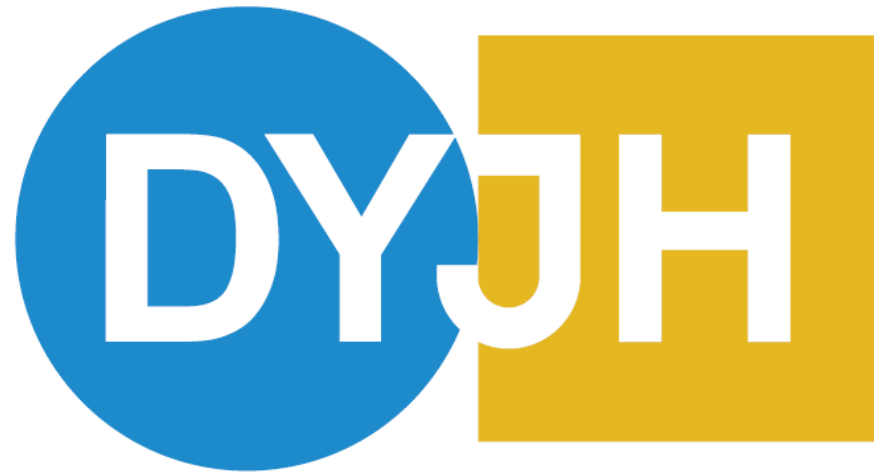




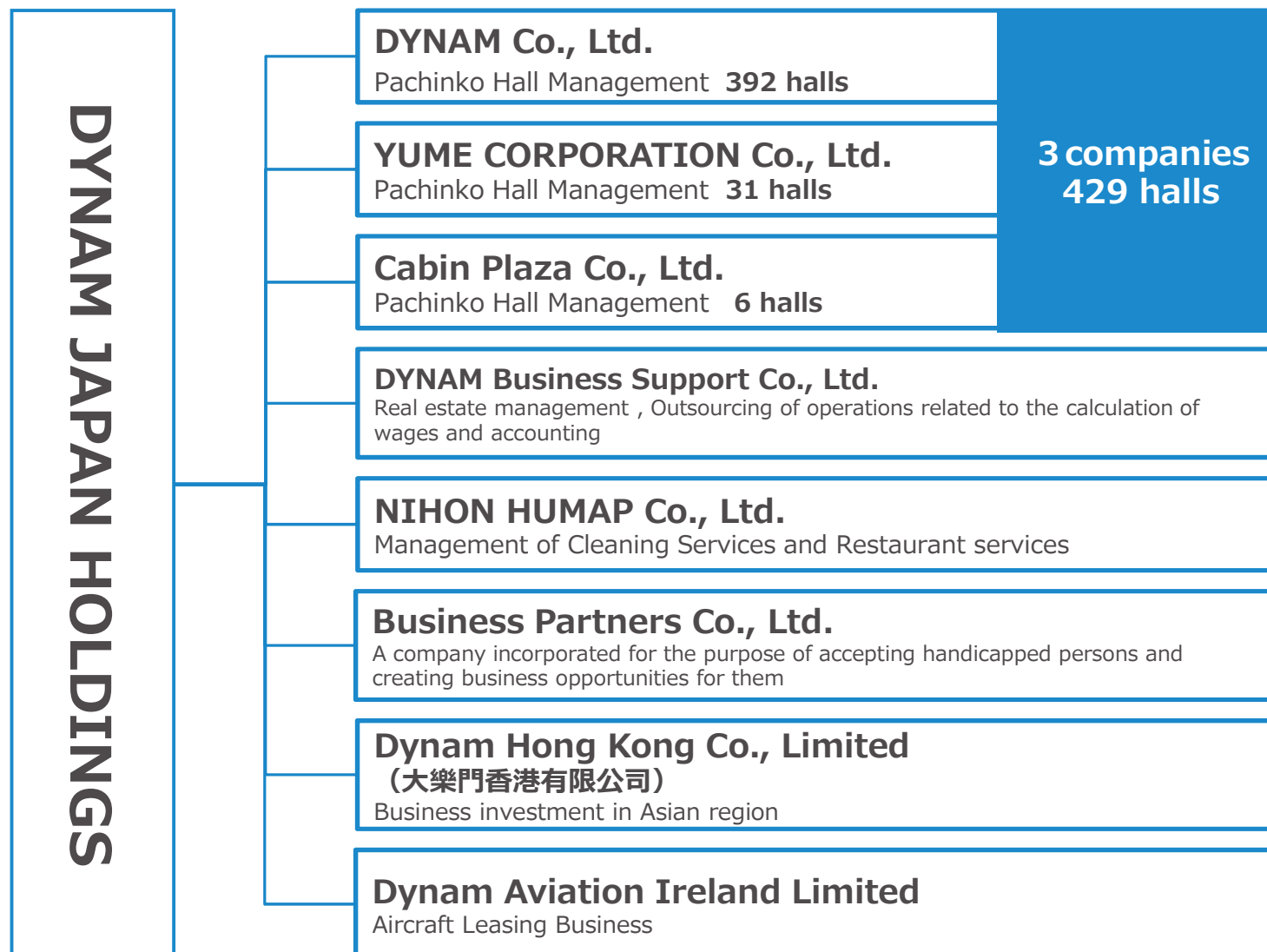
DYNAM JAPAN HOLDINGS Co., Ltd.
Stock Code(06889.HK)

