipment	4,601	4,678
Investment properties	2,542	2,695
Financial assets at fair value through other comprehensive income		
— listed equity securities	47	47
	7,190	7,420

The carrying amounts of borrowings of the Group approximate their fair values as at 30 June 2026 and 2025 and are denominated in ¥.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry and business review

The Group is a pachinko and pachislot hall operator in Japan. It currently operates 10 pachinko and pachislot halls in the Kyushu, Kanto, Kansai and Chugoku regions in Japan under the trading names “Big Apple.”, “K’s Plaza” and “SENKURA”.

The Group observed sustained and consistent customer traffic at most of its pachinko and pachislot halls in FY2026. Further, the introduction of (i) a new model of pachislot machines (the “**Smart Slot Machines**”) in November 2022, and (ii) a new model of pachinko machines (the “**Smart Pachinko Machines**”) in April 2023 has also contributed to the sustained customer traffic at the Group’s pachinko and pachislot halls. Furthermore, new pachinko machines equipped with functions named “Lucky Trigger” (the “**Lucky Trigger Machines**”) and “Lucky Trigger 3.0 Plus” (the “**Lucky Trigger 3.0 Plus Machines**”) and new pachislot machines equipped with a function named “Bonus Trigger” (the “**Bonus Trigger Machines**”) were introduced in the Group’s pachinko and pachislot halls in March 2024, July 2025 and June 2025, respectively. The Group expects such machines to contribute to the increase in the overall utilisation rate of pachinko and pachislot machines in the Group’s halls and generate more revenue for its pachinko and pachislot halls in the future.

The Group’s total revenue remained steady in FY2026 and recorded an increase of approximately ¥284 million, or approximately 4.4%, from approximately ¥6,396 million in FY2025 to approximately ¥6,680 million in FY2026.

In addition, the Group has recorded an increase in profit before income tax by approximately ¥376 million, or approximately 29.2%, from approximately ¥1,286 million in FY2025 to approximately ¥1,662 million in FY2026. Such increase was mainly attributable to the other gains, net of approximately ¥363 million for FY2026, as opposed to other losses, net of approximately ¥50 million for FY2025.

Continuing to diversify the Group’s revenue streams

As disclosed in previous interim reports and annual reports of the Company, the management has continuously been striving to establish alternative streams of income and diversify the Group’s operations into different business segments. For FY2026, the Group derived revenue from its pachinko and pachislot hall business, its vending machines, its rental properties including but not limited to premises of commercial facilities and residential units, and its other operations.

The Group has continuously explored alternative streams of income to improve its financial performance. On 26 July 2018, the Company entered into two agreements pursuant to which the Company subscribed for two series of bonds issued by Sinwa Co., Ltd.* (株式会社しん わ) (the “**Bond Issuer**”) in an aggregate amount of ¥1,000 million (the “**Bonds**”). The maturity and redemption dates of the Bonds have subsequently been extended. For details, please refer to the section headed “Significant Investments — Financial assets and financial liabilities” in this announcement.

Coping with obstacles and uncertainties from regulatory measures

As disclosed in the previous interim reports and annual reports of the Company, the “Regulations to Partially Amend Regulations on the Entertainment and Amusement Trades Rationalising Act and Regulations on Certifying Machines and Conducting Type Test on Machines” issued by the National Public Safety Commission of Japan on 1 February 2018 and revised in May 2020 and May 2021 (the “**2018 Regulations**”) have continued to adversely affect the pachinko and pachislot industry in Japan by requiring the phased replacement of machines with higher gaming elements, contributing to a decline in player participation. The Group completed the replacement of all such machines by the end of January 2022.

In response to the 2018 Regulations, the Group’s management has been striving to source the most attractive machines available in the market to provide a favourable mix of machines in the Group’s pachinko and pachislot halls to increase customer traffic. The Group introduced the Smart Slot Machines and the Smart Pachinko Machines in November 2022 and April 2023, respectively with an aim of attracting more customers and improving the Group’s revenue. The Smart Slot Machines and Smart Pachinko Machines serve to eliminate and replace the need to insert physical tokens or pachinko balls directly into the machines to play and instead the number of tokens or pachinko balls a customer has is transferred onto an electronic card. As at 30 June 2026, the ratios of Smart Slot Machines and Smart Pachinko Machines to the Group’s total installed slot machines and pachinko machines were approximately 67.9% and 33.8%, respectively, accounting for approximately 50.2% of the Group’s installed machines in total. It is therefore expected that the Smart Slot Machines will continue to attract more players. Furthermore, the Lucky Trigger 3.0 Plus Machines have gained significant popularity among customers and outperformed the previous model, Lucky Trigger Machines. Moving forward, the Company will closely monitor the performance of the aforementioned machines at its pachinko and pachislot halls and implement suitable marketing and promotion schemes.

