



# OKURA HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)  
Stock Code: 1655

**2025-2026**  
INTERIM REPORT

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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Katsuya YAMAMOTO (Chairman)  
Mr. Yutaka KAGAWA

### Independent Non-executive Directors

Mr. Kazuyuki YOSHIDA  
Ms. Mariko YAMAMOTO  
Mr. Yuji MATSUZAKI

## COMPANY SECRETARY

Ms. MAK Nga Wun

## AUDIT COMMITTEE

Mr. Kazuyuki YOSHIDA (Chairman)  
Ms. Mariko YAMAMOTO  
Mr. Yuji MATSUZAKI

## REMUNERATION COMMITTEE

Mr. Kazuyuki YOSHIDA (Chairman)  
Mr. Katsuya YAMAMOTO  
Mr. Yutaka KAGAWA  
Ms. Mariko YAMAMOTO  
Mr. Yuji MATSUZAKI

## NOMINATION COMMITTEE

Mr. Katsuya YAMAMOTO (Chairman)  
Mr. Yutaka KAGAWA  
Mr. Kazuyuki YOSHIDA  
Ms. Mariko YAMAMOTO  
Mr. Yuji MATSUZAKI

## RISK MANAGEMENT COMMITTEE

Mr. Yutaka KAGAWA (Chairman)  
Mr. Hayato TOBISAWA  
Mr. Shota MIYANO  
Mr. Seiji OTOFUJI  
Mr. Yuki DOMOTO  
Mr. Hirokazu HAYASHI  
Mr. Takeshi MATSUMOTO

## AUTHORISED REPRESENTATIVES

Mr. Yutaka KAGAWA  
Ms. MAK Nga Wun

## HEADQUARTERS IN JAPAN

1-5, Sumiyoshimachi  
Nagasaki City  
Nagasaki Prefecture  
Japan 852-8154

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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111 Connaught Road Central  
Hong Kong

## PRINCIPAL BANKERS

Sumitomo Mitsui Banking Corporation, Saga Branch  
2-3, Hachimankoji  
Saga City, Saga Prefecture  
Japan 840-0834

Mizuho Bank, Ltd., Nagasaki Branch  
3-28 Hamamachi  
Nagasaki City, Nagasaki Prefecture  
Japan 850-0853

Juhachi-Sinwa Bank, Sumiyoshi-Chuo Branch  
2-22, Sumiyoshimachi  
Nagasaki City, Nagasaki Prefecture  
Japan 852-8154

## HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## INDEPENDENT AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants  
Registered Public Interest Entity Auditor  
22/F, Prince's Building  
Central, Hong Kong

## HONG KONG LEGAL ADVISOR

H.M. CHAN & CO  
21/F, No. 8 Queen's Road Central  
Hong Kong

## PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

## STOCK CODE

1655

## COMPANY'S WEBSITE

[www.okura-holdings.com](http://www.okura-holdings.com)

# Management Discussion and Analysis

The board (the “**Board**”) of directors (the “**Directors**”) of Okura Holdings Limited (the “**Company**”) is pleased to present the report on the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 31 December 2025 (“**6M2026**”), together with the comparative figures for the six months ended 31 December 2024 (“**6M2025**”).

## 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 FY2025. 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 6M2026 and recorded an increase of approximately ¥166 million, or approximately 5.2%, from approximately ¥3,188 million in 6M2025 to approximately ¥3,354 million in 6M2026.

Further, the Group has recorded an increase in profit before income tax by approximately ¥8 million, or approximately 1.3%, from approximately ¥610 million in 6M2025 to approximately ¥618 million in 6M2026. This increase was mainly attributable to the general improvement in revenue from other pachinko and pachislot halls due to sustaining popularity of the new pachinko and pachislot machines. The Group will continue to explore new measures and opportunities to improve the Group’s operational performance and diversify its income sources.

## 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 6M2026, 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.

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**”). On 25 January 2019, 24 January 2020, 25 January 2021, 25 January 2022, 27 January 2023 and 25 January 2024, 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 amendment agreements to, among others, extend the maturity/redemption date of the second series of the Bonds (the “**2nd Series Bond**”), increase its interest rate and include Everglory Capital as a guarantor to guarantee the obligations of the Bond Issuer of its obligations under 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 first series of the Bonds (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 30 July 2024, the Company, the Bond Issuer and Everglory Capital entered into another amendment agreement to further extend the maturity/redemption date of the 1st Series Bond. Such amendments enable the Group to extend its investment and generate more income from the Bonds, which constitutes a stable revenue stream for the Group. 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.

The Group will continue exploring alternative streams of income to improve its financial performance.

### 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**”) has continued to have an adverse impact on the pachinko and pachislot industry in Japan by reducing the attractiveness of the game and contributing to the continuous decline of pachinko and pachislot players, as pachinko and pachislot machines with a higher gaming element were required to gradually phase out of the pachinko industry in batches. The phasing out and replacement of all pachinko and pachislot machines with a higher gaming element was completed by the Group 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 31 December 2025, the ratios of Smart Slot Machines and Smart Pachinko Machines to the Group’s total installed slot machines and pachinko machines were approximately 65.1% and 29.2%, respectively, accounting for approximately 46.5% 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.

## Management Discussion and Analysis

In Japan, new banknotes were issued in July 2024. Pachinko hall operators nationwide have been taking steps to update their equipment for the new banknotes, which has imposed a significant financial burden due to the high expenses involved. However, the Group has taken early steps to address this issue and completed the purchase of the necessary equipment compatible with the new banknotes during the year ended 30 June 2024 at its pachinko and pachislot halls. Although the immediate impact remains to be seen, the Group expects small pachinko hall operators, with more limited capital resources to be eliminated from the market due to the high expenses involved, thus allowing the Group to acquire more customers in the market.

### 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 6M2026 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. Further, new banknotes were issued in Japan in July 2024 and the Group has taken proactive steps to update its pachinko and pachislot machines for compatibility. It has completed the necessary large-scale capital investment, such as the installation of the necessary peripheral devices and software catered for the new banknotes during FY2024. As there are no future plans for any major capital investment as at the date of this report, 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 6M2026, revenue from pachinko and pachislot hall business remained the majority source of income for the Group, accounting for approximately 91.4% of the Group's total revenue (6M2025: approximately 92.0%). The Group's total revenue increased by approximately ¥166 million, or approximately 5.2%, from approximately ¥3,188 million in 6M2025 to approximately ¥3,354 million in 6M2026. This increase was mainly a result of the general improvement in revenue from other pachinko and pachislot halls due to sustaining 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 ¥3 million, or approximately 6.4%, from approximately ¥47 million in 6M2025 to approximately ¥50 million in 6M2026.

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 ¥19 million, or approximately 9.3%, from approximately ¥205 million in 6M2025 to approximately ¥224 million in 6M2026 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 ¥11 million, or approximately 550%, from approximately ¥2 million in 6M2025 to approximately ¥13 million in 6M2026, 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 6M2026.

