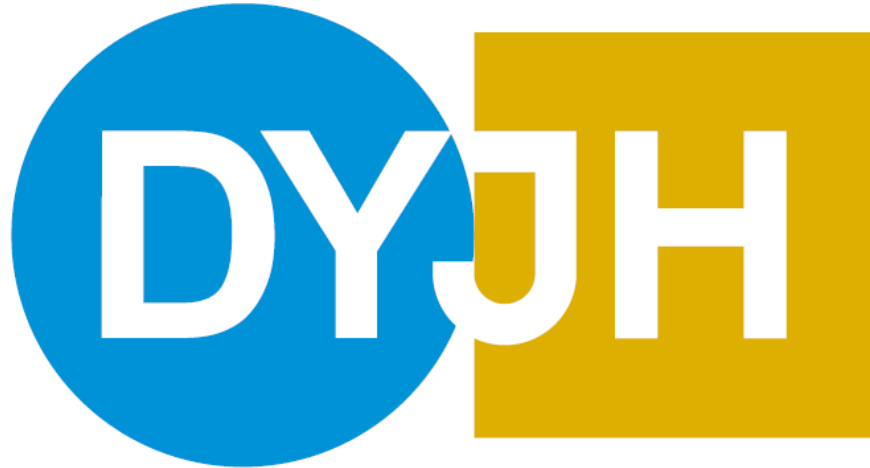




DYNAM JAPAN HOLDINGS Co., Ltd.
Stock Code(06889.HK)

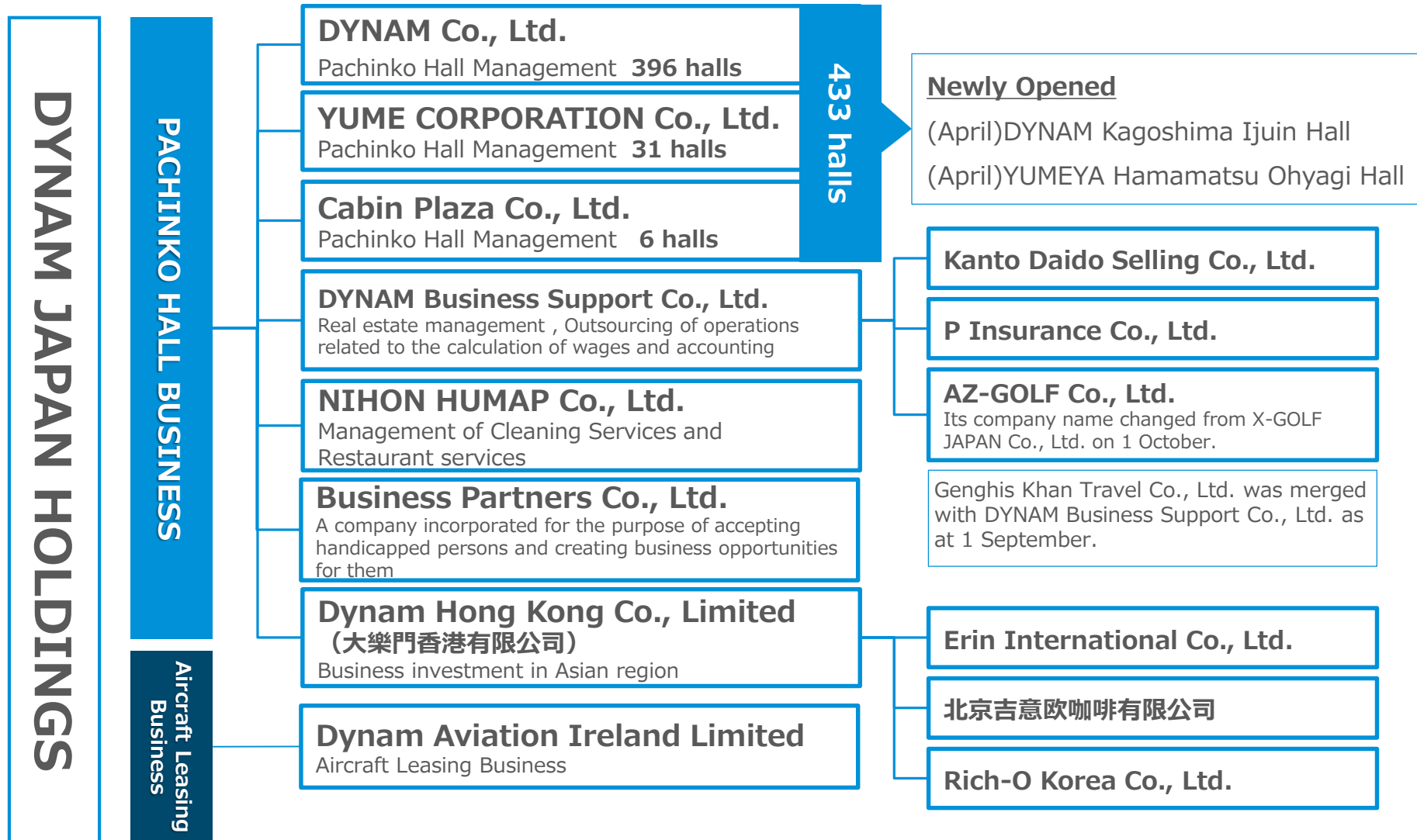
Interim Results for FY Ending March 2023
Corporate Presentation

