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**DYNAM JAPAN HOLDINGS Co., Ltd.**

*(incorporated in Japan with limited liability)*

**(Stock Code: 06889)**

**VOLUNTARY ANNOUNCEMENT  
UNAUDITED QUARTERLY REVENUE INFORMATION  
FOR THE THREE MONTHS ENDED 30 JUNE 2018**

This announcement is made by 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 quarterly revenue information of the Group for the three months ended 30 June 2018.

	<b>Three months ended 30 June</b>			
	<b>2018</b>	<b>2017</b>	<b>Comparative change</b>	
	<i>(in ¥ millions)</i>	<i>(in ¥ millions)</i>	<i>(in ¥ millions)</i>	<i>(%)</i>
Gross pay-ins ( <i>Note 1</i> )				
— High playing cost halls	109,061	116,843	-7,782	-6.7%
— Low playing cost halls	79,986	80,267	-281	-0.4%
Total gross pay-ins	<u>189,047</u>	<u>197,110</u>	<u>-8,063</u>	<u>-4.1%</u>
Gross payouts ( <i>Note 2</i> )				
— High playing cost halls	91,139	97,572	-6,433	-6.6%
— Low playing cost halls	62,042	62,033	9	0.0%
Total gross payouts	<u>153,181</u>	<u>159,605</u>	<u>-6,424</u>	<u>-4.0%</u>
Revenue ( <i>Note 3</i> )				
— High playing cost halls	17,922	19,272	-1,350	-7.0%
— Low playing cost halls	17,944	18,234	-290	-1.6%
Total revenue	<u>35,866</u>	<u>37,506</u>	<u>-1,640</u>	<u>-4.4%</u>
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(Referential information)				
<b>Hall operating expenses</b>	29,522	35,188	-5,666	-16.1%
— Pachinko and pachislot machine expenses	5,178	9,754	-4,576	-46.9%

	<b>As at</b>	<b>As at</b>	
	<b>31 December</b>	<b>31 December</b>	
	<b>2018</b>	<b>2017</b>	<b>Change</b>
<b>Number of halls</b>			
— High playing cost halls	180	181	-1
— Low playing cost halls	270	269	1
Total number of halls	<u>450</u>	<u>450</u>	<u>0</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 first quarter ended 30 June 2018, the pachinko hall industry has continued to operate under a severe business environment.

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

Also, the entire pachinko hall operators have improved playing environment in halls by gradual reduction of the percentage of high playing cost machines.

Through the efforts and initiatives mentioned above, the overall results were that our total gross pay-ins for the first quarter ended 30 June 2018 was ¥189,047 million, recording a decrease of approximately 4.1% as compared to the first quarter of previous fiscal year. Also, our total revenue decreased by ¥1,640 million from ¥37,506 million for the first quarter of previous fiscal year to ¥35,866 million for the first quarter of this fiscal year. On the other hand, our hall operating expenses decreased by ¥5,666 million from ¥35,188 million for the first quarter of previous fiscal year to ¥29,522 million for the first quarter of this fiscal year, which increased operating profit year on year. The decrease in our hall operating expenses is primarily due to the reduction of pachinko and pachislot machine expenses by ¥4,576 million from ¥9,754 million for the first quarter of previous fiscal year to ¥5,178 million for the first quarter of this fiscal year.

## **CAUTION STATEMENT**

Investors are reminded that the above revenue information and operational statistics for the three months ended 30 June 2018 and the comparative figures for the three months ended 30 June 2017 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  
**DYNAM JAPAN HOLDINGS Co., Ltd.**  
**Kohei SATO**  
*Chairman of the Board*

Tokyo, Japan, 27 July 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.*