2023 Annual Results
Corporate Presentation
25 May 2023

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- 1. Highlight of Business Results① (Consolidated)**
- 2. Highlight of Business Results② (Core Business)**
- 3. Pachinko Business**
- 4. Aircraft Leasing and Other Business**
- 5. Financial Summary**

DYJH Group Organization (As of 31 March 2023)



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1. Highlight of business results ① (Consolidated)

(¥million)

	2023	2022	Changes	YoY
Revenue	117,206	105,141	+12,065	111.5%
Operating profit	6,764	10,654	▲3,890	63.5%
Net profit	1,798	4,977	▲3,179	36.1%

Increased revenue secured thanks to an upswing in utilisation rate in pachinko business
 Profit decreased because of an increase in operating expenses due to an increase in depreciation expenses of pachinko and pachislot machines and skyrocketing energy prices

2. Highlight of Business Results ② (Core Business)

(¥million)

	2023	2022	Changes	YoY	Remarks
Revenue	107,500	97,730	+9,770	110.0%	Pachinko +7,993 YoY:112.1% Slot +1,919 YoY:106.7%
Expenses related to machines	29,107	14,435	+14,672	201.6%	Increase in depreciation expenses of pachinko and pachislot machines
Utilities expenses	6,612	4,588	+2,024	144.1%	Skyrocketing electricity bills
Personnel expenses	34,280	36,428	▲2,148	94.1%	Reduction in labor cost for hall operation
Other expenses	36,076	36,441	▲365	99.0%	
Non-operating profit and loss	401	2,912	▲2,511	13.8%	Decrease in Employment adjustment subsidy from the government.
Ordinary Profit	1,827	8,749	▲6,922	20.9%	

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

2. Highlight of Business Results ② (Core Business)

Items	2023	2022	Changes	Remarks
Number of halls	392 halls	396 halls	▲4	Newly Open : Kagoshima Ijuin, Ehime Shikokuchuo,Yakeyama Closure : Nagano Iida,Nanokamachi, Kitakoshigaya,Shibata, Sakatahirono,Iwafune,Natori
Operating ratio of Pachinko machines (※①)	29.5%	29.9%	▲0.4pt	Difference from competitors: 2.5pt (※②)
Operating ratio of pachislot machines (※①)	24.1%	24.1%	0pt	Difference from competitors: ▲2.9pt (※②)
Number of machines	185,433	185,971	▲538	Our share in total number of machines in the industry: 5.3%
Number of PB (Private Brand) Pachinko machines	13,127	19,840	▲6,713	Installation Ratio of PB machines in our pachinko halls: 10.1% (difference with the previous period: ▲5.1pt (※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' about 1,200 halls adjacent to our halls nationwide.

