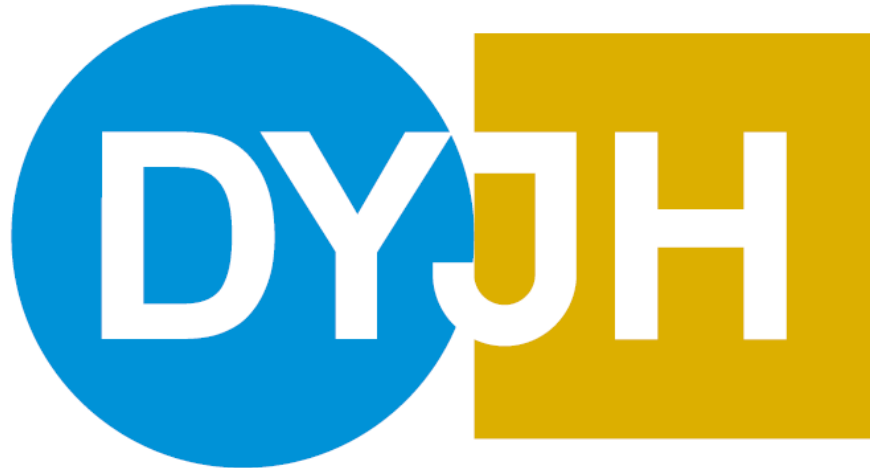




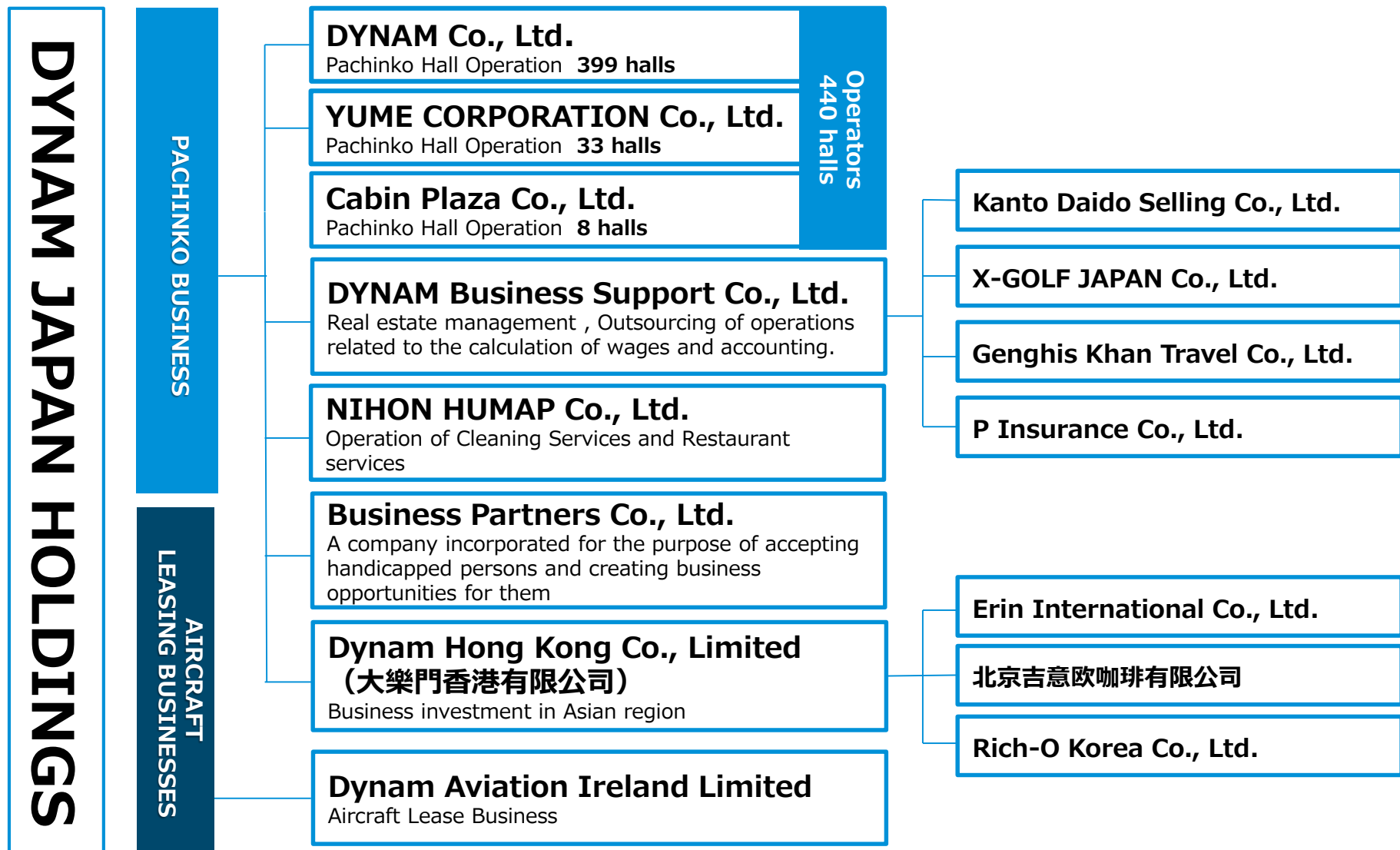
DYNAM JAPAN HOLDINGS Co., Ltd.
Stock Code(06889.HK)

