

## DYNAM JAPAN ANNOUNCES FY2016/17 INTERIM RESULTS

(Hong Kong, 25 November 2016) – **DYNAM JAPAN HOLDINGS Co., Ltd.** (“DYNAM JAPAN”, together with its subsidiaries, “the Group,” stock code: 6889), the leading pachinko hall operator in Japan, today announced its interim results for the six months ended 30 September 2016 (“review period”).

During the review period, the Group recorded gross pay-ins<sup>1</sup> of ¥416,246 million (HK\$31,921 million\*) and revenue<sup>2</sup> of ¥79,808 million (HK\$6,120 million\*). Profit before income tax amounted to ¥6,635 million (HK\$509 million\*) and net profit amounted to ¥3,820 million (HK\$293 million\*). The decrease in profit was mainly from exchange loss on foreign currency assets held by the Group at the appreciation of the Japanese Yen against other currencies in the market. Profit before tax excluding foreign currency factor was ¥8,074 million (HK\$619 million), up 11.6% year-on-year. The Board of Directors proposed to declare an interim dividend of ¥6 per ordinary share.

As at 30 September 2016, the Group operated the largest pachinko hall network with a total of 444 – 181 high playing cost and 263 low playing cost – halls across Japan, with the low playing cost halls making up 59% of the total. During the review period, the Group opened three new low playing cost halls and closed one after reconsidering its commercial emphasis. In addition the Group converted five high playing cost halls to low playing cost halls, which resulted in increased gross pay-ins and revenue by 9.3% and 11.7% year-on-year respectively from low playing cost halls.

Heeding the currently dominant trend of customers playing games for leisure instead of winning prizes, the Group has been renovating old halls to give game players a more pleasurable environment. Various experimental measures have been taken to make sure customers’ viewpoints are reflected in the renewed pachinko halls. With their environment improved, operation of the halls has become more efficient and machine utilization has increased. The Group also maintains low-cost operations by using second-hand game machines, establishing distribution centers and using ICT systems to control operating cost of the halls.

**Mr Kohei SATO, Chairman and CEO of DYNAM JAPAN, said,** “Customers are more interested today in playing games as a pastime for leisure enjoyment instead of to win prizes. Alive to this trend, we have been shifting our emphasis onto low playing cost games and implementing measures such as conversion of hall type to cater to customers’ needs and improvement of hall environment by updating hall facilities to boost utilization of our pachinko machines. Moving forward, we will continue to expand our low playing cost games so as to achieve the vision of reinventing pachinko as a genuine public entertainment that everyone can enjoy.”

<sup>1</sup> Gross pay-ins represents the amount received from pachinko balls and pachislot tokens rented to customers less unutilized balls and tokens.

<sup>2</sup> Revenue represents the gross pay-ins, less gross payouts to customers and revenue margin represents revenue divided by gross pay-ins  
\* Translated into Hong Kong dollars at the rate of ¥13.04 to HK\$1.00, the exchange rate prevailing on 30 September 2016 (i.e., the last business day in September 2016).

Note: The above percentage increases and decrease refer to the changes in respect of the Japanese yen

For details, please refer to the below announcement link:

<http://www.hkexnews.hk/listedco/listconews/mainindex/ipmpnews.aspx?id=002669678>

– End –

**About DYNAM JAPAN HOLDINGS Co., Ltd. (stock code: 6889)**

Established in 1967, DYNAM JAPAN HOLDINGS Co., Ltd. ("DYNAM") is the largest pachinko halls operator in Japan in terms of number of halls. DYNAM operates three types of halls, namely "Traditional," "Yuttari Kan" and "Shinrai no Mori," which offer various mixes of pachinko and pachislot games with different playing costs. DYNAM is also planning to develop an integrated resort at Yamaguchi Prefecture. DYNAM benefits from its nationwide network through greater economies of scale and a more expansive geographic reach. DYNAM is a constituent of the Hang Seng Foreign Companies Composite Index.

**Investor Enquiries:**

**DYNAM Hong Kong Co., Limited**

Hisao Katsuta	+852 3769 0600	<a href="mailto:hisao_katsuta@dyjh.co.jp">hisao_katsuta@dyjh.co.jp</a>
Kenneth Ng	+852 3769 0600	<a href="mailto:kenneth_ng@dynamhk.com">kenneth_ng@dynamhk.com</a>
Fax:	+852 3769 0799	

**Media Enquiries:**

**Strategic Financial Relations Limited**

Vicky Lee	+852 2864 4834	<a href="mailto:vicky.lee@sprg.com.hk">vicky.lee@sprg.com.hk</a>
Evonne Xiao	+852 2114 4981	<a href="mailto:evonne.xiao@sprg.com.hk">evonne.xiao@sprg.com.hk</a>
Stephanie Liu	+852 2864 4852	<a href="mailto:stephanie.liu@sprg.com.hk">stephanie.liu@sprg.com.hk</a>
Fax:	+852 2527 1196	
Website:	<a href="http://www.sprg.com.hk">www.sprg.com.hk</a>	