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

【 Contents 】

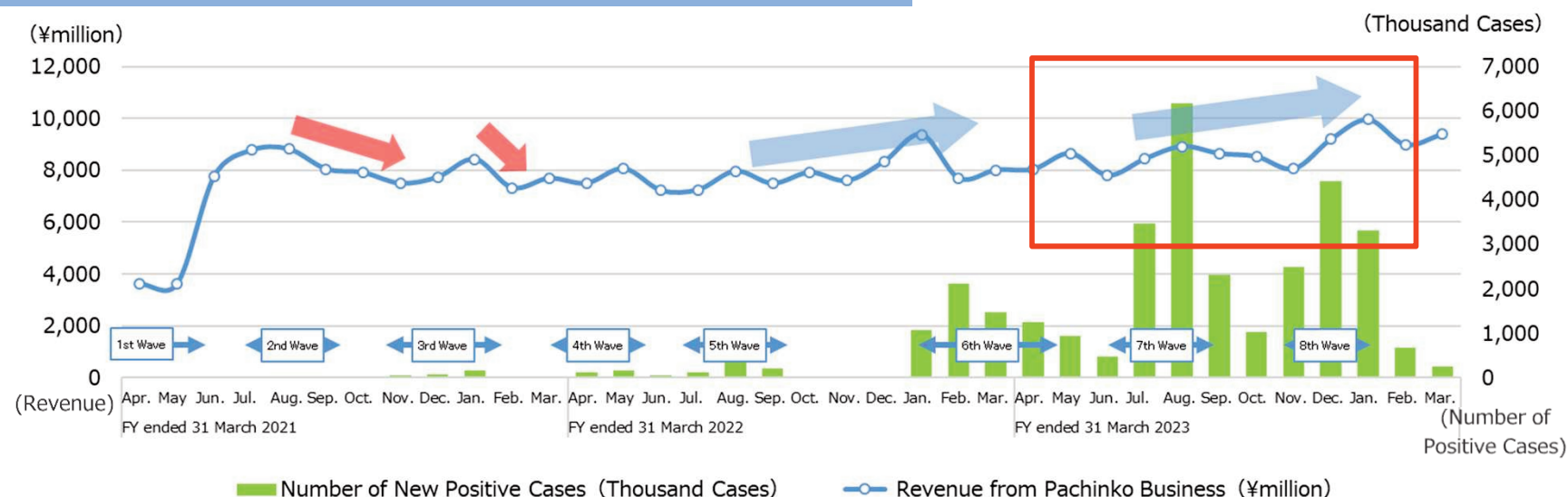
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3. Pachinko Business

(1) Impact by COVID-19

- ☐ Revenue from pachinko business has been affected by the decrease in the number of customers due to the increase in the number of positive cases since COVID-19 outbreak.
- ☐ In FY ended 31 March 2023, the impact by the increase in the number of positive cases continued, but the number of customers mainly for slot machines recovered and revenue from pachinko business got into the upturn trend.
- ☐ In FY ending 31 March 2024, we will develop new customer base upon the spread of “smart” gaming machines to attain financial performance recovery.

Transition in Number of Positive Cases and Revenue from Pachinko Business (from FY Ended 31 March 2021)

