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株式会社ダイナムジャパンホールディングス
DYNAM JAPAN HOLDINGS Co., Ltd.*
(incorporated in Japan with limited liability)
(Stock Code: 06889)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2015

HIGHLIGHTS

— Our gross pay-ins were ¥826,072 million (or HK$53,261 millionΔ), recording a decrease of 10.4% as compared with the year ended 31 March 2014;

— Our revenue was ¥154,556 million (or HK$9,965 millionΔ), recording a decrease of 6.8% as compared with the year ended 31 March 2014;

— Our profit before tax was ¥19,518 million (or HK$1,258 millionΔ), recording a decrease of 43.6% as compared with the year ended 31 March 2014;

— Our profit for the year attributable to owners of the Company was ¥11,303 million (or HK$729 millionΔ), recording a decrease of 46.8% as compared with the year ended 31 March 2014;

— We operated 393 halls as at 31 March 2015 (375 halls as at 31 March 2014);

— Basic earnings per share of the Company were ¥15.2 (or HK$1Δ); and

— The Board has resolved to declare a final dividend of ¥7 per ordinary share (interim: ¥7 per ordinary share).

Δ Translated into Hong Kong dollars at the rate of ¥15.51 to HK$1.00, the exchange rate prevailing on 31 March 2015 (i.e. the last business day in March 2015).

Note: The above % increases and decreases are referred to the changes in respect of the Japanese yen amounts but not the translated amounts in Hong Kong dollars.

The board (the "Board") of directors (the "Directors") of 株式会社ダイナムジャパンホールディングス DYNAM JAPAN HOLDINGS Co., Ltd.* (the "Company") is pleased to announce the results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2015. The results have been audited by PricewaterhouseCoopers Aarata, the Company's auditor.

* *For identification purpose only*

SUMMARY OF FINANCIAL RESULTS

	Year ended 31 March			
	2015		2014	
	(in millions)			
	¥	***HK$***	¥	*HK$*
Gross pay-ins	**826,072**	**53,261**	922,172	69,388
Less: gross payouts	**(671,516)**	**(43,296)**	(756,418)	(56,916)
Revenue	**154,556**	**9,965**	165,754	12,472
Hall operating expenses	**(134,659)**	**(8,682)**	(135,940)	(10,229)
General and administrative expenses	**(5,456)**	**(352)**	(4,086)	(307)
Other income	**6,850**	**442**	7,139	537
Other operating expenses	**(1,947)**	**(126)**	(1,132)	(85)
Operating profit	**19,344**	**1,247**	31,735	2,388
Finance income	**2,151**	**139**	3,660	275
Finance expenses	**(1,977)**	**(127)**	(781)	(59)
Profit before income taxes	**19,518**	**1,258**	34,614	2,605
Income taxes	**(8,259)**	**(532)**	(13,377)	(1,007)
Net profit for the year	**11,259**	**726**	21,237	1,598
Net profit attributable to:				
Owners of the Company	**11,303**	**729**	21,255	1,599
Non-controlling interests	**(44)**	**(3)**	(18)	(1)
	11,259	**726**	21,237	1,598
Earnings per share				
Basic	**¥15.2**	**HK$1**	¥28.6	HK$2
Diluted	**N/A**	**N/A**	N/A	N/A
EBITDA(*)	**¥30,622**	**HK$1,974**	¥42,702	HK$3,213

* EBITDA is defined as earnings before finance costs, taxation, depreciation, amortisation, net foreign exchange gain or loss and fair value gain or loss on financial assets at fair value through profit or loss.

	At 31 March			
	2015		2014	
	(in millions)			
	¥	***HK$***	¥	*HK$*
Non-current assets	**132,213**	**8,524**	135,223	10,175
Current assets	**48,723**	**3,141**	50,946	3,833
Current liabilities	**31,380**	**2,023**	34,910	2,627
Net current assets	**17,343**	**1,118**	16,036	1,207
Total assets less current liabilities	**149,556**	**9,643**	151,259	11,381
Non-current liabilities	**14,503**	**935**	9,249	696
Total equity	**135,053**	**8,707**	142,010	10,685

BUSINESS OVERVIEW

Chain-store Management and Group Growth Strategy

The pachinko industry represents a massive domestic market in Japan. The 2014 Leisure White Paper published by the Japan Productivity Center estimates the size of the pachinko and pachislot industry to be ¥18.8 trillion. Further, according to research conducted by the Pachinko Trustee Board, the pachinko and pachislot industry plays a major role in job creation in Japan with its 310,000 employees, which is approximately 1.5 times of the number of employees Japan's top ten automotive companies.*

In this environment, the Group holds the No.1 position in the industry in terms of hall numbers. We aim for sustainable profit growth over the long-term by taking maximum advantage of the economies of scale of multiple-hall development based on our chain-store management. The Group is proactively promoting low playing cost games through multiple halls as the pillar of our growth strategy. Low playing cost games reduce costs to users by setting ¥1-per-ball and ¥5-per-token games (as opposed to conventional ¥4-per-ball and ¥20-per-token games) to enable customer to have enjoyment without imposing a significant cost burden on them, and these games are also increasing in popularity with other pachinko companies. Nevertheless, while low playing cost games lead to increased customer numbers and visit frequency as well as development of a new customer base, there is also a risk of decreased profitability at pachinko halls. Because of this, innovation and expertise are essential in the promotion of low cost playing games from new hall development to hall operations, and the Group is taking advantage of our position as an operator that drives economies of scale through actions such as the purchase of gaming machines and general prizes through our multiple-hall model.

Further, in addition to building a sound financial base, the Group is moving quickly to introduce management techniques based on our theory of chain-store operations, which is well-established in the retail industry. By standardizing hall formats and sizes, we are able to accurately manage development costs. We aim to rationalize the key costs related to machines and personnel, which make up approximately 60% of hall operational expenses, through efficient hall development by making use of second-hand machines, establishment of distribution centers, and use of information technology.

The human resources, knowledge, and expertise of the Group and the relationships of trust we have with our corporate partners and local communities support these strategies, and these management resources are the source of our medium to long-term growth.

* 10 major automobile manufacturers consist of Toyota Motor Corporation, Nissan Motor Co., Ltd., Honda Motor Co., Ltd., Suzuki Motor Corporation, MAZDA Motor Corporation, MITSUBISHI MOTORS CORPORATION, Fuji Heavy Industries Ltd., Daihatsu Motor Co., Ltd., Isuzu Motors Limited and Hino Motors, Ltd.

Going forward, the Group will continue to pursue low-cost operations by executing chain-store management and aim to realize sustainable growth in profitability from a long-term perspective.

Low-cost Operations and Business Foundations

Hall Development Strategy

Based on our theory of chain-store operations, we have standardized development of new halls, and we are taking actions focusing on developing low playing cost halls. We aim to realize the benefits of economies of scale through standardized multiple-hall development and steadily increase revenue and profit while reducing the risk of profit decline from low playing cost games.

Shift to Low Playing Cost Games

Operating low playing cost games such as ¥1-per-ball and ¥5-per-token games (as opposed to conventional ¥4-per-ball and ¥20-per-token games) enables customers to enjoy while controlling playing costs, which leads to improvement in customer numbers and visit frequency. It also enables us to expect penetration into customer categories such as female and elderly users. In recent years, customer needs have been gradually shifting toward gaming as a pastime-oriented activity to enjoy for leisure rather than primarily to seek prizes.

