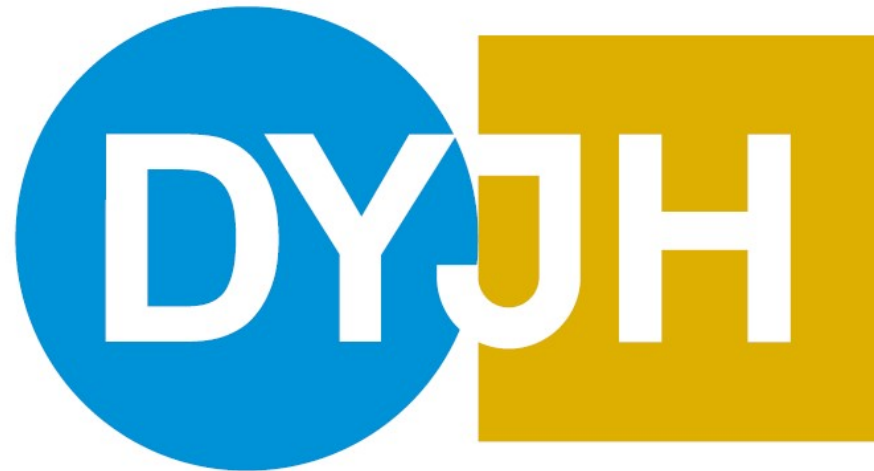




DYNAM JAPAN HOLDINGS Co., Ltd.
Stock Code(06889.HK)

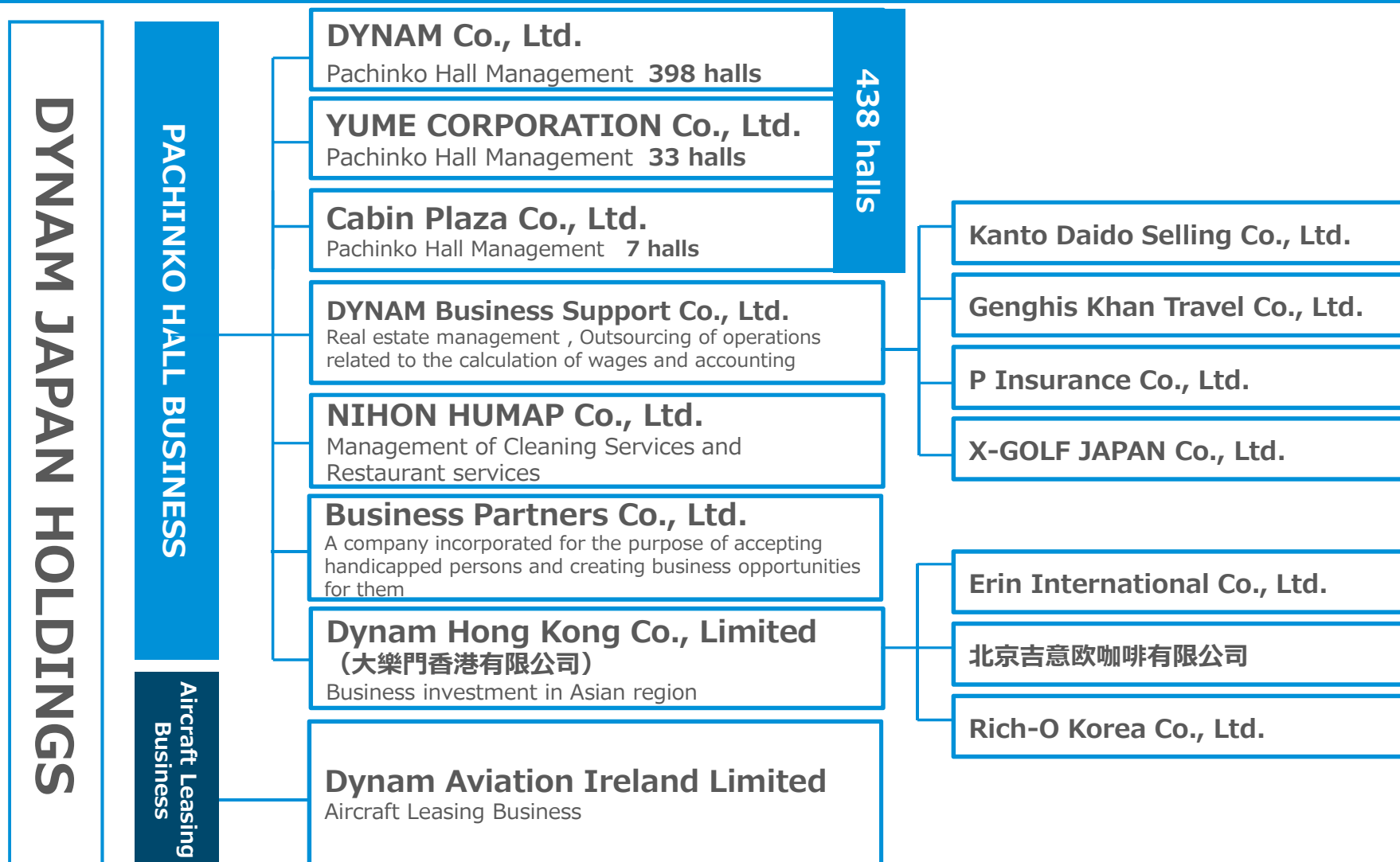
Interim Results for FY Ending March 2022
Corporate Presentation