2021 Annual Results
Corporate Presentation
27 May 2021

【 Contents 】

- 1. Highlight of business results① (DYJH)**
- 2. Highlight of business results② (Hall business)**
- 3. Pachinko hall business**
- 4. Aircraft leasing and other business**
- 5. Financial summary**

DYJH Group Organization (As of 27 May 2021)



【 Contents 】

- 1. Highlight of business results① (DYJH)**
- 2. Highlight of business results② (Hall business)**
3. Pachinko hall business
4. Aircraft leasing and other business
5. Financial summary

1. Highlight of business results ① (D Y J H)

For the year ended 31 March (¥million)

	2021	2020	YoY	Changes
Revenue	98,602	142,483	69.2%	▲43,881
Operating expenses	101,904	127,331	80.0%	▲25,427
Operating profit	6,728	21,514	31.3%	▲14,786
Net profit	2,351	12,747	18.4%	▲10,396

- Revenues from the pachinko hall business fell sharply, especially in the first quarter, due to hall closures due to the impact of the novel coronavirus infection.
- Secured a surplus for the current fiscal year by recovering revenues and controlling expenses.

2. Highlight of business results ② (Dynam Co., Ltd.)

For the year ended 31 March (¥million)

	2021	YoY	Changes	概要
Revenue	90,993	68.6%	▲41,720	Temporary closure in response to requests from local governments (April-May) Delay in recovery of operation due to spread of infectious diseases (June to March)
Expenses of gaming machines	14,719	59.8%	▲9,893	Suppression of purchasing game machines
Expenses of sales promotion	38,084	88.4%	▲4,997	Control of part-time labor costs Reduction of salary / bonus
Personnel expenses	40,712	96.4%	▲7,291	Reduction of hall operating costs
Other expenses	5,865	498.3%	+4,688	Receipt of employment adjustment subsidies from the government
Profit before income tax	3,343	18.4%	▲14,849	—

※Financial results of Dynam Co., Ltd., core company in pachinko hall business, based on Japanese standards

2. Highlight of business results ② (Dynam Co., Ltd.)

For the year ended 31 March

Item	2021	2020	Changes	Remarks
Number of halls	401 halls	405 halls	▲4	New opening hall : Ibaraki-Inashiki Closed hall: Gunma-Isesaki, Nishi-Nippori(Pachinko), Hitachi, Saga-Kanzaki, Tottori-Yasunaga
Operating ratio of Pachinko machines (※①)	28.2%	41.4%	▲13.2%pt	Decrease in the number of customers due to the coronavirus infection
Operating ratio of pachislot machines	27.0%	38.2%	▲11.3%pt	Decrease in the number of customers due to the coronavirus infection
Number of machines	187,843	189,140	▲1,297	Our share in total number of machines in the industry: 4.7%
Number of PB (Private Brand) Pachinko machines	16,742	12,658	+4,084	Ratio in our number of pachinko machines: 12.7% (difference with the previous period: +3.2 %pt) (※②)

※① Operating ratio: Actual number of customers/ number of machines at the peak time (around 15 o'clock)

※② Ratio of number of PB machines means the one in our number of pachinko machines.