25 November 2022

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1. Highlight of Business Results① (Consolidated)
2. Highlight of Business Results② (Core Business)
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DYJH Group Organization (As of 1 October 2022)



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1. Highlight of business results ① (Consolidated)

(¥million)

	1H ended 30 Sep 2022	1H ended 30 Sep 2021	Changes	YoY
Revenue	56,195	50,897	+5,298	110.4%
Operating expenses	57,264	49,208	+8,056	116.4%
Operating profit	3,881	6,714	▲2,833	57.8%
Net profit	1,183	3,416	▲2,233	34.6%

• While an increase in revenue from pachinko business was secured, both operating profit and net profit decreased as a result of a significant increase in operating expenses such as depreciation of pachinko and pachislot machines and electricity bills.

2. Highlight of Business Results ② (Core Business)

(¥million)

	1H ended 30 Sep 2022	1H ended 30 Sep 2021	Changes	YoY	Remarks
Revenue	51,905	47,222	+4,683	109.9%	
Expenses related to machines	12,779	4,715	+8,064	271.0%	Increase in depreciation of pachinko and pachislot machines
Utilities expenses	3,289	2,340	+949	140.6%	Rise in electricity bills
Personnel expenses	17,469	18,920	▲1,451	92.3%	Reduction in labor cost for hall operation
Other expenses	17,689	18,552	▲863	95.3%	
Non-operating profit and loss	648	1,848	▲1,200	35.1%	Decrease in Employment adjustment subsidy from the government.
Ordinary Profit	1,327	4,542	▲3,215	29.2%	

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

2. Highlight of Business Results ② (Core Business)

Items	As of 30 Sep 2022	As of 30 Sep 2021	Changes	Remarks
Number of halls	396 halls	398 halls	▲ 2	Newly Open : Kagoshima Ijuin Closure : Shinrainomori Gunma Ohta,Ohta, Nagano Iida
Operating ratio of Pachinko machines (※①)	29.8%	29.9%	▲0.1pt	Difference from competitors: 2.4pt (※②)
Operating ratio of pachislot machines (※①)	22.0%	25.1%	▲3.1pt	Difference from competitors: ▲3.4pt (※②)
Number of machines	186,113	186,851	▲738	Our share in total number of machines in the industry: 4.9%
Number of PB (Private Brand) Pachinko machines	15,741	19,436	▲3,695	Installation Ratio of PB machines in our pachinko halls: 12.0% (difference with the previous period: ▲2.8pt (※③))

※① Operating ratio: Average of number of customers/ number of machines at the two peak times (3:00 pm and 7:00 pm) during this interim period.