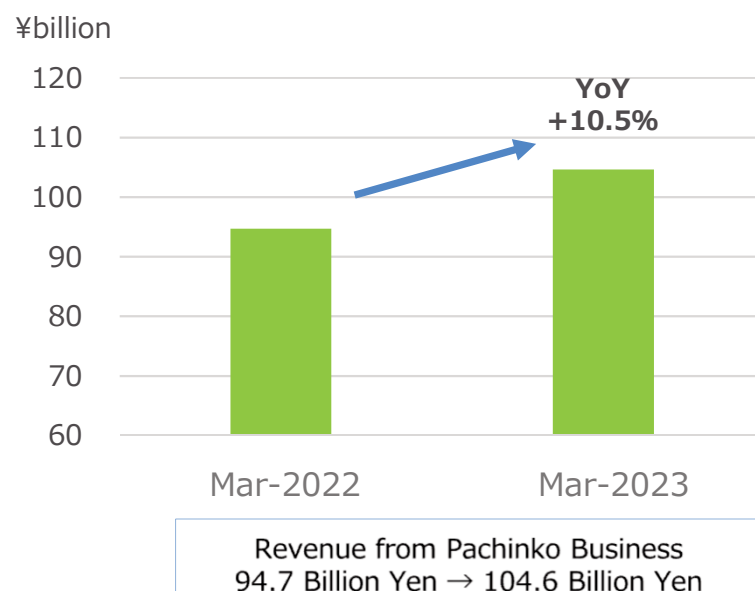


3. Pachinko Business

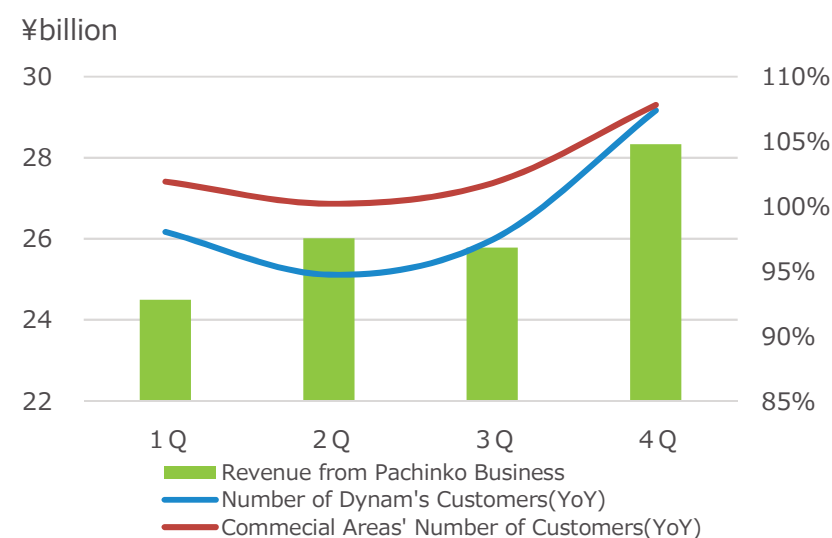
(2) Transition in Revenue from Pachinko Business

- Revenue from pachinko business drastically increased due to the appearance of multiple popular models of pachinko and slot machines complying with the new technical standards.
- “Smart slot” machines which started to be introduced into our halls in November 2022 are greatly expected by our customers. We will further enhance our profitability utilizing smart slot machines as well as “smart pachinko” machines introduced in April 2023.

(DY) Revenue from Pachinko Business



Change in Number of Customers Triggered by Introduction of Smart Slot Machines



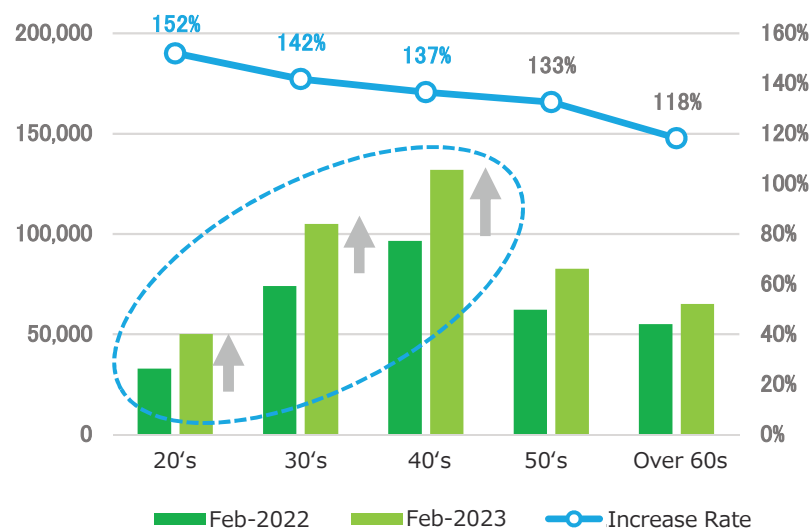
Increase in Number of Customers upon Introduction of Smart Slot Machines (after 21 November)

3. Pachinko Business

(3) Impact by Introduction of Smart Gaming Machines

- Smart slot machines we started to introduce in November have drastically increased our revenue. We will be committed to financial performance recovery utilizing flagship machines expected to be released after April.
- Every age's number of customers has increased, and the remarkable increase can be seen especially in young and middle age. We will acquire new customers in wider customer base in response to environmental changes brought by smart gaming machines.

Number of Slot Customers by Age (YoY)



Smart slot machines have attracted young and middle-aged sleeping customers to restart playing.

Making Halls Attractive to Wide Customer Base

Now

Satisfaction of senior-aged customers

Environmental changes brought by smart gaming machines

Future

Development of wide customer base

[Information]

Strengthening ability to deliver information for entertaining customers from how to play pachinko and slot for acquiring new customers.

[Investment in Smart Gaming Machines]

Preferentially securing smart gaming machines and providing product lineup in response to customers' needs.

[Environment]

Environmental improvement by renovation of existing halls. investment for acquiring new customers including proposal of new playing environment for smart gaming machines, reviewing universal design, etc.

