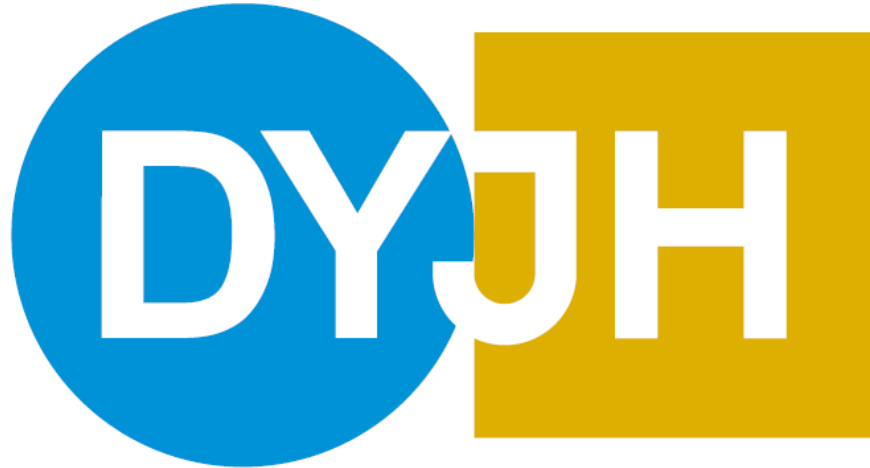




DYNAM JAPAN HOLDINGS Co., Ltd.
Stock Code(06889.HK)

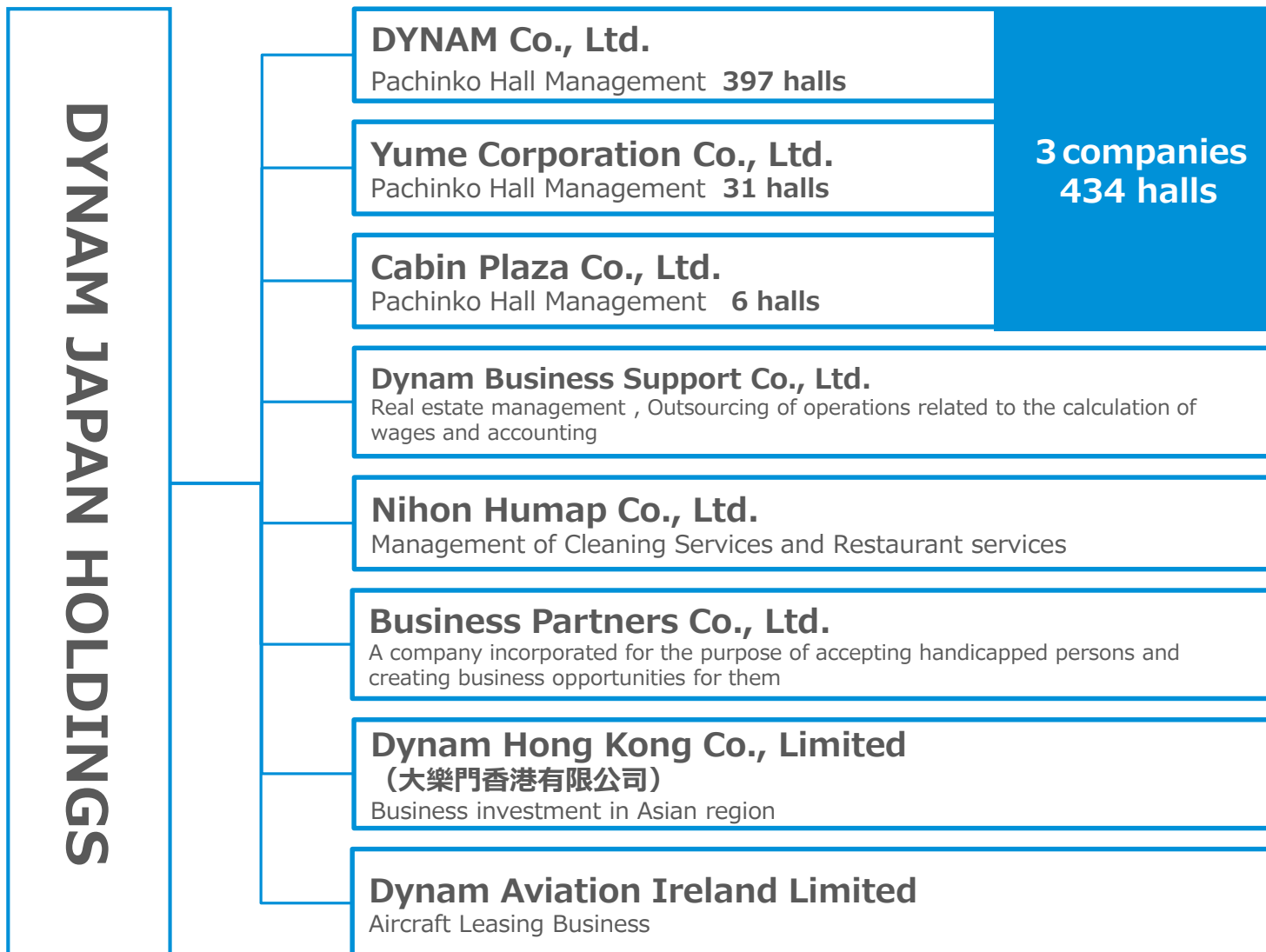
Interim Results for FY Ending March 2024
Corporate Presentation