※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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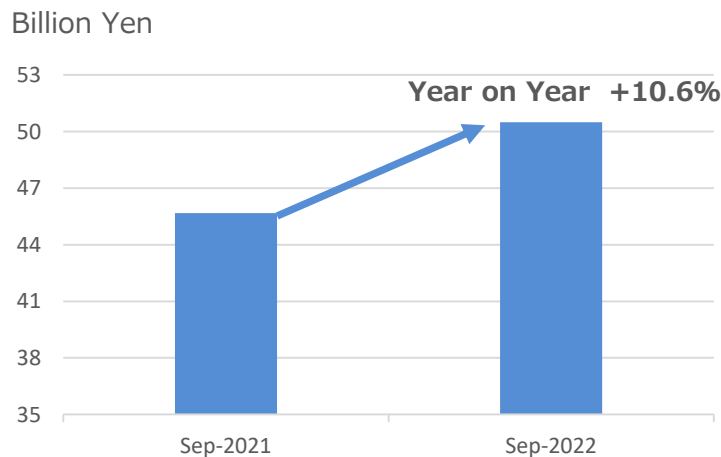
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3. Pachinko Business

(1) Transition in Revenue from Pachinko Business

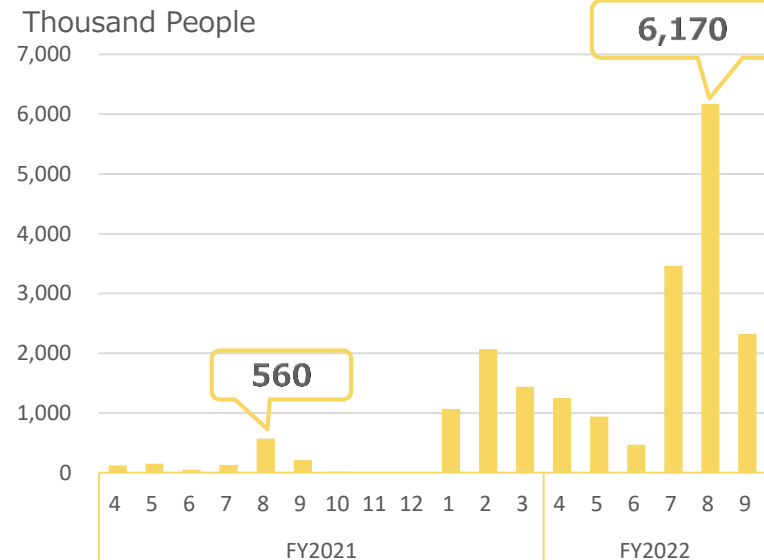
- Revenue from pachinko business largely increased since multiple models of pachinko machines gained popularity and momentum, and we actively promoted introduction of pachislot machines in compliance with new technical standards resulting from reviews of regulations thereon.
- While normalization of social economic activities under the pandemic of COVID-19 is being advanced, we will ensure infection prevention measures and enhance earning capacity upon the introduction of smart gaming machines in November 2022.

(DY) Revenue from Pachinko Business



Year on Year 45.7 Billion Yen→50.5 Billion Yen (+10.6%)

Number of Persons Infected with COVID-19



Accumulated domestic number of infected persons largely increased, but had minor impact on customer traffic.

3. Pachinko Business

(2) Appearance of “Smart Gaming Machine” for Next Generation Gaming to Activate the Entire Industry

● What is smart gaming machine?

- ① A pachinko or pachislot gaming machine an user can play without touching balls or tokens. Balls are circulated in a pachinko machine and tokens are not used in a pachislot machine. The number of balls or tokens is electronically measured.
- ② Installation information and payout information are sent to Gaming Information Centre and centrally managed.