Market threats and prospects

Although the past financial years have been challenging for Japan's pachinko industry overall due to the overall global macroeconomic environment, which has generally led to decreased number of customers and higher operating costs, the Group's operational and financial performance has remained steady for FY2026 as a result of the management's efforts in prioritising the Group's resources in the recovery of customer traffic, and taking proactive steps to manage its operating costs. In order to diversify the Group's customer base, the Group also introduced new pachinko and pachislot machines with higher level of digitalisation, such as the Smart Slot Machines and Smart Pachinko Machines and adopted the use of social media and other digital marketing methods to enhance the attractiveness of its halls among younger generation. The Company has adopted a prize-exchange system called "Self-POS System" at several of its pachinko and pachislot halls which enables customers to exchange their prizes on their own without requiring the assistance of the Group's staff, thereby reducing the need for human interaction between the Group's staff and the customers. The implementation of the Self-POS System together with the introduction of the Smart Slot Machines and Smart Pachinko Machines has also greatly contributed to the improvement in work efficiency and reduced the number of manpower required at the Group's pachinko and pachislot halls.

The management will continue to adopt the above strategies and consider introducing and installing further new models of pachinko and pachislot machines in order to encourage customer traffic and enhance the Group's operational and financial performance. As there are no future plans for any major capital investment as at the date of this announcement, the Group expects its operational and financial performance to continue to improve steadily and smoothly in the future. The Group will continue to explore new opportunities to diversify into other business segments to expand the Group's sources of revenue.

FINANCIAL REVIEW

Revenue

The Group's total revenue is comprised of revenue from (i) pachinko and pachislot hall business, being gross pay-ins less gross pay-outs, (ii) vending machine income, (iii) property rental, and (iv) other operations mainly relating to the provision of motor vehicle rental services and retail business. During FY2026, revenue from pachinko and pachislot hall business remained the majority source of income for the Group, accounting for approximately 90.8% of the Group's total revenue (FY2025: approximately 91.9%). The Group's total revenue increased by approximately ¥284 million, or approximately 4.4%, from approximately ¥6,396 million in FY2025 to approximately ¥6,680 million in FY2026. This increase was mainly a result of the increase in approximately 3.2% in revenue generated from the Group's overall pachinko and pachislot hall business, from approximately ¥5,880 million in FY2025 to approximately ¥6,068 million in FY2026, primarily due to the sustained popularity of the new pachinko and pachislot machines.

The Group derived income from vending machines installed at its halls provided by vending machine operators under service agreements. The vending machines sell drinks and food and the Group shares a certain portion of income generated by such vending machines. The Group's vending machine income remained relatively stable, with a slight increase of approximately ¥6 million, or approximately 6.4%, from approximately ¥94 million in FY2025 to approximately ¥100 million in FY2026.

The Group derived rental income from renting out (i) premises to G-prize wholesalers, (ii) car parks, (iii) commercial facilities, and (iv) residential units. Property rental income increased by approximately ¥59 million, or approximately 14.1%, from approximately ¥418 million in FY2025 to approximately ¥477 million in FY2026 as a result of securing new tenants for one of the Group's investment properties in November and December 2025, respectively.

The Group's income from other operations increased by approximately ¥31 million, or approximately 775%, from approximately ¥4 million in FY2025 to approximately ¥35 million in FY2026, primarily due to increased revenue resulting from improvements in the Group's other business activities.

Gross pay-ins

The Group's gross pay-ins represent the gross amount received from customers for the rental of pachinko balls and pachislot tokens. Gross pay-ins are primarily affected by the level of customer spending at the Group's pachinko and pachislot halls. The Group's accounting policy recognises gross pay-ins net of consumption tax. The consumption tax rate in Japan was 10% during FY2026.

The Group's gross pay-ins recorded an increase of approximately ¥1,180 million, or approximately 3.6%, from approximately ¥32,556 million in FY2025 to approximately ¥33,736 million in FY2026, which was mainly due to the reasons mentioned in the paragraph headed "Revenue" above.

Gross pay-outs

The Group's gross pay-outs represent the aggregate cost of G-prizes and general prizes exchanged by the Group's customers, taking into consideration the G-prize mark-up and the value of any unutilised balls and tokens during the relevant period. The Group's gross pay-outs recorded an increase of approximately ¥992 million, or approximately 3.7%, from approximately ¥26,676 million in FY2025 to approximately ¥27,668 million in FY2026 as a result of the increase in gross pay-ins for the reasons mentioned above.

Revenue margin

Revenue margin for the Group's pachinko and pachislot business represented the Group's revenue from pachinko and pachislot hall business divided by gross pay-ins. The level of revenue margin is dependent on the combination of the payout ratio of the pachinko and pachislot machines, the G-prize mark-up imposed and the mix of pachinko and pachislot machines with different jackpot probability in the Group's halls, and as a result of the resultant changes in customer behavior (i.e., rounds of play and machine utilisation). The Group's revenue margin remained relatively stable at approximately 18.0% for FY2026 as compared with approximately 18.1% for FY2025.

Other income

The Group's other income is mainly comprised of (i) income from scrap sales of used pachinko machines, (ii) income from forfeited unutilised balls, (iii) income from expired prepaid IC cards, and (iv) dividend income.

Other income remained relatively stable, with a slight increase of approximately ¥4 million, or approximately 1.4%, from approximately ¥281 million in FY2025 to approximately ¥285 million in FY2026.

Other gains, net

Other gains, net are mainly comprised of (i) net exchange gains, (ii) net gains on fair value changes on financial assets at fair value through profit or loss, (iii) losses on disposal of property, plant and equipment, net, (iv) demolition cost on investment properties and (v) remeasurement of provision for reinstatement costs.

