

24 July 2012

The Directors
DYNAM JAPAN HOLDINGS Co., Ltd.
2-25-1-702 Nishi-Nippori, Arakawa-ku
Tokyo, 116-0013
Japan

Dear Sirs/Madams,

**Re: DYNAM JAPAN HOLDINGS Co., Ltd.
Review of anti-money laundering procedures, systems and controls**

In accordance with our engagement letter dated 18 August 2011, we, RSM Nelson Wheeler Consulting Limited (“RSM Consulting”), have executed an agreed set of due diligence review procedures of the financial procedures, systems and controls (including accounting and management systems, and anti-money laundering (“AML”) measures) (collectively, the “Internal Control Systems”) adopted by DYNAM JAPAN HOLDINGS Co., Ltd. (the “Company”) and its subsidiaries (collectively the “Group”) (the “Review”).

Review Objective

The objective of the Review is to assess the adequacy of the Internal Control Systems of the Group and to identify if there are any significant control weaknesses and risks of non-compliance of the Internal Control Systems.

Scope and Period of Review

The scope of the Review includes the entity level controls (including AML measures adopted by the Group) and process level controls such as financial reporting and disclosure, cash receipt management, machine management, prizes management, pachinko ball management, pachinko hall management, expenditure, treasury management, human resources and payroll, taxes and IT general controls. Our internal control review and follow-up review covered the period from 1 January 2011 to 31 March 2012.

In addition to our Internal Control Review and Follow-up Review Report dated 24 July 2012, we are pleased to provide you with this report on AML measures adopted by the Group.

Controls Implemented by the Group on AML

The Board of Directors is responsible for designing, implementing and overseeing the Internal Control Systems, including the approval and implementation of AML measures.

The roles and responsibilities of the Board of Directors, Audit Committee and senior management with respect to the implementation of the Group’s AML measures have been set forth. The Group has established the AML framework as well as various operational measures, e.g. internal controls over procurement of G-prizes, staff recruitment and training, etc., to strengthen its controls on AML procedures. The managers of pachinko halls are required to report any incidents or suspicious activities to the Group’s headquarters, and whistleblowing procedures have also been established to receive and assess internal reports of suspicious activities. To ensure the full compliance of the AML framework, the Group has established internal audit departments which are responsible for (1) conducting periodic independent

reviews of the Group's compliance framework and the effectiveness of its AML measures; (2) checking and testing the compliance with the Group's AML measures; and (3) reporting any findings to the Audit Committee of the Company.

In addition to the above procedures, the Group's AML policies require:

- regular assessment of the risks of money laundering in the Group's operations and indicators of suspicious activity;
- a system of procedures and controls designed to detect and report suspicious activities in the Group's operations to the Group's headquarters and relevant authorities;
- annual background checks on all of the Group's business counterparties, which includes a check, with supporting documentation, on their representatives, officers, executive officers and shareholders, to identify and avoid any connections to anti-social forces;
- the Group to engage a corporate data research agency for any potential wholesaler with whom the Group intends to conduct transactions exceeding one million yen per year;
- wholesalers to deliver written declarations stating that they are independent from the prize buyers with whom they conduct business, and that their shareholders and directors and the prize buyers with whom they conduct business do not have any connections with anti-social forces;
- background checks, including with respect to criminal records, employment history and financial information, on the Group's senior management and potential new management members, to, among other things, identify and avoid any connections to anti-social forces and ensure high standards of integrity;
- the Group's internal audit team to visit and inspect each pachinko hall at least once every two months;
- Store Managers and Assistant Managers to rotate among different pachinko halls to prevent collusion among hall staff;
- use of surveillance cameras to record play or attempted tampering of pachinko and pachislot machines at the pachinko halls;
- regular training and awareness programs to keep staff apprised of and updated on the Group's AML policies, procedures and controls and job-specific information on indicators of suspicious activity;
- continuous monitoring of the Group's various IT systems, including the Group's Prize Management System, Management Information System and the Group's Hall Computers, as well as analysis of various financial and operating data, to monitor and detect unusual fluctuations that may indicate suspicious activity; and
- recording of customer identification information, and notification to the Group's headquarters, in connection with all transactions in which pachinko balls or pachislot tokens totalling ¥500,000 or more are exchanged for prizes (per transaction).

Review Procedures Performed by RSM Consulting

The procedures selected are based on our assessment of the Group's risks of material non-compliance with the AML measures. A summary of work performed to assess the Group's control procedures against AML measures is listed below:

1. Assessed control procedures on identification of money laundering risks and indicators of suspicious activity;
2. Assessed the Group's AML controls, communication and guidelines provided to staff;
3. Assessed control procedures on identifying, recording and reporting suspicious transactions which indicate any activity of money laundering;
4. Assessed the control procedures for G-prize procurement function (including control procedures relating to credit checks and anti-social forces checks conducted by the Group on its G-prize wholesalers); and
5. Assessed the control procedures on monitoring transactions in which pachinko balls and pachislot tokens totalling ¥500,000 or more are exchanged for prizes (per transaction).

Limitations

RSM Consulting did not perform any review of whether the Group had achieved actual compliance of any laws and regulations relating to AML, and the agreed scope of work under our engagement did not constitute an assurance engagement made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Conclusion

No significant internal control deficiencies in the Group's AML measures have come to our attention during our review.

Restriction on Use and Distribution

This report is intended solely for the use of the Company in connection with the submission to The Stock Exchange of Hong Kong Limited and for inclusion in the prospectus of the Company in connection with its proposed listing. This report may not be suitable for other purposes. This report is not intended to be, and should not be distributed to or used for any other purpose.

Yours faithfully,
Patrick Lo
Managing Director
RSM Nelson Wheeler Consulting Limited