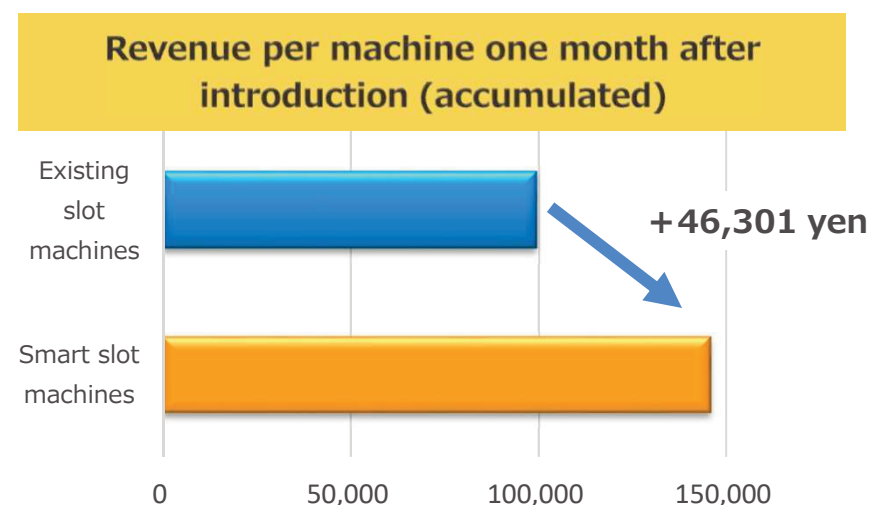
3. Pachinko Business

(4) Characteristics of Smart Gaming Machines

Users' Merits	Reduction of Hall Expenses	Soundness of Industry
☐ Drastic enhancement of gaming machine specs ☐ Improvement in convenience brought by no use of balls/tokens Increase in player population	☐ Promotion of low cost operation by no use of balls/tokens ☐ Bank equipment (feeder, etc.) unneeded New possibility for hall development	☐ Strengthening security and exterminating illegal gaming ☐ Strengthening measure for issue of pachinko addiction Enhancing industry's Social Credibility

◇ **Smart slot machines bring more revenue than existing slot machines.**

- Diversification of gaming performance and enhancement in specs due to relaxation of restrictions
- Acquiring new customers, sleeping customers' returning to halls



※Existing machines (FY ended 31 March 2022)

3. Pachinko Business

(5) Future Growth Strategy

- ☐ Increasing revenue by investment into smart pachinko and slot machines
- ☐ Developing new customers by large-scale renovation of existing halls (reconstruction of flagship halls)
- ☐ Cost Optimization by Activation of Machine Distribution (Strategic Utilization of in-house secondhand machines)
- ☐ Establishing new ways to open halls (New Opening, M&A, Relocation, Etc.)



Introduction of Smart Gaming Machines



【Pachinko】 on 3 April



【Pachinko】 on 17 April

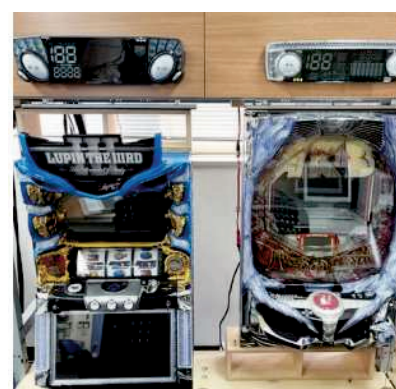


【Slot】 on 3 April

Topic new machines with high gaming performance will be released for both pachinko and slot after April 2023 as well.

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Considering New Types of Halls Utilising Characteristics of Smart Gaming Machines



Developing bank for both pachinko and slot exclusively for smart gaming machines



Considering setting up small-scale halls in airports, shopping malls, etc.

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4. Aircraft Leasing Business

For the year ended 31 March (¥million)

	2023	2022	changes	YoY
Lease revenue	2,875	1,553	+1,322	185.1%
Operating expense	1,834	961	+873	190.8%
Finance expenses※	599	340	+259	176.2%
Segment profit	442	252	+190	175.4%

Number of owned aircraft	6	3	+3	200.0%
Operating assets	41,130	17,000	+24,130	241.9%

※Including finance income



4. Aircraft Leasing Business

■ Expanding revenue

(1) New contract with Wizz

- In October 2022, Dynam Aviation had additional new 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.

(2) Revenue increased by in-house lease management

- Dynam Aviation had hired Heads of Technical, Operation and General Counsel, and been building an in-house lease management system.
- Dynam Aviation is going to provide lease management to other aircraft leasing business companies and increase revenue.