The Group recorded other net gains of approximately ¥363 million in FY2026 as opposed to other net losses of approximately ¥50 million in FY2025, mainly due to (i) an exchange gain of approximately ¥93 million in FY2026 as opposed to an exchange loss of approximately ¥77 million in FY2025, and (ii) an increase in gains on fair value changes on financial assets at fair value through profit or loss of approximately ¥217 million.

Hall operating expenses and administrative and other operating expenses

Hall operating expenses increased by approximately ¥182 million, or approximately 4.0%, from approximately ¥4,552 million in FY2025 to approximately ¥4,734 million in FY2026. This is primarily due to (i) the increase in employee benefit expenses by approximately ¥42 million, or approximately 5.4%, from approximately ¥779 million in FY2025 to approximately ¥821 million in FY2026, as a result of the transition of certain operational functions, previously outsourced to external service providers, to the Group's internal workforce, (ii) the recognition of impairment loss of right-of-use assets of approximately ¥56 million in FY2026 (as opposed to approximately ¥2 million in FY2025) as the recoverable amount of the Group's cash-generating units ("CGUs") is below its carrying amount as at 30 June 2026, (iii) the increase in depreciation and amortisation expenses for hall operation by approximately ¥60 million in FY2026, or approximately 12.6%, from approximately ¥478 million in FY2025 to approximately ¥538 million in FY2026.

Administrative and other operating expenses increased by approximately ¥150 million, or approximately 21.2%, from approximately ¥709 million in FY2025 to approximately ¥859 million in FY2026, primarily due to the recognition of impairment loss of investment properties of approximately ¥130 million in FY2026.

Impairment loss for cash-generating units

The International Accounting Standard 36 "Impairment of Assets" ("IAS 36") requires that assets be carried at no more than their recoverable amount. If an asset's carrying value exceeds the amount that could be received through use or selling the asset, then the asset is impaired and IAS 36 requires a company to make provision for the impairment loss. The Group's management carries out impairment assessment when there are events that indicate that the related asset values may not be recoverable, and when impairment indicators exist for the Group's CGUs.

In FY2026, the Group's management regarded the impairment indicator for each pachinko hall as operating loss for FY2026 or performing below management expectation, defined as not fulfilling the projected operating profit or loss for FY2026. For the retail store, the impairment indicator was whether it incurred an operating loss during FY2026.

The management identified four CGUs (FY2025: two CGUs) had resulted in operating loss or not fulfilling management's expectations for FY2026, and therefore the management considered there were impairment indicators for these CGUs. The management accordingly performed impairment assessment to assess the recoverable amounts of these CGUs. Goodwill must be tested for impairment annually regardless of whether impairment indicators are present. Therefore, the CGU containing allocated goodwill was also tested, resulting in a total of five CGUs undergoing impairment assessments.

The Group's management determined if the recoverable amount of the CGUs subject to impairment assessment would be higher than their carrying amounts. The recoverable amount of a CGU is determined as the value-in-use or fair value less cost of disposal, whichever is higher. Accordingly, the recoverable amount of four CGUs were determined by their value-in-use and the recoverable amount of one CGU was determined by fair value less cost of disposal.

Value-in-use approach

The value-in-use calculations use pre-tax cash flow projections over the CGUs useful life, which is based on financial budgets approved by management. The cash flow projections cover the remaining useful lives of the respective CGUs (if the remaining useful lives are below five years) or a period of five years, whichever is shorter. For the pre-tax cash flow projections beyond the period of five years, management extrapolates the projections by assuming zero growth rate for subsequent years.

The value of inputs and key assumptions used by the management under the value-in-use approach included the following:

- (i) the revenue growth of the Group is –3% to 0% for the twelve months ending 30 June 2027 after taking into account the performance of each of the CGUs in FY2026 and incorporating management's latest plans for each CGU, and maintains at zero growth from 30 June 2027 onwards, after considering that there are no announced or foreseeable changes in regulations or machine types;
- (ii) the pre-tax discount rate is 8.80%; and
- (iii) there is no change in the size and scale of the Group's operations.

Save as disclosed above, there are no significant changes in the value of the inputs and assumptions from those previously adopted in FY2025.

Fair value less cost of disposal approach

The recoverable amount of one CGU with significant self-owned properties was determined based on fair value less cost of disposal calculations performed by the management with reference to the property valuation performed by an independent professionally qualified valuer. The management considered that the market approach adopted in the valuation, with key assumption as land price per square metre, is appropriate to reflect the current market situation and the fair value of the CGU.

No subsequent changes to the valuation methods adopted

Save as disclosed above, there have been no changes to the valuation methods (including valuation assumptions) adopted in relation to impairment testing.

Profit before income tax

Profit before income tax increased by approximately ¥376 million, or approximately 29.2%, from approximately ¥1,286 million in FY2025 to approximately ¥1,662 million in FY2026. This was mainly attributable to the other gains, net of approximately ¥363 million for FY2026, as opposed to other losses, net of approximately ¥50 million for FY2025.

Profit for the year attributable to shareholders of the Company

Profit for the year attributable to shareholders of the Company increased by approximately ¥375 million, or approximately 27.9%, from approximately ¥1,342 million for FY2025 to approximately ¥1,717 million for FY2026. This was mainly due to the reasons mentioned in the paragraph headed “Profit before income tax” above.