28 November 2023

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DYJH Group Organization (As of 30 September 2023)



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1. Highlight of business results ① (Consolidated)

(¥million)

	1H ended 30 Sep 2023	1H ended 30 Sep 2022	Changes	YoY
Revenue	64,375	56,195	+8,180	114.6%
Operating profit	4,400	3,881	+519	113.4%
Net profit	1,874	1,183	+691	158.4%

Achieved significant revenue growth thanks to a huge increase in pachislot revenue in line with progress in “smartslot” implementation
 Posted operating profit and net profit growth as the Group absorbed expense increases caused by depreciation expenses from pachinko and pachislot machines

2. Highlight of Business Results ② (Core Business)

(¥million)

	1H ended 30 Sep 2023	1H ended 30 Sep 2022	Changes	YoY	Remarks
Revenue	58,513	51,905	+6,608	112.7%	Pachinko +52 YoY:100.1% Slot +6,312 YoY:146.1%
Expenses related to machines	17,942	12,318	+5,624	145.7%	Increase in depreciation expenses of pachinko and pachislot machines
Personnel expenses	17,005	17,469	▲464	97.3%	Decrease in labor cost for hall operation
Utilities expenses	3,611	3,289	+322	109.8%	Electricity bills remaining at high
Repair and maintenance expenses	1,712	1,029	+683	166.4%	Increase in repair and maintenance expenses for refurbishments at halls in line with an increase in the number of pachislot machines
Other expenses	16,669	16,660	+9	100.1%	
Non-operating profit and loss	124	187	▲63	66.3%	
Ordinary Profit	1,698	1,327	+371	128.0%	

※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 2023	As of 30 Sep 2022	Changes	Remarks
Number of halls	397 halls	396 halls	+1	Newly Opened 7 Stores : Ehime Shikoku Chuoh, 6 Stores acquired by M&A Closure 6 Stores : Nanokamachi, Kitakoshigaya, Shibata, Sakatahirono, Iwafune, Natori
Operating ratio of pachinko machines (※①)	28.5%	29.8%	▲1.3pt	Difference from competitors: 2.9pt (※②)
Operating ratio of pachislot machines (※①)	28.6%	22.0%	+6.6pt	Difference from competitors: ▲2.7pt (※②)
Number of machines	191,577	186,113	+5,464	Our share in total number of machines in the industry: 5.4%
Smart Pachinko	2,283	0	+2,283	Share in total pachinko machines installed: 1.8%
Smart Slot	13,064	0	+13,064	Share in total slot machines installed: 21.2%
PB (Private Brand) Pachinko machines	12,430	15,741	▲3,311	Installation Ratio of PB machines in our pachinko halls: 9.6% (difference with the previous period: ▲2.5pt (※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.