25 November 2021

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1. Highlight of Business Results① (DYJH)
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DYJH Group Organization (As of 25 November 2021)



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1. Highlight of Business Results ① (D Y J H)

(¥million)

	1H ended 30 Sep 2021	1H ended 30 Sep 2020	YoY	Changes
Revenue	50,897	45,992	110.7%	4,905
Operating expenses	47,259	48,922	96.6%	(1,663)
Operating profit	6,714	2,781	241.4%	3,933
Net profit	3,416	689	495.8%	2,727

- There was no suspension of pachinko hall operation like the one the whole Pachinko industry had grappled with in April and May 2020 and a hike in operating revenues from the previous interim period was secured, which remains behind the level before the outbreak of the novel coronavirus though.

2. Highlight of Business Results ② (DYNAM Co., Ltd.)

(¥million)

	1H ended 30 Sep 2021	YoY	Changes	Remarks
Revenue	47,222	111.2%	4,765	
Expenses related to machines	4,974	98.0%	(99)	Change in accounting treatment from expensing Pachinko and Pachislot machines upon purchase to capitalizing Pachinko and Pachislot machines to be depreciated over 2 years from this fiscal year in the light of the averaged useful life of the machines as more than 2 years. As a result, expenses related to machines is flat as compared to the previous year.
Personnel expenses	18,920	97.7%	(445)	Decrease in labor cost for hall operation
Other expenses	20,892	102.3%	472	Increase in advertising expense for sales activity
Non-operating profit and loss	2,106	64.7%	(1,149)	Decrease in Employment adjustment subsidy from the government.
Ordinary Profit	4,542	531.9%	3,688	—

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

2. Highlight of Business Results ② (DYNAM Co., Ltd.)

Items	As of 30 Sep 2021	As of 30 Sep 2020	Changes	Remarks
Number of halls	398 halls	404 halls	(6 hall)	Newly Open: None Closure: Hitachi, Saga Kanzaki, Tottori Yasunaga, Ehime Imabari, Tochigi Oyamakizawa, Miyakonojo
Operating ratio of Pachinko machines (※①)	29.9%	27.3%	2.6pt	Difference from competitors: 3.2pt (※②)
Operating ratio of pachislot machines (※①)	25.1%	27.6%	(2.4pt)	Difference from competitors: (1.0pt) (※②)
Number of machines	186,851	189,339	(2,488)	Our share in total number of machines in the industry: 4.7%
Number of PB (Private Brand) Pachinko machines	19,436	14,969	4,467	Installation Ratio of PB machines in our pachinko halls: 14.8% (difference with the previous period: 3.6pt (※③))

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

※② The value is calculated based on a research of number of customers made in competitors' 1,200halls adjacent to our halls nationwide.

※③ Machine installation ratio means PB machine's ratio compared to the regular pachinko machines.