ANALYSIS OF FINANCIAL POSITION

LIQUIDITY AND FINANCIAL RESOURCES

The Company’s primary uses of cash are for the payment of all operating expenses, staff costs, various operating expenses, funding and repayments of its interest and principal of bank borrowings and capital expenditure. These have been funded through a combination of cash generated from operations and borrowings.

As at 30 June 2026, the Company had total borrowings of approximately ¥3,358 million (30 June 2025: approximately ¥4,211 million), of which approximately 67.7% represented bank borrowings and approximately 32.3% represented loans from a governmental financial institution. The Company’s borrowings are all denominated in Japanese Yen.

Investment policy

The Group adopted a treasury and investment policy for financial assets and financial liabilities that sets out overall principles as well as detailed approval processes of the Group’s investment activities. Such policy includes, amongst other things, the following:

- (i) investments in low liquidity products being avoided;
- (ii) investments should be yield-earning in nature and the primary objectives of investment activities are to diversify the Group’s investments and control their risk;
- (iii) investments should be undertaken only in situations where the Group has surplus cash not required for short or medium term of use; and

- (iv) investments should be undertaken only to the extent that adequate liquid capital is maintained.

The Group's finance division is responsible for the initial assessment and analysis on the expected benefit and potential risk of the Group's investment activities and compilation of relevant data and information from banks. The Group's investment decisions are made on a case-by-case basis and after due and careful consideration of a number of factors, including but not limited to the Group's short and medium-term cash requirement, the market conditions, the economic developments, the anticipated investment conditions, the investment cost, the duration of the investment and the expected benefit and potential loss of the investment.

For any investments, formal approval must be obtained from the Board before the execution or disposal of any investment. The Group's finance division is also responsible for reporting the status of the Group's investment activities to the Directors regularly. The report should include the total investment return.

Funding and treasury policy

The Group has adopted a prudent financial management approach towards its funding and treasury policy and thus maintained a healthy liquidity position for FY2026. To manage the liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. For FY2026, the Group did not use any risk hedging instrument.

Cash and cash equivalents

As at 30 June 2026, the Company had cash and cash equivalents of approximately ¥2,077 million (30 June 2025: approximately ¥2,987 million), and short-term bank deposits of approximately ¥100 million (30 June 2025: approximately ¥100 million). The Company's cash and cash equivalents and short-term bank deposits are denominated in Japanese Yen, US Dollar and HK Dollar.

Capital structure

As at 30 June 2026, the capital structure of the Group comprised share capital and reserves. As at 30 June 2026, equity attributable to shareholders of the Company amounted to approximately ¥11,193 million (30 June 2025: approximately ¥9,117 million). As at 30 June 2026, total assets of the Group amounted to approximately ¥19,423 million (30 June 2025: approximately ¥18,514 million).

Borrowings

The following table illustrates the maturity profile of the Group's borrowings:

	As at 30 June 2026		As at 30 June 2025	
	¥ million	%	¥ million	%
Within 1 year	809	24.1	883	21.0
Between 1 year and 2 years	376	11.2	778	18.5
Between 2 years and 5 years	805	24.0	1,011	24.0
Over 5 years	1,368	40.7	1,539	36.5
	<u>3,358</u>	<u>100.0</u>	<u>4,211</u>	<u>100.0</u>

As illustrated above, the proportion of the Group's borrowings repayable within 1 year and repayable over 5 years increased, while the borrowings repayable between 1 year and 2 years decreased. The change in the maturity profile of the Group's borrowings was primarily due to repayment of long term borrowings. As at 30 June 2026, approximately 41.5% of the Group's borrowings, amounted to approximately ¥1,392 million were subject to a fixed interest rate and approximately 58.5% of the Group's borrowings, amounted to approximately ¥1,966 million were subject to a floating interest rate.

Bonds

No new bonds were issued in FY2026.

Pledged assets

As at 30 June 2026, the Group's pledged assets include (i) property, plant and equipment, (ii) investment properties, and (iii) listed securities, with a total carrying amount of approximately ¥7,190 million (30 June 2025: approximately ¥7,420 million) to secure certain general banking facilities of the Group. The decrease by approximately ¥230 million from approximately ¥7,420 million as at 30 June 2025 to approximately ¥7,190 million as at 30 June 2026 was mainly due to (i) no additional pledged assets required by the bank, and (ii) the decrease in the carrying amount of those pledged assets.

Gearing ratio

The gearing ratio, being the aggregate of interest-bearing loans and lease liabilities less liquid investment and cash and cash equivalents divided by total equity of the Company, was approximately 18.0% as at 30 June 2026 (30 June 2025: approximately 30.0%). The decrease was mainly attributable to the repayments of loans during FY2026.

Interest rate and foreign exchange exposure

The Group is exposed to interest rate risk as its bank balances and some of its bank borrowings are carried at variable rates. The Group manages its interest rate exposure with a focus on reducing its overall cost of debt and exposure to changes in interest rates. During FY2026, the Group did not use any hedge instrument or interest rate swap to manage its interest rate exposure.

The Group operates in Japan and its business transactions are principally denominated in Japanese Yen. However, it is exposed to foreign exchange risks associated with US Dollars for expenses it incurs in such currency. The Group's finance division monitors the Group's foreign exchange fluctuation exposure closely. In light of the continued fluctuation of Japanese Yen against US Dollars in recent years, the Group will continue to look for opportunities to manage its exposures in US Dollars by maintaining significant amount of its cash and bank balances in Japanese Yen.