The Group's gross pay-ins recorded an increase of approximately ¥667 million, or approximately 4.2%, from approximately ¥16,024 million in 6M2025 to approximately ¥16,691 million in 6M2026, 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 ¥534 million, or approximately 4.1%, from approximately ¥13,090 million in 6M2025 to approximately ¥13,624 million in 6M2026 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 18.4% for 6M2026 as compared with approximately 18.3% for 6M2025.

### Other income

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

## Management Discussion and Analysis

Other income increased by approximately ¥3 million, or approximately 1.8%, from approximately ¥166 million in 6M2025 to approximately ¥169 million in 6M2026, mainly due to increase in income from forfeited unutilized balls in membership cards.

### 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 written-off of property, plant and equipment, (iv) demolition cost on investment properties and (v) other gains which are mainly comprised of insurance claims.

Other gains, net increased by approximately ¥15 million, or approximately 250%, from approximately ¥6 million in 6M2025 to approximately ¥21 million in 6M2026, mainly due to an increase in exchange gain of approximately ¥65 million and an increase in gain on fair value change of securities of approximately ¥32 million being offset by provision for impairment loss for investment properties of approximately ¥79 million.

### Hall operating expenses and administrative and other operating expenses

Hall operating expenses increased by approximately ¥123 million, or approximately 5.2%, from approximately ¥2,350 million in 6M2025 to approximately ¥2,473 million in 6M2026. This is primarily due to (i) the increase in pachinko and pachislot machines expenses by approximately ¥32 million, or approximately 2.7%, from approximately ¥1,203 million in 6M2025 to approximately ¥1,235 million in 6M2026, as a result of acquisition of more new machines in 6M2026 as compared with that in 6M2025 and (ii) the increase in employee benefit expenses by approximately ¥23 million, or approximately 5.9%, from approximately ¥390 million in 6M2025 to approximately ¥413 million in 6M2026, as a result of the transition of certain operational functions, previously outsourced to external service providers, to the Group's internal workforce.

Administrative and other operating expenses increased by approximately ¥66 million, or approximately 18.6%, from approximately ¥355 million in 6M2025 to approximately ¥421 million in 6M2026, primarily due to consultancy service expenses of approximately ¥64 million for research on advertising and AI application in pachinko halls.

### 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 cash-generating units ("CGUs").

For 6M2026, the Company continued to apply the aforementioned impairment indicators and the management identified that three CGUs (FY2025: two CGUs) had resulted in operating loss or not fulfilling management's expectations for 6M2026, and therefore the management considered there were impairment indications for these CGUs. The management accordingly performed impairment assessment to assess the recoverable amounts of these CGUs.

For CGUs with impairment indicators, management assessed the performance of the CGU to determine if either value-in-use or fair value less cost of disposal would exceed the carrying amount of the CGU. 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 amounts of all three CGUs were determined by their value-in-use.

Based on the above assessment and determination, the Group did not record any provisions for impairment losses on property, plant and equipment or right-of-use assets for 6M2026.

### 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 lease terms of the respective CGUs or a five-year period, 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. Management's forecast for the first year takes into account the performance of each of the CGUs in current period and incorporates management's latest plans for each CGUs.

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 ranges from 2% to 4% for the twelve months ending 31 December 2026 based on the business performance for each of the CGUs during 6M2026, and 0% after 31 December 2026 until the end of the respective useful life for each of the CGUs;
- (ii) pre-tax discount rate is 8.82%; and
- (iii) there is no change in 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.

### Profit before income tax

Profit before income tax increased by approximately ¥8 million, or approximately 1.3%, from approximately ¥610 million in 6M2025 to approximately ¥618 million in 6M2026. This was mainly attributable to the general improvement in revenue from pachinko and pachislot halls due to popularity of the new pachinko and pachislot machines.

### Profit for the period attributable to shareholders of the Company

Profit for period attributable to shareholders of the Company increased by approximately ¥20 million, or approximately 4.0%, from approximately ¥505 million for 6M2025 to approximately ¥525 million for 6M2026. 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 hall operating expenses, staff costs, various operating expenses to fund and repay 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 31 December 2025, the Company had total borrowings of approximately ¥3,820 million (30 June 2025: approximately ¥4,211 million), of which approximately 70.2% represented bank borrowings and approximately 29.8% represented loans from a governmental financial institution. The Company's borrowings are all denominated in Japanese Yen.

## Management Discussion and Analysis

### 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 compiling 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 6M2026. To manage the liquidity risk and to ensure that the Group is well placed to take advantage of future growth opportunities, the Board closely monitors the Group's liquidity position and actively reviews its capital structure 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 6M2026, the Group did not use any risk hedging instrument.

### Cash and cash equivalents

As at 31 December 2025, the Company had cash and cash equivalents of approximately ¥2,823 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 31 December 2025, the capital structure of the Group comprised share capital and reserves. As at 31 December 2025, equity attributable to shareholders of the Company amounted to approximately ¥9,793 million (30 June 2025: approximately ¥9,117 million). As at 31 December 2025, total assets of the Group amounted to approximately ¥18,723 million (30 June 2025: approximately ¥18,514 million).

## Borrowings

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

	As at 31 December 2025		As at 30 June 2025	
	¥ million	%	¥ million	%
Within 1 year	816	21.4	883	21.0
Between 1 year and 2 years	633	16.6	778	18.5
Between 2 years and 5 years	923	24.1	1,011	24.0
Over 5 years	1,448	37.9	1,539	36.5
	<b>3,820</b>	<b>100.0</b>	4,211	100.0

As illustrated above, the proportion of the Group's borrowings repayable within 1 year, repayable between 2 years and 5 years, and repayable over 5 years increased, while the borrowings repayable in between 1 years and 2 years decreased. The change of maturity profile of the Group's borrowings was primarily due to repayment of long term borrowings. As at 31 December 2025, 38% of the Group's borrowings, amounted to approximately ¥1,457 million, were subject to a fixed interest rate and 62% of the Group's borrowings, amounted to approximately ¥2,363 million, were subject to a floating interest rate.

## Bonds

No new bonds were issued in 6M2026.

## Pledged assets

As at 31 December 2025, the Company pledged assets, including (i) property, plant and equipment, (ii) investment properties, and (iii) listed securities, in the sum of approximately ¥7,356 million (30 June 2025: approximately ¥7,420 million) to secure certain general banking facilities of the Group. The decrease by approximately ¥64 million from approximately ¥7,420 million as at 30 June 2025 to approximately ¥7,356 million as at 31 December 2025 was due to (i) no additional pledged assets are required by the bank, and (ii) the decrease in carrying amount of those pledged assets.

## Gearing ratio

The gearing ratio, being the aggregate of interest-bearing loans and lease liabilities less cash and cash equivalents divided by total equity of the Company, was approximately 36.0% as at 31 December 2025 as compared with approximately 43.9% as at 30 June 2025. The decrease was mainly attributable to repayment of loans during 6M2026.

## 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 6M2026, the Group did not use any hedge instrument or interest rate swap to manage its interest rate exposure.

