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株式会社ダイナムジャパンホールディングス
DYNAM JAPAN HOLDINGS Co., Ltd.*
(incorporated in Japan with limited liability)
(Stock Code: 06889)

**VOLUNTARY ANNOUNCEMENT
UNAUDITED REVENUE INFORMATION
FOR THE NINE MONTHS ENDED 31 DECEMBER 2017**

This announcement is made by 株式会社ダイナムジャパンホールディングス (DYNAM JAPAN HOLDINGS Co., Ltd.*) (the “**Company**” and together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board of the directors (the “**Board**”) of the Company hereby announces the unaudited revenue information of the Group for the nine months ended 31 December 2017.

* for identification purpose only

	Nine months ended		Approximate comparative change (%)	(Referential information)		Approximate comparative change (%)
	31 December 2017 (in ¥ millions)	2016 (in ¥ millions)		Six months ended 30 September 2017 (in ¥ millions)	2016 (in ¥ millions)	
Gross pay-ins ^(Note 1)						
— High playing cost halls	344,087	376,268	-8.6%	234,204	254,500	-8.0%
— Low playing cost halls	239,738	239,660	0.0%	162,923	161,746	0.7%
Total gross pay-ins	<u>583,826</u>	<u>615,928</u>	<u>-5.2%</u>	<u>397,127</u>	<u>416,246</u>	<u>-4.6%</u>
Gross payouts ^(Note 2)						
— High playing cost halls	285,133	315,101	-9.5%	194,714	213,239	-8.7%
— Low playing cost halls	183,576	182,661	0.5%	125,202	123,200	1.6%
Total gross payouts	<u>468,709</u>	<u>497,763</u>	<u>-5.8%</u>	<u>319,916</u>	<u>336,439</u>	<u>-4.9%</u>
Revenue ^(Note 3)						
— High playing cost halls	58,954	61,166	-3.6%	39,490	41,262	-4.3%
— Low playing cost halls	56,163	56,999	-1.5%	37,721	38,547	-2.1%
Total revenue	<u>115,117</u>	<u>118,165</u>	<u>-2.6%</u>	<u>77,211</u>	<u>79,809</u>	<u>-3.3%</u>
(Referential information) Hall operating expenses	104,730	109,104	-4.0%	69,706	72,474	-3.8%
— Pachinko and pachislot machine expenses	26,452	27,757	-4.7%	18,083	17,074	5.9%
Number of halls	As at 31 December 2017	As at 31 December 2016		As at 30 September 2017	As at 30 September 2016	
— High playing cost halls	180	181	-1	180	181	-1
— Low playing cost halls	271	263	8	270	263	7
Total number of halls	<u>451</u>	<u>444</u>	<u>7</u>	<u>450</u>	<u>444</u>	<u>6</u>
* Numbers may not add up due to rounding.						
Note 1: Gross pay-ins represent the amounts received from pachinko balls and pachislot tokens rented to customers less unutilised balls and tokens.						
Note 2: Gross payouts represent the aggregate costs of G-prizes and general prizes exchanged at pachinko halls by customers.						
Note 3: Revenue represents gross pay-ins less gross payouts.						

During the nine months period, the severe business environment has been continued in our pachinko hall industry.

Under such business environment, the Group has made efforts to grow and develop with local communities and to improve the machine utilization through various kinds of business measures under the important policies of setting up our halls from the customers' viewpoint and operating each of our halls with a focus on customers' needs.

The Group is aiming at making Pachinko game an accessible amusement everybody can enjoy and is working to expand the market shares in the industry by opening low playing cost halls. The Group opened 6 new low playing cost halls during the period from 1 April 2017 to 31 December 2017. As a result, the number of halls in the Group reached 451, consisting of 180 high playing cost halls and 271 low playing cost halls, as at 31 December 2017.

Also, the entire pachinko hall operators has improved playing environment in halls by gradual reduction of a ratio of number of high playing cost machines.

Through the efforts and initiatives mentioned above, the overall results were that our total gross pay-ins for the nine months ended 31 December 2017 was ¥583,826 million, recording a decrease of approximately 5.2% as compared to the corresponding nine months period of previous fiscal year. Also, our total revenue decreased by approximately 2.6% to ¥115,117 million as compared to the corresponding nine months period of previous fiscal year.

The Company is continuously committed to reducing hall operating expenses especially focusing on management of machine expenses thereby securing profitability.

CAUTION STATEMENT

Investors are reminded that the above revenue information and operational statistics for the nine months ended 31 December 2017 and the comparative figures for the nine months ended 31 December 2016 are based on the Group's internal records and management accounts and have not been reviewed or audited by auditors. Investors are cautioned that the revenue trend shown above may not be representative of the trend of profit after tax of the Group and undue reliance on or use of such information may cause investment risks. Investors are advised to exercise caution when dealing in the shares of the Company from time to time.

This announcement was prepared in English. In case of any inconsistency between the English version and the Chinese version, the English version shall prevail.

By order of the Board
株式会社ダイナムジャパンホールディングス
(DYNAM JAPAN HOLDINGS Co., Ltd.*)
Kohei SATO
Chairman of the Board

Tokyo, Japan, 26 January 2018

As of the date of this announcement, the executive director of the Company is Mr. Kohei SATO, the non-executive directors of the Company are Mr. Yoji SATO, Mr. Tatsuji FUJIMOTO and Mr. Noriaki USHIJIMA, and the independent non-executive directors of the Company are Mr. Ichiro TAKANO, Mr. Mitsutoshi KATO, Mr. Thomas Chun Kee YIP, Mr. Kei MURAYAMA and Mr. Kiyohito KANDA.

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