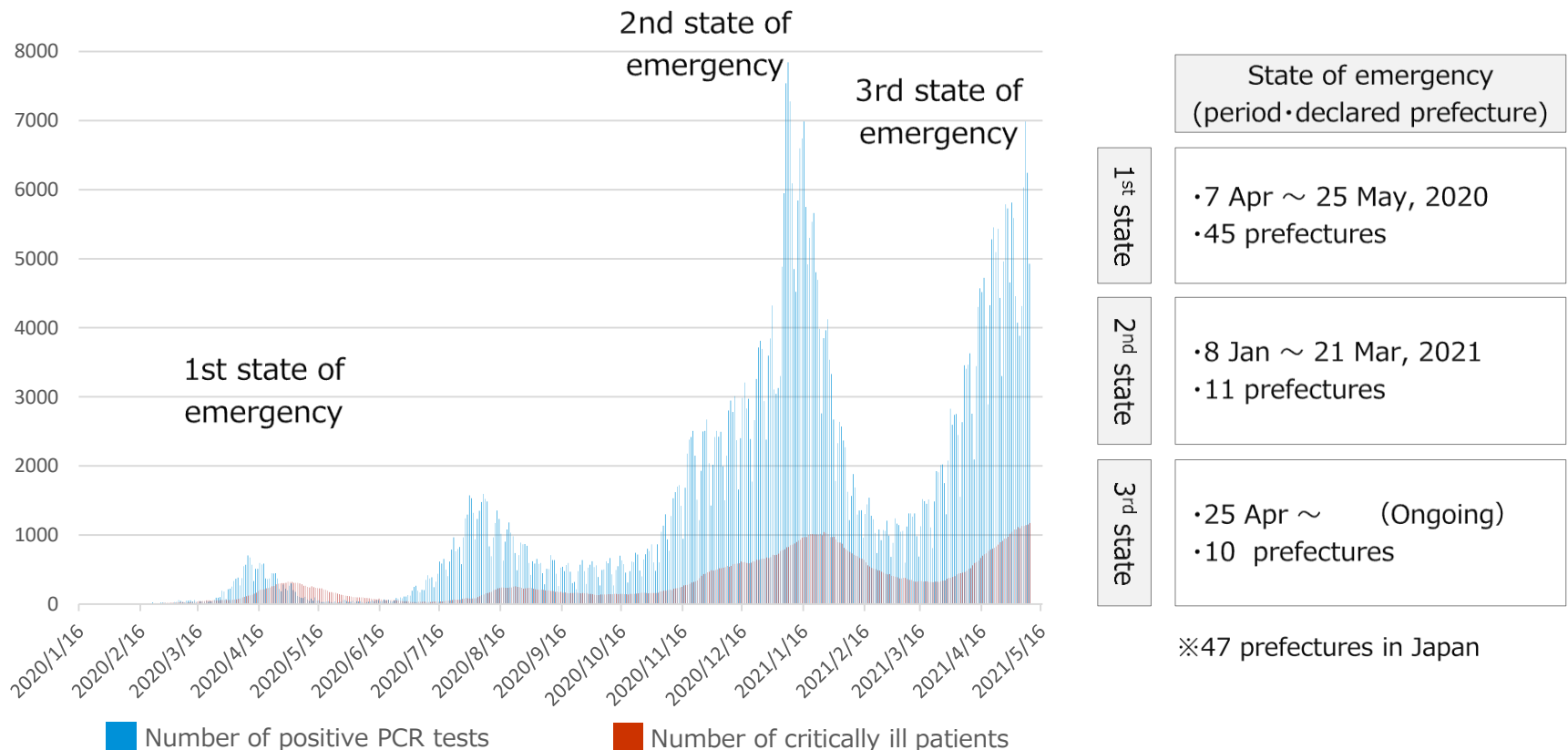
【 Contents 】

1. Highlight of business results① (DYJH)
2. Highlight of business results② (Hall business)
- 3. Pachinko hall business**
4. Aircraft leasing and other business
5. Financial summary

3-1. COVID-19 Countermeasures at Pachinko Halls (Core Business)

(1) Infection status of the novel coronavirus in Japan

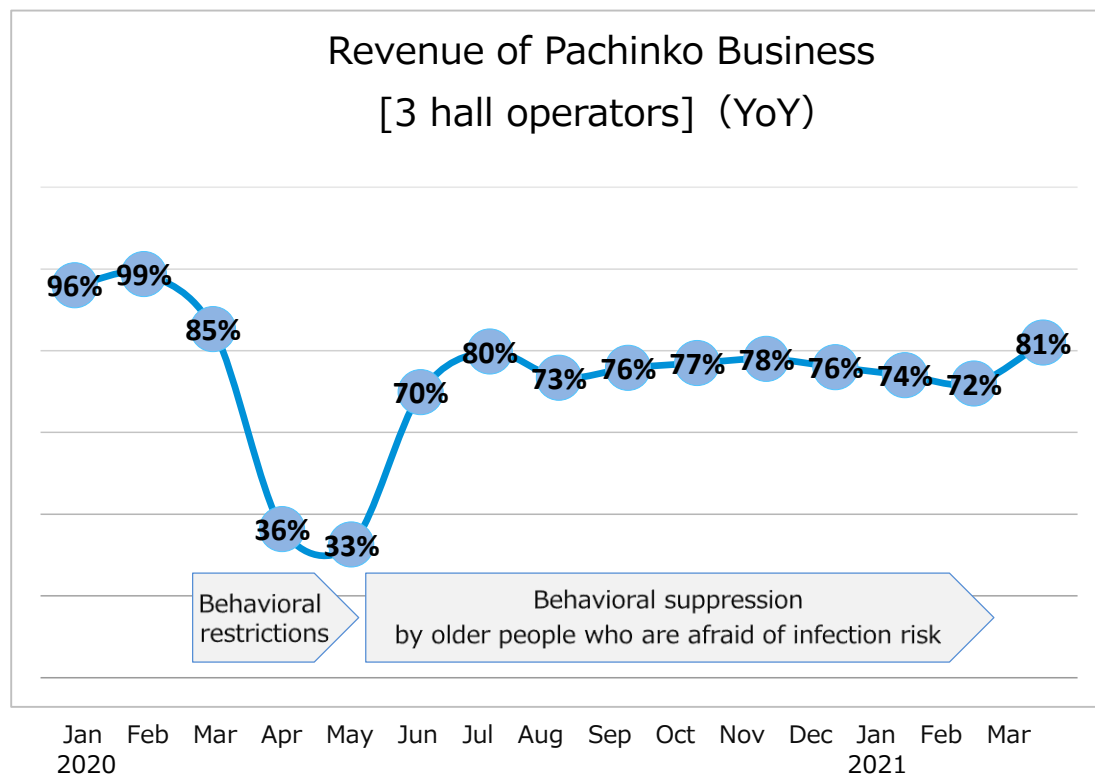
Regarding the status of the novel coronavirus infection in Japan, the fourth wave came in 2021, and the third state of emergency has now been declared. As a result, in the designated prefectures, business activities such as closures and shortened working hours have been forced to be reduced in industries such as restaurants and entertainment facilities.