However, as there is a risk of declining hall profitability in these kinds of low paying cost games, it is essential to use innovation and expertise to enable the promotion of low-cost operations. The Group drives economies of scale through our multiple-hall development, and we are building systems to steadily accumulate profit even with low playing cost games. The national average of low playing cost machines is 42.3%; however, the Group has developed this to 67.9% as of 31 December 2014, and we have developed the proportion of halls that feature low playing cost machines to 100%, or all of our halls.

Going forward, we will proactively develop low cost playing games under our vision of reinventing pachinko as a genuine public entertainment that everyone can enjoy.

Operation of Two Hall Types Centered on Low Playing Cost Games

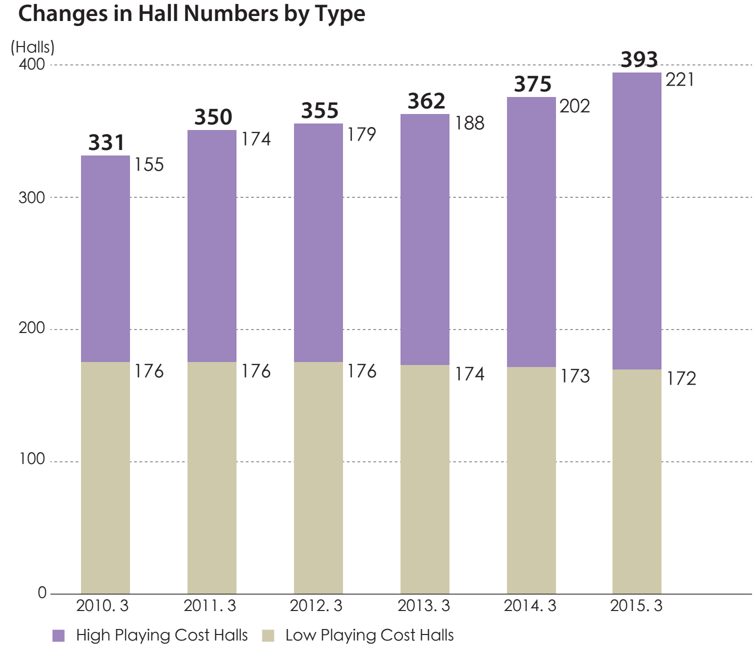
The Group operates two types of halls with different gaming costs, centered on promoting low playing cost games.

In the year ended 31 March 2015, we opened 1 new high playing cost hall and 18 new low playing cost halls. We also converted 2 high playing cost halls to low playing cost halls and closed 1 low playing cost hall after taking into account of the trading areas. This resulted in a total number of 393 halls as of 31 March 2015. By hall type, we operate 172 high playing cost halls and 221 low playing cost halls, with low playing cost halls making up the majority at 56% of the total.

As of 31 March 2014: 375 halls			As of 31 March 2015: 393 halls
	New Halls: 19 halls	High playing cost halls (DYNAM): 1 hall Low playing cost halls (*Yuttari kan*): 18 halls	
	Conversions of Hall Types	High playing cost halls (DYNAM) → Low playing cost halls (*Yuttari kan*) 2 halls	

Hall Type	Main Hall Brands	Characteristics	Number of Halls
High playing cost halls	DYNAM	The majority of machines are high playing cost machines and smoking is allowed in the halls. This includes two Cabin Plaza halls.	172
Low playing cost halls	DYNAM *Yuttari kan* DYNAM *Shinrai no Mori*	Mainly low playing cost machines and a wider selection of general prizes. This includes *Yuttari Kan*, where smoking is allowed in the halls, *Shinrai no Mori*, where smoking is not allowed except in designated areas, and seven Cabin Plaza halls.	221

Changes in Hall Numbers by Type



Standardization and Multiple-Hall Development

As the industry leader in terms of hall numbers, we are taking actions in multiple-hall development through the establishment of new halls. With our efforts to establish new halls, we are standardizing hall types and controlling start-up costs by focusing on highly populated regions where we can minimize rent expenses. We are also taking advantage of the economies of scale in multiple-hall development to constrain the purchase costs of gaming machines and general prizes when establishing new halls.

The Group has set the following benchmarks for our standardized hall model:

Targeting small rural and commercial zones with populations of 30,000 to 50,000

The Group promotes a strategy of hall development in suburban areas (suburban population centers). We target new hall development in small rural and commercial zones with populations of 30,000 to 50,000 people.

Standardized installation of 480 gaming machines

We use a common interior layout for our pachinko and pachislot halls based on standardized gaming machine numbers of 480 machines. This enables us to reduce initial investment costs in areas such as building expenses and construction lead times.

20-year leases and standardized wood construction

As a general rule in our development of new halls, we construct wooden halls on sites leased for 20 years (leasehold contracts for business). This enables us to avoid excessive investments associated with purchasing land and easily withdraw in the event of future changes in the market. Fixed-asset depreciation is almost complete at the conclusion of the 20-year term, which also minimizes losses on retirement of assets. Further, the development of multiple standardized halls enables us to reduce design expenses and gain efficiencies in purchasing construction materials.

Nineteen New Halls Throughout Japan

The Group is continuing to open new halls in line with our growth strategy. We opened 19 new halls in the year ended 31 March 2015, which is a new record since our listing.

In addition to selecting multiple potential sites for new halls and narrowing these down based on the Group's hall development criteria, we require significant time in negotiation and conclusion of contracts such as careful explanation of leasing rates and contract periods with the owners of land where we use for new halls. Our sustained efforts in these areas resulted in 19 new halls.

Hall Operational Strategy

The Group benefits from economies of scale by adopting our chain-store management approach, and we also control costs thoroughly after establishment of new halls. In particular, we believe that optimization of machine and personnel expenses, which make up approximately 60% of hall operational expenses, is extremely important in terms of cost management. In order to control gaming machine expenses, we take advantage of distribution centers operated by the Group to move machines among halls as well as deploying second-hand machines throughout our halls nationwide. Further, we are taking proactive actions in areas including introduction of information technology systems, control of personnel expenses, and efficiency in various business operations.

Managing Gaming Machine Procurement Costs by Maximizing Use of Second-hand Machines

As the cost of gaming machines continues to rise each year on the back of skyrocketing development and component costs, the Group is working proactively to install second-hand gaming machines in our halls. We aim to reduce hall operation expenses by controlling machine costs (costs related to the procurement of gaming machines) through measures including installing not only popular, hit and new machines but also second-hand machines, which we can source at lower cost, and using distribution centers operated by the Group to transport and relocate machines among halls. Out of the gaming machines purchased by the Group in the year ended 31 March 2015, 26.9% were second-hand machines. We are also proactively deploying private brand machines for future development.

For the development and introduction of private brand machines, we are building a framework that enables the use of information obtained from the Group customer membership system to match customer preferences and consider unique specifications that customers are unable to experience at other halls. We commit to fixed volumes in a single order to machine manufacturers, resulting in a reduction in costs compared to the average market price for national brand machines.

The Group intends to continue using second-hand machines to further rationalize hall operating expenses as well as moving forward with development and introduction of private brand machines.

Using Distribution Centers for Flexible Hall Operations

As a group that operates halls on a nationwide scale, we have established 16 distribution centers around the country, each covering 20 to 30 halls for each region. By consolidating transportation of gaming machines among the halls covered by each center, we reduce costs related to transportation as well as realizing flexible hall operations including tailoring changes to machine line-ups depending on customer needs.

Making Strategic Use of Information Technology Systems

We have been progressively introducing Individual Ball Counter System at each of our halls, which enables us to manage pachinko ball and pachislot token numbers at each machine. Use of this system eliminates the need for customers to stack and carry boxes of balls they earn during game play and also reduces work volume and work hours for pachinko hall staff. This has led to reduced personnel expenses and improved personnel productivity at our halls.