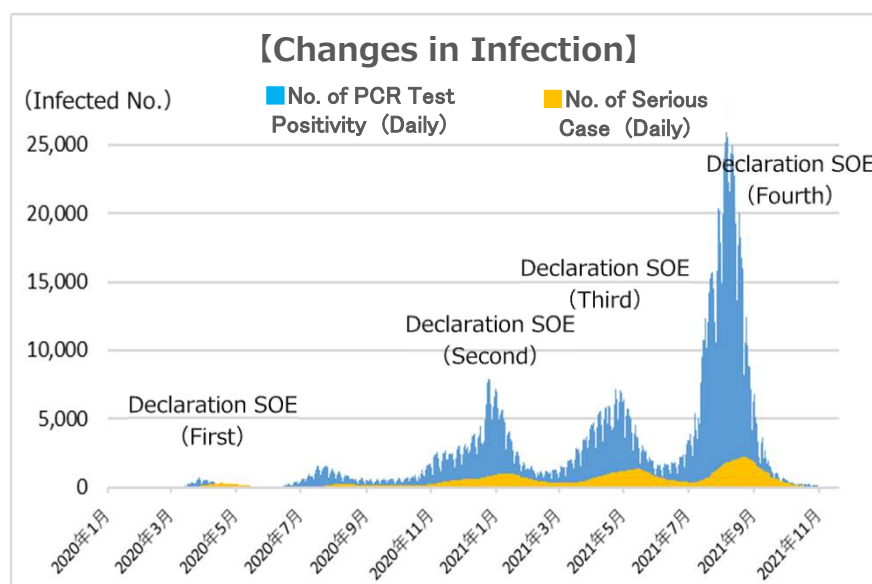
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3. Pachinko Business: Control Measures on Novel Coronavirus

(1) Infection Situation of COVID-19 in Japan

- After the fourth wave of infections in May, the fifth spike of COVID-19 brought the fourth state of emergency in August. Consequent on the cancellation of state of emergency in late September, current number of infection dropped less than 1% of the peak point in August. Control measures are gradually alleviated for the resuming of economic activities.
- About 75% of entire population finished the second dose of vaccination.
About 82% of people over 20 years of age finished the second dose of vaccination.



◆ Situation of Vaccination

(Government Release as at 12 November 2021)

	20s	30s	40s	50s	60s	70s	Whole
Population (thousand)	12,820	14,373	18,424	16,811	15,510	16,227	114,618
2 nd Dose Vaccinated	66.0%	69.3%	76.4%	84.8%	87.7%	92.8%	74.7%

	20s Over	30s Over	40s Over	50s Over	60s Over	70s Over	Whole
2 nd Dose Vaccinated	81.6%	83.8%	86.5%	89.6%	91.4%	93.4%	74.7%

3. Pachinko Business: Control Measures on Novel Coronavirus

(2) Transition in DYNAM Customers

- While current infection rate is being stable owing to the progress of vaccination, full recovery of hall operation is yet to come due to the damage arise from the vast infection rate during the spring and summer holiday seasons. (see below table 2)
- Operational recovery among the older generation is taking time in the second half despite the gradual recovery among the younger customers.

Table 1: Change in No. of Customers in Different Age Group

Age Group	Composition of No. of Customers		Change in Numbers (Sept. / Mar.)
	March	September	
20s	5%	6%	120%
30s	12%	13%	109%
40s	18%	18%	103%
50s	19%	19%	100%
60s	23%	22%	98%
70s & Over	22%	21%	95%
Total	100%	100%	101%

Calculated by the no. of customers in March and September from data base.

Table 2: Visiting Rate Before/After Outbreak

Age Group	Customer Recovery Rate
20s	80.8%
30s	75.9%
40s	76.5%
50s	75.1%
60s	76.3%
70s	71.9%

Calculated by the no. of customers in Feb. 2019 and Sept. 2021 from data base.