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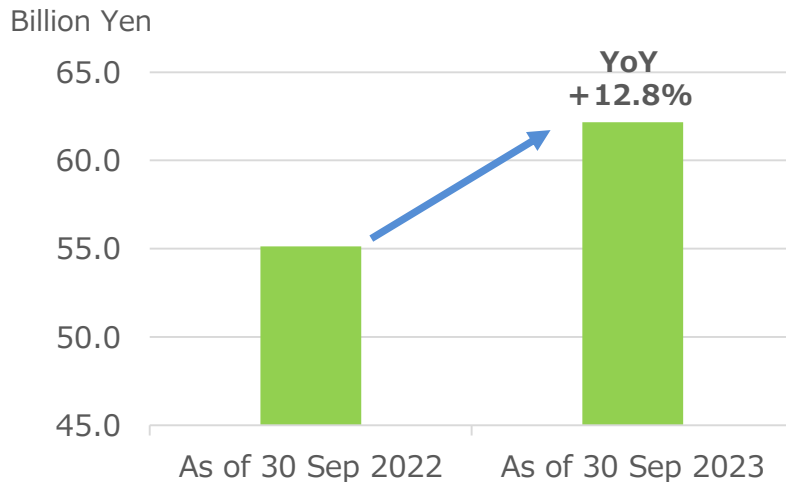
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3. Pachinko Business

(1) Transition in Pachinko Business Revenue

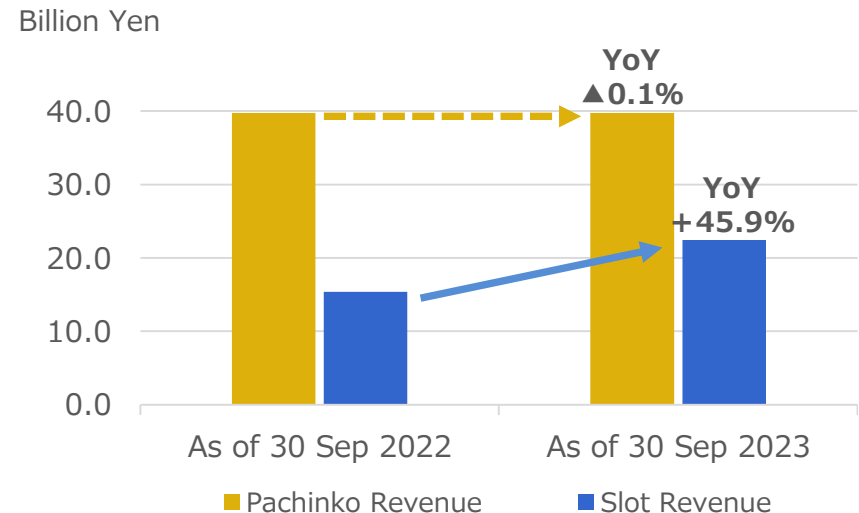
- Revenue has significantly increased due to the emergence of multiple popular machine models in compliance with new regulations.
- The slot boom has arrived upon the introduction of “smart slot” in November 2022. The increase in the revenue from slot operations has lead to overall revenue growth.
- We plan to continue conducting sales activities in line with the slot boom thereby leading to further revenue growth.

Total Business Revenue



Business Revenue (Pachinko/Slot Aggregated)
55.14 Billion Yen → 62.18 Billion Yen (+12.8%)

Revenue by Machine Category



Slot Revenue
15.39 Billion Yen → 22.45 Billion Yen (+45.9%)

3. Pachinko Business

(2) Vitalization of the Entire Industry due to the Appearance of “Smart Gaming Machines” for Next Generation

● What is a smart gaming machine?

