

DYNAM JAPAN ANNOUNCES FY2019/20 INTERIM RESULTS

(Hong Kong, 21 November 2019) – **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 2019 (“review period”).

During the review period, the Group recorded gross pay-ins¹ of ¥379,269 million (HK\$27,543 million*) and revenue² of ¥73,970 million (HK\$5,374 million*). Profit before taxation increased modestly by 6.0% to ¥13,150 million (HK\$955 million*). By adopting multiple-hall development and low-cost operations, net profit after taxation recorded moderate growth of 4.5% to ¥8,696 million (HK\$632 million*). The Board of Directors has proposed to declare an interim dividend of ¥6 per ordinary share.

As at 30 September 2019, the Group operated the largest pachinko hall network across Japan with a total of 449 halls. To align with the change in business areas, the Group closed one high playing cost halls, and converted two low playing cost halls to high playing cost halls during the reporting period. As at September 2019, the Group operated 272 low playing cost halls, which made up the majority at 60% of all of its pachinko halls as at 30 September 2019.

During the review period, the Group continued to develop its new businesses, namely the aircraft leasing business and the development of time consumption-based video slot machines. Dynam Aviation Ireland Limited (DAIL), a wholly owned subsidiary of DYNAM JAPAN, completed two leasing contracts with Vueling Airlines (an airline from Spain) and IndiGo (an airline from India) in July 2019. DAIL will go on to search for popular narrow-body aircrafts with the aim to purchase 20 aircrafts in 3 years. Besides, the Group dedicates to develop time consumption-based gaming machines targeting at the mass market, by incorporating pachinko gaming elements. The Group engages in both software and hardware development. The video slot machines (Model Name: Fortune Frogs) jointly developed by the Group and Weike Gaming Technology Pte. Ltd have been installed at casinos in Macau. The operations of the machines are expected to start upon the approval from Macau Gaming Inspection Bureau, contributing a new revenue stream to the Group.

Mr Kohei SATO, Chairman and CEO of DYNAM JAPAN, said, “We have continued to maximise our leverage as the leading company in order to steadily accumulate profits over the long-term via multiple-hall development and low- cost operations. Apart from the dedication in exceling in our pachinko business, we will also strive to expand our new businesses by purchasing more aircrafts as well as developing new casino machines. We are pleased to be working with two international airlines and have developed three types of video-slot machines that were approved to launch. With our existing leadership in the pachinko business complemented with new business opportunities and revenue streams, we believe we can further create value and deliver steadily increasing returns to shareholders in long run.”

¹ Gross pay-ins represents the amount received from pachinko balls and pachislot tokens rented to customers less unutilised balls and tokens.

² 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 ¥13.77 to HK\$1.00, the exchange rate prevailing on 30 September 2019 (i.e. the last business day in September 2019).

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

For details, please refer to the below announcement link:

[http://www.dyjh.co.jp/english/ir/archives/quick/EW06889_19-049.pdf]

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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 and offers various mixes of pachinko and pachislot games with different playing costs. 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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