Contractual and capital commitments

As a lessor, the Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

	As a lessor 2026 ¥ million	As at 30 June 2025 ¥ million
No later than one year	148	57
Later than 1 year and no later than 5 years	208	—
	<u>356</u>	<u>57</u>

As at 30 June 2026, the Group did not have capital commitments which were contracted but not provided for in respect of purchase of property, plant and equipment (30 June 2025: nil).

Capital expenditures

The Group's capital expenditures mainly consisted of expenditures on additions to property, plant and equipment, investment properties and intangible assets. The Group incurred capital expenditures of approximately ¥496 million for FY2026 (FY2025: approximately ¥448 million), a majority of which came from equipment and fixtures for its pachinko and pachislot halls. These capital expenditures were financed by the Group's internal funds and borrowing from financial institutions.

Contingent liabilities

As at 30 June 2026, the Company did not have any material contingent liabilities or guarantees.

SIGNIFICANT INVESTMENTS

As at 30 June 2026, the Group held investments primarily in (i) investment properties of approximately ¥3,968 million, which represented land and premises situated in Japan and are rented out/to be rented out under operating leases, and (ii) financial assets of approximately ¥2,932 million, which represented the Bonds issued by the Bond Issuer, trust funds, and listed and unlisted securities. As at 30 June 2026, save as the 1st Series Bond and the 2nd Series Bond which in aggregate constituted approximately 5.2% of the Company's total assets, the Group did not hold any other significant investment with a value of 5% or more of the Company's total assets.

Investment properties

The Group's investment properties comprise properties for commercial, residential and parking purposes which are rented out/to be rented out under operating leases and held by the Company for long-term rental yields. All of the Group's investment properties are stated at historical cost less accumulated depreciation and impairment losses. Impairment loss will be recognised by the Group where the valuation results indicate that the carrying amount of the investment properties exceed its recoverable amount. Impairment loss of approximately ¥130 million was recognised on the Group's investment properties for FY2026 (FY2025: approximately ¥2 million). The recoverable amounts for investment properties are stated at fair value less cost of disposal based on valuations performed by an independent professionally qualified valuer or management. The valuations were determined using the income approach or the sales comparison approach. The fair values of all investment properties are within level 3 of the fair value hierarchy.

The valuations of the Group's investment properties are dependent on various key assumptions and inputs, including but not limited to (i) the monthly rental per square meter of the investment property, (ii) a capitalisation rate of 5.1% to 7.1% based on that of similar properties, (iii) a discount rate of 4.8% to 9.8% based on that of similar properties, (iv) the vacancy rate after expiry of the lease terms of the investment property, and (v) the unit price per square meter of land based on sales comparables occurred in the property market.

Save as disclosed herein, there have been no significant changes in the value of inputs or key assumptions adopted and no subsequent changes to the valuation methods adopted.

As at the date of this announcement, the Company planned to continue to hold these investment properties for long-term rental yields.

Financial assets and financial liabilities

In relation to the Group's financial assets, the Group recorded a gain of approximately ¥256 million for the fair value changes on financial assets at fair value through profit or loss in FY2026 (FY2025: approximately ¥39 million), which was primarily attributable to fluctuations in the market prices of the underlying assets in the Company's investments. Although changes in market conditions will continue to result in fair value gains or losses from financial assets, the Directors are of the view that the investment in financial assets will help to increase the average yield earned from the excess funds from the Group's business overall. To the best of their knowledge and as at the date of this announcement, the Directors do not foresee any default or any impairment to be made to any financial assets held by the Group.

Furthermore, as disclosed in the previous interim reports and annual reports of the Company, on 26 July 2018, the Company entered into two agreements with the Bond Issuer, pursuant to which the Company subscribed for two series of Bonds at face value issued by the Bond Issuer, in an aggregate amount of ¥1,000 million. The Bond Issuer is a company incorporated under the laws of Japan and headquartered in Fukuoka, Japan, engaging in the business of commercial and consumer finance. Completion of the subscription of such Bonds took place on 27 July 2018. On 25 January 2019, the Company, the Bond Issuer and Everglory Capital Co., Ltd. (株式会社エバーグローリー・キャピタル) (“**Everglory Capital**”) entered into an amendment agreement to, among others, extend the maturity/redemption date of the 2nd Series Bond and include Everglory Capital as a guarantor to guarantee the obligations of the Bond Issuer of its obligations under the 2nd Series Bond. Everglory Capital is a company incorporated under the laws of Japan and headquartered in Tokyo, Japan, principally engaged in investment and financial advisory businesses in Japan. On 24 January 2020, the Company, the Bond Issuer and Everglory Capital entered into an agreement to further extend the maturity/redemption date of the 2nd Series Bond and increase its interest rate for the extended period. On 25 January 2021, the Company, the Bond Issuer and Everglory Capital entered into an amendment agreement to further extend the maturity/redemption date of the 2nd Series Bond. On 30 July 2021, the Company, the Bond Issuer and Everglory Capital entered into an amendment agreement to, among others, extend the maturity/redemption date of the 1st Series Bond, increase its interest rate for the extended period, and include Everglory Capital as a guarantor to guarantee the obligations of the Bond Issuer of its obligations under the 1st Series Bond. On 25 January 2022, the Company, the Bond Issuer and Everglory Capital entered into an amendment agreement to further extend the maturity/redemption date of the 2nd Series Bond. On 27 January 2023, the Company, the Bond Issuer and Everglory Capital entered into an amendment agreement to further extend the maturity/redemption date of the 2nd Series Bond. On 25 January 2024, the Company, the Bond Issuer and Everglory Capital entered into an amendment agreement to further extend the maturity/redemption date of the 2nd Series Bond. On 30 July 2024, the Company, the Bond Issuer and Everglory Capital entered into an amendment agreement to further extend the maturity/redemption