## Management Discussion and Analysis

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 Dollar 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 Dollar in recent years, the Group will continue to look for opportunities to manage its exposures in US Dollar 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	
	As at 31 December 2025 ¥ million	As at 30 June 2025 ¥ million
No later than 1 year	102	57
Later than 1 year and no later than 5 years	101	—
	<b>203</b>	57

As at 31 December 2025, the Group had ¥1 million capital commitments which were contracted but not provided for in respect of the 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 ¥262 million for 6M2026 (6M2025: approximately ¥148 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 31 December 2025, the Company did not have any material contingent liabilities or guarantees.

### SIGNIFICANT INVESTMENTS

As at 31 December 2025, the Group held investments primarily in (i) investment properties of approximately ¥4,009 million, which represented land and premises situated in Japan and rented out under operating leases, with each of their respective investment value being less than 5% of the Company's total assets as at 31 December 2025, and (ii) financial assets of approximately ¥1,619 million, which represented the Bonds issued by the Bond Issuer, trust funds, and listed and unlisted securities. As at 31 December 2025, save for the 1st Series Bond and the 2nd Series Bond which in aggregate constituted approximately 5.3% 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 office, residential and parking purposes which are 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 exceeds its recoverable amount. Impairment loss of ¥79 million was recognised on the Group's investment properties for 6M2026 (6M2025: Nil). 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 valuation of the Group's investment properties is 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 based on that of similar properties, interviews with real estate investors and various published indices, and (iii) the vacancy rate after expiry of the lease terms of the investment property.

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 report, the Company plans to continue to hold these investment properties for long-term rental yields.

## Management Discussion and Analysis

### Financial assets and financial liabilities

In relation to the Group's financial assets, the Group recorded a gain of approximately ¥31 million for the fair value changes on financial assets and financial liabilities at fair value through profit or loss in 6M2026 (6M2025: a loss of approximately ¥1 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 and financial liabilities, the Directors are of the view that the investment in financial assets and financial liabilities 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 report, 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 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 Bond Issuer's 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 31 December 2025, the fair value of the 1st Series Bond and the 2nd Series Bond in aggregate was ¥995 million, which constituted approximately 5.3% of the Company's total assets. There is no change to the fair value of each of the 1st Series Bond and the 2nd Series Bond for 6M2026 as they are calculated at amortised cost. For 6M2026, the amount of interest earned by the Group under each of the 1st Series Bond and the 2nd Series Bond was approximately ¥10 million and ¥10 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.

Save as disclosed herein, the Group did not hold any significant investments as at 31 December 2025.

### HUMAN RESOURCES

#### Employees and remuneration policies

As at 31 December 2025, the Group had 363 employees (31 December 2024: 353 employees), almost all of whom were based in Japan, and of whom 302 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 Public Safety Commission, each hall manager is required to attend the training course conducted by the Public Safety Commission.

The staff costs include all salaries and benefits payable to the Group's employees and staff, including the Directors. The total staff costs for 6M2026 amounted to approximately ¥540 million (6M2025: approximately ¥520 million), which accounted for approximately 18.7% (6M2025: approximately 19.2%) 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.

## Management Discussion and Analysis

As at 1 July 2025 and at 31 December 2025, the maximum number of shares of the Company 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 of the Company as at the date of the Company's listing (i.e., 15 May 2017), being 50,000,000 shares. Such 50,000,000 shares represent approximately 6.94% of the total number of shares of the Company in issue as at the date of this report.

Since the adoption of the Share Option Scheme, and up to the date of this report, no option was granted, exercised, cancelled or lapsed under the Share Option Scheme.

### ISSUE FOR CASH OF EQUITY SECURITIES

On 7 November 2025 (after trading hours), the Company and uSmart Securities Limited (the **"Placing Agent"**) (as placing agent) entered into a placing agreement (as further supplemented by supplemental agreements dated 14 November 2025, 17 November 2025 and 28 November 2025) (the **"Placing Agreement"**) in relation to the placing of up to 120,000,000 new ordinary shares of the Company (the **"Placing Share(s)"**) subject to the terms and conditions set out in the Placing Agreement (the **"Placing"**). A total of 35,019,580 Placing Shares, representing approximately 5.51% of the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares, have been successfully placed to five placees at the adjusted placing price of HK\$0.196 per placing share (the **"Adjusted Placing Price"**). The net price (after deducting the placing commission payable to the Placing Agent and other costs and expenses incurred in the Placing) to the Company of each Placing Share was approximately HK\$0.17.

The 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 Placing Shares, have been successfully placed to five placees at the Adjusted Placing Price of HK\$0.196 per Placing Share who are professional, institutional and/or individual investors. The 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 Placing Agent and other costs and expenses incurred in the Placing, the aggregate net proceeds from the Placing amounted to approximately HK\$6.1 million. The Company intends to use approximately HK\$3.05 million or 50% and HK\$1.83 million or 30% of the net proceeds from the 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. The Board estimated that the time for utilising the net proceeds from the Placing will be by end of the financial year ending 30 June 2026. 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 **"Placing Announcements"**).

As at 31 December 2025, the Group had applied the net proceeds as follows:

Use of net proceeds as disclosed in the Placing Announcements	Amounts of planned use of net proceeds as disclosed in the Placing Announcements (HK\$) (Approximate)	Amounts of actual use of net proceeds during 6M2026 (HK\$) (Approximate)	Amounts of unutilised net proceeds as at 31 December 2025 (HK\$) (Approximate)
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	0.94 million	0.89 million
Other general working capital of the Group	1.22 million	1.22 million	Nil
<b>Total</b>	<b>6.1 million</b>	<b>5.21 million</b>	<b>0.89 million</b>

Save as disclosed above, the Company did not issue for cash any equity securities (including securities convertible into equity securities) during 6M2026.

#### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During 6M2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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

During 6M2026, the Group did not conduct any material acquisitions or disposals of subsidiaries, associates and joint ventures.

#### IMPORTANT EVENTS AFTER THE REPORTING PERIOD

On 23 January 2026, the Company entered into a placing agreement (the "2026 Placing Agreement") with the placing agent, Aristo Securities Limited, pursuant to which the placing agent agreed to act as the placing agent for the Company to procure subscribers, on a best effort basis, to subscribe for up to 84,980,420 placing shares ("2026 Placing Shares") at the placing price of HK\$0.143 per Share. All of the conditions precedent set out in the 2026 Placing Agreement have been satisfied and completion of the placing took place on 13 February 2026. A total of 84,980,000 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, have been successfully placed to six placees at the placing price of HK\$0.143 per Share. For details, please refer to the announcements of the Company dated 23 January 2026 and 13 February 2026.

Save as disclosed above, there are no significant events after the reporting period up to the report.

#### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL INVESTMENTS

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

## Other Information

### INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”), which were required (i) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein (the “Register”); or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), were as follows:

Long positions in the shares of the Company (the “Shares”):

Name	Capacity/nature of interest	Number of ordinary Shares	Approximate percentage of shareholding in the total issued share capital of the Company
Mr. Katsuya YAMAMOTO <sup>(1)</sup>	Founder of a discretionary trust	375,000,000 <sup>(2)</sup>	59.05%

Notes:

1. Mr. Katsuya YAMAMOTO is an executive Director, the chief executive officer of the Company and the chairman of the Board.
2. By virtue of being the founder of the Foundation, Mr. Katsuya YAMAMOTO is deemed to be interested in the 375,000,000 Shares held by the Foundation.