In addition to the ball counter systems, we are also building various information technology systems such as hall management systems, machine management systems and prize management systems. By strategically promoting use of information technology systems, we are taking actions to improve operational efficiency and reduce costs in areas including formulating hall operating and marketing strategy, human resources and accounting.

Promoting Hall Renovation to Carefully Capture Changing Customer Needs

Machine utilization has been trending downward in the overall pachinko industry in recent years. For the Group, this trend stands out particularly at older high playing cost halls.

Given this trend, we conducted large-scale hall renovation at 40 of our halls in the second half of the year ended 31 March 2015 in order to improve hall operations. By improving the attractiveness of our halls through changing the gaming machine mix as well as refurbishing hall exterior finishing and facilities, we have been able to shift the current trend in machine utilization toward growth.

Going forward, we intend to maintain our origin in prioritizing customers in our hall operation actions.

Investing Group Management Resources to Support Our Chain-store Management

The management resources that support our chain-store management include our diverse human resources, knowledge and expertise, and pursuit of a wide range of activities to enhance and strengthen our relationships of trust with corporate partners and regional society.

Maintaining a Sound Financial Position

The Group firmly maintains sound management by steadily accumulating profit and through our strong financial position. Further, when considering new hall development, we have established strict decision-making criteria that limit approval of new developments to only those which we can expect profitability in the future with certainty.

As a result of these measures, financial institutions rate our creditworthiness highly. We have secured loan facilities exceeding ¥60 billion for the overall Group, mainly by establishing commitment lines with some of Japan's major megabanks, which enables flexibility in our funding.

Accumulating Expertise to Enable Efficient and Effective Hall Development

The Group has established a specialized department to be responsible for location development activities associated with establishing new halls. The department selects multiple locations from regional population centers, narrows down these locations based on the Group's hall development criteria, and confirms information that cannot be ascertained from mapping alone by visiting and surveying local sites before we make decisions on hall development locations.

Building up specialist expertise and experience in these ways enables us to develop halls more efficiently and effectively.

Building Strong Relationships with Land Owners and Local Communities

Relationships of trust with stakeholders such as land owners and local communities in the areas where we develop our halls are important elements in the Group's aspirations for sustainable growth.

In the process of negotiating and entering contracts with land owners in relation to hall development, the staff in our specialized department being responsible for location development provide careful and polite explanations regarding the Group's philosophy and details of our business in addition to matters such as rent and contract terms. Further, we participate proactively in regional events and clean-up activities throughout the country, as well as continuously donating to social welfare organizations.

We intend to continue to further strengthen communication with land owners and local communities as important elements in the continuity of our business development.

Communicating Proactively with Suppliers

The Group seeks to operate with a focus on profitability. In order to control sourcing expenses, we take actions to ensure effective communication with suppliers such as gaming machine manufacturers as well as providers of other machinery and equipment and general prizes.

For example, we arrange periodic opportunities to exchange opinions and information with gaming machine manufacturers regarding matters including market trends, machine specifications and content, and post-delivery evaluations. Particularly with the manufacturers of our private brand machines, we engage in regular discussions regarding planning and specifications based on our proprietary analysis data to ensure that we realize development of simple and easy-to-use machines that meet the needs of our customers at a lower price than the average market price for national brand machines.

Educating and Developing Staff through Unique Training Programs

Developing superior human resources with knowledge, skills and experience is essential to the execution of our chain-store management.

The Group commenced development of halls outside the Tokyo Metropolitan area in 1989, and we have been recruiting 200 to 300 staff annually since that time. We recruit mainly new university graduates as candidates for management personnel, and focus our efforts on their training and development. Specifically, we conduct unique training programs depending on the level and objectives of our employees including on-the-job training at halls, group training courses at training facilities, self-development using text books and e-learning, and rotation to work at other halls and the head office so that our employees can gain experience in operations. These actions enable us to enhance improvement in the knowledge and skills needed to execute our chain-store management.

In addition to this kind of practical training and development, we have prepared unique training programs to promote the Group corporate culture. For example, we conduct a program called Jinsei Daigaku (literally meaning life university) for all of our employees after they reach a certain length of service. We create opportunities in this program for our employees to develop widely and richly in human terms through activities such as reading and holding group discussions in an environment including sharing meals and accommodation with other personnel from a diverse range of divisions, positions and ages. Further, the Group has established two large-scale training centers in Japan in order to conduct group training courses.

Through these training and development, our employees working at different positions have achieved our low-cost operations, and we believe that they are one of the key strengths of the Group.

Supporting the Success of Women in the Workplace

20% of our customers are female at present, and the development of halls from a female perspective is becoming increasingly important.

In this environment, the Group proactively promotes the activities of women, and we have established a number of frameworks to support the activities of our female employees. For example, we support the growth and career development of employees aiming to advance their careers by listing internal vacancies and completing self-assessment sheets. We also support employees raising families by reducing working hours, offering parental leave (which may be taken by both male and female employees), and restricting overtime and late-night working hours.

Further, in addition to establishing a mentor program that enables employees to discuss with experienced mentors matters they feel uncomfortable to raise with their supervisors, we also conduct periodic training and development programs to develop future female senior and management employees as role models for female staff under our *Dynam Nadeshiko Project.*

We also plan to raise the proportion of female recruits in the Group to approximately 25%.

Collaborating in Overseas Businesses

Business Investment in the Asia Region

After listing on the Stock Exchange of Hong Kong, we established Dynam Hong Kong as our Hong Kong subsidiary in 2013, and we have been promoting business investments in the Asia region as well as lending to Group companies.

The Group intends to continue to search for business collaboration opportunities through equity and other investments by collecting information and conducting research in various business fields that take advantage of our expertise and human resources.

Taking Actions Toward Realization of Integrated Resorts

Searching for New Business Opportunities

After the successful bid to host the 2020 Olympic Games in Tokyo, there has been increasing focus both in Japan and overseas regarding the direction of debate in the session in Japan over introduction of a bill to promote development of integrated resorts including ending the prohibition of casinos. Realizing integrated resorts is one of the economic policies of the Abe Cabinet, and there are strong expectations for benefits such as promotion of tourism and creation of employment.

The Group is working on collating various information through our operations both in Japan and overseas including Dynam Hong Kong. We intend to continue to search for new business opportunities with a view toward realizing integrated resorts in the future.

FINANCIAL REVIEW

	For the year ended 31 March				
	2015		2014		
	(in millions, except for percentages)				
	¥	**HK$(1)**	¥	HK$(2)	changes
Gross pay-ins					
— High playing cost halls	**554,341**	**35,741**	668,586	50,307	-17.1%
— Low playing cost halls	**271,732**	**17,520**	253,586	19,081	+7.2%
Total gross pay-ins	**826,072**	**53,261**	922,172	69,388	-10.4%
Gross payouts					
— High playing cost halls	**463,614**	**29,891**	564,465	42,473	-17.9%
— Low playing cost halls	**207,903**	**13,404**	191,953	14,443	+8.3%
Total gross payouts	**671,516**	**43,296**	756,418	56,916	-11.2%
Revenue					
— High playing cost halls	**90,727**	**5,850**	104,121	7,834	-12.9%
— Low playing cost halls	**63,829**	**4,115**	61,632	4,638	+3.6%
Total revenue	**154,556**	**9,965**	165,754	12,472	-6.8%

(1) Translated into Hong Kong dollars at the rate of ¥15.51 to HK$1.00, the exchange rate prevailing on 31 March 2015 (i.e. the last business day in March 2015).

(2) Translated into Hong Kong dollars at the rate of ¥13.29 to HK$1.00, the exchange rate prevailing on 31 March 2014 (i.e. the last business day In March 2014).