date of the 1st Series Bond. For details, please refer to the announcements of the Company dated 26 July 2018, 25 January 2019, 24 January 2020, 25 January 2021, 30 July 2021, 25 January 2022, 27 January 2023, 25 January 2024 and 30 July 2024 and the circulars of the Company dated 29 October 2021 and 30 September 2024.

As at 30 June 2026, the total carrying amount of the 1st Series Bond and the 2nd Series Bond was approximately ¥1,004 million, which in aggregate constitutes approximately 5.2% of the Company's total assets. Such total carrying amount was the approximate total fair value of the 1st Series Bond and the 2nd Series Bond. For FY2026, the amount of interest earned by the Group under each of the 1st Series Bond and the 2nd Series Bond is approximately ¥20 million and ¥20 million, respectively.

The Company expects that the subscription of the Bonds will allow the Group to earn a higher yield. In light of the ongoing uncertainty in the business outlook of the pachinko industry, the Directors consider the additional amount of interest to be received by the Group pursuant to the extension of the maturity/redemption date and/or change of interest rate (as the case may be) of the 1st Series Bond and the 2nd Series Bond will continue to generate a stable source of cash flow and income for the Group, which is beneficial to the Group's financial position. Therefore, the Company will continue with this investment in accordance with the terms of the Bonds.

Subscription of fund

On 25 May 2026, the Company entered into a subscription agreement (the “**Subscription Agreement**”) with HiJoJo Management Company Inc. (the “**Fund Manager**”) to subscribe for Class A Interests of HiJoJo US Fund3 LLC (the “**Fund**”) in the amount of US\$4.08 million, payable by the Company by cash from its internal resources (the “**Subscription**”). The Subscription was completed on 12 June 2026. The Fund has invested, through multiple intermediate funds, approximately 31,700 shares of the class A common stock (with a par value of US\$0.001 per share) of Space Exploration Technologies Corp. (the “**Target Company**”), representing approximately 0.0002% of the total issued shares of the Target Company, at the effective subscription price of approximately US\$126 per share. For details, please refer to the announcements of the Company dated 26 May 2026 and 15 June 2026.

Save as disclosed herein, the Group did not hold any significant investments as at 30 June 2026.

HUMAN RESOURCES

Employees and remuneration policies

As at 30 June 2026, the Group had 371 employees (30 June 2025: 357 employees), almost all of whom were based in Japan, and of whom 314 were stationed at the Group's pachinko and pachislot halls. For newly recruited employees, the Group has prepared a series of training sessions mainly focused on pachinko and pachislot hall operations and customer service. Every three years, as required by the National Public Safety Commission of Japan, each hall manager is required to attend the training course conducted by the National Public Safety Commission of Japan.

The staff costs include all salaries and benefits payable to the Group's employees and staff, including the Directors. The total staff costs for FY2026 amounted to approximately ¥1,044 million (FY2025: approximately ¥1,003 million), which accounted for approximately 18.7% (FY2025: approximately 19.1%) of the total operating expenses, including the remuneration of the Directors.

The Directors and employees receive compensation in the form of salaries, and where applicable, allowances, bonuses and other benefits-in-kind, including the Group's contribution to the pension scheme. The Company's policy concerning the remuneration of the Directors and employees is that the amount of remuneration is determined on the basis of the relevant Director's or employee's experience, responsibility, performance and the time devoted to the Group's business.

Apart from basic remuneration, share options may be granted to individual Directors and employees under the share option scheme (the “**Share Option Scheme**”) adopted by the Company on 10 April 2017, by reference to their performance.

The Share Option Scheme

On 10 April 2017, the Company adopted the Share Option Scheme. The principal terms of the Share Option Scheme were summarised in the paragraph headed “Statutory and General Information — F. Share Option Scheme” in Appendix VI to the prospectus of the Company dated 28 April 2017.

The purpose of the Share Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and providing benefits in the form of share options of the Company to eligible participants (“**Eligible Participants**”) and for such other purposes as the Board approves from time to time.

Eligible Participants include, among others, any full-time or part-time employees, or potential employees, executives or officers (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries and suppliers.

As at 1 July 2025 and at 30 June 2026, the maximum number of shares of the Company (the “**Shares**”) in respect of which options under the Share Option Scheme and any other share option schemes of the Company may be granted is 10% of the issued Shares as at the date of the Company’s listing (i.e., 15 May 2017), being 50,000,000 Shares. The total number of Shares available for issue under the Share Option Scheme is 50,000,000 Shares, which represented approximately 6.94% of the total number of Shares in issue (excluding treasury shares) as at the date of this announcement.