3-1. COVID-19 Countermeasures at Pachinko Halls (Core Business)

(2) Business results ~Revenue of Pachinko Business~

Regarding the effects of the novel coronavirus, the negative effects of behavioral restrictions associated with the issuance of the state of emergency and the fear of infection risk have a significant impact on attracting customers, especially among the elderly.



Before and after the spread of coronavirus infection

Age group	Percentage of people have not returned the hall
20s	9%
30s	9%
40s	10%
50s	12%
60s	13%
70s	14%

※From company member data. Calculated from the values that members who visited the hall in February 2020 visited the hall by March 2021

3-1. COVID-19 Countermeasures at Pachinko Halls (Core Business)

(3) Proprietary infection prevention measures

We comply with industry guidelines and implement our own infectious disease control measures to ensure the safety of our customers and employees. No cluster cases have occurred in the hall yet.



Automatic body temperature measuring device

- ✓ At the entrances of all halls
- ✓ When entering hall
- ✓ Rejection of fever and illness



Photocatalytic coating

- ✓ Game machines, equipment and facilities in hall
- ✓ Decomposes and detoxifies viruses



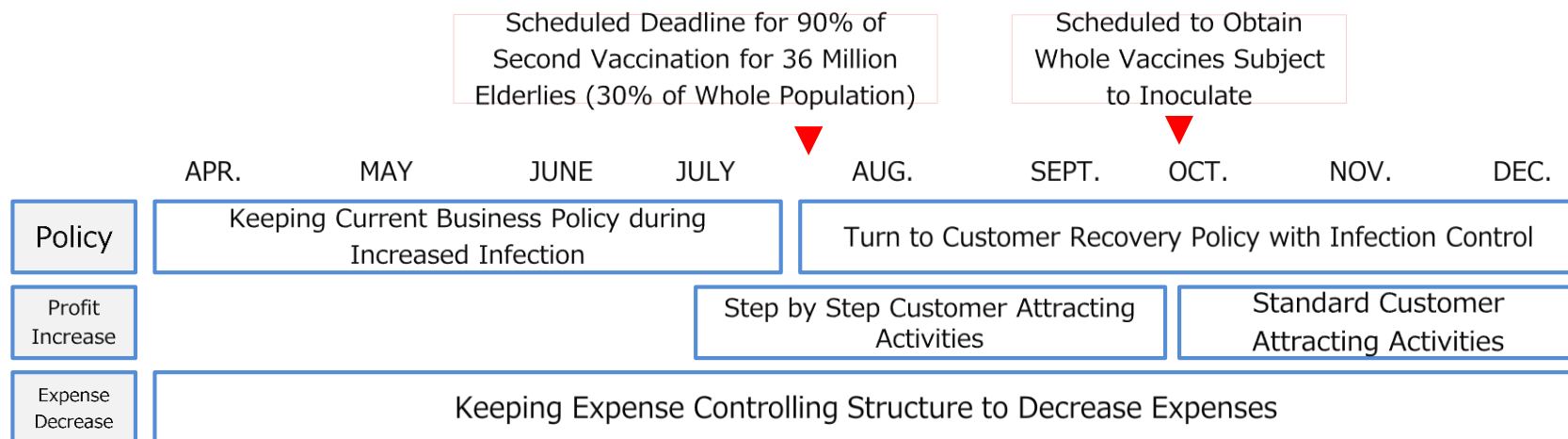
Ozone generator

- ✓ Ozone deodorizes and sterilizes smoking rooms
- ✓ Approximately 6 times the oxidizing power of chlorine (Harmless at low concentration)

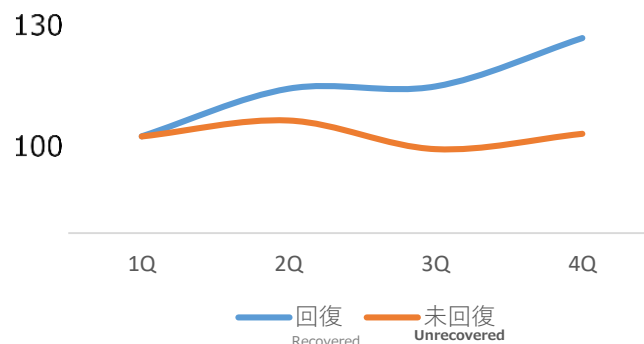
3 – 1. COVID-19 Countermeasures at Pachinko Halls (Core Business)

(4) Our Countermeasures

Prioritize profit improvement and customer recovery in response to a vaccination schedule while a pace of inoculation is tragically delayed in Japan compared to other countries.