GROSS PAY-INS

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

Our gross pay-ins decreased by ¥96,100 million (equivalent to approximately HK$6,196 million), or 10.4%, from ¥922,172 million (equivalent to approximately HK$69,388 million) for the year ended 31 March 2014 to ¥826,072 million (equivalent to approximately HK$53,261 million) for the year ended 31 March 2015.

The utilisation of pachinko machines showed downward trend in the entire industry. It is mainly influenced by increase in consumption tax which was in force from April 2014. With respect to the Company, during the second half of this fiscal year, utilization of our high playing cost halls was in a remarkable downturn year-on-year. Correspondingly, gross pay-ins in our high playing cost halls decreased and as a result, total gross pay-ins were lower than the performance of the previous fiscal year. From January 2015, we implemented measures to improve the utilization in our high playing cost halls including renewal of 40 high playing cost halls. On the other hand, gross pay-ins in our low playing cost halls increased year-on-year through the new hall openings as the outcome of our strategy focusing on low playing cost halls.

High playing cost halls. Gross pay-ins for high playing cost halls decreased by ¥114,245 million (equivalent to approximately HK$7,366 million), or 17.1%, from ¥668,586 million (equivalent to approximately HK$50,307 million) for the year ended 31 March 2014 to ¥554,341 million (equivalent to approximately HK$35,741 million) for the year ended 31 March 2015. The decrease was primarily due to the decrease in utilization of our high playing cost machines, decreased number of high playing cost machines while increased number of low playing cost machines, and decrease in number of halls associated with conversion of 1 high playing cost hall to a low playing cost hall.

Low playing cost halls. Gross pay-ins for low playing cost halls increased by ¥18,146 million (equivalent to approximately HK$1,170 million), or 7.2%, from ¥253,586 million (equivalent to approximately HK$19,081 million) for the year ended 31 March 2014 to ¥271,732 million (equivalent to approximately HK$17,520 million) for the year ended 31 March 2015. The increase was due primarily to the addition of 19 new halls during the previous fiscal year including conversion of hall types from high playing cost halls to low playing cost halls.

GROSS PAYOUTS

Gross payouts represent the aggregate cost of G-prizes and general prizes exchanged at our halls by our customers.

Our gross payouts decreased by ¥84,902 million (equivalent to approximately HK$5,474 million), or 11.2%, from ¥756,418 million (equivalent to approximately HK$56,916 million) for the year ended 31 March 2014 to ¥671,516 million (equivalent to approximately HK$43,296 million) for the year ended 31 March 2015.

High playing cost halls. Gross payouts decreased by ¥100,851 million (equivalent to approximately HK$6,502 million), or 17.9%, from ¥564,465 million (equivalent to approximately HK$42,473 million) for the year ended 31 March 2014 to ¥463,614 million (equivalent to approximately HK$29,891 million) for the year ended 31 March 2015, which was in line with the decrease in gross pay-ins.

Low playing cost halls. Gross payouts increased by ¥15,950 million (equivalent to approximately HK$1,028 million), or 8.3%, from ¥191,953 million (equivalent to approximately HK$14,443 million) for the year ended 31 March 2014 to ¥207,903 million (equivalent to approximately HK$13,404 million) for the year ended 31 March 2015. The increase was due primarily to the increase in gross pay-ins as a result of the addition of 19 new halls.

REVENUE AND REVENUE MARGIN

Our revenue represents the gross pay-ins, less gross payouts to customers and our revenue margin represents revenue divided by gross pay-ins.

Our revenue was ¥165,754 million (equivalent to approximately HK$12,472 million) and ¥154,556 million (equivalent to approximately HK$9,965 million) for the years ended 31 March 2014 and 2015 respectively.

During the second half of this fiscal year, utilization of our high playing cost halls showed a remarkable downturn year-on-year, which caused decline of gross pay-ins in high playing cost halls. As a result, total revenue also decreased as compared with the previous fiscal year. On the other hand, revenue in our low playing cost halls increased year-on-year through the new hall openings as the outcome of our strategic focus on low playing cost halls.

High playing cost halls. Revenue for high playing cost halls decreased by ¥13,394 million (equivalent to approximately HK$864 million), or 12.9%, from ¥104,121 million (equivalent to approximately HK$7,835 million) for the year ended 31 March 2014 to ¥90,727 million (equivalent to approximately HK$5,850 million) for the year ended 31 March 2015. The decrease was primarily due to a decrease in gross pay-ins. The revenue margin for the year ended 31 March 2015 increased by 0.8 points from 15.6% to 16.4% year-on-year, reflecting change in mix of machines in high playing cost halls including increased number of low playing cost machines.

Low playing cost halls. Revenue for low playing cost halls increased by ¥2,197 million (equivalent to approximately HK$142 million), or 3.6%, from ¥61,632 million (equivalent to approximately HK$4,637 million) for the year ended 31 March 2014 to ¥63,829 million (equivalent to approximately HK$4,115 million) for the year ended 31 March 2015. The revenue margin was 23.5% for the year ended 31 March 2015 and maintained the same level as the previous fiscal year.

HALL OPERATING EXPENSES

Hall operating expenses

The following table sets forth a breakdown of our hall operating expenses by hall type for the periods indicated:

	For the year ended 31 March											
	2015						2014					
	High playing cost halls		Low playing cost halls		Total		High playing cost halls		Low playing cost halls		Total	
	(in ¥ millions, except for percentages)											
		%		%		%		%		%		%
Hall staff costs	24,746	34.6%	20,344	32.2%	45,090	33.5%	26,449	33.9%	18,078	31.3%	44,527	32.8%
Machine expenses	20,186	28.2%	16,420	26.0%	36,607	27.2%	23,807	30.5%	14,299	24.7%	38,107	28.0%
Depreciation charges	4,457	6.2%	5,582	8.8%	10,040	7.5%	4,859	6.2%	5,257	9.1%	10,116	7.4%
Rental	4,692	6.6%	6,282	10.0%	10,974	8.1%	4,982	6.4%	5,477	9.5%	10,459	7.7%
Advertising expenses	2,558	3.6%	2,357	3.7%	4,915	3.6%	2,886	3.7%	1,800	3.1%	4,686	3.4%
Utilities expenses	2,684	3.8%	3,152	5.0%	5,836	4.3%	2,763	3.5%	2,666	4.6%	5,429	4.0%
G-prize expenses	1,516	2.1%	1,681	2.7%	3,197	2.4%	2,607	3.3%	2,695	4.7%	5,302	3.9%
Cleaning and ancillary services	1,703	2.4%	1,703	2.7%	3,406	2.5%	2,124	2.7%	1,805	3.1%	3,928	2.9%
Repair and maintenance	2,127	3.0%	1,257	2.0%	3,384	2.5%	1,512	1.9%	1,135	2.0%	2,647	1.9%
Others	6,887	9.6%	4,323	6.9%	11,210	8.3%	6,107	7.8%	4,634	8.0%	10,739	7.9%
Total	71,556	100.0%	63,103	100.0%	134,659	100.0%	78,095	100.0%	57,847	100.0%	135,940	100.0%

The following table sets forth a breakdown of our average hall operating expenses per hall, by hall type, for the periods indicated:

	For the year ended 31 March											
	2015						2014					
	High playing cost halls		Low playing cost halls		Total		High playing cost halls		Low playing cost halls		Total	
	(in ¥ millions, except for percentages)											
		%		%		%		%		%		%
Hall staff costs	143.9	34.6%	92.1	32.2%	114.7	33.5%	152.9	33.9%	89.5	31.3%	118.7	32.8%
Machine expenses	117.4	28.2%	74.3	26.0%	93.1	27.2%	137.6	30.5%	70.8	24.7%	101.6	28.0%
Depreciation charges	25.9	6.2%	25.3	8.8%	25.5	7.5%	28.1	6.2%	26.0	9.1%	27.0	7.4%
Rental	27.3	6.6%	28.4	10.0%	27.9	8.1%	28.8	6.4%	27.1	9.5%	27.9	7.7%
Advertising expenses	14.9	3.6%	10.7	3.7%	12.5	3.6%	16.7	3.7%	8.9	3.1%	12.5	3.4%
Utilities expenses	15.6	3.8%	14.3	5.0%	14.8	4.3%	16.0	3.5%	13.2	4.6%	14.5	4.0%
G-prize expenses	8.8	2.1%	7.6	2.7%	8.1	2.4%	15.1	3.3%	13.3	4.7%	14.1	3.9%
Cleaning and ancillary services	9.9	2.4%	7.7	2.7%	8.7	2.5%	12.3	2.7%	8.9	3.1%	10.5	2.9%
Repair and maintenance	12.4	3.0%	5.7	2.0%	8.6	2.5%	8.7	1.9%	5.6	2.0%	7.1	1.9%
Others	40.0	9.6%	19.6	6.9%	28.5	8.3%	35.3	7.8%	22.9	8.0%	28.6	7.9%
Total	416.0	100.0%	285.5	100.0%	342.6	100.0%	451.4	100.0%	286.4	100.0%	362.5	100.0%

Hall operating expenses decreased by ¥1,281 million (equivalent to approximately HK$83 million), or 0.9%, from ¥135,940 million (equivalent to approximately HK$10,229 million) for the year ended 31 March 2014 to ¥134,659 million (equivalent to approximately HK$8,682 million) for the year ended 31 March 2015.

The total amount of the entire hall operating expenses decreased primarily attributable to substantial decrease in pachinko and pachislot machine expenses and hall staff costs in high playing cost halls, partially offset by increase in pachinko and pachislot machine expenses and hall staff costs in low playing cost halls due to increased number of halls compared with the previous fiscal year.

High playing cost halls. Hall operating expenses decreased by ¥6,539 million (equivalent to approximately HK$422 million), or 8.4%, from ¥78,095 million (equivalent to approximately HK$5,876 million) for the year ended 31 March 2014 to ¥71,556 million (equivalent to approximately HK$4,614 million) for the year ended 31 March 2015. The average hall operating expenses per hall also decreased by 7.8% primarily due to the decrease in average pachinko and pachislot machine expenses and advertising expenses per hall by 14.7% and 10.8% respectively partially offset by increased repair and maintenance expenses per hall by 41.5% as a result of the renewal of 40 high playing cost halls implemented in the second half of this fiscal year.

Low playing cost halls. Hall operating expenses increased by ¥5,256 million (equivalent to approximately HK$339 million), or 9.1%, from ¥57,847 million (equivalent to approximately HK$4,353 million) for the year ended 31 March 2014 to ¥63,103 million (equivalent to approximately HK$4,069 million) for the year ended 31 March 2015, due primarily to the increase in pachinko and pachislot machine expenses and hall staff costs associated with addition of 19 halls including changeover of hall types from high playing cost halls to low playing cost halls. The average hall operating expenses per hall was ¥286 million (equivalent to approximately HK$18 million) for the year ended 31 March 2015 and maintained the same level as the previous fiscal year.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses increased by ¥1,370 million (equivalent to approximately HK$88 million), or 33.5%, from ¥4,086 million (equivalent to approximately HK$307 million) for the year ended 31 March 2014 to ¥5,456 million (equivalent to approximately HK$352 million) for the year ended 31 March 2015. The increase was primarily due to the increased number of employees as a result of the acquisition of HUMAP Japan.

OTHER INCOME

Other income primarily comprises commission income from vending machines and in-store sales, which represented 57.2% and 59.2% of total other income for the years ended 31 March 2014 and 2015 respectively. Other income for the years ended 31 March 2014 and 2015 were ¥7,139 million (equivalent to approximately HK$537 million) and ¥6,850 million (equivalent to approximately HK$442 million) respectively. The slight decrease was primarily attributable to the gain on bargain purchases recognized for the year ended 31 March 2014.

OTHER OPERATING EXPENSES

Other operating expenses increased by ¥815 million (equivalent to approximately HK$53 million), or 72%, from ¥1,132 million (equivalent to approximately HK$85 million) for the year ended 31 March 2014 to ¥1,947 million (equivalent to approximately HK$126 million) for the year ended 31 March 2015. The increase was primarily attributable to the impairment loss on property, plant and equipment.

FINANCE INCOME

Finance income decreased by ¥1,509 million (equivalent to approximately HK$97 million), or 41.2%, from ¥3,660 million (equivalent to approximately HK$275 million) for the year ended 31 March 2014 to ¥2,151 million (equivalent to approximately HK$139 million) for the year ended 31 March 2015. The decrease was primarily attributable to the gain on change in fair value of IGG shares recognized for the year ended 31 March 2014.

FINANCE COSTS

Finance costs increased by ¥1,196 million (equivalent to approximately HK$77 million), or 153.1%, from ¥781 million (equivalent to approximately HK$59 million) for the year ended 31 March 2014 to ¥1,977 million (equivalent to approximately HK$127 million) for the year ended 31 March 2015. The increase was primarily attributable to the decrease in market value of the IGG shares.

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 March 2015

	Note	2015 ¥ million	2014 ¥ million
Revenue	*6*	**154,556**	165,754
Hall operating expenses	*7(a)*	**(134,659)**	(135,940)
General and administrative expenses	*7(b)*	**(5,456)**	(4,086)
Other income	*9*	**6,850**	7,139
Other operating expenses		**(1,947)**	(1,132)
Operating profit		**19,344**	31,735
Finance income	*10(a)*	**2,151**	3,660
Finance expenses	*10(b)*	**(1,977)**	(781)
Profit before income tax		**19,518**	34,614
Income taxes	*11*	**(8,259)**	(13,377)
Net profit for the year		**11,259**	21,237
Net profit attributable to:			
Owners of the Company		**11,303**	21,255
Non-controlling interests		**(44)**	(18)
Net profit		**11,259**	21,237
Earnings per share	*13*		
Basic (¥)		**15.2**	28.6
Diluted (¥)		**N/A**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Note	**2015** **¥ million**	2014 ¥ million
Net profit for the year		**11,259**	21,237
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
Remeasurement of defined benefit retirement plans		**–**	(8)
— Income tax arising from actuarial gain thereof		**(1)**	3
		(1)	(5)
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		**1,143**	512
Changes in fair value of available-for-sale financial assets		**(8,979)**	5,720
— Income tax effect of changes in fair value of available-for-sale financial assets		**21**	(6)
		(7,815)	6,226
Other comprehensive income for the year, net of tax		**(7,816)**	6,221
Total comprehensive income for the year		**3,443**	27,458
Total comprehensive income attributable to:			
Owners of the Company		**3,487**	27,483
Non-controlling interests		**(44)**	(25)
Total comprehensive income		**3,443**	27,458