3. Pachinko Business: Control Measures on Novel Coronavirus

(3) For the Recovery in Operation

Promotion toward Different Age Group	Age Group	Gaming Machine Lineup	Sales Promotion	Term of Measure
	Young Generation	Increasing Machines for Jackpot Probability of 1/200 and 1/300	Targeted Advertising through SNS	Short Term
	Older Generation	Reducing to Appropriate Number of Umimonogatari (popular game) series Pachinko Machines	Occasional Television Advertising and Opt-in Advertising (passive acceptance)	Mid-to-Long Term

COVID-19 Measure	We aim to recover customers of older generation who controls daily activities and prevent the reoccurrence of outbreak by keeping the countermeasures such as thermometry, disinfection, mask wearing and social distance taking.
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Stable Profit	We will reforming our system to create stable profit in the case of longer term of recovery process. 1. Increase of Operational Profit: Reviewing Installation Rate of Pachinko/Pachislot Machine, Gaming Rate, Probability 2. Streamlining of Labor Cost: Promoting Further Low Cost Operation Model 3. Machine Cost: Cost Reduction and Proper Management through Examination of Turnover Rate
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Growth Strategy	Resuming of Opening and Closure of Halls: Recovering Decrease in Profit at Inactive Halls by Opening Profitable Halls
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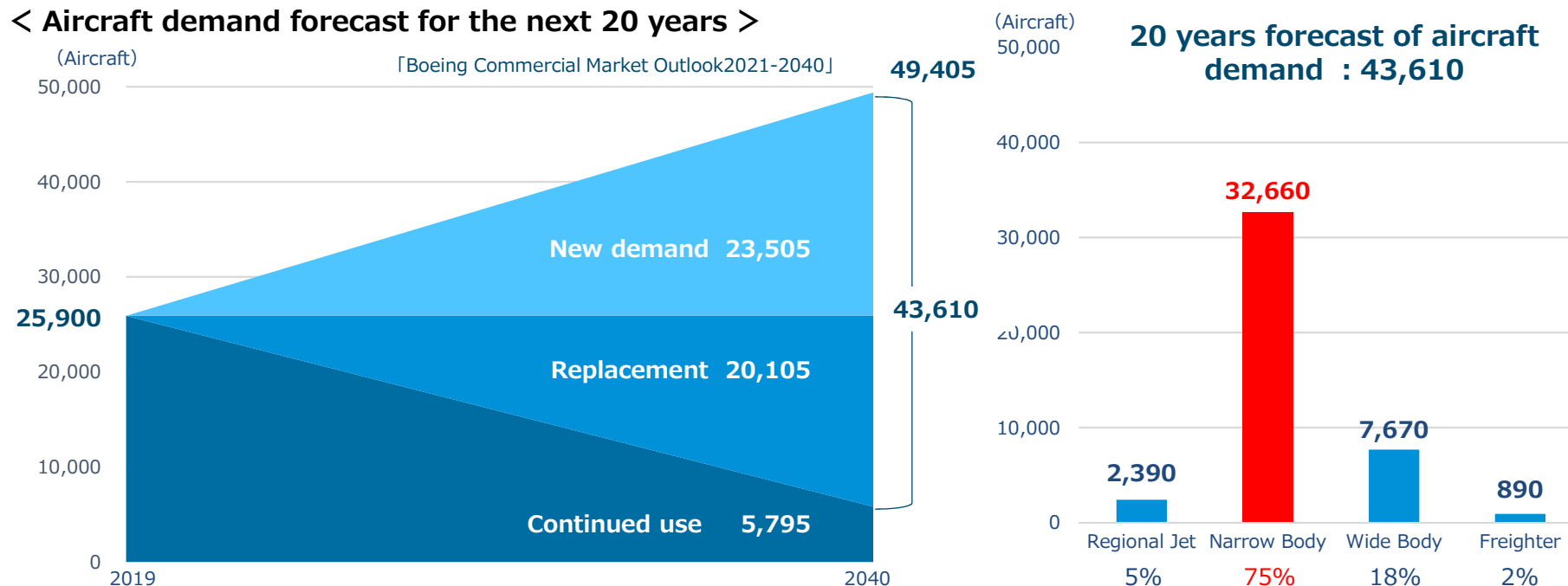
4. Aircraft Leasing Business

■ Business overview

According to Boeing Commercial Market Outlook, passenger transport volume will grow by an average of 4.0% over the next 20 years and global aircraft demand will be continuing to grow with 43,610 new aircraft demand mainly narrow-body.

Short-haul domestic flight recovery is becoming strong and long-haul international flight recovery is expected in 2023-2024.

