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DYNAM JAPAN HOLDINGS Co., Ltd.

(incorporated in Japan with limited liability)

(Stock Code: 06889)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

HIGHLIGHTS

- Our gross pay-ins were ¥562,029 million (or HK\$29,060 million[△]), recording an increase of 10.7% as compared with the year ended 31 March 2023;
- Our total revenue was ¥130,363 million (or HK\$6,740 million[△]), recording an increase of 11.2% as compared with the year ended 31 March 2023;
- Our profit before income tax was ¥5,435 million (or HK\$281 million[△]), recording an increase of 38.0% as compared with the year ended 31 March 2023;
- Our net profit for the period attributable to owners of the Company was ¥3,384 million (or HK\$175 million[△]), recording an increase of 87.4% as compared with the year ended 31 March 2023;
- We operated 433 halls as at 31 March 2024 (429 halls as at 31 March 2023);
- Basic earnings per share of the Company were ¥4.8 (or HK\$0.2[△]); and
- The Board has resolved to declare a final dividend of ¥2.5 per ordinary share (interim: ¥2.5 per ordinary share).

[△] Translated into Hong Kong dollars at the rate of ¥19.34 to HK\$1.00, the exchange rate prevailing on 29 March 2024 (i.e. the last business day in Japan in March 2024).

Note: The above % increase and decrease are referred to the changes in respect of the Japanese yen amounts but not the translated amounts in Hong Kong dollars.

The board (the “Board”) of directors (the “Directors”) of DYNAM JAPAN HOLDINGS Co., Ltd. (the “Company”) is pleased to announce the annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2024. The results have been audited by PricewaterhouseCoopers Japan LLC, the Company’s auditor and the audit committee of the Company (the “Audit Committee”).

CURRENCY TRANSLATIONS

For the purpose of illustration only and unless otherwise specified in this announcement, certain amounts denominated in Japanese yen are translated into Hong Kong dollars at the rate described below:

1. ¥19.34 to HK\$1.00, the exchange rate prevailing on 29 March 2024 (i.e. the last business day in Japan in March 2024).
2. ¥17.01 to HK\$1.00, the exchange rate prevailing on 31 March 2023 (i.e. the last business day in Japan in March 2023).

No representation is made that the Japanese yen amounts could have been, or could be, converted into Hong Kong dollars, or vice versa, at such rates or at any other rates on such date or on any other dates.

BUSINESS OVERVIEW

Pachinko Business

The Group will maximize leverage of its position as the pachinko industry's leading company in terms of the number of pachinko halls and will steadily accumulate profits over the long-term through multiple-hall development and low cost operations.

Initiatives to Realise Everyday Entertainment

Our vision is to reinvent pachinko gaming as a form of everyday entertainment that everyone can easily enjoy, as a regional infrastructure. To realise everyday entertainment, we must manage our business so that our customers consider the time and money they spend in our halls are at acceptable levels for everyday entertainment.

Therefore, the Group practices chain store management as one of its management policies.

We are building a framework that enable us to fully leverage the advantages derived from multiple-hall development, and manage all hall operations at low cost.

Managing our pachinko halls at low cost leaves space to enable us to entertain customers with low playing cost games, which in turn leads to the realizing of everyday entertainment.

Multiple-Hall Development and Low-Cost Operations are the Source of Profit

A feature of the Group's chain store management is multiple-hall development and low cost operations centered on low playing cost games. Devising low cost measures and the expertise needed from store openings to store management are crucial in promoting low playing cost games. By reaping the benefits of the economies of scale through multiple-hall development when purchasing game machines and general prizes, the Group has positioned itself in a strong, advantageous position to develop the pachinko hall operation business. Moving forward, we will continue to leverage our status as the pachinko industry's leading company in terms of the number of pachinko halls and steadily accumulated profits over the long term by implementing chain store management.

Multiple-hall development

The Group is implementing multiple-hall development based on its theory of chain store operations by opening new standardized halls and acquiring other pachinko hall operators into the Group to drive an increase in the number of halls.

Opening new standardized halls

The Group is controlling its initial opening costs by standardizing hall types and concentrating on opening halls in smaller populated regional areas. At the same time, the Group is reaping the benefits of the economies of scale of multiple-hall development to limit purchasing cost of gaming machines and general prizes.

— *Targeting small business areas with 30,000 to 50,000 residents*

The Group is promoting a suburban strategy for hall development by opening new halls in small regional business areas with 30,000 to 50,000 residents.

— *Standardizing hall specifications*

The Group standardizes the interior layout and installation number of gaming machines of the halls. This has enabled the Group to cut down initial investment costs and period of construction.

— *Wood-frame halls on land leased for 10 to 20 years*

As a rule of thumb, the Group constructs wood-frame halls on leased land to avoid excessive investment in land purchases, so as to scrap the halls easily if market conditions change in the future.

Acquiring other pachinko hall operators into the Group

Making the most of its advantage as a listed company, the Group implements schemes such as share exchange and company split to acquire other pachinko hall operators into the Group and expand its network of halls. The Group's examples up to the Reporting Period are as shown below.

Date	Details
1 November 2015	Yume Corporation acquired into the Group through share exchange
20 January 2022	One pachinko hall acquired from another operator through absorption type company split
15 December 2022	One pachinko hall acquired from another operator through absorption type company split
31 July 2023	Five pachinko halls acquired from another operator through absorption type company split
1 December 2023	Two pachinko halls acquired from another operator through absorption type company split

Low-cost operations

By reaping the benefits of the economies of scale, the Group has used second-hand gaming machines, established distribution centers and leveraged ICT to streamline hall operations and optimize major costs such as gaming machine and personnel expenses, which account for approximately 60% of hall operating expenses.

Using second-hand gaming machines and establishing distribution centers

The Group not only installs the newest and most popular hit models of gaming machines, but also an array of second-hand ones procured at low cost in its halls. The Group has established 16 distribution centers throughout Japan, each of which covers the logistical needs and facilitates the sharing of gaming machines among halls. The gaming machines installed in the halls are centrally managed according to coverage area by these distribution centers. The centers help the Group to flexibly manage the lineup of gaming machines in the halls.