Save as disclosed above, as at 31 December 2025, none of the Directors or the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or recorded in the Register pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, so far as was known to the Directors, the following persons (not being the Directors or chief executives of the Company) had, or deemed to have, interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register required to be kept by the Company under Section 336 of the SFO.

Long positions in the Shares:

Name	Capacity/nature of interest	Number of ordinary Shares	Approximate percentage of shareholding in the total issued share capital of the Company
Ichikura Limited	Beneficial interest	375,000,000	59.05%
AMI Culture Foundation	Interest in a controlled corporation	375,000,000 <sup>(1)</sup>	59.05%
Karmad AG	Trustee of the Foundation	375,000,000 <sup>(2)</sup>	59.05%
Mr. Claude Heinz SCHADLER	Trustee of the Foundation	375,000,000 <sup>(2)</sup>	59.05%

Notes:

1. AMI Culture Foundation (the "**Foundation**") is a foundation established by Mr. Katsuya YAMAMOTO, the Chairman of the Board and an executive Director, as founder under Liechtenstein law with no shareholder in the Foundation. As Ichikura Limited is wholly-owned by the Foundation, the Foundation is deemed to be interested in the Shares held by Ichikura Limited.
2. By virtue of being members of the board of trustees of the Foundation, Mr. Claude Heinz SCHADLER and Karmad AG are deemed to be interested in the Shares held by Ichikura Limited.

Save as disclosed above, as at 31 December 2025, no person (not being the Directors or chief executives of the Company) had, or deemed to have, any interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be as recorded in the register required to be kept by the Company under Section 336 of the SFO.

## CORPORATE GOVERNANCE

Good corporate governance has always served as a vital foundation for the development of the Company. The Company is dedicated to fulfilling its responsibilities towards its shareholders and protecting the interests of different stakeholders through sound governance practices. The Company has developed and implemented comprehensive corporate governance practices and procedures in accordance with the Listing Rules and relevant applicable laws and regulations. The major principles are to ensure transparency in operation and accountability to the shareholders of the Company. The Board is responsible for performing the corporate governance duties and reviewing and monitoring the corporate governance of the Company with reference to the Corporate Governance Code (the "**CG Code**").

## Other Information

The Directors consider that the Company has applied the principles of the CG Code set out in Appendix C1 to the Listing Rules and complied with the code provisions, where applicable, during 6M2026 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 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 checks and balances in the Board, (ii) Mr. Katsuya YAMAMOTO and other Directors are aware of and undertake to fulfill 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.

## MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the required standards for securities transactions by our Directors. Specific enquiries have been made to all our Directors and all Directors have confirmed that they had complied with the required standards, where applicable, set out in the Model Code throughout 6M2026.

## AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENT

The Company established an audit committee in compliance with Rule 3.21 of the Listing Rules on 10 April 2017. The audit committee of the Board (the "**Audit Committee**") comprises three members, namely Mr. Kazuyuki YOSHIDA, Ms. Mariko YAMAMOTO and Mr. Yuji MATSUZAKI, while Mr. Kazuyuki YOSHIDA acts as the chairman. The Audit Committee of the Company has reviewed the unaudited condensed consolidated interim financial information and the interim results for 6M2026, as well as this interim report, and discussed the financial related matters with our management. The unaudited condensed consolidated interim financial information of the Group for 6M2026 contained in this interim report has been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

### **UPDATE ON THE DIRECTORS' INFORMATION UNDER RULE 13.51B OF THE LISTING RULES**

The Company is not aware of any changes in the Directors' information since the date of the Company's annual report for FY2025 pursuant to Rule 13.51B(1) of the Listing Rules.

### **COMPANY SECRETARY AND PRIMARY CONTACT OF THE COMPANY**

The Directors have access to the services of the company secretary to ensure that the Board procedures are followed. The company secretary of the Company is Ms. MAK Nga Wun. She is an assistant manager of corporate secretarial services at InCorp Hong Kong. The primary corporate contact person at the Company is Mr. Yutaka KAGAWA, head of Corporate Planning Department.

### **INTERIM DIVIDEND**

The Board does not recommend declaring any dividend for 6M2026.

# Report on Review of Interim Financial Information

## To the Board of Directors of Okura Holdings Limited

*(incorporated in Hong Kong with limited liability)*

### INTRODUCTION

We have reviewed the interim financial information set out on pages 23 to 48, which comprises the interim condensed consolidated statement of financial position of Okura Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) as at 31 December 2025 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the HKICPA and International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” and International Accounting Standard 34 “Interim Financial Reporting”.

## **PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 27 February 2026

# Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2025

		(Unaudited) Six months ended 31 December	
	Note	2025 ¥million	2024 ¥million
Revenue	6	3,354	3,188
Other income	7	169	166
Other gains, net	7	21	6
Hall operating expenses	8	(2,473)	(2,350)
Administrative and other operating expenses	8	(421)	(355)
<b>Operating profit</b>		<b>650</b>	655
Finance income		39	25
Finance costs		(71)	(70)
Finance costs, net	9	(32)	(45)
<b>Profit before income tax</b>		<b>618</b>	610
Income tax expenses	10	(93)	(105)
<b>Profit for the period attributable to shareholders of the Company</b>		<b>525</b>	505
<b>Earnings per share attributable to shareholders of the Company for the period (expressed in ¥ per share)</b>			
Basic		0.87	0.84
Diluted		0.87	0.84
<b>Profit for the period</b>		<b>525</b>	505
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of employee benefit obligations, net of tax		8	10
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax		9	(13)
<b>Total comprehensive income for the period attributable to shareholders of the Company</b>		<b>542</b>	502

The notes on pages 29 to 48 are an integral part of this condensed consolidated interim financial information.

## Interim Condensed Consolidated Statement of Financial Position

As at 31 December 2025

	Note	(Unaudited) 31 December 2025 ¥million	(Audited) 30 June 2025 ¥million
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	7,195	7,137
Right-of-use assets	14	912	1,026
Investment properties	13	4,009	4,133
Intangible assets	13	122	123
Prepayments and deposits		576	568
Financial assets at amortised cost		995	995
Financial assets at fair value through other comprehensive income		71	60
Deferred income tax assets		974	959
		<b>14,854</b>	15,001
<b>Current assets</b>			
Inventories		163	114
Trade receivables	15	16	13
Prepayments, deposits and other receivables		214	180
Financial assets at fair value through profit or loss		553	119
Short-term bank deposits		100	100
Cash and cash equivalents		2,823	2,987
		<b>3,869</b>	3,513
<b>Total assets</b>		<b>18,723</b>	18,514
<b>Equity and liabilities</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital	16	20,778	20,644
Reserves		(10,985)	(11,527)
<b>Total equity</b>		<b>9,793</b>	9,117

The notes on pages 29 to 48 are an integral part of this condensed consolidated interim financial information.