< Aircraft demand forecast for the next 20 years >



4. Aircraft Leasing Business

■ Current Situation



■ Sale and Leaseback transaction with Wizz Air

In October 2021, the company had a contract to acquire three airbus A321neo aircraft in sale and leaseback transaction with Hungarian LCC, Wizz Air.

It is estimated that two of them will be delivered in the second quarter of 2022 and last one will be delivered in the third quarter.

4. Other Business～Development of Video Slot Machines for Casino～

■ Macau Market

Unit : Million Yen

GGR	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
2021	109,929	100,174	113,792	115,094	143,097	89,530	115,683	60,855	80,542
Compared with 2019	32.2%	28.8%	32.1%	35.6%	40.2%	27.4%	34.5%	18.3%	26.6%

Source: "Monthly Gross Revenue from Games of Fortune" Posted on Website of DICJ (Macau gaming authority)

GGR recovered to around 40% in May compared to the same month in 2019, pre-covid year, but then the recovery is stagnant due to the spread of infection in Mainland China, etc.

We periodically contact Casino Operators, but recognize it will take longer time for the market to recover.

⇒Once the market gets back to normal, we will restart sales activities including trials.

■ Approval of Machines

So far, 6 models have been approved in Macau and 5 models approved in Singapore.

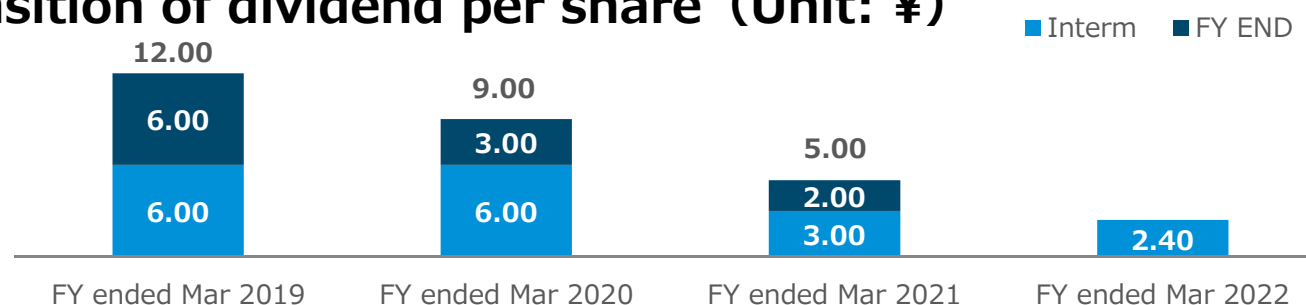
Depending on the market recovery, we plan to conduct sales activities in Asian Regions in addition to Macau.

Interim Dividend ¥2.40 per Share

◆ Dividend Amount

	Interim Dividend	Previous Interim Dividend	Previous Final Dividend
Record date for dividend	13 December 2021	14 December 2020	7 June 2021
Gross Dividend per Share	¥2.40	¥3.00	¥2.00
Total Amount of Dividend	¥1,756 million	¥2,277 million	¥1,505 million
Payment Date	12 January 2022	13 January 2021	25 June 2021

◆ Transition of dividend per share (Unit: ¥)



- During the interim period, 21,195,400 shares of treasury stock (approximately 2.8% of issued shares) were purchased on the market.

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5. Financial Summary



Consolidated Statement of Profit or Loss (IFRS)

(¥ million)

	1H FY2020 (Apr.-Sept. 2020)	1H FY2021 (Apr.-Sept. 2021)	Increase/ Decrease	Main Factors
Revenue	45,992	50,897	4,905	
Pachinko business	45,255	50,139	4,884	High playing cost halls 24,682 : Y on Y 2,925 Low playing cost halls 25,457 : Y on Y 1,959
Aircraft leasing business	737	758	21	
Pachinko business Expenses	46,396	44,791	(1,605)	Decrease in labor cost for hall operation : Y on Y (1,186)
Aircraft leasing expenses	444	464	20	
General and administrative expenses	2,082	2,004	(78)	For business other than Pachinko business and Aircraft leasing business
Other income	6,142	5,025	(1,117)	Decrease in employment adjustment subsidy : Y on Y (1,701)
Other Expenses	431	1,949	1,518	Increase in impairment loss related to halls : Y on Y 1,243
Operating profit	2,781	6,714	3,933	
Finance Income	154	156	2	
Finance Expenses	1,458	1,284	(174)	
Profit before Income Tax	1,477	5,586	4,109	
Net profit for the Period	689	3,416	2,727	
EBITDA	7,854	11,187	3,333	

EBITDA is defined as earnings before finance costs, taxation, depreciation(excluding Pachinko and Pachislot machines), amortization and net foreign exchange gain or loss.