©SUNRISE/VVV Committee

Released on
21 Nov. 2022



To Be Released
in Spring in 2023

● Various merits

User's Merits	Cost Reduction in Hall	Soundness in Industry
☐ Large enhancement in gaming machine specs due to the relaxation of restrictions on the number of balls and tokens paid out ☐ Becoming ballless and tokenless leading to the enhancement in convenience and security feeling for anti-COVID19 measures. Possible to expect the rise in gaming population	☐ Carrying balls and tokens unneeded Promoting low cost operation ☐ Bank equipment (feeder, etc.) unneeded Initial cost reduction in new halls Running cost reduction in existing halls New possibility expanded for setting up new halls	☐ Strengthening security and exterminating illegal gaming ☐ Strengthening measure for the issue of pachinko addiction Enhancement in social credibility in the industry

3. Pachinko Business

(3) Future Growth Strategy

- We will continuously make a commitment to enhancing service quality and improving gaming environment and enhance customer loyalty to lead our company to further growth.
- We will target to secure competitive advantages and increase revenue capacity by increasing the number of existing machines to be replaced with smart gaming machines earlier.

- **[Start of Introduction] Smart Pachislot: 21 Nov 2022**

※Smart Pachinko:
To be released in Spring in 2023

3 models released in Nov and 1 model released in Dec Planning to expand market share by strategic machine introduction

- **[Lack of Material] Early Shift to New Type Sand**

Targeting to finish full shift to smart pachislot machines by investment into new equipment and (new type sand) and preferential procurement of materials based on Economies of scale.

- **[Mid・Long Term Action]
New Layout Hall Development**

Seeking various possibilities to set up halls since feeders, etc. become unnecessary e.g. Setting up halls in smaller commercial area, major changes on gaming machine installation layout, etc.



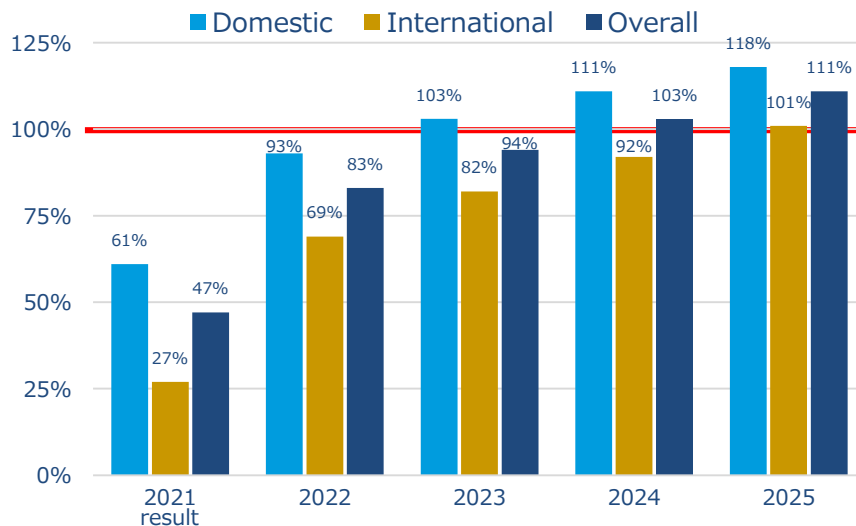
イラスト提供 株式会社メガクリエイト

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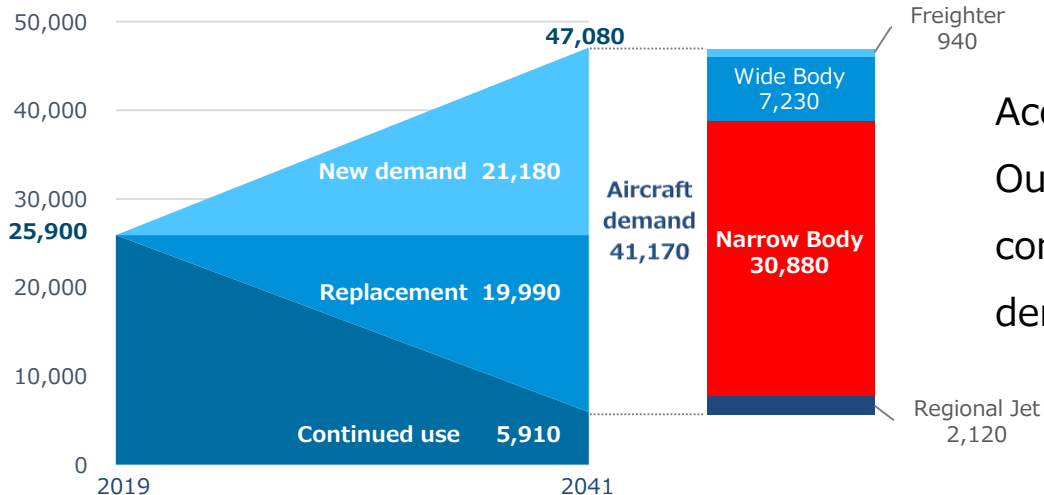
4. Aircraft Leasing Business