## Interim Condensed Consolidated Statement of Financial Position (Continued)

As at 31 December 2025

	<i>Note</i>	<b>(Unaudited) 31 December 2025 ¥million</b>	(Audited) 30 June 2025 ¥million
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	19	<b>3,004</b>	3,328
Lease liabilities	14	<b>2,071</b>	2,303
Accruals, provisions and other payables		<b>272</b>	264
Employee benefit obligations	18	<b>208</b>	195
Deferred income tax liabilities		<b>268</b>	267
		<b>5,823</b>	6,357
<b>Current liabilities</b>			
Borrowings	19	<b>816</b>	883
Lease liabilities	14	<b>462</b>	474
Trade payables	17	<b>34</b>	11
Accruals, provisions and other payables		<b>1,676</b>	1,535
Amount due to directors	21	<b>3</b>	3
Current income tax liabilities		<b>116</b>	134
		<b>3,107</b>	3,040
<b>Total liabilities</b>		<b>8,930</b>	9,397
<b>Total equity and liabilities</b>		<b>18,723</b>	18,514

The condensed consolidated interim financial information on pages 23 to 48 were approved by the Company's Board of Directors on 27 February 2026 and were signed on its behalf.

**Katsuya Yamamoto**  
Director

**Yutaka Kagawa**  
Director

The notes on pages 29 to 48 are an integral part of this condensed consolidated interim financial information.

# Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2025

	Attributable to shareholders of the Company (Unaudited)					Total ¥million
	Share capital (Note 16) ¥million	Capital reserve (Note 16(a)) ¥million	Legal reserve (Note 16(b)) ¥million	Other reserves (Note 16(c)) ¥million	(Accumulated loss)/ Retained earnings ¥million	
<b>Balance at 1 July 2024</b>	20,644	(12,837)	40	60	(138)	7,769
Profit for the period	—	—	—	—	505	505
<b>Other comprehensive income</b>						
Remeasurement of employee benefit obligations	—	—	—	10	—	10
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	—	—	—	(13)	—	(13)
<b>Total comprehensive income</b>	—	—	—	(3)	505	502
<b>Balance at 31 December 2024</b>	20,644	(12,837)	40	57	367	8,271

The notes on pages 29 to 48 are an integral part of this condensed consolidated interim financial information.

## Interim Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 31 December 2025

	Attributable to shareholders of the Company (Unaudited)					
	Share capital (Note 16) ¥million	Capital reserve (Note 16(a)) ¥million	Legal reserve (Note 16(b)) ¥million	Other reserves (Note 16(c)) ¥million	Retained earnings ¥million	Total ¥million
<b>Balance at 1 July 2025</b>	20,644	(12,837)	40	66	1,204	9,117
Profit for the period	—	—	—	—	525	525
<b>Other comprehensive income</b>						
Remeasurement of employee benefit obligations, net of tax	—	—	—	8	—	8
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	—	—	—	9	—	9
<b>Total comprehensive income</b>	—	—	—	17	525	542
<b>Transaction with owners in their capacity as owners:</b>						
Issue of ordinary shares, net of transaction costs and tax	134	—	—	—	—	134
<b>Total transaction with owners in their capacity as owners</b>	134	—	—	—	—	134
<b>Balance at 31 December 2025</b>	20,778	(12,837)	40	83	1,729	9,793

The notes on pages 29 to 48 are an integral part of this condensed consolidated interim financial information.

# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2025

	(Unaudited) Six months ended 31 December	
	2025 ¥million	2024 ¥million
<b>Cash flows from operating activities</b>		
Cash generated from operations	1,127	638
Income tax paid	(132)	(22)
Interest received	39	25
Interest paid	(41)	(38)
Net cash generated from operating activities	993	603
<b>Cash flows from investing activities</b>		
Purchase of financial assets at fair value through profit or loss	(1,012)	—
Proceeds from disposal of financial assets at fair value through profit or loss	610	6
Purchase of property, plant and equipment	(250)	(148)
Purchase of investment property	(12)	—
Proceeds from disposal of property, plant and equipment	8	—
Net cash used in investing activities	(656)	(142)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of new shares	134	—
Repayment of borrowings	(421)	(404)
Proceeds from borrowings	30	102
Interest elements of lease payments	(30)	(32)
Principal elements of lease payments	(244)	(243)
Net cash used in financing activities	(531)	(577)
<b>Net decrease in cash and cash equivalents</b>	(194)	(116)
Cash and cash equivalents at beginning of the period	2,987	3,049
Effects of exchange rate changes on cash and cash equivalents	30	23
Cash and cash equivalents at end of the period	2,823	2,956

The notes on pages 29 to 48 are an integral part of this condensed consolidated interim financial information.

# Notes to the Condensed Consolidated Interim Financial Information

## 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 (the “**Business**”) in Japan.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

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

This condensed consolidated interim financial information was approved for issue by the board of directors (the “**Board**”) of the Company on 27 February 2026.

This condensed consolidated interim financial information has not been audited.

The defined terms used in this condensed consolidated interim financial information have the same meaning as those set out in the Group’s annual report 2025 published on 23 October 2025 (the “**Annual Report 2025**”), unless otherwise stated.

## 2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 31 December 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34, ‘Interim Financial Reporting’ issued by the Hong Kong Institute of Certified Public Accountants and International Accounting Standard (“**IAS**”) 34, ‘Interim Financial Reporting’ issued by the International Accounting Standards Board. Hong Kong Financial Reporting Standards (“**HKFRS**”) is substantially consistent with International Financial Reporting Standards (“**IFRS**”) and the accounting policy selections that the Group has made in preparing the condensed consolidated interim financial information are such that the Group is able to comply with both HKFRS and IFRS. Reference to IFRS, IAS and Interpretations developed by the IFRS Interpretations Committee (“**IFRIC**”) in the condensed consolidated interim financial information should be read as referring to the equivalent HKFRS, HKAS and Hong Kong (IFRIC) Interpretation (“**HK(IFRIC)-Int**”) as the case may be. Accordingly, there are no differences of accounting practice between HKFRS and IFRS affecting the condensed consolidated interim financial information.

The interim report does not include all of the notes that should normally be included in a consolidated annual financial statement. Accordingly, this interim report is to be read in conjunction with the annual consolidated financial statements for the year ended 30 June 2025.

The financial information relating to the year ended 30 June 2025 that is included in the condensed consolidated interim financial information for the six months ended 31 December 2025 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but 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 Hong Kong Companies Ordinance (Cap. 622) is as follows:

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 2 BASIS OF PREPARATION (continued)

The Company has delivered the financial statements for the year ended 30 June 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

### 3 ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 June 2025, as described in the annual financial statements.

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

#### (a) Amendments to standard adopted by the Group

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

##### **Amendments under IFRS**

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Amendments to IAS 21 and IFRS 1      Lack of Exchangeability

The adoption of the amendments to standard did not have any material impact on the Group's accounting policies.

### 3 ACCOUNTING POLICIES (continued)

#### (b) New and amended standards, amended interpretation to existing standards (collectively, the "Amendments") not yet adopted by the Group

The following Amendments have been published but not mandatory for the financial year beginning on or after 1 January 2026 and have not been early adopted by the Group.