Prospect of Operating Income



✓ Revenue Recovery Expected with Vaccination among Elderlies
 ✓ Aim for Recovery of 2019 Level of Condition by March 2022

※Revenue of FY2021/1Q = 100

3 – 2. Prospect of Core Business (Pachinko Hall Operation)

(1) Our Effort for Growth

Prospect

Under the prospect of setting the Pachinko Game free for everyday entertainment, we make Pachinko more fun and affordable by applying chain store management theory.

Growth Strategy

Multiple Hall Operation	We buyout widely available furnished halls under the COVID-19 with our fund-raising capability.
Low Playing Cost Operation	We offer more affordable range of games such as 1 yen Pachinko and 10 yen Pachislot.
Pachinko Machine Development	We incorporate our customers' needs to our house brand pachinko machines and aim to reduce the price by half in the future.
Data Oriented Approach	We Analyze each customer's playing data and adapt their preference to new machines.
Low Cost Operation	We have lowered the operation cost by standardizing the basic operation to offer the steadily lowered cost games.

3 – 2. Prospect of Core Business (Pachinko Hall Operation)

(2) Activities for Growth - Multiple Halls Operation

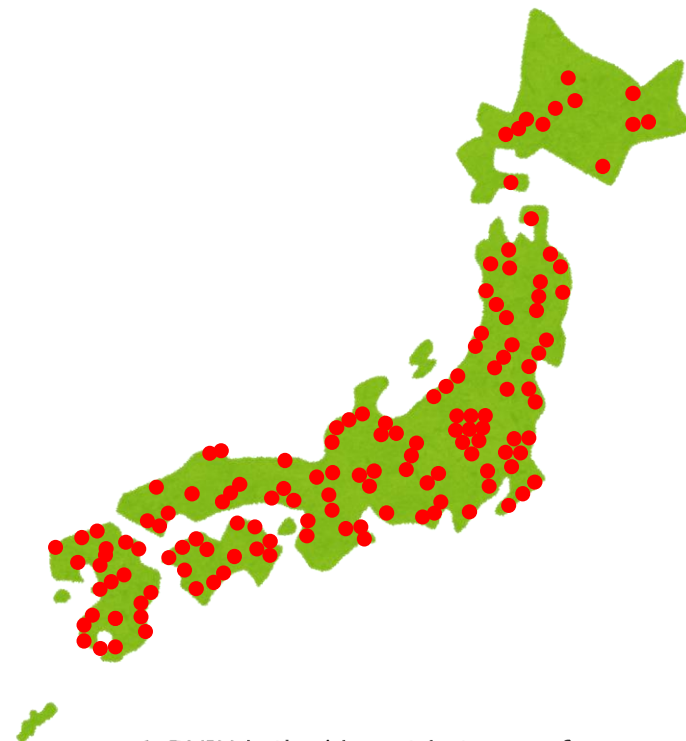
COVID-19 Infection struck overall Pachinko Industry severely.
(Average of 80.1% of Customers Returning)



Bankruptcies sweep the Pachinko Industry in fastest pace.
(In 2020, 666 of halls were closed down)



Opportunity of Expansion through Taking-over Furnished Halls



- ✓ DYJH is the biggest in terms of operating halls.
- ✓ Operation in 46 prefectures gives us good access for chance of take-over.

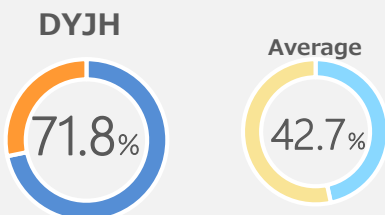
3 – 2. Prospect of Core Business (Pachinko Hall Operation)

(3) Activities for Growth - Low Playing Cost Operation

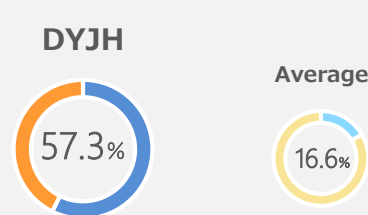
Promotion	Based on our vision of “making pachinko into a daily entertainment that everyone can enjoy freely”, we promote Low Playing Cost Operation further.	
Advantage	1	Preference of players shift toward time and experience consuming type instead of gambling experience.
	2	While low playing cost operation may bring lower revenue compare to high playing cost operation, we can keep profit by thorough low cost operation.
	3	Having more players for low playing cost games, we can open more halls in a smaller market region. → It is easier for the pachinko hall expansion.