① A gaming machine a user can play without directly touching any balls or tokens. Balls are circulated in a pachinko machine and actual tokens are not used for slot a machine. Both balls and tokens paid out are electronically stored.

② Installation information and payout information are sent to and centrally managed by gaming machine information center of a gaming manufacturers association, thereby promoting industry’s soundness.

● Various merits



【Smart Slot machine】 Introduced in November 2022
【Smart Pachinko】 Introduced in April 2023

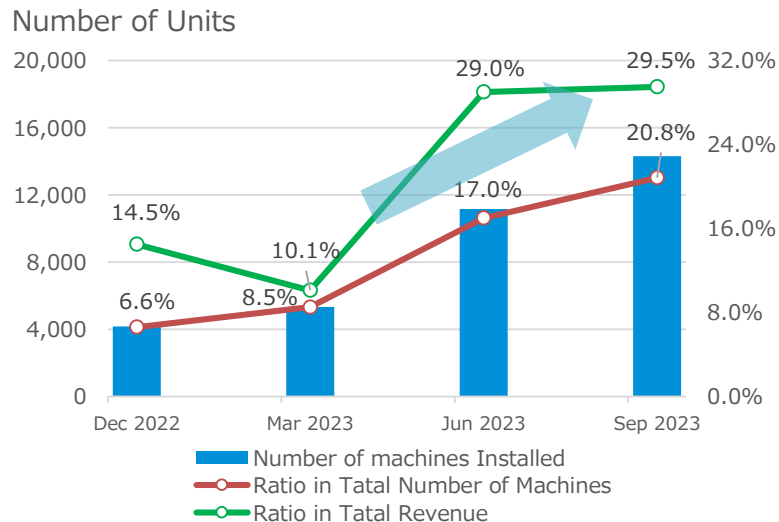
Merits for Users	Merits for Halls	Enhancement in Industry’s Soundness
□ Drastic enhancement in the specs due to the relaxation in the number of balls and tokens paid out □ Usability and increased trust in infection prevention brought by going ball/tokenless Expected increase in the gaming population	□ Carrying and washing balls and tokens to be unnecessary Promotion of low cost operation □ Bank equipment (feeder, etc.) unneeded, New halls’ initial cost reduction and Existing halls’ running cost reduction Expanded possibility of new arrangements in halls	□ Strengthening security and elimination of fraudulent gaming □ Strengthening measures for pachinko dependence issue Enhancement in industry’s social trust

3. Pachinko Business

(3) Introduction Record of Smart Gaming Machines and Growth Investment

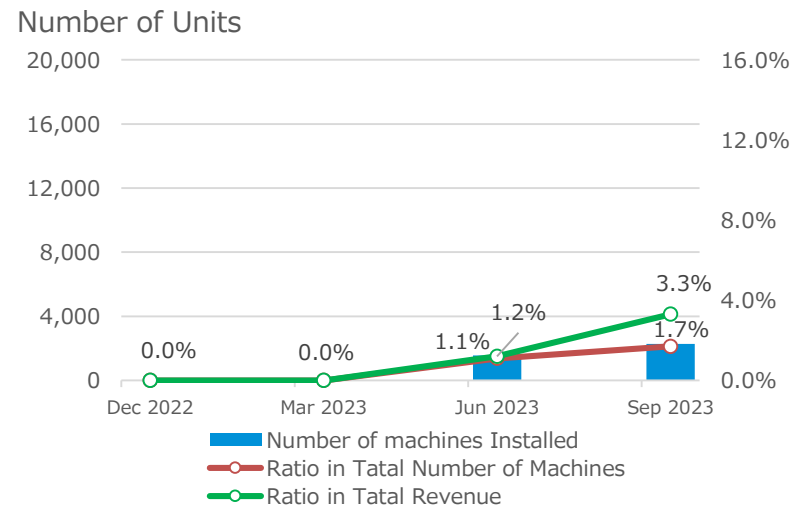
- The current number of our “smart slot machines” introduced starting from November 2022 is 14,312. The ratio of smart slot machines has increased to 20.8% and their gaming revenue ratio is increasing as well. Such slot machines are spreading well.
- The current number of our “smart pachinko machines” introduced starting from April 2023 is 2,351. The ratio of smart pachinko machines remains at 1.7%. The number of machines sold is small and any well selling machine model has not appeared yet. We plan continue investments into smart slot machines thereby enhancing revenue capability.