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2015

	Note	2015 ¥ million	2014 ¥ million
Non-current assets			
Property, plant and equipment		**99,961**	94,605
Intangible assets		**1,029**	1,408
Available-for-sale financial assets		**8,807**	15,413
Deferred tax assets		**10,954**	12,374
Other non-current assets		**11,462**	11,423
		132,213	135,223
Current assets			
Inventories		**4,493**	1,801
Trade receivables	*14*	**486**	563
Financial assets at fair value through profit or loss		**2,925**	3,875
Prizes in operation of pachinko halls		**4,292**	4,324
Other current assets		**7,288**	5,547
Cash and cash equivalents		**29,239**	34,836
		48,723	50,946
TOTAL ASSETS		**180,936**	186,169
Current liabilities			
Trade and other payables	*15*	**20,468**	19,049
Derivative financial instruments		**–**	47
Borrowings		**3,160**	1,265
Finance lease payables		**254**	869
Provisions		**1,610**	1,619
Income taxes payables		**719**	8,984
Other current liabilities		**5,169**	3,077
		31,380	34,910
Net current assets		**17,343**	16,036
Total assets less current liabilities		**149,556**	151,259

	Note	**2015**	2014
	Note	***¥ million***	*¥ million*
Non-current liabilities			
Derivative financial instruments		**–**	83
Deferred tax liabilities		**175**	380
Borrowings		**9,160**	3,059
Finance lease payables		**66**	332
Retirement benefit obligations		**–**	63
Other non-current liabilities		**1,002**	1,545
Provisions		**4,100**	3,787
		14,503	9,249
NET ASSETS		**135,053**	142,010
Capital and reserves			
Share capital		**15,000**	15,000
Capital reserve		**10,129**	10,129
Retained earnings		**111,037**	110,136
Other component of equity		**(1,089)**	6,725
Equity attributable to owners of the Company		**135,077**	141,990
Non-controlling interests		**(24)**	20
TOTAL EQUITY		**135,053**	142,010

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

1. GENERAL INFORMATION

Dynam Japan Holdings Co., Ltd. (the "Company") was incorporated in Japan under the Companies Act on 20 September 2011. The address of its registered office and principal place of business in Japan are 2-25-1-702 Nishi-Nippori, Arakawa- ku, Tokyo 116-0013, Japan and the principal place of business in Hong Kong is Unit A1, 32nd Floor, United Centre, 95 Queensway, Admiralty, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 6 August 2012.

The consolidated financial statements of the Company as of 31 March 2015 consist of the Company and its subsidiaries (the "Group"). The principal activities of the Group are operations of pachinko halls and services subordinated to the operation.

The consolidated financial information was approved and authorized for issuance by the Board of Directors on 28 May, 2015.

In the opinion of the directors of the Company, as at 31 March 2015, Mr. Yoji Sato and Sato Family Members as defined in the prospectus of the Company dated 24 July 2012 (the "Prospectus") are the ultimate controlling parties of the Company.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets at fair value through profit or loss and derivative financial instruments which are carried at their fair values.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap.32) for this financial year and the comparative year.

3. CHANGES IN METHOD OF PRESENTATION (FINANCIAL INCOME)

In the year ended 31 March 2014, the finance income was included in the other income in the consolidated statement of income, however, it is presented separately as the finance income in the consolidated statement of income since the year ended 31 March 2015 in order to more faithfully represent the results of its operating activities for the period. To reflect this change in the presentation method, ¥3,660 million, that was previously included in the other income in the year ended 31 March 2014, was reclassified from the other income and presented as the finance income.

4. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2014

(a) Amendments to IAS 36, "Impairment of assets"

IAS 36, "Impairment of assets", is amended to clarify the recoverable amount disclosures of the cash generating units.

The amendment did not have a significant impact on the Group's financial statements.

(b) IFRIC 21, "Levies"

The Group has adopted IFRIC 21 "Levies". IFRIC 21, "Levies", sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised.

The interpretation is adopted retroactively for consolidated financial statements for the year ended 31 March 2014.

As a result, the trade and other payables and the deferred tax assets as of 31 March 2014 increased by ¥1,244 million and ¥437 million respectively, and the retained earnings as of 31 March 2014 decreased by ¥807 million. The trade and other payables and the deferred tax assets as of 31 March 2015 increased by ¥1,318 million and ¥461 million respectively and the retained earnings as of 31 March 2015 decreased by ¥857 million.

The hall operating expenses, general and administrative expenses and other operating expenses for the year ended 31 March 2014 increased by ¥49 million, ¥11 million and ¥4 million respectively. The hall operating expenses and general and administrative expenses for the year ended 31 March 2015 increased by ¥54 million, ¥21 million respectively and the other operating expenses for the year ended 31 March 2015 decreased by ¥1 million.

The impacts on the operating profit for the year ended 31 March 2014 and for year ended 31 March 2015 are decrease of ¥64 million and ¥74 million respectively.

Other amendments to IFRSs effective for the year ended 31 March 2015 does not have a material impact on the Group.

5. NEW STANDARDS, AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATIONS THAT ARE PUBLISHED BUT HAVE NOT YET BEEN ADOPTED BY THE GROUP

The new standards, amendments to existing standards and interpretations have been published before the approval date of the consolidated financial statements, but the Group has not early adopted are as follows. The impact to the consolidated financial statements through adoption is still under investigation and it is difficult to estimate at this moment.

IFRS		Mandatory for fiscal year beginning on or after	Adopted by the Group from fiscal year ended	Summary of new standards and amendments
IFRS9	Financial instruments	1 January 2018	March 2019	Amendment with regard to classification, measurement and hedge accounting
IFRS15	Revenue from Contracts with Customers	1 January 2017	March 2018	Amendment with regard to the accounting of revenue recognition

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 31 December 2015 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

6. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

For management purpose, the Group has carried on a single business geographical location, which is the operations of pachinko halls and those related services in Japan, and all the assets are principally located in Japan. Accordingly, there is only one single reportable segment of the Group which is regularly reviewed by the chief operating decision maker.

The Group's customer base is diversified and there are no customers with whom transactions have exceeded 10% of the Group's revenue.

Revenue

	2015	2014
	¥ million	*¥ million*
Gross pay-ins	**826,072**	922,172
Less: Gross payouts	**(671,516)**	(756,418)
Revenue	**154,556**	165,754

7. HALL OPERATING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

(a) Hall operating expenses

	2015	2014
	¥ million	*¥ million*
Advertising expenses	**4,915**	4,686
Cleaning and ancillary services	**3,406**	3,928
Depreciation charges expenses	**10,040**	10,116
G-prize expenses	**3,197**	5,302
Hall staff costs	**45,090**	44,527
Pachinko and pachislot machine expenses	**36,607**	38,107
Rental expenses	**10,974**	10,459
Repair and maintenance expenses	**3,384**	2,647
Utilities expenses	**5,836**	5,429
Others	**11,210**	10,739
	134,659	135,940

(b) General and administrative expenses

	2015	2014
	¥ million	*¥ million*
Salaries, bonus and allowances	**3,141**	2,205
Audit fee	**86**	59
Others	**2,229**	1,822
	5,456	4,086

8. STAFF COSTS AND DIRECTOR'S EMOLUMENTS

	2015	2014
	¥ million	*¥ million*
Salaries, bonus and allowances	**51,771**	48,144
Expenses recognised in respect of defined benefit retirement plans	**7**	787
Contribution to defined contribution retirement plans	**803**	505
	52,581	49,436

9. OTHER INCOME

	2015	2014
	¥ million	*¥ million*
Commission income from vending machines and in-store sales	**4,053**	4,084
Income from forfeiture of unutilised balls and tokens	**265**	343
Income from catering services	**407**	264
Net gain on disposals of used machines	**378**	467
Rental income	**543**	717
Gain on bargain purchases	**–**	754
Reversal of impairment loss on property, plant and equipment	**–**	55
Others	**1,204**	455
	6,850	7,139