Installation Rate of Low Playing Cost Machines

(Pachinko)



(Pachislot)



Low Playing Cost Machine
= ¥0.5, ¥1, ¥2
Pachinko

Low Playing Cost Machine
= ¥2, ¥5, ¥10
Pachislot

3 – 2. Prospect of Core Business (Pachinko Hall Operation)

(4) Activities for Growth - Machine Development

	Promotion
1	We have sold 79 models of private brand pachinko machines so far through the partnership with manufacturers.
2	Price of our private machines in recent 3 years are 15.0% lower than the national brand machines.
3	We are aiming for further cost down to half of the manufacturing cost of national brand machines.

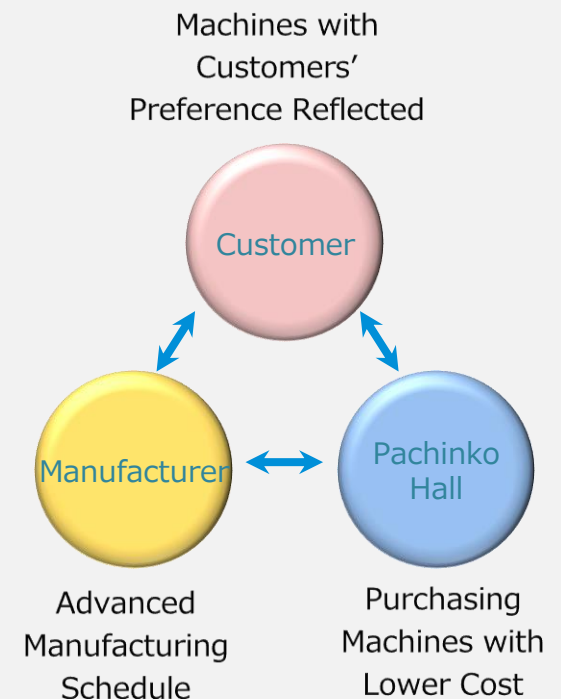


Released in May, 2021
P Fever Powerful
Goraku ver.

Coming in June 2021
P Blade Type Juou GO2



Advantage of Private Brand Machines



【 Contents 】

1. Highlight of business results① (DYJH)
2. Highlight of business results② (Hall business)
3. Pachinko hall business
- 4. Aircraft leasing and other business**
5. Financial summary

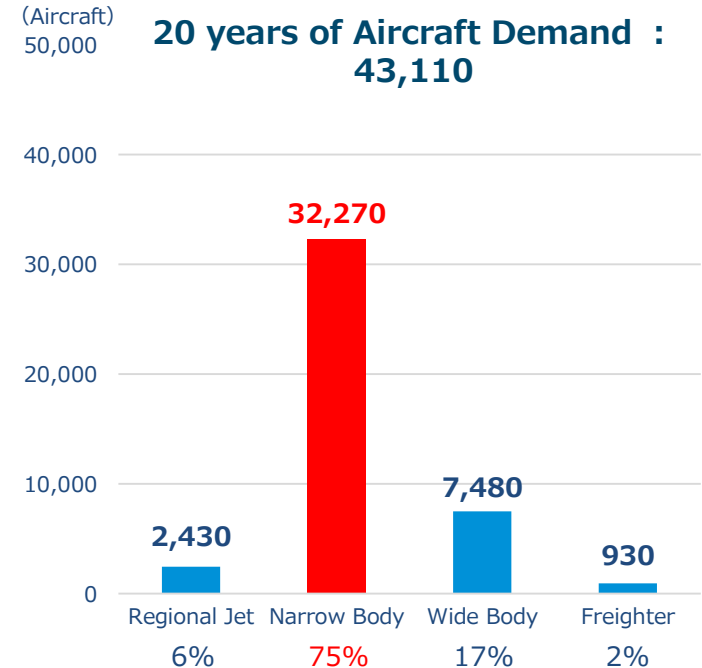
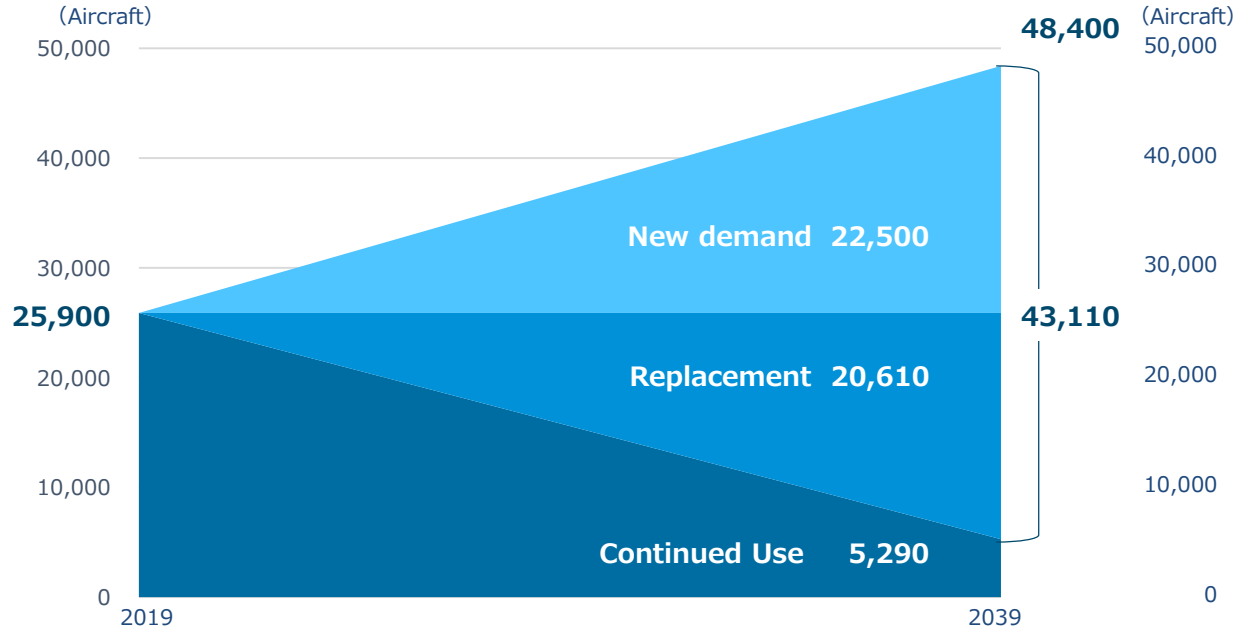
4. Aircraft Leasing Business