Smart Slot Introduction Record



Smart Slot Number of Units Mar: 5,337 → Sep: 14,312

Smart Pachinko Introduction Record



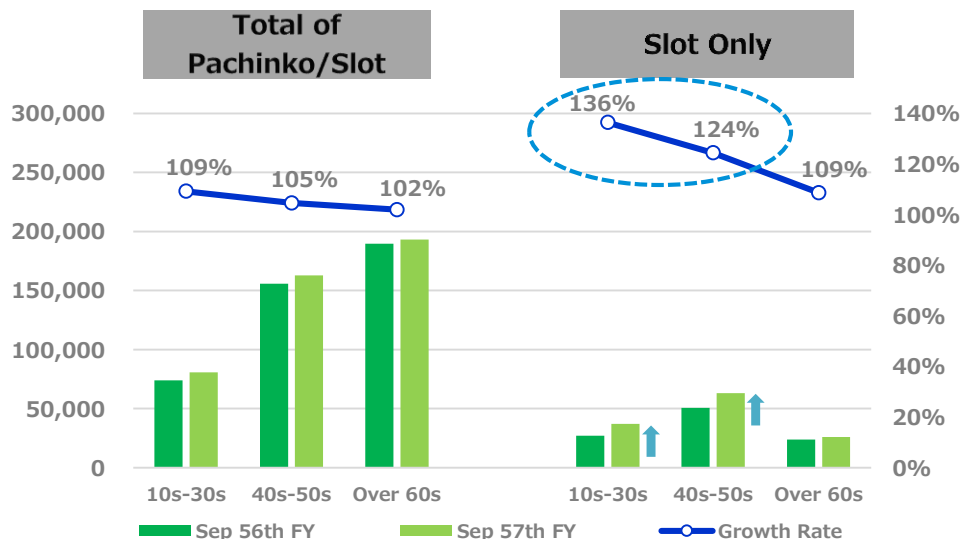
Smart Pachinko Number of Units Mar: 0 → Sep: 2,351

3. Pachinko Business

(4) Future Growth Strategy

- ☐ Increasing revenue through strengthening investments into smart gaming machines
- ☐ Enhancing revenue capability of flagship halls by large-scale renovation of existing halls
- ☐ Acquiring new users (Development of various age groups)
- ☐ Expanding the number of halls by continuing active M&A

Number of Customers by Age Group (YoY)



The number of young and middle age customers significantly increased due to the spread of smart slot machines.

Making Halls Supported by Various Customer Bases

Expanded possibility for development of new customers through the emergence of smart gaming machines

[Information]

Promoting the provision of information to deliver the enjoyment based on how to play pachinko and slot for acquiring new users

[Investment into smart gaming machines]

Provision of product line-up in line with preferentially securing smart gaming machines and customers' needs

[Environment]

Promoting to enhance existing halls' environments through renovation
Proposal of new playing environments based on smart gaming machines and investments for acquiring new customers like large-scale renovation

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4. Aircraft Leasing Business

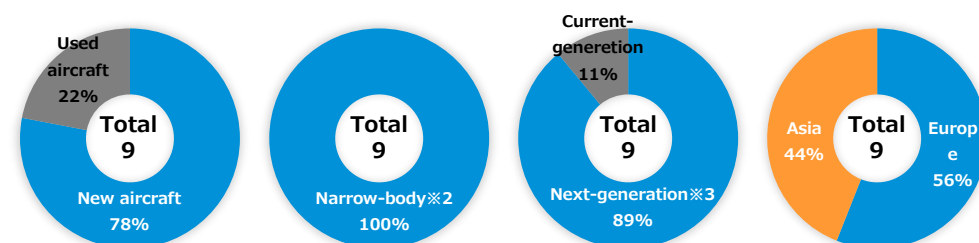
Highlight of business results (¥million)