10. FINANCE INCOME AND EXPENSES

(a) Finance income

	2015	2014
	¥ million	*¥ million*
Bank interest income	**54**	44
Dividends income	**65**	23
Foreign exchange gain, net	**1,782**	1,159
Gain from changes in fair value of financial assets measured at fair value through profit or loss	**–**	2,316
Others	**250**	118
	2,151	3,660

(b) Finance expenses

	2015	2014
	¥ million	*¥ million*
Interest expense	**68**	170
Amortisation of syndicated loan charges	**370**	530
Loss from changes in fair value of financial assets measured at fair value through profit or loss	**1,258**	–
Others	**281**	81
	1,977	781

11. INCOME TAXES

	2015	2014
	¥ million	*¥ million*
Current tax — Japan Profits Tax		
Provision for the year	**7,023**	13,749
Under-provision in prior years	**11**	440
	7,034	14,189
Current tax — Overseas		
Provision for the year	**13**	35
Deferred tax		
(Reversal of provision)/provision for the year	**1,212**	(847)
Income tax expense	**8,259**	13,377

Under the Tax Reform 2015 announced by The Ministry of Finance of Japan in March 2015, which is applicable to the fiscal year beginning on or after 1 April 2015, the effective corporate tax rate including the corporate income tax, resident tax and business tax, of the Group has reduced as follows:

The tax rate used in Japan is approximately 38% for the year ended 31 March 2014 and 36% for the year ended 31 March 2015.

Hong Kong Profits Tax included in overseas taxation above has been provided at a rate of approximately 16% on the estimated assessable profit for the year ended 31 March 2015.

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Japan Profits Tax rate is as follows:

	2015	2014
	¥ million	*¥ million*
Profit before tax	**19,518**	34,614
Japan Profits Tax rate	**36%**	38%
Tax at the domestic income tax rate	**7,026**	13,153
Tax effect of income that is not taxable	**(206)**	(318)
Tax effect of expenses that are not deductible	**498**	600
Tax effect of temporary differences not recognised	**70**	11
Tax effect of utilisation of tax losses not previously recognised *(note)*	**–**	(191)
Tax effect of temporary differences not previously recognised *(note)*	**–**	(318)
Tax effect of recognition of unused tax losses not previously recognised *(note)*	**–**	(29)
Tax losses not recognised	**197**	12
Under-provision in prior years	**11**	440
Effect of different tax rates of subsidiaries	**(187)**	(646)
Effect of change in tax rate	**674**	826
Others	**176**	(163)
Income tax expense	**8,259**	13,377

Note:

Cabin Plaza has effected an absorption-type merger of Daikokuten and Okuwa Japan on 1 April 2013, with Cabin Plaza as the surviving company and Daikokuten and Okuwa Japan as the dissolving companies. Cabin Plaza is carrying on the same business previously carried on by Daikokuten and Okuwa Japan (i.e. operation of pachinko halls in Japan) and under Japan Tax Law, the surviving company is permitted to inherit the unused tax losses and capital allowances of the dissolved companies given it is proved that the losses have not been allowed against any assessable profits or income of that company for any such year.

Cabin Plaza has obtained the approval from the Japan Tax authority to inherit the unused tax losses and capital allowances of Daikokuten and Okuwa Japan upon the completion of merger. As a result, they are deemed to be unused tax losses and capital allowances incurred by Cabin Plaza not previously recognised. During the year, Cabin Plaza recognised the utilisation of tax losses, temporary differences and unused tax losses not previously recognised by Daikokuten and Okuwa Japan amounting to ¥181 million, ¥318 million and ¥29 million respectively.

12. DIVIDENDS

	2015		2014	
Dividends declared and paid/ payable to its shareholders by:	**Dividend per share ¥**	**Total dividends *¥ million***	Dividend per share ¥	Total dividends *¥ million*
The Company				
— Interim	7.00	5,200	7.00	5,200
— Final	7.00	5,200	7.00	5,200
		10,400		10,400

On 28 May 2015, the board of director declared a final dividend of ¥7.00 per ordinary share of the Company which is payable on 25 June 2015.

13. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following:

	2015 *¥ million*	2014 *¥ million*
Earnings for the purpose of calculating basic earnings per share	**11,303**	21,255
Weighted average number of ordinary shares	**742,850,360**	742,850,360
Basic earnings per share (¥)	**15.2**	28.6

No diluted earnings per share were presented for the years ended 31 March 2015 and 2014 as there were no dilutive potential ordinary shares in existence during the years ended 31 March 2015 and 2014.

14. TRADE RECEIVABLES

The Group's credit terms generally range from 1 to 30 days.

The Group's ageing analysis of trade receivables, based on invoice date, is as follows:

	2015	2014
	¥ million	*¥ million*
1 to 30 days	**437**	546
31 days to 60 days	**22**	17
Over 60 days	**27**	–
	486	563

No balances were past due at the year ended 31 March 2015 (2014: Nil).

15. TRADE AND OTHER PAYABLES

	2015	2014
	¥ million	*¥ million*
Trade payables	**1,287**	1,722
Halls construction and system payables	**4,000**	3,737
Other tax expenses	**3,801**	2,155
Pachinko and pachislot machine payables	**2,922**	1,971
Accrued staff costs	**7,734**	8,251
Others	**724**	1,213
	20,468	19,049

The ageing analysis of the Group's trade payables, based on invoice date, is as follows:

	2015	2014
	¥ million	*¥ million*
1 to 30 days	**1,211**	1,697
31 days to 60 days	**60**	1
Over 60 days	**16**	24
	1,287	1,722

CORPORATE GOVERNANCE

The Company is committed to the principles of corporate governance and corporate responsibility consistent with prudent management. The Board believes that such commitment will in the long term serve to enhance Shareholders' value. The Board has set up procedures on corporate governance that comply with the requirements of the Code contained in Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 March 2015, the Company has complied with all applicable code provisions set out in the Code except for the following deviation.

Code Provision E.1.3

Code provision E.1.3 stipulates that notice for AGM should be sent to shareholders at least 20 clear business days before the meeting. The AGM of the Company for the year ended 31 March 2015 is scheduled to be held on 24 June 2015, while the AGM notice is expected to be dispatched on 2 June 2015. The above arrangement complies with the Articles of Incorporation prepared pursuant to the Companies Act in respect of the minimum notice period of 21 calendar days (the date of sending and the date of the meeting shall not be included within this period) but the AGM notice period is less than 20 clear business days before the AGM.

Under the Companies Act and the Articles of Incorporation, the Company is required to hold an AGM within three months after the expiration of each financial year (i.e. on or before 30 June 2015). The Companies Act also requires the notice for the AGM to be dispatched together with the audited financial statements under Japanese Generally Accepted Accounting Principles, which must be approved by the Board. On the other hand, the annual report must contain audited financial statements prepared under the IFRS as required under the Listing Rules. As a result, more time was required to finalise that annual report which accompanies the AGM notice to be dispatched to the Shareholders.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as a code of conduct of the Company regarding Directors' transactions of the listed securities of the Company. The Company has made specific enquiry to all of the Directors, and all of the Directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the year ended 31 March 2015. In addition to the Model Code, the Company has formulated and adopted the "Code of Conduct for Prevention of Insider Trading" as at 1 April 2014 for employees of the Company who are likely to have access to unpublished inside information of the Group.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company has established the Audit Committee in accordance with the requirements of the Listing Rules. The Audit Committee consists of three independent non-executive Directors, namely Mr. Ichiro TAKANO (chairman), Mr. Yukio YOSHIDA and Mr. Thomas Chun Kee YIP. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of financial reporting process, internal control and risk management system, overseeing the audit process and performing other duties and responsibilities as assigned by the Board. The Audit Committee also monitors the Directors in fulfilling their fiduciary duties.