■ Business Overview

Amid the severe situation surrounding the aviation industry, the International Air Transport Association (IATA) has projected that it will take another 3 years to recover the financial level of 2019. Recovery is expected in the order of domestic flight, short range international flight and long range international flight. However, high demand of narrow-body aircraft is projected to be kept in medium to long term.

< Aircraft Demand Forecast for the Next 20 years >

「Boeing Commercial Market Outlook2020-2039」



4. Aircraft Leasing Business

■ Current Situation



■ Future Direction

While paying close attention to the financial situation of airline company, we are focusing on acquiring narrow body aircraft within 5 years of manufacturing mainly and aiming to build a portfolio of high and steady profitability.

Other Business Development of Time-consuming Typed Video Slot Machine

■ Sales Promotion

After the border control for visitors from Mainland China, who consist of 70% of whole visitors, was lifted on September 2020, Gross Gaming Revenue of Macau is slowly recovering. Gross Revenue of Casinos in FY2021 is shifting by 32.1% compared to the one in FY2019.

→ Certain level of recovery among Macau Casino Operators are expected by the latter half of 2021 and sales promotions are resumed toward that.

■ Certification Status

Macau = DICJ, Singapore = CRA

Model	Status
Pachinko Bonus Series Unit 1	DICJ approved. CRA certified in May 2020
Pachinko Bonus Series Unit 2	DICJ approved. CRA certified in May 2020
Pachinko Bonus Series Unit 3	DICJ approved. CRA certified in Sep 2020
Pachinko Bonus Series Unit 4	DICJ approved. CRA certified in Jan. 2021

Another type of game console has been approved in Singapore. 6 models have been approved in Macau and 5 models have been approved in Singapore, and sales are expected in Asian Region.

Final Dividend ¥2.00 per Share

■ Dividend Amount

	Final Dividend	Interim Dividend	Annual Dividend
Record Date	7 June 2021	14 December 2020	—
Dividend per Share	¥2.00	¥3.00	¥5.00
Total Amount	¥1,505 million	¥2,278 million	¥3,783 million
Payment Date	25 June 2021	13 January 2021	—

(Note) During this financial period, 13,284,600 shares of treasury stock (approximately 1.7% of issued shares) were purchased on the market.

【 Contents 】

1. Highlight of business results① (DYJH)
2. Highlight of business results② (Hall business)
3. Pachinko hall business
4. Aircraft leasing and other business
- 5. Financial summary**

5. Financial Summary

Consolidated Statement of Profit or Loss (IFRS)

(¥ million)

	Last Year (March 2020)	This year (March 2021)	Increase/ Decrease	Main Factors
Revenue	142,483	98,602	▲43,881	
Pachinko business	141,919	97,141	▲44,778	High playing cost halls 47,655 : Y o Y (21,964) Low playing cost halls 49,486 : Y o Y (22,814)
Aircraft leasing business	564	1,461	897	Three aircrafts recorded leasing revenue throughout fiscal year
Pachinko business Expenses	126,932	101,013	▲25,919	Machine expenses : Y o Y (11,264) Labor cost. : Y o Y (5,880)
Aircraft leasing expenses	399	891	492	
Other income	8,446	11,561	3,115	Commission from vending machines : Y o Y (1,694) Government grants : Y o Y 5,544
Other Expenses	2,084	1,531	▲553	
Operating profit	21,514	6,728	▲14,786	Y o Y : 31.3%
Finance Income	461	286	▲175	
Finance Expenses	2,469	2,672	203	
Profit before Income Tax	19,506	4,342	▲15,164	Y o Y : 22.3%
Net profit for the Period	12,747	2,351	▲10,396	Y o Y : 18.4%
EBITDA	31,151	16,781	▲14,370	Decrease of operating profit

EBITDA is defined as earnings before finance costs, taxation, depreciation, amortization and net foreign exchange gain or loss.