<Air Passenger Numbers Forecast (2019 base)> IATA Press Release



IATA expects removal of travel restrictions, particularly in Europe and America, to boost passenger demand and overall passenger numbers to reach 2019 levels in 2024.

<Aircraft Demand Forecast for the Next 20 Years> [Boeing Commercial Market Outlook2022-2041]

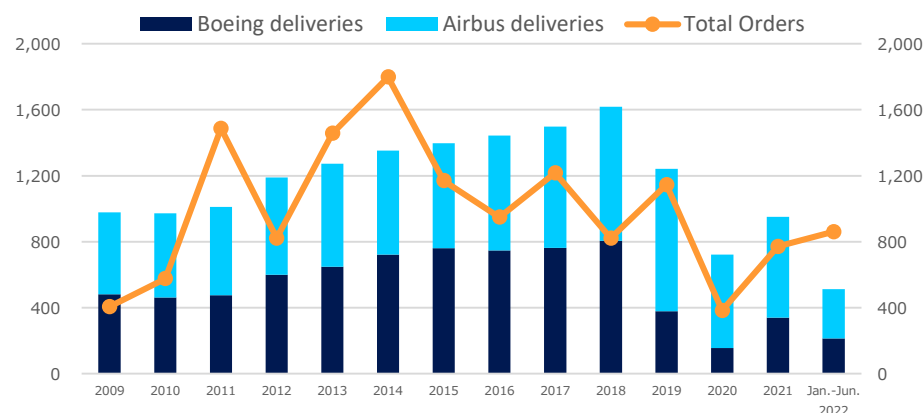


According to Boeing Commercial Market Outlook, global aircraft demand will be continuing to grow with 41,170 new aircraft demand mainly narrow-body.

4. Aircraft Leasing Business

<Aircraft Orders and Deliveries>

Japan Aircraft Development Corporation



Both orders and deliveries are on a recovery trend. Orders are concentrated on Narrow-body (e.g., A321neo and B737MAX10) with stretched body and a large number of seats.