Use of ICT systems

The Group has installed an individual ball counter system to manage the number of pachinko balls and pachislot tokens that come out of each gaming machine in the halls. This serves to improve staff's productivity and reduce personnel expenses as well as saving time and effort for customers. Apart from that, ICT systems are applied strategically to streamline and reduce the cost of corporate functions including hall management, formulation of marketing strategies, personnel administration and accounting.

Aircraft Leasing Business

The Company aspires to achieve steady growth and sustainable development through the Aircraft Leasing Business.

WITH THE GROWTH OF THE AVIATION INDUSTRY

The Company aspires to achieve steady growth and sustainable development by operating lease of aircraft to airlines around the world. The Company maintains a high-quality portfolio of narrow-body aircraft with fuel-efficient next-generation engines that are popular in the market and contribute to the reduction of the aviation industry's environmental impact and sustainable growth.

MANAGEMENT ORGANIZATION BY EXPERIENCED SPECIALISTS

In Dublin, Ireland, the hub of aircraft leasing, nine experienced specialists, including a Japanese CEO, are stationed to handle all aspects of leasing operations, from aircraft sourcing to lease management, remarketing, and sale. The Company aims to become an aircraft leasing company that owns and manages approximately 30 aircraft.

RECENT ACTIVITIES

During the reporting period, the Company acquired four aircraft for operating lease and started lease management seven aircraft owned by other companies. As of 31 March 2024, the Company had ten owned aircraft, seven managed aircraft, and no committed aircraft.

The composition of the owned aircraft, managed aircraft, and committed aircraft as of 31 March 2024:

Aircraft type	Owned aircraft	Managed aircraft	Committed aircraft	Total
Airbus A320 series	10	6	0	16
Boeing 737 series	0	1	0	1

During the reporting period, there was no sale and disposal of aircraft.

All aircraft on lease are operating leases and there was no deferral of lease payments.

FINANCIAL REVIEW

The following table sets forth the gross pay-ins, gross payouts, and revenue by type of hall and segment for the year indicated:

	For the year ended 31 March				Changes ⁽³⁾ %
	2024		2023		
	(in millions, except for percentages)				
	¥	HK\$ ⁽¹⁾	¥	HK\$ ⁽²⁾	
Gross pay-ins					
— High playing cost halls	294,033	15,203	274,204	16,120	7.2%
— Low playing cost halls	267,996	13,857	233,648	13,736	14.7%
Total gross pay-ins	<u>562,029</u>	<u>29,060</u>	<u>507,852</u>	<u>29,856</u>	<u>10.7%</u>
Gross payouts					
— High playing cost halls	235,567	12,180	218,211	12,829	8.0%
— Low playing cost halls	201,982	10,444	175,310	10,306	15.2%
Total gross payouts	<u>437,549</u>	<u>22,624</u>	<u>393,521</u>	<u>23,135</u>	<u>11.2%</u>
Revenue from pachinko business					
— High playing cost halls	58,466	3,023	55,993	3,291	4.4%
— Low playing cost halls	66,014	3,413	58,338	3,430	13.2%
Total revenue from pachinko business	<u>124,480</u>	<u>6,436</u>	<u>114,331</u>	<u>6,721</u>	<u>8.9%</u>
Revenue from aircraft leasing business	<u>5,883</u>	<u>304</u>	<u>2,875</u>	<u>169</u>	<u>104.6%</u>
Total revenue	<u>130,363</u>	<u>6,740</u>	<u>117,206</u>	<u>6,890</u>	<u>11.2%</u>

(1) Translated into Hong Kong dollars at the rate of ¥19.34 to HK\$1.00, the exchange rate prevailing on 29 March 2024 (i.e. the last business day in Japan in March 2024).

(2) Translated into Hong Kong dollars at the rate of ¥17.01 to HK\$1.00, the exchange rate prevailing on 31 March 2023 (i.e. the last business day in Japan in March 2023).

(3) The increase and decrease referred to the changes in respect of the Japanese yen amounts but not the translated amounts in Hong Kong dollars.

The consolidated financial results of the Group for the year ended 31 March 2024 were as follows;

Consolidated revenue from the pachinko business and the aircraft leasing business was ¥130,363 million (equivalent to approximately HK\$6,740 million), 111.2% of the previous year. Consolidated operating profit was ¥8,983 million (equivalent to approximately HK\$464 million), 132.8% of the previous year. Consolidated net profit for the year was ¥3,385 million (equivalent to approximately HK\$175 million), 188.3% of the previous year. Consolidated revenue and net profit for the year ended 31 March 2024 increased from the previous year.

Pachinko Business

During the year ended 31 March 2024, the economy in Japan was on its gentle recovery path thanks to improvements in the employment and income situation, the increased inbound demand and etc. whereas the future outlook remained uncertain due to staying high energy prices, concerns of continuing inflation outperforming wage increase and so forth.

As for pachinko industry, the number of halls put out of business increased due to declining customers and investments in property, plant and equipment on demand. On the other hand, bipolarisation trend appeared in the industry due to a progress in the restructuring of the industry through leading companies' mergers and acquisitions. In relation to smart pachinko and pachislot machines whose installation started from November 2022 on, since the smart pachislot machine installation ratio had recently increased as a result of a progress in its installation, revenue from pachislot machines tended to significantly increase.

Under this environment, the Group remodeled many halls to increase the number of pachislot machines triggered by the introduction of smart pachislot machines. The Group will make efforts to improve its profitability through large scale renovation of aging high playing cost halls mainly for the betterment of its competitiveness.

Set out below is detailed performance of our gross pay-ins, gross payouts, and revenue for this fiscal year.

Gross Pay-Ins

Gross pay-ins represents the amount received from pachinko balls and pachislot tokens rented to customers less unutilised balls and tokens.

Our total gross pay-ins increased by ¥54,177 million (equivalent to approximately HK\$2,801 million*), or 10.7%*, from ¥507,852 million (equivalent to approximately HK\$29,856 million) for the year ended 31 March 2023 to ¥562,029 million (equivalent to approximately HK\$29,060 million) for the year ended 31 March 2024.