5. Financial Summary

Consolidated Statement of Financial Position (IFRS)

(¥ million)

	Last Year (March 2020)	This year (March 2021)	Increase/ Decrease	Major Breakdown / Y o Y
Total Assets	277,239	301,073	23,834	Property, plant and equipment 96,415
				Right-of-use assets 77,537
				Cash and cash equivalents 74,661
				Deferred tax assets 13,412
				Lease receivables 7,282
Total Liabilities	142,507	169,101	26,594	Lease liabilities 91,939
				Accounts payable , Accrued expenses 19,997
				Interest bearing liabilities 33,967
Capital	15,000	15,000	-	
Reserve	119,732	116,972	▲2,760	Net profit +2,363
				Dividend paid ▲4,576
				Acquisition and cancellation of treasury shares ▲1,437
				Other comprehensive income 890
Total Equity	134,732	131,972	▲2,760	Consolidated total equity ratio 43.8%
Total liabilities and equity	277,239	301,073	23,834	

5. Financial Summary

Interest Bearing Liabilities and Equity Ratio 【 Consolidated 】

【 Consolidated Interest Bearing Liabilities 】

(¥ million)

	As at 31 Mar. 2020	Ratio	As at 31 Mar. 2021	Ratio
Cash and cash equivalents	41,810	15.1%	74,661	24.8%
Interest bearing liabilities (Pachinko Business)	2,007	0.7%	23,629	7.8%
Interest bearing liabilities (Aircraft Leasing Business)	11,221	4.0%	10,338	3.4%
Total Assets	277,239	100.0%	301,073	100.0%

(Note) Raising bank loans for the preparation for the outbreak of the coronavirus (Covid-19).

(Y o Y) Cash and cash equivalents +¥ 32,851 million, Interest bearing liabilities +¥ 20,739 million, Net Cash +¥ 12,112 million

【 Consolidated Total Equity Ratio 】

(¥ million)

	As at 31 Mar. 2020	Ratio	As at 31 Mar. 2021	Ratio
Capital	15,000	5.4%	15,000	5.0%
Reserve	119,732	43.2%	116,972	38.9%
Net assets	134,732	48.6%	131,972	43.8%
Total assets	277,239	100.0%	301,073	100.0%

Financial Statement of DYNAM (J-GAAP)

	Last Year (March 2020)	This year (March 2021)	Increase/ Decrease	Main Factors (¥ million)
Revenue	128,192	88,056	▲40,136	Pachinko Y o Y : (25,349) Pachislot Y o Y : (14,787)
Commission from vending machines	4,523	2,938	▲1,585	
Selling, General and Administrative expenses	115,698	93,516	▲22,192	Machine expenses Y o Y : (9,894)
Operating profit	17,016	▲2,522	▲19,538	
Current profit	18,193	3,343	▲14,850	Y o Y : 18.4%
Extraordinary income	17	2	▲15	
Extraordinary loss	918	385	▲533	
Net profit for the period	11,758	1,782	▲9,976	Y o Y : 15.2%

	As at 31 Mar. 2020	As at 31 Mar. 2021	Increase/ Decrease	Main Factors (¥ million)
Total Assets	117,324	141,000	23,676	Cash and cash equivalents Y o Y : 27,487
Total Liabilities	28,168	54,542	26,374	Interest bearing liabilities Y o Y : 17,711
Total Equity	89,156	86,457	▲2,699	Net profit 1,782 Dividend paid to DYJH (4,558)
Total Equity ratio	76.0%	61.3%	▲14.7	

Disclaimer and Copyright

Estimations and strategies for the future referred to in this material is based on the judgment made within the predictable scope in the ordinary course with reference to the information reasonably available to us at the time of documentation hereof. However, this material includes risks of possible results different from as referred to herein due to the occurrence of unpredictable special circumstances in the ordinary course.

We will make efforts to disclose as much material information as possible to investors. However, investors are strongly advised not to rely completely on estimation referred to herein.

However, please note that this material shall not be copied, duplicated or transferred without a prior consent from our company for any purpose.

Contact Information on this Material

Hisao Katsuta, Executive Officer

DYNAM JAPAN HOLDINGS Co., Ltd.

TEL 852-3769-0600 FAX 852-3769-0799

hisao_katsuta@dyjh.co.jp