Since the adoption of the Share Option Scheme, and up to the date of this announcement, no option was granted, exercised, cancelled or lapsed under the Share Option Scheme. Accordingly, the total number of Shares that may be issued in respect of share options granted under the Share Option Scheme during the year ended 30 June 2026 divided by the weighted average number of Shares in issue (excluding treasury shares) for FY2026 was nil. As at 30 June 2026, there was no share option outstanding under the Share Option Scheme.

ISSUE FOR CASH OF EQUITY SECURITIES

The 2025 Placing

On 7 November 2025 (after trading hours), the Company and uSmart Securities Limited (the “**2025 Placing Agent**”) (as placing agent) entered into a placing agreement (as further supplemented by supplemental agreements dated 14 November 2025 and 28 November 2025) (the “**2025 Placing Agreement**”) in relation to the placing of up to 120,000,000 new ordinary shares of the Company (the “**2025 Placing Share(s)**”) subject to the terms and conditions set out in the 2025 Placing Agreement (the “**2025 Placing**”). A total of 35,019,580 2025 Placing Shares, representing approximately 5.51% of the total issued share capital of the Company as enlarged by the allotment and issue of the 2025 Placing Shares, were successfully placed to five placees at the adjusted placing price of HK\$0.196 per 2025 Placing Share (the “**2025 Adjusted Placing Price**”). The net price (after deducting the placing commission payable to the 2025 Placing Agent and other costs and expenses incurred in the 2025 Placing) to the Company of each 2025 Placing Share was approximately HK\$0.17.

The 2025 Placing was completed on 12 December 2025, where a total of 35,019,580 new ordinary shares of the Company, representing approximately 5.51% of the total issued share capital of the Company as enlarged by the allotment and issue of the 2025 Placing Shares, were successfully placed to five placees at the 2025 Adjusted Placing Price of HK\$0.196 per 2025 Placing Share who are professional, institutional and/or individual investors. The 2025 Placing Shares were allotted and issued under the general mandate granted by the Shareholders at the annual general meeting of the Company held on 21 November 2025.

After deducting the placing commission payable to the 2025 Placing Agent and other costs and expenses incurred in the 2025 Placing, the aggregate net proceeds from the 2025 Placing amounted to approximately HK\$6.1 million. The Company intended to use approximately HK\$3.05 million or 50% and HK\$1.83 million or 30% of the net proceeds from the 2025 Placing for (a) purchase of pachinko and pachislot machines, and (b) renovation or enhancement of the Group's existing pachinko halls and marketing expenses, respectively, and the remaining approximately HK\$1.22 million or 20% for other general working capital of the Group. For details, please refer to the announcements of the Company dated 7 November 2025, 14 November 2025, 17 November 2025, 28 November 2025, 12 December 2025 and 15 December 2025 (the **"2025 Placing Announcements"**).

As at 30 June 2026, the Group had applied the net proceeds as follows:

	Amounts of planned use of net proceeds as disclosed in the 2025 Placing Announcements (HK\$) (Approximate)	Amounts of actual use of net proceeds during FY2026 (HK\$) (Approximate)	Amounts of unutilised net proceeds as at 30 June 2026 (HK\$) (Approximate)
Use of net proceeds as disclosed in the 2025 Placing Announcements			
Purchase of pachinko and pachislot machines	3.05 million	3.05 million	Nil
Renovation or enhancement of the Group's existing pachinko and pachislot halls and marketing expenses	1.83 million	1.83 million	Nil
Other general working capital of the Group	1.22 million	1.22 million	Nil
Total	6.1 million	6.1 million	Nil

The 2026 Placing

On 23 January 2026 (after trading hours), the Company and Aristo Securities Limited (the **"2026 Placing Agent"**) (as placing agent) entered into a placing agreement (the **"2026 Placing Agreement"**) in relation to the placing of up to 84,980,420 new ordinary shares of the Company (the **"2026 Placing Share(s)"**) subject to the terms and conditions set out in the 2026 Placing Agreement (the **"2026 Placing"**). A total of 84,980,000 2026 Placing Shares, representing approximately 11.80% of the total issued share capital of the Company as enlarged by the allotment and issue of the 2026 Placing Shares, were successfully placed to six placees at the placing price of HK\$0.143 per 2026 Placing Share (the **"2026 Placing Price"**). The net price (after deducting the placing commission payable to the 2026 Placing Agent and other costs and expenses incurred in the 2026 Placing) to the Company of each 2026 Placing Share was approximately HK\$0.12.

The 2026 Placing was completed on 13 February 2026, where a total of 84,980,000 new ordinary shares of the Company, representing approximately 11.80% of the total issued share capital of the Company as enlarged by the allotment and issue of the 2026 Placing Shares, were successfully placed to six places at the 2026 Placing Price of HK\$0.143 per 2026 Placing Share who are professional, institutional and/or individual investors. The 2026 Placing Shares were allotted and issued under the general mandate granted by the Shareholders at the annual general meeting of the Company held on 21 November 2025.

After deducting the placing commission payable to the 2026 Placing Agent and other costs and expenses incurred in the 2026 Placing, the aggregate net proceeds from the 2026 Placing amounted to approximately HK\$10.38 million. The Company intended to use approximately 50% or HK\$5.19 million and 30% or HK\$3.11 million of the net proceeds from the 2026 Placing for (a) purchase of pachinko and pachislot machines, and (b) renovation or enhancement of the Group's existing pachinko halls and marketing expenses, respectively, and the remaining approximately 20% or HK\$2.08 million for other general working capital of the Group. For details, please refer to the announcements of the Company dated 23 January 2026 and 13 February 2026 (the “**2026 Placing Announcements**”).