Our gross pay-ins by hall type are as follows:

Gross pay-ins for high playing cost halls increased by ¥19,829 million (equivalent to approximately HK\$1,025 million*), or 7.2%*, from ¥274,204 million (equivalent to approximately HK\$16,120 million) for the year ended 31 March 2023 to ¥294,033 million (equivalent to approximately HK\$15,203 million) for the year ended 31 March 2024.

Gross pay-ins for low playing cost halls increased by ¥34,348 million (equivalent to approximately HK\$1,776 million*), or 14.7%*, from ¥233,648 million (equivalent to approximately HK\$13,736 million) for the year ended 31 March 2023 to ¥267,996 million (equivalent to approximately HK\$13,857 million) for the year ended 31 March 2024.

Gross Payouts

Gross payouts represents the aggregate cost of G-prizes and general prizes exchanged at our halls by our customers.

Our total gross payouts increased by ¥44,028 million (equivalent to approximately HK\$2,277 million*), or 11.2%*, from ¥393,521 million (equivalent to approximately HK\$23,135 million) for the year ended 31 March 2023 to ¥437,549 million (equivalent to approximately HK\$22,624 million) for the year ended 31 March 2024.

Our gross payouts by hall type are as follows.

Gross payouts for high playing cost halls increased by ¥17,356 million (equivalent to approximately HK\$898 million*), or 8.0%*, from ¥218,211 million (equivalent to approximately HK\$12,829 million) for the year ended 31 March 2023 to ¥235,567 million (equivalent to approximately HK\$12,180 million) for the year ended 31 March 2024. The increase was primarily due to the increase in gross pay-ins.

Gross payouts for low playing cost halls increased by ¥26,672 million (equivalent to approximately HK\$1,379 million*), or 15.2%*, from ¥175,310 million (equivalent to approximately HK\$10,306 million) for the year ended 31 March 2023 to ¥201,982 million (equivalent to approximately HK\$10,444 million) for the year ended 31 March 2024. The increase was primarily due to the increase in gross pay-ins.

Revenue from Pachinko Business and Revenue Margin

Our revenue from pachinko business represents the gross pay-ins, less gross payouts to customers and our revenue margin from pachinko business represents revenue from pachinko business divided by gross pay-ins.

Our revenue increased by ¥10,149 million (equivalent to approximately HK\$524 million*), or 8.9%*, from ¥114,331 million (equivalent to approximately HK\$6,721 million) for the year ended 31 March 2023 to ¥124,480 million (equivalent to approximately HK\$6,436 million) for the year ended 31 March 2024.

Our revenue from pachinko business and revenue margin by hall type are as follows.

Revenue from pachinko business for high playing cost halls increased by ¥2,473 million (equivalent to approximately HK\$127 million*), or 4.4%*, from ¥55,993 million (equivalent to approximately HK\$3,291 million) for the year ended 31 March 2023 to ¥58,466 million (equivalent to approximately HK\$3,023 million) for the year ended 31 March 2024. The revenue margin for the year ended 31 March 2024 decreased by 0.5 percentage points to 19.9% year-on-year.

Revenue from pachinko business for low playing cost halls increased by ¥7,676 million (equivalent to approximately HK\$397 million*), or 13.2%*, from ¥58,338 million (equivalent to approximately HK\$3,430 million) for the year ended 31 March 2023 to ¥66,014 million (equivalent to approximately HK\$3,413 million) for the year ended 31 March 2024. The revenue margin for the year ended 31 March 2024 decreased by 0.4 percentage points to 24.6% year-on-year.

Pachinko Business Expenses

Pachinko business expenses for the year ended 31 March 2024 was ¥118,673 million (equivalent to approximately HK\$6,136 million), recording an increase by ¥8,189 million (equivalent to approximately HK\$423 million*), or 7.4%* as compared to the previous fiscal year of ¥110,484 million (equivalent to approximately HK\$6,494 million). The increase in pachinko business expenses was due primarily to an increase in depreciation expenses of pachinko and pachislot machines and repair and maintenance expenses at halls.

Our Pachinko business expenses by hall type are as follows.

Pachinko business expenses for high playing cost halls increased by ¥4,347 million (equivalent to approximately HK\$224 million*), or 8.6%*, from ¥50,298 million (equivalent to approximately HK\$2,957 million) for the year ended 31 March 2023 to ¥54,645 million (equivalent to approximately HK\$2,825 million) for the year ended 31 March 2024.

Pachinko business expenses for low playing cost halls increased by ¥3,842 million (equivalent to approximately HK\$199 million*), or 6.4%*, from ¥60,186 million (equivalent to approximately HK\$3,537 million) for the year ended 31 March 2023 to ¥64,028 million (equivalent to approximately HK\$3,311 million) for the year ended 31 March 2024.

Aircraft Leasing Business

As for aircraft leasing business, the Group purchased 4 new aircraft during this reporting period, resulting in its owning 10 aircraft.

The Group constructed an in-house organization to manage lease assets and will be expanding our earning power by aircraft lease management services to third parties.

Set out below is detailed performance of revenue from aircraft leasing business and aircraft leasing expenses for the year ended 31 March 2024.

Revenue from Aircraft Leasing Business

Revenue from aircraft leasing business increased by ¥3,008 million (equivalent to approximately HK\$156 million*), or 104.6%*, from ¥2,875 million (equivalent to approximately HK\$169 million) for the year ended 31 March 2023 to ¥5,883 million (equivalent to approximately HK\$304 million) for the year ended 31 March 2024.

The increase in revenue from aircraft leasing business was due primarily to the start of new lease for new aircraft acquired during this reporting period.

Aircraft Leasing Expenses

Aircraft leasing expenses increased by ¥1,416 million (equivalent to approximately HK\$73 million*), or 77.2%*, from ¥1,834 million (equivalent to approximately HK\$108 million) for the year ended 31 March 2023 to ¥3,250 million (equivalent to approximately HK\$168 million) for the year ended 31 March 2024.

The increase in expenses from aircraft leasing business was due primarily to the start of new lease for new aircraft acquired during this reporting period.

General and Administrative Expenses

General and administrative expenses decreased by ¥133 million (equivalent to approximately HK\$7 million*), or 3.1%*, from ¥4,309 million (equivalent to approximately HK\$253 million) for the year ended 31 March 2023 to ¥4,176 million (equivalent to approximately HK\$216 million) for the year ended 31 March 2024.