	1H FY2024 (Apr.-Sep. 2023)	1H FY2023 (Apr.-Sep. 2022)	Changes
Lease revenue	2,188	1,045	+1,143
Net profit for the Period	515	139	+376
Operating assets	72,437	28,249	+44,188

Operating assets

	As of 30 Sep. 2023	As of 31 Mar. 2023	As of 30 Sep. 2022
The number of aircraft	13	6	4
Owned	9	6	4
Managed	4	0	0
Average age of aircraft (year)	1.7	2.1	2.5
Average remaining lease period (year)	5.8	5.3	4.5
Yield (%) ※Gross rate, Annual base	8.2	8.1	8.3

Breakdown by aircraft asset type and region



- Dynam Aviation has started an in-house aircraft lease management services which had been outsourced before by acquiring new staffs from this fiscal year.
- Dynam Aviation has started providing its aircraft lease management services to third parties. Lease revenue has been increased by expansion of operating assets and lease management fee income.
- Net profit for the Period has been also increased mainly due to increase of lease revenue.
- As of September 2023, Dynam Aviation owns 9 and manages 4 aircraft. The number of aircraft is expected to 17 by the end of this fiscal year.
- Dynam Aviation's aircraft portfolio is highly liquid, consisting of young age next-generation type narrow-body with long remaining lease periods.
- All lessees are low-cost carriers (LCCs) in Europe and Asia.

※1 Gross rate, Annual base

※2 Narrow-body single-aisle aircraft (Airbus A320 series and Boeing B737 series) used mainly on domestic routes and within the region.

※3 Aircraft equipped with fuel-efficient engines (Pratt & Whitney's PW1100G or CFM International's Leap)

4. Aircraft Leasing Business

<Growth strategies>

- **Increase in operating assets:** Dynam Aviation will expand its revenue by continuing to acquire next-generation type narrow-body aircraft and lease them to top tier airlines.
- **Portfolio diversification:** Dynam Aviation will continue to mitigate risk with diversified aircraft types, ages, lease periods, leased airlines and regions.
- **Providing various aircraft lease management services:** Dynam Aviation aims to increase fee income by providing various services (aircraft sourcing, lease management, remarketing, deal advisory, market trends and know-how) to third parties.

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

Macau Market

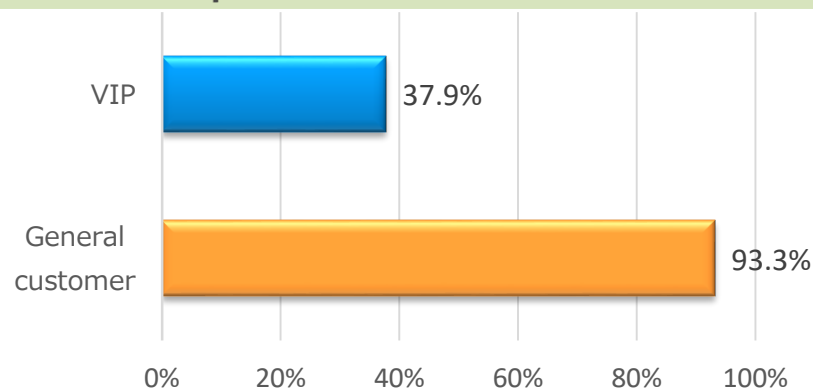
(¥Billion)

		2023 Jan. to Sep.	2022 Jan. to Sep.	Increase/ Decrease	Compared with 2022	Compared with pre-covid year (2019)
GGR		2,390.6	589.9	+1,800.7	405.2%	58.5%
Seg- ment	VIP	602.3	148.0	+454.3	407.0%	31.6%
	General customer	1,788.3	441.9	+1,346.4	404.7%	82.2%

Source: Prepared Based on "Monthly Gross Revenue from Games of Fortune" on Website of DICJ (Macau gaming authority)
Exchange Rate: ¥18.54 to MOP\$1.00

Full lifting of boarder restrictions this year has largely increased the number of visitors. GGR has recovered up to 58.5% in comparison with 2019.