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

■ Macau Market

(¥billion)

	2022				2023
	Jan. to Mar.	Apr. to Jun.	Jul. to Sep.	Oct. to Dec.	Jan. to Mar.
GGR	293.3	140.2	91.6	171.3	571.6
YoY	75%	33%	30%	54%	195%
Compared with 2019	23%	12%	8%	14%	45%

Source: Prepared Based on “Monthly Gross Revenue from Games of Fortune” on Website of DICJ (Macau gaming authority)
Exchange Rate: ¥16.50 to MOP\$1.00

In 2022, GGR remained significantly lower in comparison with that in 2019, pre-covid year, but it has drastically recovered since immigration restrictions were fully lifted at the beginning of this year.

■ Topics

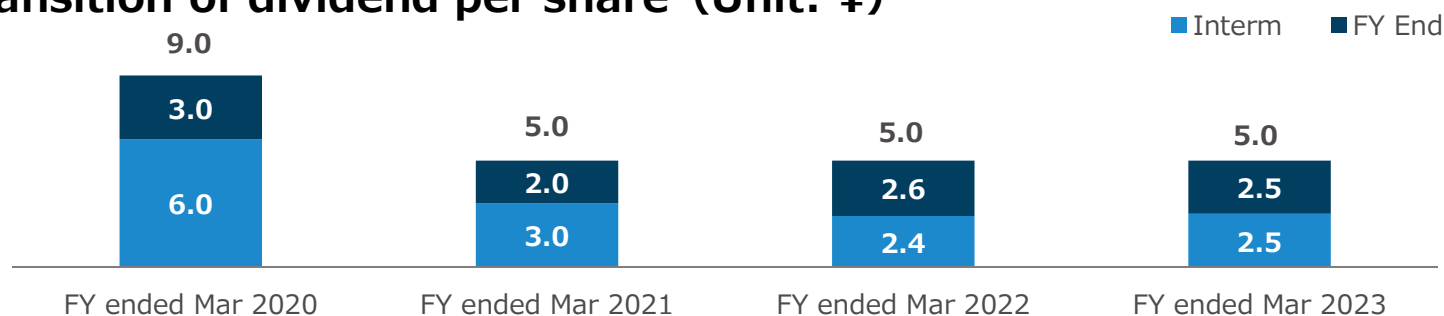
- Upon the lifting of immigration restrictions in Macau, we have restarted contacting casino operators to collect information for trial negotiations. In Sep. 2022, we already obtained the approvals of existing games from DICJ in compliance with Macau EGM Technical Standards Ver. 2.0 for future trials.
- Moving forward, we plan to do sales activities in Asian regions including trials in Malaysia.
- We started to consider diverting existing games to online use, etc. upon the increase in digital utilisation by consumers under COVID-19 crisis.

Final Dividend ¥2.5 per Share

■ Dividend Amount

	Final Dividend	Interim Dividend	Annual Dividend
Record Date	5 June 2023	13 December 2022	–
Dividend per Share	¥2.5	¥2.5	¥5.0
Total Amount	¥1,783 million	¥1,791 million	¥3,574 million
Payment Date	23 June 2023	13 January 2023	–

■ Transition of dividend per share (Unit: ¥)



(Note) During the fiscal year, 9,079,200 shares of treasury stock (approximately 1.3% of issued shares) were purchased in the market.

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5. Financial Summary

Consolidated Statement of Profit or Loss (IFRS)

(¥million)

	This year (March 2023)	Last year (March 2022)	Changes	Main Factors
Revenue	117,206	105,141	+12,065	
Pachinko business	114,331	103,588	+10,743	High playing cost halls 55,993 : YoY + 4,700 Low playing cost halls 58,338 : YoY +6,043
Aircraft leasing business	2,875	1,553	+1,322	Number of aircraft the Group owns: +3 (3→6)
Pachinko business Expenses	110,484	93,950	+16,534	Increase in depreciation expenses of pachinko and pachislot machines +16,057 Increase in utilities +2,169 Decrease in labor cost for hall operation ▲2,243
Aircraft leasing expenses	1,834	961	+873	
General and administrative Expenses	4,309	4,279	+30	
Other Income	8,663	9,114	▲451	Compensation for removal of halls +817(Linear-chuo-shinkansen : DY Nagano Iida hall) Decrease in employment adjustment subsidy, etc. ▲1,917(2,456→539)
Other Expenses	2,478	4,411	▲1,933	Decrease in impairment loss related to halls ▲2,173
Operating profit	6,764	10,654	▲3,890	
Finance Income	450	426	+24	
Finance Expenses	3,277	2,571	+706	
Profit before Income Tax	3,937	8,509	▲4,572	
Net profit for the Period	1,798	4,977	▲3,179	
EBITDA	43,729	32,383	+11,346	