Other Income

Other income decreased by ¥1,102 million (equivalent to approximately HK\$57 million*), or 12.7%*, from ¥8,663 million (equivalent to approximately HK\$509 million) for the year ended 31 March 2023 to ¥7,561 million (equivalent to approximately HK\$391 million) for the year ended 31 March 2024. The main reason for the decrease was a decrease in compensation income for removal of halls.

Other Operating Expenses

Other operating expenses increased by ¥364 million (equivalent to approximately HK\$19 million*), or 14.7%*, from ¥2,478 million (equivalent to approximately HK\$146 million) for the year ended 31 March 2023 to ¥2,842 million (equivalent to approximately HK\$147 million) for the year ended 31 March 2024.

Finance Income

Finance income increased by ¥357 million (equivalent to approximately HK\$18 million*), or 79.3%*, from ¥450 million (equivalent to approximately HK\$26 million) for the year ended 31 March 2023 to ¥807 million (equivalent to approximately HK\$42 million) for the year ended 31 March 2024. The main reason for the increase was an increase in gain on foreign currency exchange.

Finance Expenses

Finance expenses increased by ¥1,078 million (equivalent to approximately HK\$56 million*), or 32.9%*, from ¥3,277 million (equivalent to approximately HK\$193 million) for the year ended 31 March 2023 to ¥4,355 million (equivalent to approximately HK\$225 million) for the year ended 31 March 2024. The main reason for the increase was an increase in interest expenses on bank borrowings.

* The increase and decrease referred to the changes in respect of the Japanese yen amounts but not the translated amounts in Hong Kong dollars.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2024

	<i>Note</i>	2024 ¥ million	2023 ¥ million
Revenue	6, 7	130,363	117,206
Revenue from pachinko business	6, 7	124,480	114,331
Revenue from aircraft leasing business	6, 7	5,883	2,875
Pachinko business expenses	9	(118,673)	(110,484)
Aircraft leasing expenses	10	(3,250)	(1,834)
General and administrative expenses		(4,176)	(4,309)
Other income		7,561	8,663
Other operating expenses		(2,842)	(2,478)
Operating profit		8,983	6,764
Finance income		807	450
Finance expenses		(4,355)	(3,277)
Profit before income tax		5,435	3,937
Income taxes	11	(2,050)	(2,139)
Net profit for the year		3,385	1,798
Attributable to:			
Owners of the Company		3,384	1,806
Non-controlling interests		1	(8)
Net profit for the year		3,385	1,798
Earnings per share	13		
Basic (¥)		4.8	2.5
Diluted (¥)		4.8	2.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 ¥ million	2023 ¥ million
Net profit for the year		3,385	1,798
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation surplus for properties		34	158
— Income tax effect arising from revaluation surplus for properties		—	(50)
Changes in fair value of financial assets measured at fair value through other comprehensive income		(720)	(596)
— Income tax effect of changes in fair value of financial assets measured at fair value through other comprehensive income		(112)	(30)
		<u>(798)</u>	<u>(518)</u>
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		5,448	1,871
Cash flow hedge		65	(1,196)
— Income tax effect of changes in cash flow hedge		(18)	152
		<u>5,495</u>	<u>827</u>
Other comprehensive income for the year, net of tax		<u>4,697</u>	<u>309</u>
Total comprehensive income for the year		<u><u>8,082</u></u>	<u><u>2,107</u></u>
Attributable to:			
Owners of the Company		8,081	2,115
Non-controlling interests		1	(8)
		<u><u>8,082</u></u>	<u><u>2,107</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2024

	<i>Note</i>	2024 ¥ million	2023 ¥ million
Non-current assets			
Property, plant and equipment		183,361	146,876
Right-of-use assets		84,129	76,741
Investment properties		4,971	4,119
Intangible assets		7,001	3,730
Financial assets measured at fair value through other comprehensive income		1,823	1,706
Lease receivables		6,544	6,681
Deferred tax assets		10,443	9,811
Other non-current assets		6,795	6,778
		305,067	256,442
Current assets			
Inventories		2,787	1,616
Trade receivables	15	457	407
Lease receivables		1,863	1,880
Prizes in operation of pachinko halls		2,878	2,896
Income taxes receivables		409	804
Other current assets		2,475	1,958
Cash and cash equivalents		50,109	59,605
		60,978	69,166
TOTAL ASSETS		366,045	325,608
Current liabilities			
Trade and other payables	14	14,904	14,732
Borrowings		21,083	16,629
Lease liabilities		10,572	10,749
Provisions		1,523	1,540
Income taxes payables		1,480	600
Other current liabilities		10,749	9,590
		60,311	53,840

	<i>Note</i>	2024 ¥ million	2023 ¥ million
Net current assets		<u>667</u>	<u>15,326</u>
Total assets less current liabilities		<u>305,734</u>	<u>271,768</u>
Non-current liabilities			
Deferred tax liabilities		197	30
Borrowings		79,241	55,538
Lease liabilities		87,436	80,948
Other non-current liabilities		1,555	1,137
Provisions		<u>5,817</u>	<u>5,688</u>
		<u>174,246</u>	<u>143,341</u>
NET ASSETS		<u>131,488</u>	<u>128,427</u>
Capital and reserves			
Share capital		15,000	15,000
Capital reserve		5,776	7,129
Treasury shares		(193)	(70)
Retained earnings		106,816	106,977
Other components of equity		<u>4,086</u>	<u>(611)</u>
Equity attributable to owners of the Company		131,485	128,425
Non-controlling interests		<u>3</u>	<u>2</u>
TOTAL EQUITY		<u>131,488</u>	<u>128,427</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1. GENERAL INFORMATION

DYNAM JAPAN HOLDINGS Co., Ltd. (the “Company”) was incorporated in Japan under the Companies Act on 20 September 2011. The address of its registered office and principal place of business in Japan are 2-25-1-702 Nishi-Nippori, Arakawa-ku, Tokyo 116-0013, Japan and the principal place of business in Hong Kong is Unit 1, 32nd Floor, Hong Kong Plaza, 188 Connaught Road West, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 6 August 2012.