As at 30 June 2026, the Group had applied the net proceeds as follows:

Use of net proceeds as disclosed in the 2026 Placing Announcements	Amounts of planned use of net proceeds as disclosed in the 2026 Placing Announcements (HK\$) (Approximate)	Amounts of actual use of net proceeds during FY2026 (HK\$) (Approximate)	Amounts of unutilised net proceeds as at 30 June 2026 (HK\$) (Approximate)
Purchase of pachinko and pachislot machines	5.19 million	5.19 million	Nil
Renovation or enhancement of the Group's existing pachinko and pachislot halls and marketing expenses	3.11 million	3.11 million	Nil
Other general working capital of the Group	2.08 million	2.08 million	Nil
Total	10.38 million	10.38 million	Nil

Save as disclosed above, the Company did not issue for cash any equity securities (including securities convertible into equity securities) during FY2026.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During FY2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares).

MATERIAL ACQUISITIONS AND/OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During FY2026, the Group did not conduct any material acquisitions or disposals of subsidiaries, associates and joint ventures.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the year ended 30 June 2026 up to the date of this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL INVESTMENTS

Save for those disclosed in this announcement, the Group has no plan authorised by the Board for other material investments or additions of capital assets as at the date of this announcement.

FINAL DIVIDEND

No final dividend for FY2026 has been recommended by the Board (FY2025: Nil).

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for FY2026 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for FY2026. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Board, together with the Board and its external auditor, had reviewed the accounting principles and policies adopted by the Group and the annual results and the consolidated financial statements for FY2026.

CORPORATE GOVERNANCE

The Directors consider that the Company has applied the principles of the Corporate Governance Code (the “**CG Code**”) set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and complied with the code provisions, where applicable, during FY2026 as set out in the CG Code, except for the following deviation:

Code Provision C.2.1

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. For the Group, Mr. Katsuya YAMAMOTO holds both of such positions. Mr. Katsuya YAMAMOTO has been primarily responsible for overseeing the Group’s general management and business development and for formulating business strategies and policies for the Group’s business management and operations since the Group was founded in 1984. The Company and the Directors (including the independent non-executive Directors) believe the combined roles of Mr. Katsuya YAMAMOTO provide for better leadership of the Board and management and allow for more focus on developing the Group’s business strategies and implementation of policies and objectives, and therefore the present arrangements are beneficial to and in the interests of the Company and its shareholders as a whole.

The Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that (i) the decision to be made by the Board requires approval by at least a majority of the Directors, and the Company believes that there is sufficient check and balance in the Board, (ii) Mr. Katsuya YAMAMOTO and other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interests of the Company and will make decisions for the Group accordingly, and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals with sufficient number thereof being independent non-executive Directors who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategies and other key business, financial, and operational policies of the Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman of the Board and chief executive is necessary. The Directors strive to achieve a high standard of corporate governance (which is of critical importance to the Group’s development) to protect the interest of shareholders of the Company.

REQUIREMENT IN CONNECTION WITH PUBLICATION OF “NON-STATUTORY ACCOUNTS” UNDER SECTION 436 OF THE HONG KONG COMPANIES ORDINANCE CAP. 622

The financial information relating to FY2026 and the financial information relating to FY2025 included in this preliminary announcement of annual results of 2025/2026 does not constitute the Company’s statutory annual consolidated financial statements for those years but, in respect of FY2025, is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622 of the laws of Hong Kong) (the “**Companies Ordinance**”) is as follows:

The financial statements for FY2026 have yet to be reported on by the Company’s auditor and will be delivered to the Registrar of Companies in due course. The Company had delivered the financial statements for FY2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company’s auditor has reported on these financial statements for FY2025. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Companies Ordinance.

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the required standards for securities transactions by the Directors. Specific enquiries have been made to all the Directors and all Directors have confirmed that they had complied with the required standards, where applicable, set out in the Model Code for FY2026.

ANNUAL GENERAL MEETING

The Company will hold its annual general meeting on Friday, 20 November 2026 (the “**2026 AGM**”), the notice of which will be published and despatched to the Company’s shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of the shareholders of the Company to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Tuesday, 17 November 2026 to Friday, 20 November 2026 (both dates inclusive), during which period no transfer of Shares will be effected. The record date will be Friday, 20 November 2026. In order to qualify for attending and voting at the 2026 AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with

the Company's Hong Kong share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 16 November 2026.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.okura-holdings.com. The annual report of the Company for FY2026 will be despatched to the Company's shareholders (where applicable) and published on the aforesaid websites in due course.

By Order of the Board
Okura Holdings Limited
Katsuya YAMAMOTO

*Chief Executive Officer, Executive Director and
Chairman of the Board*

Hong Kong, 29 September 2026

As at the date of this announcement, the Board comprises five Directors, of which (i) two are executive Directors, namely Mr. Katsuya YAMAMOTO and Mr. Yutaka KAGAWA; and (ii) three are independent non-executive Directors, namely Mr. Kazuyuki YOSHIDA, Ms. Mariko YAMAMOTO and Mr. Yuji MATSUZAKI.

* *For identification purpose only*