<b>Amendments under IFRS</b>		<b>Effective for accounting periods beginning on or after</b>
Amendments to IAS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7	Annual Improvements to IFRS Accounting Standards Volume 11	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 and Amendments to IFRS 19	Subsidiaries without public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
<b>Amendments under HKFRS</b>		
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027

The directors are in the process of assessing the impact of these amended standards and interpretations in the period of initial application. 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, except for the adoption of IFRS 18 and HKFRS 18, of which the expected impact has been disclosed in the annual consolidated financial statements for the year ended 30 June 2025.

### 4 ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2025, with the exception of changes in estimates that are required in determining the provision for income taxes.

### 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

#### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Annual Report 2025.

There have been no changes in the risk management policies since year end.

#### 5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

## 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

### 5.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	Level 1 ¥million	Level 2 ¥million	Level 3 ¥million	Total ¥million
<b>As at 31 December 2025</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
— Listed equity securities	537	—	—*	537
— Debt securities	—	16	—	16
Financial assets at fair value through other comprehensive income				
— Listed securities	70	—	—	70
— Unlisted securities	—	—	1	1
	<b>607</b>	<b>16</b>	<b>1</b>	<b>624</b>
<b>As at 30 June 2025</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
— Listed equity security	100	—	—*	100
— Debt securities	—	19	—	19
Financial assets at fair value through other comprehensive income				
— Listed equity securities	59	—	—	59
— Unlisted equity securities	—	—	1	1
	<b>159</b>	<b>19</b>	<b>1</b>	<b>179</b>

\* The amount represents less than ¥1 million.

There were no transfers of financial assets between levels 1, 2 and 3 during the six months ended 31 December 2025 and during the year ended 30 June 2025.

## 6 REVENUE AND SEGMENT INFORMATION

### (a) Revenue

	(Unaudited) Six months ended 31 December	
	2025 ¥million	2024 ¥million
<b>Revenue</b>		
Gross pay-ins	16,691	16,024
Less: gross pay-outs	(13,624)	(13,090)
Revenue from pachinko and pachislot hall business	3,067	2,934
Vending machine income	50	47
Property rental	224	205
Revenue from other operation	13	2
	<b>3,354</b>	3,188
Timing of revenue recognition		
At a point in time	3,129	2,981
Over time	225	207
	<b>3,354</b>	3,188

### (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 considers the business from a service perspective and assesses 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) the pachinko and pachislot hall operation, (ii) property rental and (iii) other segments relating to the provision of motor vehicle rental services and retail business.

Segment assets consist mainly of property, plant and equipment, right-of-use assets, investment properties, intangible assets, inventories, trade receivables, prepayments, deposits and other receivables, short-term bank deposits, and cash and cash equivalents for segment uses. They exclude assets served as headquarter uses, 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, investment properties and intangible assets. Income tax expenses are not included in segment results.

## 6 REVENUE AND SEGMENT INFORMATION (continued)

### (b) Segment information (continued)

The segment information provided to the executive directors for the six months ended 31 December 2025 and 2024 are as follows:

	Six months ended 31 December 2025 (Unaudited)				
	Pachinko and pachislot hall operation ¥million	Property rental ¥million	Other segments ¥million	Unallocated amounts ¥million	Total ¥million
<b>Segment revenue from external customers</b>	3,117	224	13	—	3,354
<b>Segment results</b>	773	(15)	(13)	(127)	618
Profit before income tax					618
Income tax expense					(93)
<b>Profit for the period</b>					525
<b>Other items</b>					
Provision for impairment loss of investment properties	—	(79)	—	—	(79)
Depreciation and amortisation	(264)	(57)	—	(22)	(343)
Finance income	—	—	—	39	39
Finance costs	(41)	(29)	—	(1)	(71)
Capital expenditures	(234)	(12)	(8)	(8)	(262)

## 6 REVENUE AND SEGMENT INFORMATION (continued)

## (b) Segment information (continued)

	Six months ended 31 December 2024 (Unaudited)				
	Pachinko and pachislot hall operation ¥million	Property rental ¥million	Other segments ¥million	Unallocated amounts ¥million	Total ¥million
<b>Segment revenue from external customers</b>	2,981	205	2	—	3,188
<b>Segment results</b>	762	68	2	(222)	610
Profit before income tax					610
Income tax credit					(105)
<b>Profit for the period</b>					505
<b>Other items</b>					
Depreciation and amortisation	(236)	(44)	—	(37)	(317)
Finance income	—	—	—	25	25
Finance costs	(39)	(27)	—	(4)	(70)
Capital expenditures	(132)	—	—	(16)	(148)

## 6 REVENUE AND SEGMENT INFORMATION (continued)

## (b) Segment information (continued)

	Pachinko and pachislot hall operation ¥million	Property rental ¥million	Other segments ¥million	Total ¥million
<b>As at 31 December 2025 (Unaudited)</b>				
<b>Segment assets</b>	<b>8,900</b>	<b>4,299</b>	<b>116</b>	<b>13,315</b>
Unallocated assets				<b>2,815</b>
Financial assets held at amortised cost				<b>995</b>
Financial assets at fair value through profit or loss				<b>553</b>
Financial assets at fair value through other comprehensive income				<b>71</b>
Deferred income tax assets				<b>974</b>
<b>Total assets</b>				<b>18,723</b>
<b>As at 30 June 2025</b>				
<b>Segment assets</b>	<b>8,813</b>	<b>4,512</b>	<b>—</b>	<b>13,325</b>
Unallocated assets				<b>3,056</b>
Financial assets held at amortised cost				<b>995</b>
Financial assets at fair value through profit or loss				<b>119</b>
Financial assets at fair value through other comprehensive income				<b>60</b>
Deferred income tax assets				<b>959</b>
<b>Total assets</b>				<b>18,514</b>

There is no single external customer contributed more than 10% revenue to the Group's revenue for the six months ended 31 December 2025 and 2024.

The Group is domiciled in Japan and a majority of the non-current assets of the Group as at 31 December 2025 and 30 June 2025 is located in Japan.

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 7 OTHER INCOME AND OTHER GAINS, NET

	(Unaudited) Six months ended 31 December	
	2025 ¥million	2024 ¥million
<b>Other income</b>		
Income from scrap sales of used pachinko machines	109	138
Dividend income	2	1
Income from expired IC card	3	3
Others	55	24
	<b>169</b>	166
<b>Other gains, net</b>		
Provision for impairment loss of investment properties	(79)	—
Exchange gains, net	88	23
Gains/(losses) on fair value changes on financial assets at fair value through profit or loss, net	31	(1)
Losses on written-off of investment properties	—	(9)
Losses on written-off of property, plant and equipment	(17)	—
Demolition cost on investment properties	(17)	(18)
Others	15	11
	<b>21</b>	6

### 8 HALL OPERATING EXPENSES AND ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	(Unaudited) Six months ended 31 December	
	2025 ¥million	2024 ¥million
Pachinko and pachislot machines expenses (Note)	1,235	1,203
Auditor's remuneration	12	16
Employee benefits expenses	540	520
Operating lease rental expense in respect of land and buildings	5	5
Depreciation and amortisation	343	317

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

## 9 FINANCE COSTS, NET

	(Unaudited) Six months ended 31 December	
	2025 ¥million	2024 ¥million
<b>Finance income</b>		
Interest income	19	5
Interest from debt securities	20	20
	<b>39</b>	25
<b>Finance costs</b>		
Interest expense on lease liabilities	(30)	(32)
Interest expense on long-term payables	(1)	(4)
Borrowings interest expenses	(39)	(33)
Others	(1)	(1)
	<b>(71)</b>	(70)
Finance costs, net	<b>(32)</b>	(45)

## 10 INCOME TAX EXPENSES

Japan corporate income tax has been calculated on the estimated assessable profit/(loss) for the period at the rates of taxation prevailing in Japan in which the Group operates. The rates of taxation are based on management's estimate of the weighted average effective statutory income tax rate for the full financial year.