The consolidated financial statements of the Company as at 31 March 2024 consist of the Company and its subsidiaries (the “Group”). The Group has identified and disclosed two reportable segments, namely ‘Pachinko business’ and ‘Aircraft leasing business’.

The consolidated financial information was approved and authorised for issuance by the Board of Directors on 23 May 2024.

In the opinion of the directors of the Company, as at 31 March 2024, Mr. Yoji Sato and Sato Family Members are the ultimate controlling parties of the Company.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets measured at fair value through other comprehensive income, investment properties which are carried at their fair value and derivative financial instruments which are carried at their fair values.

3. USE OF ESTIMATES AND JUDGEMENTS

In the preparation of the Group’s consolidated financial statements, management is required to make estimates, judgments and assumptions about the reporting amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods, if the revision affects both current and future periods.

4. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The following new amendments to existing standards have been issued and effective for annual periods beginning on 1 April 2023 with no material impact on the Group's results of operations and financial positions:

- IAS 1 (Amendment), "Presentation of Financial Statements"
- IAS 8 (Amendment), "Accounting Policies, Changes in Accounting Estimates and Errors"
- IAS 12 (Amendment), "Income taxes"

In relation to IAS 12 (Amendment), "Income taxes", the Group has applied the amendment to IAS 12 "deferred tax on assets and liabilities arising from a single transaction" since 1 April 2023. This amendment narrows the scope of the initial recognition exemption, resulting in transactions in which equal amounts of deductible and taxable temporary differences (leases, decommissioning obligations, etc.) to be netted each other arise being out of the scope of the initial recognition exemption. The Group is required to record deferred tax on lease and decommissioning obligations retrospectively from the beginning of the oldest comparative reporting period and record a cumulative impact as an adjustment to the beginning balance of retained earnings at the oldest comparative reporting period. This amendment has applied to all of other transactions since the beginning of the oldest comparative reporting period.

Since the Group had recorded deferred tax on leases and decommissioning obligations by applying "integrally linked" approach, the Group reached the same consequence as the case with this amendment to IAS 12 except that deferred tax assets and deferred tax liabilities were netted. In accordance with this amendment to IAS 12, the Group recorded deferred tax assets on lease liabilities and deferred tax liabilities on right-of-use assets separately. However, there was no impact on the balances of deferred tax assets and deferred tax liabilities in the consolidated statement of financial position due to their being under the scope of netting deferred tax assets and deferred tax liabilities pursuant to "IAS 12 74". There was also no impact on the balance of retained earnings as at 1 April 2022. There were impacts mainly on the information with regard to deferred tax.

5. NEW STANDARDS, AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATIONS THAT ARE PUBLISHED BUT HAVE NOT YET BEEN ADOPTED BY THE GROUP

The new standards, amendments to existing standards and interpretations have been published before the approval date of the consolidated financial statements, but the Group has not early adopted are as follows. The impact to the consolidated financial statements through adoption is still under investigation and it is difficult to estimate at this moment.

IFRS		Mandatory for fiscal year beginning on or after	Adopted by the group from fiscal year ending	Summary of new standards and amendments
IAS 1 (Amendment)	Presentation of Financial Statements	1 January 2024	31 March 2025	Classification of Liabilities as Current or Non-current and Disclosure of information on non-current liabilities with covenants
IAS 7 (Amendment)	Cash flows	1 January 2024	31 March 2025	Disclosure of information on supplier finance arrangements
IFRS 7 (Amendment)	Financial instruments: Disclosures	1 January 2024	31 March 2025	Disclosure of information on supplier finance arrangements
IFRS 16 (Amendment)	Leases	1 January 2024	31 March 2025	Clarification of subsequent measurement requirements for sale and leaseback transactions
IAS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rates	1 January 2025	31 March 2026	Requirement to specify when a currency is exchangeable into another currency and when it is not, specify how an entity determines the exchange rate to apply when a currency is not exchangeable, and requires the disclosure of additional information when a currency is not exchangeable.
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	31 March 2028	Redefining financial performance reporting
IFRS 10 (Amendment)	Consolidated Financial Statements	To be determined	To be determined	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture
IAS 28 (Amendment)	Investments in Associates and Joint Ventures	To be determined	To be determined	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture

6. REVENUE

	2024 ¥ million	2023 ¥ million
Gross pay-ins	562,029	507,852
Less: Gross payouts	<u>(437,549)</u>	<u>(393,521)</u>
Revenue from pachinko business	124,480	114,331
Revenue from aircraft leasing business	<u>5,883</u>	<u>2,875</u>
Revenue	<u><u>130,363</u></u>	<u><u>117,206</u></u>

'Revenue from pachinko business' is recognised from the transfer of goods at a point in time in accordance with IFRS 15 'Revenue from contracts with customers', and 'Revenue from aircraft leasing business' is recognised in accordance with IFRS 16 'Leases'.

During the year ended 31 March 2024, revenue that was recognised from unutilised balls and tokens included in the beginning balance of contract liabilities amounted to ¥7,947 million (2023: ¥7,308 million).

In regard to transaction price allocated to remaining performance obligations, the Group omits the disclosure of the information on its remaining performance obligations by applying a practical expedient due to its initial expected period to fulfill being not over one year.

7. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used for making strategic decisions. The chief operating decision maker is identified as the executive directors of the Company. The executive directors consider the business from a service perspective and assess the performance of the operating segments based on a measure of adjusted profit before tax before unallocated corporate expenses for the purposes of allocating resources and assessing performance. These reports are prepared on the same basis as this consolidated financial statements.

In geographical information, revenue from external customers and non-current assets other than financial instruments and deferred tax assets of business except for aircraft leasing business are disclosed as 'Japan'. Revenue from external customers and non-current assets other than financial instruments and deferred tax assets of aircraft leasing business are disclosed as 'Europe' based on the location of the operations and geographical location of the assets respectively.

Segment assets consist primarily of property, plant and equipment, right-of-use assets, investment properties, intangible assets, inventories, prizes in operation of pachinko halls, lease receivables, trade receivables, other current and non-current assets and cash and cash equivalents.

Non-current assets consist primarily of property, plant and equipment, right-of-use assets, intangible assets and long-term prepaid expenses.

Unallocated corporate expenses and income tax expenses are not included in segment results.