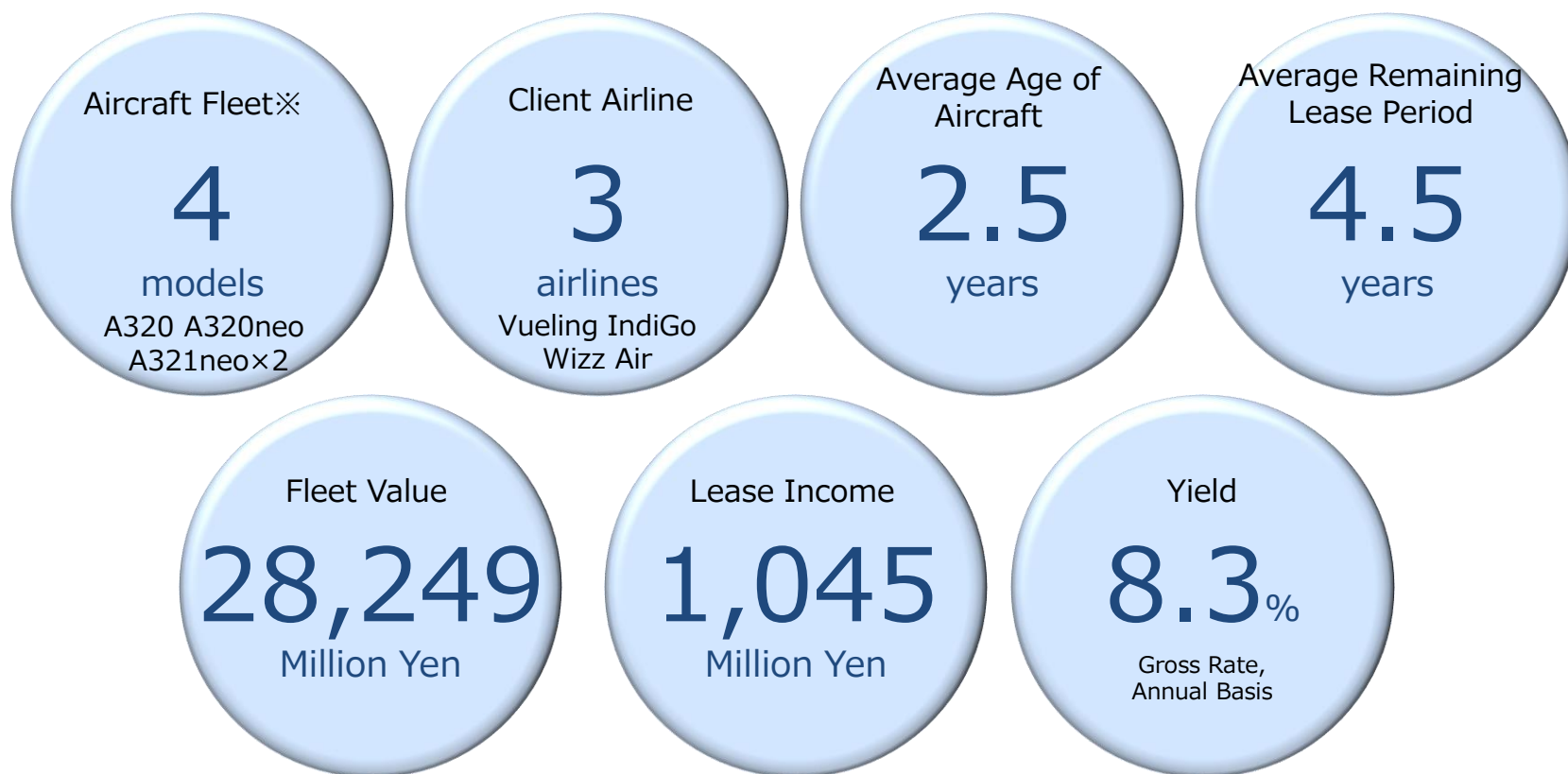
<Top Airlines by Orders> (Period: January 2021 to September 2022)

Airbus Monthly Orders & Deliveries
Boeing Orders Report

Airline	Total	Narrow-body						Wide-body
		A220	A320 neo	A321 neo	B737 MAX7	B737 MAX8	B737 MAX10	A350
United Airlines	270	-	-	70	-	50	150	-
Delta Air Lines	167	12	-	55	-	-	100	-
Wizz Air (LCC)	102	-	-	102	-	-	-	-
Southwest Airlines (LCC)	100	-	-	-	100	-	-	-
easyjet (LCC)	56	-	56	-	-	-	-	-
Qantas Airways	52	20	-	20	-	-	-	12
WestJet (LCC)	42	-	-	-	-	-	42	-

4. Aircraft Leasing Business

■ Current Situation



※Current Fleet: 6 Dynam Aviation acquired two Airbus A321neo in October 2022 and is leasing them to Wizz Air Malta.

4. Aircraft Leasing Business

■ Sale and Leaseback Transaction with Wizz Air

- In October 2022, Dynam Aviation had a contract to acquire two Airbus A321neo aircraft in sale and leaseback transaction with Hungarian LCC, Wizz Air.
- Aircraft will be delivered from July to December 2023.

■ Strengthen of internal structure

- Dynam Aviation has been expanding its team with head of Technical, Operation and General Counsel (Dublin office: 6 people).
- Dynam Aviation will expand its services including aircraft lease management.