5. Financial Summary



Consolidated Statement of Financial Position (IFRS)

(¥ million)

	As at 31 Mar. 2021	As at 30 Sep. 2021	Increase/ Decrease	Major components (As at 30 Sept. 2021)
Total Assets	301,073	286,871	(14,202)	Property, plant and equipment 115,673
				Right-of-use assets 75,728
				Cash and cash equivalents 51,249
				Deferred tax assets 11,833
				Lease receivables 7,511
Total Liabilities	169,101	155,548	(13,553)	Lease payables 90,384
				Accounts payable , Accrued expenses 14,715
				Interest bearing liabilities 32,342
Capital	15,000	15,000	-	
Reserve	116,972	116,323	(649)	Interim profit 3,416
				Dividend paid (1,505)
				Acquisition and cancellation of treasury shares (2,241)
				Other comprehensive income (319)
Total Equity	131,972	131,323	(649)	Consolidated total equity ratio 45.8%
Total liabilities and equity	301,073	286,871	(14,202)	

5. Financial Summary



Interest Bearing Liabilities and Equity Ratio 【 Consolidated 】

【 Consolidated Interest Bearing Liabilities 】

(¥ million)

	As at 31 Mar. 2021	Ratio	As at 30 Sep. 2021	Ratio
Cash and cash equivalents	74,661	24.8%	51,249	17.9%
Interest bearing liabilities (Pachinko Business)	23,629	7.8%	22,447	7.8%
Interest bearing liabilities (Aircraft Leasing Business)	10,338	3.4%	9,895	3.4%
Net Cash	40,694	13.5%	18,907	6.6%
Total Assets	301,073	100.0%	286,871	100.0%

(Note) Net cash decreased by approximately ¥21.7 billion due to the payment of the tax under the grace of tax payment applied in the previous year and investment in Pachinko and Pachislot machines.

【 Consolidated Total Equity Ratio 】

(¥ million)

	As at 31 Mar. 2021	Ratio	As at 30 Sep. 2021	Ratio
Capital	15,000	5.0%	15,000	5.2%
Reserve	116,972	38.9%	116,323	40.5%
Net assets	131,972	43.8%	131,323	45.8%
Total assets	301,073	100.0%	286,871	100.0%

Financial Statement of DYNAM (J-GAAP)

	1H FY2020 (Apr.-Sept. 2020)	1H FY2021 (Apr.-Sept. 2021)	Increase/ Decrease	Main Factors (¥ million)	
Revenue	41,076	45,675	4,599	Pachinko Slot	Y on Y: 5,247 Y on Y: (648)
Commission from vending machines	1,381	1,547	166		
Selling, General and Administrative expenses	44,858	44,786	(72)		
Operating profit	(2,401)	2,436	4,837		
Ordinary profit	854	4,542	3,688		
Extraordinary income	—	—	—		
Extraordinary loss	114	192	78		
Interim profit for the period	371	2,878	2,507		

	As at 31 Mar. 2021	As at 30 Sept 2021	Increase/ Decrease	Main Factors (¥ million)	
Total Assets	141,000	130,868	(10,132)	Current assets Fixed assets	Y on Y: (27,774) Y on Y: 17,643
Total Liabilities	54,542	43,000	(11,542)	Income tax payable Borrowings	Y on Y: (10,033) Y on Y: (2,677)
Total Equity	86,457	87,868	1,411	Interim profit Dividend paid to the parent	2,878 (1,465)
Total Equity ratio	61.3%	67.1%	5.8		

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Mr. Seiji OBE
Executive Officer

④



Mr. Akira HOSAKA
Director
(CEO of Dynam)

⑤



Mr. Kimiharu SATO
Executive Officer