Segment liabilities mainly comprise borrowings, lease liabilities, provisions and other current and non-current liabilities.

The segment information provided to the executive directors for the year ended 31 March 2024 and 2023 are as follows:

(a) Information about revenue, profit, assets and liabilities

	Year ended 31 March 2024				Total ¥ million
	Pachinko business ¥ million	Aircraft leasing business ¥ million	Segment Total ¥ million	Unallocated ¥ million	
Segment revenue from external customers	124,480	5,883	130,363	–	130,363
Other segment items					
Depreciation and amortisation expenses	(52,703)	(2,679)	(55,382)	(62)	(55,444)
Impairment loss	(335)	–	(335)	–	(335)
Finance income	175	219	394	413	807
Finance expenses	(2,565)	(1,780)	(4,345)	(10)	(4,355)
Segment profit	5,259	1,072	6,331	–	6,331
Corporate expenses					(896)
Profit before income taxes					5,435
Income taxes					(2,050)
Net profit for the year					3,385
Addition to non-current assets other than financial instruments and deferred tax assets	61,796	35,870	97,666	58	97,724

	Year ended 31 March 2023				
	Pachinko business ¥ million	Aircraft leasing business ¥ million	Segment Total ¥ million	Unallocated ¥ million	Total ¥ million
Segment revenue from external customers	114,331	2,875	117,206	–	117,206
Other segment items					
Depreciation and amortisation expenses	(45,518)	(1,404)	(46,922)	(58)	(46,980)
Impairment loss	(257)	–	(257)	–	(257)
Finance income	200	91	291	159	450
Finance expenses	(2,254)	(701)	(2,955)	(322)	(3,277)
Segment profit	5,006	442	5,448	–	5,448
Corporate expenses					<u>(1,511)</u>
Profit before income taxes					3,937
Income taxes					<u>(2,139)</u>
Net profit for the year					<u><u>1,798</u></u>
Addition to non-current assets other than financial instruments and deferred tax assets	<u>56,765</u>	<u>24,249</u>	<u>81,014</u>	<u>16</u>	<u>81,030</u>

Note: There is no transaction between segments and “Unallocated” defines corporate income and expenses not attributed to any particular segment.

The segment assets and segment liabilities as at 31 March 2024 and 2023 are as follows:

	As at 31 March 2024				
	Pachinko business ¥ million	Aircraft leasing business ¥ million	Segment Total ¥ million	Unallocated ¥ million	Total ¥ million
Segment assets	253,870	85,877	339,747	26,298	366,045
Segment liabilities	109,143	79,523	188,666	45,891	234,557
	As at 31 March 2023				
	Pachinko business ¥ million	Aircraft leasing business ¥ million	Segment Total ¥ million	Unallocated ¥ million	Total ¥ million
Segment assets	254,970	47,282	302,252	23,356	325,608
Segment liabilities	113,374	45,471	158,845	38,336	197,181

(b) Information about geographical areas

The Group's operations are located on Japan and Europe.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets other than financial instruments and deferred tax assets is presented based on the geographical location of the assets.

	Year ended 31 March 2024		
	Japan ¥ million	Europe ¥ million	Total ¥ million
Segment revenue from external customers	124,480	5,883	130,363
	As at 31 March 2024		
	Japan ¥ million	Europe ¥ million	Total ¥ million
Segment non-current assets other than financial instruments and deferred tax assets	197,460	82,427	279,887

	Year ended 31 March 2023		
	Japan ¥ million	Europe ¥ million	Total ¥ million
Segment revenue from external customers	<u>114,331</u>	<u>2,875</u>	<u>117,206</u>
	As at 31 March 2023		
	Japan ¥ million	Europe ¥ million	Total ¥ million
Segment non-current assets other than financial instruments and deferred tax assets	<u>190,278</u>	<u>41,717</u>	<u>231,995</u>

(c) Information about major customers

The Group's customer base is diversified and there are no customers with whom transactions have exceeded 10% of the Group's revenue.

8. BUSINESS COMBINATION

(Keiai Co.,Ltd.)

(a) The overview of the absorption type company split

On 31 July 2023, the Group succeeded part of the pachinko business split off by Keiai Co., Ltd. through Dynam Co Ltd. as a successor of the pachinko business.

(b) The purpose of the absorption type company split

In order to enhance the Group's future corporate performance, the Group has been developing hall openings in business areas with a large market size. However, since the Group cannot ensure that it can secure customers by opening new halls, the Group has chosen to open halls by acquiring businesses that have existing customers in the new hall area.

(c) Acquisition price and fair value of assets acquired and liabilities assumed on the acquisition date

	Fair value ¥ million
Consideration (Cash)	4,066
Cash and cash equivalents	54
Property, plant and equipment	1,543
Right-of-use assets	3,048
Other assets	24
Deferred tax assets	797
Lease liabilities	(3,048)
Other liabilities	(170)
Assets and liabilities (Net)	2,248
Goodwill	1,818

Acquisition-related costs of ¥65 million were incurred in general and administrative expenses in profit or loss.

The goodwill arising from this absorption type company split is mainly attributable to the expected excess earning power in the Group's operations of pachinko business.

The fair value of assets acquired and liabilities assumed above is the amount recognised as of the acquisition date and adjusted for depreciation, amortisation and etc. at the year end closing.

(d) Impact on the consolidated profit or loss

There is little impact on the consolidated statement of profit or loss for the year ended 31 March 2024 due to this absorption type company split.

(e) Pro forma information

Assuming that the date of the acquisition of this acquisition was at the beginning of the fiscal year, the pro forma information is not stated since the impact on the consolidated revenue and profit for the year ended 31 March 2024 would not be material.

(Hawaii Co.,Ltd.)

(a) The overview of the absorption type company split

On 1 December 2023, the Group succeeded part of the pachinko business split off by Hawaii Co., Ltd. through Dynam Co Ltd. as a successor of the pachinko business.

(b) The purpose of the absorption type company split

The Group aims to expand the Group's network of halls further by way of absorption type company split in addition to ordinary course of opening new halls and build the halls which can deal with demands on diversified needs from customers by developing the service with the local communities and customer orientation the acquired halls had nurtured.