GGR during the Latest Quarter (Jul.-Sep.) in Comparison with Pre-covid Year



- The recovery of GGR from VIP remains limited due to restrictions against junkets* strengthened by the Macau gaming authority.
- Casino operators are strengthening services for general customers, and GGR from them during the latest quarter has recovered up to 93.3% in comparison with the pre-covid year.
- Gaming machines with general customer oriented concept developed by us will match the future market trend.
- We are currently negotiating detailed conditions for starting trials with major casino operators in Macau.

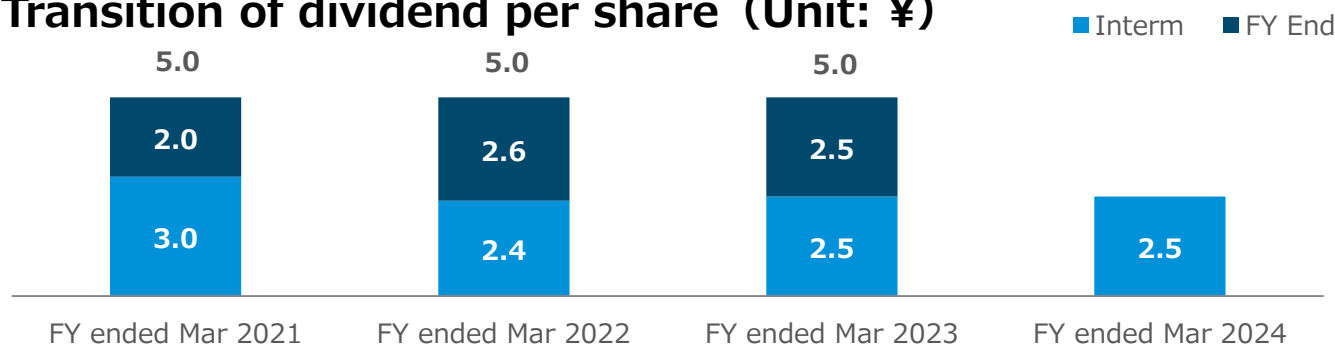
***Business operator targeting to lure VIP and providing them with loans**

Interim Dividend ¥2.5 per Share

■ Dividend Amount

	Interim Dividend	Previous Interim Dividend	Previous Final Dividend
Record Date	14 December 2023	13 December 2022	5 June 2023
Dividend per Share	¥2.5	¥2.5	¥2.5
Total Amount	¥1,762 million	¥1,791 million	¥1,783 million
Payment Date	12 January 2024	13 January 2023	23 June 2023

■ Transition of dividend per share (Unit: ¥)



(Note) During this interim period, 7,688,600 shares of treasury stock (approximately 1.1% of issued shares) were purchased in the market.

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5. Financial Summary

Consolidated Statement of Profit or Loss (IFRS)

(¥million)

	1H FY2023 (Apr.-Sept. 2023)	1H FY2022 (Apr.-Sept. 2022)	Changes	Main Factors
Revenue	64,375	56,195	+8,180	
Pachinko business	62,187	55,150	+7,037	High playing cost halls 29,246 : YoY + 2,187 Low playing cost halls 32,941 : YoY +4,850
Aircraft leasing business	2,188	1,045	+1,143	
Pachinko business Expenses	59,208	52,246	+6,962	Increase in depreciation expenses of pachinko and pachislot machines +5,990 Increase in utilities +320 Decrease in labor cost for hall operation ▲209 Increase in repair and maintenance expenses +687
Aircraft leasing expenses	1,322	669	+653	
General and administrative Expenses	2,144	2,048	+96	
Other Income	3,963	4,950	▲987	Previous interim period: Compensation for removal of halls 817(Linear-chuo-shinkansen : DY Nagano Iida hall)
Other Expenses	1,264	2,301	▲1,037	Decrease in impairment loss related to halls ▲651
Operating profit	4,400	3,881	+519	
Finance Income	419	173	+246	
Finance Expenses	1,895	1,736	+159	
Profit before Income Tax	2,924	2,318	+606	
Net profit for the Period	1,874	1,183	+691	
EBITDA	26,763	19,939	+6,824	