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

5. Financial Summary



Consolidated Statement of Financial Position (IFRS)

(¥million)

	As at 31 Mar. 2023	As at 31 Mar. 2022	Changes	Major Breakdown / Y o Y			
				Account	As at 31 Mar. 2023	As at 31 Mar. 2022	Changes
Total Assets	325,608	293,421	+32,187	Aircrafts	41,130	17,000	+24,130
				Pachinko and pachislot machines	36,281	28,958	+7,323
				Other tangible fixed assets	69,465	72,690	▲3,225
				Right-of-use assets	76,741	73,850	+2,891
				Cash and cash equivalents	59,605	56,508	+3,097
Total Liabilities	197,181	162,439	+34,742	Lease liabilities	91,697	89,262	+2,435
				Accounts payable , Accrued expenses	14,732	12,312	+2,420
				Interest bearing liabilities	72,167	43,141	+29,026
Capital	15,000	15,000	-				
Reserve, etc.	113,427	115,982	▲2,555	Net profit(attributable to owners of the Company)	1,806	4,997	▲3,191
				Dividend paid	▲3,669	▲3,261	▲408
				Other comprehensive income, etc.	▲692	426	▲1,118
Total Equity	128,427	130,982	▲2,555	Consolidated equity ratio	39.4%	44.6%	▲5.2
Total liabilities and equity	325,608	293,421	+32,187				

Interest Bearing Liabilities and Equity Ratio (IFRS)

(¥million)

【 Consolidated Interest Bearing Liabilities 】

	As at 31 Mar. 2023	Ratio	As at 31 Mar. 2022	Ratio
Cash and cash equivalents	59,605	18.3%	56,508	19.3%
Total Interest bearing liabilities	72,167	22.2%	43,141	14.7%
Interest bearing liabilities (Entities in Japan)	47,090	14.5%	32,945	11.2%
Interest bearing liabilities (Entities overseas)	25,077	7.7%	10,196	3.5%
Net Cash	▲12,562	▲3.9%	13,367	4.6%
Total Assets	325,608	100.0%	293,421	100.0%

(Note) Net cash decreased by ¥25,929 million due to acquisition of three aircrafts, etc. for aircraft leasing business.

【 Consolidated Equity Ratio 】

	As at 31 Mar. 2023	Ratio	As at 31 Mar. 2022	Ratio
Capital	15,000	4.6%	15,000	5.1%
Reserve, etc.	113,427	34.8%	115,982	39.5%
Total Equity	128,427	39.4%	130,982	44.6%
Total Assets	325,608	100.0%	293,421	100.0%

Financial Statement of DYNAM (JGAAP)

(¥million)

	This year (March 2023)	Last year (March 2022)	Changes	Main Factors
Revenue	104,601	94,689	+9,912	P YoY : +7,993 S YoY : +1,919
Commission from vending machines	2,899	3,041	▲142	
Selling, General and Administrative expenses	106,074	91,893	+14,181	Expenses related to machines YoY: +14,672 Utilities YoY: +2,024 Personnel expenses YoY: ▲2,148
Operating profit	1,426	5,837	▲4,411	
Ordinary profit	1,827	8,749	▲6,922	
Extraordinary income	912	-	+912	Compensation for removal of Nagano Iida hall 817
Extraordinary loss	1,143	1,277	▲134	
Net profit for the period	910	4,893	▲3,983	
	As at 31 Mar. 2023	As at 31 Mar.2022	Changes	Main Factors
Total Assets	141,312	124,929	+16,383	Current assets YoY: +12,168 Fixed assets YoY: +4,215
Total Liabilities	55,829	36,678	+19,151	Borrowings YoY: +16,066 Consumption tax payable YoY: +1,301
Net Assets	85,483	88,251	▲2,768	Net profit +910 Dividend paid to the parent ▲3,744
Equity ratio	60.5%	70.6%	▲10.1	

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