(c) Acquisition price and fair value of assets acquired and liabilities assumed on the acquisition date

	Fair value ¥ million
Consideration (Cash)	1,212
Cash and cash equivalents	17
Property, plant and equipment	771
Right-of-use assets	33
Deferred tax assets	128
Lease liabilities	(33)
Other liabilities	(27)
Assets and liabilities (Net)	889
Goodwill	323

Acquisition-related costs of ¥30 million were incurred in general and administrative expenses in profit or loss.

The goodwill arising from this absorption type company split is mainly attributable to the expected excess earning power in the Group's operations of pachinko business.

The fair value of assets acquired and liabilities assumed above is the amount recognised as of the acquisition date and adjusted for depreciation, amortisation and etc. at the year end closing.

(d) Impact on the consolidated profit or loss

There is little impact on the consolidated statement of profit or loss for the year ended 31 March 2024 due to this absorption type company split.

(e) Pro forma information

Assuming that the date of the acquisition of this acquisition was at the beginning of the fiscal year, the pro forma information is not stated since the impact on the consolidated revenue and profit for the year ended 31 March 2024 would not be material.

9. PACHINKO BUSINESS EXPENSES

	2024 ¥ million	2023 ¥ million
Advertising expenses	2,914	2,980
Cleaning and ancillary services	2,538	2,438
Depreciation expenses	43,377	36,240
Hall staff costs	37,931	37,413
Pachinko and pachislot machine expenses	3,156	3,844
Depreciation expenses of right-of-use assets	9,023	8,969
Rental expenses	31	56
Repair and maintenance expenses	3,646	2,602
Utilities expenses	7,067	7,257
Others	8,990	8,685
	<u>118,673</u>	<u>110,484</u>

The increase in pachinko business expenses was mainly due to an increase in depreciation expenses of pachinko and pachislot machines and repair and maintenance expenses at halls.

10. AIRCRAFT LEASING EXPENSES

	2024 ¥ million	2023 ¥ million
Depreciation expenses	2,450	1,254
Amortisation expenses	229	150
Others	571	430
	<u>3,250</u>	<u>1,834</u>

11. INCOME TAXES

	2024 ¥ million	2023 ¥ million
Current taxes — Japan Profits Tax Provision for the year	<u>1,689</u>	<u>814</u>
	1,689	814
Current taxes — Overseas Provision for the year	<u>47</u>	<u>33</u>
	47	33
Deferred taxes Provision for the year	<u>314</u>	<u>1,292</u>
Income tax expense	<u>2,050</u>	<u>2,139</u>

The Group in Japan is subject to income taxes, inhabitants taxes, and enterprise taxes. The effective statutory tax rate for income tax expense calculated based on these taxes was approximately 31% for the fiscal years ended 31 March 2023 and 2024. Foreign subsidiaries are subject to the rates of the countries in which they operate.

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Japan Profits Tax rate is as follows:

	2024 ¥ million	2023 ¥ million
Profit before tax	<u>5,435</u>	<u>3,937</u>
Japan Profits Tax rate	31%	31%
Tax at the domestic income tax rate	1,710	1,239
Income that is not permanently taxable	(4)	(82)
Expenses that are not permanently deductible	395	679
Tax effect of temporary differences not recognised	40	20
Tax losses not recognised	(6)	333
Effect of different tax rates of subsidiaries	(187)	(61)
Effect of change in tax rates	86	–
Others	<u>16</u>	<u>11</u>
Income tax expense	<u>2,050</u>	<u>2,139</u>

As a result of the 2024 Tax Reform ACT being approved by the Diet on 28 March 2024, some of our consolidated subsidiaries will be subject to Size-based Business Tax of business tax from fiscal years beginning on or after 1 April 2026. In response to this, some of the relevant subsidiaries have changed the statutory effective tax rate used to calculate deferred tax assets and deferred tax liabilities related to temporary differences that are expected to be resolved in or after consolidated fiscal years beginning on or after 1 April 2026 from 34% to 31%.

Due to the impact of this tax rate change, deferred tax assets after offsetting with deferred tax liabilities have decreased by ¥86 million, and deferred tax expenses for the current consolidated fiscal year have increased by ¥86 million.

12. DIVIDENDS

Dividends declared and paid/ payable to its shareholders by:	2024 Dividend per share ¥	Total dividends ¥ million	2023 Dividend per share ¥	Total dividends ¥ million
— Interim	2.50	1,762	2.50	1,791
— Final	2.50	1,741	2.50	1,783
		<u>3,503</u>		<u>3,574</u>

On 23 May 2024, the Board of Directors declared a final dividend of ¥2.50 per ordinary share of the Company, which is payable on 26 June 2024 to the shareholders of the Company.

The amount of proposed final dividend for the year ended 31 March 2024 is based on 696,443,096 shares in issue as at 23 May 2024 when the consolidated financial statements were approved by the Board of directors.

If the Group owns any treasury shares as at 6 June 2024 when is the dividend record date, the amount of proposed final dividend represents the number of shares in issue, which excludes the number of treasury shares owned by the Group as at the date, multiplied by the amount of dividend per share.

13. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following:

	2024 ¥ million	2023 ¥ million
Earnings for the purpose of calculating basic earnings per share	<u>3,384</u>	<u>1,806</u>
Weighted average number of ordinary shares	<u>707,832,866</u>	<u>718,357,825</u>
Basic earnings per share (¥)	<u>4.8</u>	<u>2.5</u>

Diluted earnings per share was the same as basic earnings per share for the year ended 31 March 2024 and 2023 as there were no dilutive potential ordinary shares in existence during the year ended 31 March 2024 and 2023.

14. TRADE AND OTHER PAYABLES

	2024 ¥ million	2023 ¥ million
Trade payables	1,073	985
Halls construction and system payables	1,365	1,390
Other tax expenses	3,387	2,613
Pachinko and pachislot machine payables	913	3,801
Accrued staff costs	6,399	4,886
Advertisement and promotions	129	152
Housing rent	191	193
Others	1,447	712
	14,904	14,732

The aging analysis of the Group's trade payables, based on invoice date, is as follows:

	2024 ¥ million	2023 ¥ million
1 to 30 days	1,073	985
31 days to 60 days	–	–
Over 60 days	–	–
	1,073	985

15. TRADE RECEIVABLES

The Group's aging analysis of trade receivables, based on invoice date, is as follows:

	2024 ¥ million	2023 ¥ million
1 to 30 days	445	384
31 days to 60 days	6	14
Over 60 days	6	9
	457	407

There is no significant past due balance nor loss allowance provision recognised for trade receivables as at 31 March 2024 (2023: Nil).

16. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period.

CORPORATE GOVERNANCE

The Company is committed to the principles of corporate governance and corporate responsibility consistent with prudent management. The Board believes that such commitment will in the long term serve to enhance the Shareholders' value.

The Company has applied the principles and adopted all code provisions, where applicable, as set out in the Code as contained in Appendix C1 to the Listing Rules as its own code of corporate governance.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Reporting Period, the Directors consider that the Company has applied the principles and complied with all applicable code provisions set out in the Code except for the following deviations.

Code Provision C2.1

Code provision C.2.1 provides that the roles of chairman and chief executive should be performed by different individuals. During the Reporting Period, the roles of the chairman and chief executive were performed by Mr. Makoto SAKAMOTO until 23 June 2023.

However, the Board believes that Mr. Makoto SAKAMOTO, in his dual capacity as the chairman of the Board and chief executive, provided strong and consistent leadership for the development of the Company and its subsidiaries, and this was beneficial and in the interests of the Company and the Shareholders. Further, the Board considers that a balance of power and authority was ensured by the Board composition during the Reporting Period, with over half of the Board members being independent non-executive Directors.

From 23 June 2023, Mr. Akira HOSAKA has taken over both roles. However, the Board considers that this is beneficial and in the interests of the Company and the Shareholders and that a balance of power and authority are ensured for the same reasons as mentioned in the preceding paragraph.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND “RULES ON PREVENTION OF INSIDER DEALINGS” BY DIRECTORS

The Company has adopted the Model Code and the “Rules on Prevention of Insider Dealings” as code of conduct regarding Directors' transactions of the listed securities of the Company. The “Rules on Prevention of Insider Dealings”, in addition to the Model Code, has been formulated and adopted by the Company at 1 April 2014 for Directors (last revised on 17 June 2022), executive officers and employees of the Company who are likely to have access to unpublished inside information of the Group. The Company has made specific enquiries to all of the Directors, and all the Directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code and the “Rules on Prevention of Insider Dealings” throughout the Reporting Period.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company has established the Audit Committee in accordance with the requirements of the Listing Rules. The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Kiyohito KANDA (chairman), Mr. Thomas Chun Kee YIP and Mr. Koji KATO.

The primary duties of the Audit Committee include, but not limited to, the following: (i) to formulate the audit policy and audit plan, (ii) to audit the execution by Directors and executive officers of their respective duties and prepare the Audit Committee's reports, (iii) to review the financial information and the auditor's reports and review the reports made by the internal audit team of the Group, (iv) to oversee the financial reporting process, risk management and internal control systems, and (v) to perform other duties and responsibilities as assigned by the Board.

FINAL DIVIDEND

The Board proposed to declare a final dividend of ¥2.5 per ordinary Share for the Reporting Period on 23 May 2024, and the final dividend will be payable on 26 June 2024 to the Shareholders whose names appear on the Company's share register at close of business on 6 June 2024. Based on the assumption that 696,443,096 Shares shall be in issue as at 6 June 2024, it is expected that the final dividend payable will amount to approximately ¥1,741 million (equivalent to approximately HK\$90 million). No Shareholder has waived or agreed to waive any dividends.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, the Company repurchased its Shares on the Hong Kong Stock Exchange, details of which are as follows:

Month/Year	Number of Shares repurchased	Highest price paid per Share HK\$	Lowest price paid per Share HK\$	Aggregate consideration paid HK\$
June 2023	699,800	4.61	4.10	3,094,442
July 2023	1,390,200	4.87	4.16	6,255,988
August 2023	2,707,400	5.13	4.47	13,183,974
September 2023	2,891,200	5.41	4.70	14,599,970
October 2023	930,000	5.49	5.23	5,032,328
February 2024	1,929,200	4.19	3.75	7,784,520
March 2024	6,495,400	4.44	4.11	27,943,188
	<u>17,043,200</u>			<u>77,894,410</u>

All of the above-described Shares repurchased were subsequently cancelled. The number of issued Shares as of 31 March 2024 was 698,743,096.

Save as disclosed above, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.dyjh.co.jp>). The annual report of the Company for the year ended 31 March 2024 containing all the information required by the Listing Rules will be dispatched to the Shareholders and made available for review on the aforesaid websites in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings.

“Aircraft Leasing Business” 航空機リース事業	the business of (a) acquisition of aircraft; (b) leasing aircraft (operating leases); and (c) disposal of aircraft
“Board” 当社取締役会	the board of Directors of the Company
“Code” CGコード	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules as applicable from time to time
“Companies Act” 会社法	the Companies Act of Japan (Act No. 86 of 2005, as amended)
“Company” 当社	DYNAM JAPAN HOLDINGS Co., Ltd., a stock company incorporated in Japan with limited liability
“Director(s)” 当社取締役	the director(s) of the Company
“Group” 当社グループ又は DYJHグループ	the Company and its subsidiaries at the relevant time
“Listing Rules” 上場規則	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time)

“Model Code” モデルコード	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Reporting Period” 報告対象期間	the period from 1 April 2023 to 31 March 2024
“Yume Corporation” 夢コーポレーション	Yume Corporation Co., Ltd., a stock company incorporated in Japan with limited liability. Yume Corporation is a wholly-owned subsidiary of the Company

By order of the Board
DYNAM JAPAN HOLDINGS Co., Ltd.
Akira HOSAKA
Chairman of the Board

Tokyo, Japan, 23 May 2024

As of the date of this announcement, the executive director of the Company is Mr. Akira HOSAKA, the non-executive directors of the Company are Mr. Yoji SATO, Mr. Kohei SATO and Mr. Makoto SAKAMOTO, and the independent non-executive directors of the Company are Mr. Mitsutoshi KATO, Mr. Thomas Chun Kee YIP, Mr. Kiyohito KANDA, Mr. Koji KATO and Ms. Mayumi ITO.