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

■ Macau Market

Unit : Billion Yen

	2021	2022		
	Oct. to Dec.	Jan. to Mar.	Apr. to Jun.	Jul. to Sep.
GGR	276.6	257.7	123.2	80.5
YoY	87%	75%	33%	30%
Compared with 2019	26%	23%	12%	8%

Source: Prepared Based on “Monthly Gross Revenue from Games of Fortune” on Website of DICJ (Macau gaming authority)
Exchange Rate: ¥14.50 to MOP\$1.00

In 2022, GGR remained significantly lower in comparison with that in 2019, pre-covid year, but the extent of decline has become more significant due to the spread of infection in Mainland China after April and tightened restrictions resulting from the outbreak of infection in Macau after June.

■ Topics

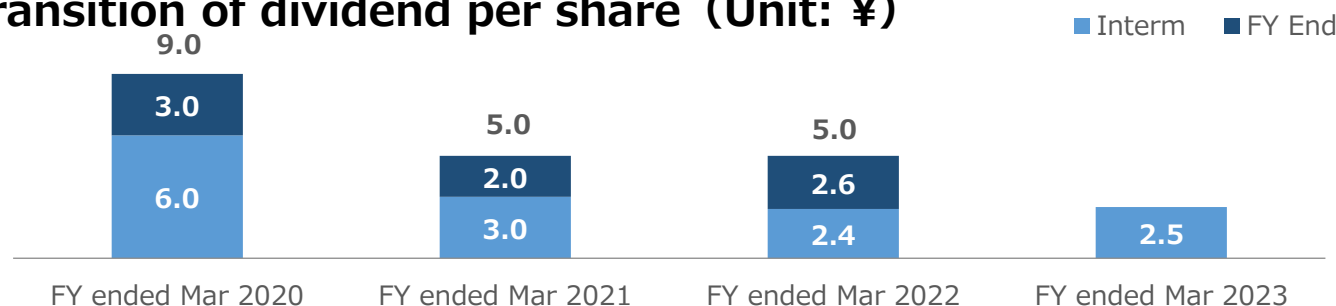
- In September 2022, we have newly obtained the approvals of existing games from DICJ in compliance with Macau EGM Technical Standards Ver. 2.0 revised in September 2021.
- In September, we have started a trial in Malaysia whose casino market recovered earlier.
- We have started to consider diverting existing games to online use, etc. upon the increase in digital utilisation by consumers under COVID-19 crisis.

Interim Dividend ¥2.5 per Share

■ Dividend Amount

	Interim Dividend	Previous Interim Dividend	Previous Final Dividend
Record Date	13 December 2022	13 December 2021	6 June 2022
Dividend per Share	¥2.5	¥2.4	¥2.6
Total Amount	¥1,792 million	¥1,756 million	¥1,878 million
Payment Date	13 January 2023	12 January 2022	24 June 2022

■ Transition of dividend per share (Unit: ¥)



(Note) During the interim period, 5,317,800 treasury shares (approximately 0.7% of issued shares) were purchased on the market.

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5. Financial Summary

Consolidated Statement of Profit or Loss (IFRS)

(¥ million)

	1H FY2022 (Apr.-Sept. 2022)	1H FY2021 (Apr.-Sept. 2021)	Changes	Main Factors
Revenue	56,195	50,897	+5,298	
Pachinko business	55,150	50,139	+5,011	High playing cost halls 27,059 : YoY + 2,377 Low playing cost halls 28,091 : YoY +2,634
Aircraft leasing business	1,045	758	+287	
Pachinko business Expenses	52,246	44,791	+7,455	Increase in depreciation of pachinko and pachislot machines +8,366 Decrease in labor cost for hall operations ▲1,387 Increase in utilities +1,025
Aircraft leasing expenses	669	464	+205	
General and administrative Expenses	2,048	2,004	+44	Operational costs for businesses other than Pachinko business and Aircraft leasing business
Other Income	4,950	5,025	▲75	Decrease in receipt of employment adjustment subsidy, etc. ▲1,324(1,524→200) Compensation for removal of DY halls +817(Linear-chuo-shinkansen : DY Nagano Iida hall)
Other Expenses	2,301	1,949	+352	Increase in loss on disposals of fixed assets +833 Decrease in loss on impairment related to halls ▲301
Operating profit	3,881	6,714	▲2,833	
Finance Income	173	156	+17	
Finance Expenses	1,736	1,284	+452	
Profit before Income Tax	2,318	5,586	▲3,268	
Net profit for the Period	1,183	3,416	▲2,233	
EBITDA	7,896	11,187	▲3,291	