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

5. Financial Summary

Consolidated Statement of Financial Position (IFRS)

(¥million)

	As at 30 Sep. 2023	As at 31 Mar. 2023	Changes	Major Breakdown / Y o Y			
				Account	As at 30 Sep. 2023	As at 31 Mar. 2023	Changes
Total Assets	354,117	325,608	+28,509	Aircraft	72,437	41,130	+31,307
				Pachinko and pachislot machines	35,814	36,281	▲467
				Other Property, plant and equipment	71,328	69,465	+1,863
				Right-of-use assets	83,866	76,741	+7,125
				Cash and cash equivalents	44,090	59,605	▲15,515
Total Liabilities	221,682	197,181	+24,501	Lease liabilities	98,767	91,697	+7,070
				Accounts payable , Accrued expenses	14,390	14,732	▲342
				Interest bearing liabilities	87,607	72,167	+15,440
Capital	15,000	15,000	-				
Reserve, etc.	117,435	113,427	+4,008	Net profit(attributable to owners of the Company)	1,873	1,806	+67
				Dividend paid	▲1,783	▲3,669	+1,886
Total Equity	132,435	128,427	+4,008	Consolidated equity ratio	37.4%	39.4%	▲2.0
Total liabilities and equity	354,117	325,608	+28,509				

Interest Bearing Liabilities and Equity Ratio (IFRS)

(¥million)

【 Consolidated Interest Bearing Liabilities 】

	As at 30 Sep. 2023	Ratio	As at 31 Mar. 2023	Ratio
Cash and cash equivalents	44,090	12.5%	59,605	18.3%
Total Interest bearing liabilities	87,607	24.7%	72,167	22.2%
Interest bearing liabilities (recourse loan)	43,733	12.3%	47,090	14.5%
Interest bearing liabilities (non-recourse loan)	43,874	12.4%	25,077	7.7%
Net Cash	▲43,517	▲12.2%	▲12,562	▲3.9%
Total Assets	354,117	100.0%	325,608	100.0%

【 Consolidated Equity Ratio 】

	As at 30 Sep. 2023	Ratio	As at 31 Mar. 2023	Ratio
Capital	15,000	4.2%	15,000	4.6%
Reserve, etc.	117,435	33.2%	113,427	34.8%
Total Equity	132,435	37.4%	128,427	39.4%
Total Assets	354,117	100.0%	325,608	100.0%

Financial Statement of DYNAM (JGAAP)

(¥million)

	1H FY2023 (Apr.-Sept. 2023)	1H FY2022 (Apr.-Sept. 2022)	Changes	Main Factors
Revenue	56,862	50,497	6,365	P YoY : +52 S YoY : +6,312
Commission from vending machines	1,651	1,408	+243	
Selling, General and Administrative expenses	56,939	50,765	+6,174	Expenses related to machines YoY: +5,624 Personnel expenses YoY: ▲464 Utilities YoY: +322 Repair and maintenance +683
Operating profit	1,574	1,140	+434	
Ordinary profit	1,698	1,327	+371	
Extraordinary income	-	818	▲818	Previous interim period: Compensation for removal of Nagano Iida hall 817
Extraordinary loss	20	242	▲222	
Net profit for the period	1,038	1,226	▲188	
	As at 30 Sep. 2023	As at 31 Mar.2023	Changes	Main Factors
Total Assets	139,492	141,312	▲1,820	
Total Liabilities	54,621	55,829	▲1,208	
Net Assets	84,871	85,483	▲612	Net profit +1,038 Dividend paid to the parent ▲1,791
Equity ratio	60.8%	60.5%	+0.3	

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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.

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