The Group is subject to national corporate income tax, inhabitants tax, and enterprise tax in Japan, which in aggregate, resulted in an effective statutory income tax rate of 34.3% for the six months ended 31 December 2025 and 2024.

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 six months ended 31 December 2025 and 2024.

	(Unaudited) Six months ended 31 December	
	2025 ¥million	2024 ¥million
Current income tax		
— Japan corporate income tax	(115)	(75)
Deferred income tax	22	(30)
	<b>(93)</b>	(105)

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 11 EARNINGS PER SHARE

Basic Earnings per share for the six months ended 31 December 2025 and 2024 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 period.

	<b>(Unaudited)</b> <b>Six months ended</b> <b>31 December</b>	
	<b>2025</b>	2024
Profit attributable to shareholders of the Company (¥million)	<b>525</b>	505
Weighted average number of ordinary shares in issue (million) (Note)	<b>604</b>	600
Basic and diluted earnings per share (¥)	<b>0.87</b>	0.84

Note: The weighted average number of ordinary shares in issue for the six months ended 31 December 2025 has taken into account, on a time-apportioned basis, the issuance of 35,019,580 placing shares upon completion of the placing on 12 December 2025.

No diluted earnings per share is presented as there was no potential dilutive share during the six months ended 31 December 2025 and 2024. Diluted earnings per share is equal to the basic earnings per share.

### 12 DIVIDENDS

The Board has resolved not to declare an interim dividend for the six months ended 31 December 2025 (30 June 2025: Nil).

### 13 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND INTANGIBLE ASSETS

For the six months ended 31 December 2025, the Group incurred capital expenditures of approximately ¥250 million (six months ended 31 December 2024: ¥148 million) and ¥12 million (six months ended 31 December 2024: Nil) for property, plant and equipment and investment property respectively. No capital expenditure was incurred for intangible assets during the six months ended 31 December 2025 (six months ended 31 December 2024: Nil).

For the six months ended 31 December 2025, the total net book value of written-off property, plant, and equipment is ¥17 million (six months ended 31 December 2024: approximately ¥1 million). Additionally, there was a write-off of investment property with a total net book value of below ¥1 million (six months ended 31 December 2024: ¥9 million). For both the six months ended 31 December 2025 and 2024, there were no disposals or write-offs of intangible assets.

The net carrying amount of the Group's property, plant and equipment and investment properties that were pledged for the banking facilities granted to the Group as at 31 December 2025 and 30 June 2025 are disclosed in Note 19.

### 13 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND INTANGIBLE ASSETS (continued)

#### Impairment assessment of property, plant and equipment, and investment properties

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Group carried out reviews of the recoverable amounts of cash-generating units (“**CGUs**”) and assets served for corporate uses and not allocated to a specific CGU (“**corporate assets**”). As at 31 December 2025, each CGU is determined as each individual pachinko and pachislot hall, each investment property and other segment operations (30 June 2025: Same).

#### *Pachinko and pachislot operation*

As at 31 December 2025, management regards CGU with operating loss for current period or performing below management’s expectation, defined as not fulfilling the projected operating profit or loss for the period (30 June 2025: Same) as having impairment indicator. As a result, 3 CGUs within the pachinko and pachislot operation (30 June 2025: 2 CGUs) were identified with an impairment indicator. Management has reviewed the recoverability of the relevant carrying amounts of these CGUs.

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

The recoverable amounts of all of the 3 CGUs with impairment indicators (30 June 2025: 1 out of the 2 CGUs with impairment indicators) was determined by the value-in-use calculations. The value-in-use calculations used pre-tax cash flow projections over the useful lives of CGUs, which is based on financial budgets approved by management. The cash flow projections cover the remaining lease terms of the respective CGUs (if the remaining useful lives are below 5 years) or a period of 5 years, whichever is shorter. For the pre-tax cash flow projections beyond the period of 5 years, management extrapolates the projections by assuming zero growth rate for subsequent years. Management prepared the value-in-use calculations by using pre-tax cash flow projections over the useful lives of CGUs.

Management’s forecast for the first year’s revenue growth rate to be 2% to 4% (30 June 2025: –1%), after considering the performance of each of the CGU in current year and incorporating management’s latest plan for the CGU. Regarding the revenue growth rate from the second year, management considered there are no announced or foreseeable changes in regulations or machine types and determined the performance of the CGU would remain stable. Therefore, management determined the estimated annual revenue growth rate to be 0% for the CGU until the end of the useful life of the CGU (30 June 2025: Same). The pre-tax discount rate used to determine the recoverable amounts was 8.82% (30 June 2025: 9.29%) which reflects the current market assessment of the time value of money and the risk specific to the CGUs.

Management assessed the sensitivity of the recoverable amounts to change in key assumptions. If the revenue growth rate in the first year in the value-in-use calculations decreases by 2% (30 June 2025: Same) with other assumptions remain constant, no additional impairment loss would be recorded (30 June 2025: no additional impairment loss would be recorded). If the discount rate in the value-in-use calculations increases by 1% (30 June 2025: Same) with other assumptions remain constant, no additional impairment loss would be recorded (30 June 2025: Same).

### 13 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND INTANGIBLE ASSETS (continued)

#### Impairment assessment of property, plant and equipment, and investment properties (continued)

##### *Pachinko and pachislot operation (continued)*

For the comparative period ended 30 June 2025, the recoverable amount of one CGU with impairment indicators was determined based on fair value less costs of disposal (“FVLCD”). The FVLCD calculation was prepared by management with reference to a valuation performed by an independent professional valuer who holds recognised relevant qualifications and has recent experience in valuing similar properties in Japan. The valuer applied an income approach, using both observable and unobservable inputs, including monthly rental per square metre, discount rate and vacancy rate. The resulting fair value measurement was classified within Level 3 of the fair value hierarchy. The key assumptions used for fair value less costs of disposal calculations for the year ended 30 June 2025 included monthly rental per square metre of ¥1,815, discount rate of 7.3% and vacancy rate of 5.0%.

If the monthly rental per square meter in the fair value less cost of disposal calculations decreases by 1%, with other assumptions remain constant, additional impairment loss would be immaterial.

For the six months ended 31 December 2025, as a result of the impairment review as mentioned above, no impairment provision was recognised for this pachinko and pachislot operation.

