

[Press Release]



Dynam Japan Holdings Co., Ltd.

WEB: <http://www.dynamjapan.jp/english.html>

## DYNAM JAPAN ANNOUNCES FY2018/19 INTERIM RESULTS

(Hong Kong, 21 November 2018) – **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 2018 (“review period”).

During the review period, the Group recorded gross pay-ins<sup>1</sup> of ¥386,840 million (HK\$26,624 million\*) and revenue<sup>2</sup> of ¥73,583 million (HK\$5,064 million\*). Profit before taxation increased by 47.6% to ¥12,411 million (HK\$854 million\*). Thanks to reduced hall operating expenses and general and administrative expenses, net profit after taxation surged by 53.2% to ¥8,325 million (HK\$573 million\*). The Board of Directors has proposed to declare an interim dividend of ¥6 per ordinary share.

As at 30 September 2018, the Group operated the largest pachinko hall network in Japan with a total of 450 – 179 high playing cost and 271 low playing cost – halls across the country. During the review period, the Group continued to implement its set chain store management strategy focusing on multiple-hall development and low cost operations featuring low playing cost games. Generally, the Group has been increasing hall numbers via opening new standardized halls and acquiring other pachinko hall operators. In addition, to reap economy of scale benefits, the Group has used second-hand gaming machines, established distribution centers and leveraged ICT to streamline hall operations and control major costs such as expenses on gaming machines and personnel, which account for approximately 60% of hall operating expenses.

**Mr Kohei SATO, Chairman and CEO of DYNAM JAPAN**, said, “The pachinko industry is facing challenges, such as the revised gaming machine rules effective from 1 February 2018, which have further controlled and lowered volatility of gaming machines. To oblige, we have adopted a series of measures including strategically replacing old machines and introducing our private brand machines, as well as forming a special team responsible for analyzing the Big Data collected of our 450 halls to enhance operational efficiency. Looking forward, we will continue to develop our pachinko halls heeding the needs of customers and ultimately creating value for them. We will continue to build on our position as the leader in the pachinko industry to steadily grow our profits in the long run and achieve our vision of reinventing pachinko, turning it into a genuinely popular entertainment that everyone can comfortably enjoy in their daily lives.”

For details, please refer to the below announcement link:

<http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/1121/LTN20181121235.pdf>

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<sup>1</sup> Gross pay-ins represents the amount received from pachinko balls and pachislot tokens rented to customers less unutilised 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 ¥14.53 to HK\$1.00, the exchange rate prevailing on 28 September 2018 (i.e., the last business day in September 2018).

Note: The above percentages of increase and decrease refer to the changes in respect of the Japanese yen.

**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.

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