The Audit Committee held 15 meetings during the year ended 31 March 2015 with attendance rates of all members are 100%. The results for the year ended 31 March 2015 have been reviewed by the Audit Committee.

FINAL DIVIDEND

The Board proposed to declare a final dividend of ¥7 per ordinary share for the year ended 31 March 2015 on 28 May 2015, the final dividend will be payable on 25 June 2015 to the Shareholders whose names appear on the Company's share register at close of business on 3 June 2015. Assuming 742,850,360 Shares in issue as at 3 June 2015, it is expected that the final dividend payable will amount to approximately ¥5,200 million (equivalent to approximately HK$335 million). No Shareholder has waived or agreed to waive any dividends.

The exchange rate for the conversion of Japanese yen to Hong Kong dollar for the dividend distributed to Shareholders in the currency other than Japanese yen will be based on the average currency exchange rates prevailing five trading days immediately before 28 May 2015 (being 21 to 22 and 25 to 27 May 2015).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period from 1 April 2014 to 31 March 2015.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.dyjh.co.jp). The annual report of the Company for the year ended 31 March 2015 containing all the information required by the Listing Rules will be despatched to the Shareholders and made available for review on the aforesaid websites in due course.

CURRENCY TRANSLATIONS

For the purpose of illustration only and unless otherwise specified in this announcement, certain amounts denominated in Japanese yen are translated into Hong Kong dollars at the rates (as the case may be) described below:

1. ¥15.51 to HK$1.00, the exchange rate prevailing on 31 March 2015 (i.e. the last business day in March 2015); or

2. ¥13.29 to HK$1.00, the exchange rate prevailing on 31 March 2014 (i.e. the last business day in March 2014).

No representation is made that the Japanese yen amounts could have been, or could be, converted into Hong Kong dollars, or vice versa, at such rates or at any other rates on such date or on any other dates.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings.

"AGM"	annual general meeting of the Company
"Articles of Incorporation"	Articles of Incorporation of the Company as amended and supplemented from time to time
"Audit Committee"	audit committee of the Company
"Board" or "Board of Directors"	the board of Directors of the Company
"Cabin Plaza"	Cabin Plaza Co., Ltd.* (株式会社キャビンプラザ), a stock company (kabushiki-gaisha 株式会社) incorporated in Japan with limited liability under the Companies Act (registration number 3800-01-019664) on 25 May 1988. Cabin Plaza is a wholly-owned subsidiary of the Company
"Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"Companies Act"	the Companies Act of Japan* (kaisha hou 会社法) (Act No. 86 of 2005, as amended)
"Company"	DYNAM JAPAN HOLDINGS Co., Ltd.* (株式会社ダイナムジャパンホールディングス), a stock company (kabushikigaisha 株式会社) incorporated in Japan with limited liability under the Companies Act on 20 September 2011 (registration number 0115-01-017114)

"Director(s)"	the director(s) of the Company
"Dynam"	DYNAM Co., Ltd.* (株式会社ダイナム), a stock company incorporated in Japan with limited liability under the Companies Act on 25 July 1967 (registration number 0115-01-007357). Dynam is a wholly-owned subsidiary of the Company
"DYNAM Group" or "Group"	the Company and its subsidiaries at the relevant point in time
"Dynam Hong Kong"	Dynam Hong Kong Co., Ltd.*, a stock company incorporated in Hong Kong with limited liability on 7 January 2013 (registration number 1848306). Dynam Hong Kong is a wholly-owned subsidiary of the Company
"EBITDA"	earning before interest, taxes, depreciation and amortization
"GEM Board"	the Growth Enterprise Market of the Stock Exchange (excluding the option market) operated by the Stock Exchange which is independent of and operated in parallel with the Main Board of the Stock Exchange
"general prize"	any prize offered by a pachinko hall that is not a G-prize
"G-prize"	a decorative plastic card with a small embedded piece of gold or silver or a small coin-shaped pendant of gold or silver
"gross pay-ins"	the amount received from pachinko balls and pachislot tokens rented to customers less unutilised balls and tokens
"gross payouts"	the aggregate cost of G-prizes and general prizes exchanged by customers for pachinko balls or pachislot tokens collected at halls
"high playing cost halls" or "traditional halls"	our hall type primarily featuring high playing cost machines and mainly operating under the brand of DYNAM and including two Cabin Plaza halls
"high playing cost machines"	pachinko machines with a playing cost of 4-yen per pachinko ball and pachislot machines with a playing cost of 20-yen per pachislot token

"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Humap Japan"	HUMAP Japan Co., Ltd.* (株式会社日本ヒュウマップ), a stock company (kabushiki-gaisha株式会社) incorporated in Japan with limited liability under the Companies Act on 1 November 1982 (registration number 0115-01-008097). Humap Japan is a wholly-owned subsidiary of the Company
"IFRS"	International Financial Reporting Standards which include standards and interpretations promulgated by the International Accounting Standards Board (IASB)
"IGG"	IGG Inc, a company incorporated in Cayman Islands and engaged in the development of online game software and the operation of online games. IGG shares are listed on the GEM Board (Stock Code: 08002)
"Individual Ball Counter System"	The system for counting balls and tokens introduced at each machine at each of our halls
"Japan Productivity Center"	a public interest incorporated foundation (koueki zaidan houjin) established in 1955 under the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations (koueki shadan houjin oyobi koueki zaidan houjin tou no nintei ni kansuru houritsu) to promote the productivity in Japan's industrial society and in improving the quality of people's lives
"Leisure White Paper"	Research report on leisure industry and its market trend published by Japan Productivity Center
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"low playing cost halls"	our hall type primarily featuring low playing cost machines and mainly operating under the brand of *Yuttari Kan*, *Shinrai no Mori* and including seven Cabin Plaza halls
"low playing cost machines"	pachinko machines with playing costs less than 4-yen per pachinko ball and pachislot machines with playing costs of less than 20-yen per pachislot token

"machine utilization"	the number of pachinko balls/pachislot tokens played per machine per day
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent of and operated in parallel with the GEM Board
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"online game"	the gaming technology that is run by connecting players to play games over a computer network
"our", "we", or "us"	The Company, or where the context requires, the Company and its subsidiaries collectively
"pachinko balls" or "balls"	small metal balls used to play pachinko games
"pachislot tokens" or "tokens"	small metal tokens used to play pachislot games
"PRC"	The People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
"Reporting Period"	the period from 1 April 2014 to 31 March 2015
"*Shinrai no Mori*" (信頼の森)	our pachinko hall brand and hall type featuring primarily low playing cost games in a non-smoking environment with reduced noise levels, space for players to relax and socialise, and a larger selection of general prizes
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"*Yuttari Kan*" (ゆったり館)	our pachinko hall brand and hall type featuring primarily low playing cost machines, where smoking is allowed

Note: Translated English names of Japanese natural persons, legal persons, government authorities, institutions or other entities for which no official English translation exist are unofficial translations for identification purpose only.

On behalf of the Board
株式会社ダイナムジャパンホールディングス
DYNAM JAPAN HOLDINGS Co., Ltd.*
Kohei SATO
Executive Director and Chief Executive Officer

Tokyo, Japan, 28 May 2015

As of the date of this announcement, the executive directors are Mr. Yoji SATO and Mr. Kohei SATO, the non-executive director is Mr. Noriaki USHIJIMA and the independent non-executive directors are Mr. Katsuhide HORIBA, Mr. Ichiro TAKANO, Mr. Yukio YOSHIDA, Mr. Mitsutoshi KATO and Mr. Thomas Chun Kee YIP.

* *For identification purpose only*