##### *Investment properties*

Investment properties of the Group is measured under cost model and is written down immediately to its fair value if the asset’s carrying amount is greater than its fair value. Management performed an impairment review of the Group’s investment properties with reference to recent external valuations and internal assessments of rental performance, occupancy and market conditions. One investment property was identified with carrying amounts in excess of their individual valuation results, and an impairment loss of approximately ¥79 million was recognised in “other gains, net” for the six months ended 31 December 2025 (31 December 2024: Nil).

##### *Corporate assets*

Corporate assets are assets other than goodwill that contribute to the future cash flows of both the cash-generating unit under review and other cash-generating units.

Management conducted research on recent transaction prices for land and buildings near the physical location of these assets. Based on the research findings, management concluded that the fair value less cost of disposal of the corporate assets, referencing these recent transaction prices, exceeds their total carrying amounts. For the six months ended 31 December 2025, as a result of the impairment review as mentioned above, no impairment provision was recognised for corporate assets.

**14 LEASES**

	<b>(Unaudited)</b> <b>31 December</b> <b>2025</b> <b>¥million</b>	(Audited) 30 June 2025 ¥million
<b>Right-of-use assets</b>		
Land	66	71
Buildings	846	955
	<b>912</b>	1,026
<b>Lease liabilities</b>		
Non-current	2,071	2,303
Current	462	474
	<b>2,533</b>	2,777

**15 TRADE RECEIVABLES**

	<b>(Unaudited)</b> <b>31 December</b> <b>2025</b> <b>¥million</b>	(Audited) 30 June 2025 ¥million
Trade receivables	16	13

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 as at 31 December 2025 and 30 June 2025, is as follows:

	<b>(Unaudited)</b> <b>31 December</b> <b>2025</b> <b>¥million</b>	(Audited) 30 June 2025 ¥million
Less than 30 days	16	13

## 16 SHARE CAPITAL AND RESERVE

	Number of shares million	Share capital ¥million
Balance as at 30 June 2025	600	20,644
Issue of ordinary shares, net of transaction costs and tax (Note)	35	134
Balance as at 31 December 2025	635	20,778

Note: On 12 December 2025, the Company completed a placing of 35,019,580 new ordinary shares at an adjusted placing price of HK\$0.196 per share. The placing shares represented approximately 5.51% of the Company's issued share capital as enlarged by the allotment and issue of the placing shares.

### (a) Capital reserve

Capital reserve deficit of approximately ¥12,837 million (30 June 2025: ¥12,837 million) represented (i) the difference between the carrying value of the business and the share capital of the Company upon formation of the Company and transfer of the business to the Company and (ii) the difference between the consideration paid for acquiring the subsidiaries and the share capitals of acquired subsidiaries under common control.

### (b) Legal reserve

The Japan Companies Act provides that a 10% dividend paid during the year shall be appropriated as legal reserve (a component of either capital surplus or retained earnings) until an aggregate amount of legal capital reserve and legal retained earnings equals 25% of share capital. The legal reserve may be used to reduce a deficit or transfer to share capital upon approval of the general meeting of shareholders.

### (c) Other reserves

Other reserves of approximately ¥83 million (30 June 2025: ¥66 million) represented (i) the cumulative net change in the fair value of financial assets through other comprehensive income, and (ii) the remeasurement of employee benefit obligation arising from actuarial gains and losses.

**17 TRADE PAYABLES**

The ageing analysis of the trade payables based on invoice date as at 31 December 2025 and 30 June 2025 is as follows:

	<b>(Unaudited) 31 December 2025 ¥million</b>	(Audited) 30 June 2025 ¥million
Less than 30 days	<b>34</b>	11

The carrying amounts of trade payables approximate their fair values as at 31 December 2025 and 30 June 2025 and were denominated in ¥.

**18 EMPLOYEE BENEFIT OBLIGATIONS**

	<b>(Unaudited) 31 December 2025 ¥million</b>	(Audited) 30 June 2025 ¥million
Long term benefit obligation for Yamamoto Family (Note)	<b>175</b>	162
Retirement benefit obligations for employees	<b>33</b>	33
	<b>208</b>	195

Note: As at 31 December 2025, long term benefit obligation for Katsuya Yamamoto represented the provision on the lump-sum payment made to him as a recognition of his contribution to the Group (30 June 2025: Same). The amount of provision was made according to his rank and years of service in the Group, using projected unit credit method, and was measured at present value (30 June 2025: Same).

## 19 BORROWINGS

	(Unaudited) 31 December 2025 ¥million	(Audited) 30 June 2025 ¥million
<b>Non-current portion</b>		
Bank loans	1,960	2,245
Loans from a governmental financial institution	1,044	1,083
	<b>3,004</b>	3,328
<b>Current portion</b>		
Bank loans	722	789
Loans from a governmental financial institution	94	94
	<b>816</b>	883
<b>Total borrowings</b>	<b>3,820</b>	4,211

As at 31 December 2025 and 30 June 2025, the total borrowings are pledged by certain assets and their carrying values are shown as below:

	(Unaudited) 31 December 2025 ¥million	(Audited) 30 June 2025 ¥million
Property, plant and equipment	4,640	4,678
Investment properties	2,656	2,695
Financial assets at fair value through other comprehensive income — listed equity securities	60	47
	<b>7,356</b>	7,420

## 20 COMMITMENTS

### (a) Capital commitments

As at 31 December 2025, the Group had ¥1 million capital commitments which were contracted but not provided for in respect of purchase of property, plant and equipment (30 June 2025: Nil).

### (b) Operating lease commitments

#### *As a lessor*

As at 31 December 2025 and 30 June 2025, the Group's future aggregate minimum lease receipts under non-cancellable operating leases in respect of investment properties are as follows:

	<b>(Unaudited) 31 December 2025 ¥million</b>	(Audited) 30 June 2025 ¥million
No later than one year	<b>102</b>	57
Later than one year and no later than five years	<b>101</b>	—
	<b>203</b>	57

## 21 RELATED PARTY TRANSACTIONS

For the purposes of the condensed consolidated interim financial information, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

### (a) Outstanding balances arising from transactions with related parties

The following balances were outstanding at the end of the reporting period in relation to transactions with related parties:

	<b>(Unaudited) 31 December 2025 ¥million</b>	(Audited) 30 June 2025 ¥million
<b>Amount due to directors</b>		
— Katsuya Yamamoto	<b>3</b>	3
— Others	<b>—*</b>	—*
	<b>3</b>	3

\* The amount represents less than ¥1 million.

**21 RELATED PARTY TRANSACTIONS (continued)****(b) Transactions with related parties**

	<b>(Unaudited)</b> <b>Six months ended</b> <b>31 December</b>	
	<b>2025</b> <b>¥million</b>	<b>2024</b> <b>¥million</b>
<b>Rental income</b>		
— KS-Holdings Company Limited	<b>7</b>	<b>6</b>

**(c) Key management compensation**

Key management includes executive directors and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	<b>(Unaudited)</b> <b>Six months ended</b> <b>31 December</b>	
	<b>2025</b> <b>¥million</b>	<b>2024</b> <b>¥million</b>
Salaries and other short-term employee benefits	<b>18</b>	<b>18</b>