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

5. Financial Summary

Consolidated Statement of Financial Position (IFRS)

(¥ million)

	As at 30 Sep. 2022	As at 31 Mar. 2022	Changes	Major Breakdown / Y o Y			
				Account	This year	Last year	Changes
Total Assets	301,416	293,421	+7,995	Property, plant and equipment	129,380	118,648	+10,732
				Right-of-use assets	73,729	73,850	▲121
				Cash and cash equivalents	56,927	56,508	+419
				Deferred tax assets	10,411	10,964	▲553
				Lease receivables	8,348	8,460	▲112
Total Liabilities	168,467	162,439	+6,028	Lease liabilities	89,153	89,262	▲109
				Accounts payable , Accrued expenses	12,125	12,312	▲187
				Interest bearing liabilities	48,849	43,141	+5,708
Capital	15,000	15,000	-				
Reserve, etc.	117,949	115,982	+1,967	Net profit	1,187	4,997	▲3,810
				Dividend paid	▲1,878	▲3,261	+1,383
				Purchase and cancellation of treasury shares	▲641	▲3,187	+2,546
				Other comprehensive income, etc.	3,299	461	+2,838
Total Equity	132,949	130,982	+1,967	Consolidated total equity ratio	44.1%	44.6%	▲0.5
Total liabilities and equity	301,416	293,421	+7,995				

Interest Bearing Liabilities and Equity Ratio (IFRS)

(¥ million)

【 Consolidated Interest Bearing Liabilities 】

	As at 30 Sep. 2022	Ratio	As at 31 Mar. 2022	Ratio
Cash and cash equivalents	56,927	18.9%	56,508	19.3%
Total Interest bearing liabilities	48,849	16.2%	43,141	14.7%
Interest bearing liabilities (Entities in Japan)	32,315	10.7%	32,945	11.2%
Interest bearing liabilities (Entities overseas)	16,534	5.5%	10,196	3.5%
Net Cash	8,078	2.7%	13,367	4.6%
Total Assets	301,416	100.0%	293,421	100.0%

(Note) Net cash decreased by ¥5,289 million due to acquisition of one aircraft, etc. for aircraft leasing business.

【 Consolidated Total Equity Ratio 】

	As at 30 Sep. 2022	Ratio	As at 31 Mar. 2022	Ratio
Capital	15,000	5.0%	15,000	5.1%
Reserve, etc.	117,949	39.1%	115,982	39.5%
Total Equity	132,949	44.1%	130,982	44.6%
Total Assets	301,416	100.0%	293,421	100.0%

Financial Statement of DYNAM (JGAAP)

(¥ million)

	1H FY2022 (Apr.-Sept. 2022)	1H FY2021 (Apr.-Sept. 2021)	Changes	Main Factors
Revenue	50,497	45,675	+4,822	P YoY : +5,508 S YoY : ▲686
Commission from vending machines	1,408	1,547	▲139	
Selling, General and Administrative expenses	50,765	44,786	+5,979	Expenses related to machines YoY: +8,064 Utilities YoY: +949 Personnel expenses YoY: ▲1,451
Operating profit	1,140	2,436	▲1,296	
Ordinary profit	1,327	4,542	▲3,215	
Extraordinary income	818	—	+818	Compensation for removal of Nagano Iida hall 817
Extraordinary loss	242	192	+50	
Net profit for the period	1,226	2,878	▲1,652	

	As at 30 Sep. 2022	As at 31 Mar.2022	Changes	Main Factors
Total Assets	122,985	124,929	▲1,944	Current assets YoY: ▲952 Fixed assets YoY: ▲992
Total Liabilities	35,462	36,678	▲1,216	Borrowings YoY: ▲2,836 Consumption tax payable YoY: +1,363
Net Assets	87,523	88,251	▲728	Net profit 1,226 Dividend paid to the parent ▲1,953
Total Equity ratio	71.2%	70.6%	+0.6	

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