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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

HIGHLIGHTS

— Our gross pay-ins were ¥417,104 million (or HK$26,945 million[Δ]), recording a decrease of 1.9% as compared with the six months ended 30 September 2014;

— Our revenue was ¥75,843 million (or HK$4,899 million[Δ]), recording a decrease of 6% as compared with the six months ended 30 September 2014;

— Our profit before income tax was ¥7,323 million (or HK$473 million[Δ]), recording a decrease of 50.3% as compared with the six months ended 30 September 2014;

— Our net profit for the period attributable to owners of the Company was ¥4,784 million (or HK$309 million[Δ]), recording a decrease of 47.1% as compared with the six months ended 30 September 2014;

— We operated 400 halls as at 30 September 2015 (380 halls as at 30 September 2014);

— Basic earnings per share of the Company were ¥6.44 (or HK$0.4[Δ]); and

— The Board has resolved to declare an interim dividend of ¥7 per ordinary share.

Δ Translated into Hong Kong dollars at the rate of ¥15.48 to HK$1.00, the exchange rate prevailing on 30 September 2015 (i.e. the last business day in September 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 interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2015. The results have been reviewed by PricewaterhouseCoopers Aarata, the Company's auditor and the Audit Committee.

SUMMARY OF FINANCIAL RESULTS

	Six months ended 30 September			
	2015 (unaudited)		2014 (unaudited)	
	(in millions)			
	¥	**HK$**	¥	HK$
Gross pay-ins	**417,104**	**26,945**	425,297	30,163
Less: gross payouts	**(341,261)**	**(22,045)**	(344,615)	(24,441)
Revenue	**75,843**	**4,899**	80,682	5,722
Hall operating expenses	**(68,855)**	**(4,448)**	(64,791)	(4,595)
General and administrative expenses	**(2,738)**	**(177)**	(2,383)	(169)
Other income	**3,644**	**235**	3,549	252
Other operating expenses	**(511)**	**(33)**	(990)	(70)
Operating profit	**7,383**	**477**	16,067	1,140
Finance income	**275**	**18**	1,028	73
Finance expenses	**(335)**	**(22)**	(2,366)	(168)
Profit before income taxes	**7,323**	**473**	14,729	1,045
Income taxes	**(2,539)**	**(164)**	(5,693)	(404)
Net profit for the period	**4,784**	**309**	9,036	641
Net profit attributable to:				
Owners of the Company	**4,784**	**309**	9,040	641
Non-controlling interests	**(0)**	**(0)**	(4)	(Δ)
	4,784	**309**	9,036	641
Earnings per share				
Basic	**¥6.44**	**HK$0.4**	¥12.17	HK$0.9
Diluted	**¥6.44**	**HK$0.4**	¥12.17	HK$0.9
EBITDA(*)	**13,170**	**851**	21,522	1,526

Δ: Less than HK$0.5 million.

* 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.

	30 September 2015 (unaudited)		31 March 2015 (audited)	
		(in millions)		
	¥	**HK$**	¥	HK$
Non-current assets	**132,480**	**8,558**	132,213	8,524
Current assets	**45,373**	**2,931**	48,723	3,141
Current liabilities	**29,235**	**1,889**	31,380	2,023
Net current assets	**16,138**	**1,043**	17,343	1,118
Total assets less current liabilities	**148,618**	**9,601**	149,556	9,643
Non-current liabilities	**18,796**	**1,214**	14,503	935
Total equity	**129,822**	**8,386**	135,053	8,707

BUSINESS OVERVIEW

At a Glance

- *Number of halls*

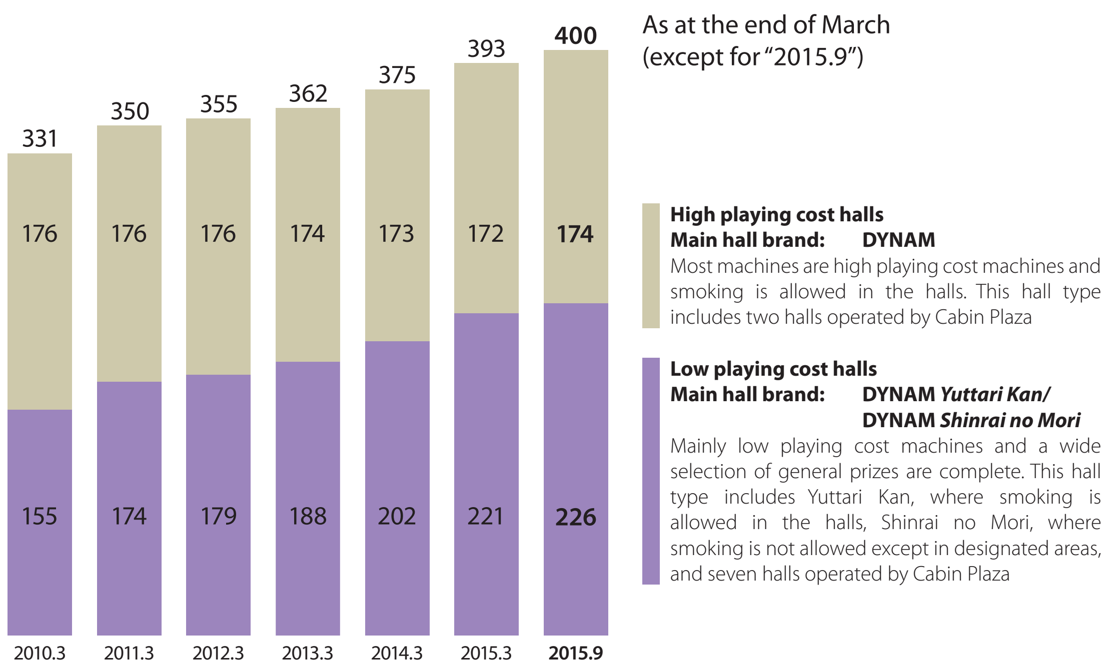
The Group operates two types of halls with different gaming costs, centered on promoting low playing cost games.

In the six months ended 30 September 2015, we opened 2 high playing cost halls and 8 low playing cost halls. In addition, we closed 3 low playing cost halls in line with a change in our business areas. As a result, we had a total of 400 halls in operation as of 30 September 2015.

We operated 174 high playing cost halls and 226 low playing cost halls with low playing cost halls making up the majority at 57% of the total number of halls as of 30 September 2015.

The Group has increased the number of its halls to 439 as of 26 November 2015 after Yume Corporation joined the Group on 1 November 2015.

Changes in Hall Numbers by Type



Chain Store Management and Growth Strategy of the Group

As the top leader in terms of hall numbers, the Group aims for sustainable growth over the long term by implementing chain store management, which is one of our five management policies. Two strategies are crucial to chain store management: multiple hall development and low-cost operations centered on low playing cost games.

Low playing cost games are designed to entertain customers without imposing a significant cost burden on them. Costs for users are reduced by setting ¥1-per-ball and ¥5-per-token games (as opposed to conventional ¥4-per-ball and ¥20-per-token games). These low playing cost games are also becoming popular at other pachinko companies.

Nevertheless, while low playing cost games lead to increased customer numbers and visit frequency as well as acquisition of a new customer base, there is also a risk of decreased profitability at pachinko halls. Therefore, in order to implement low playing cost games, innovation and expertise are needed to ensure low-cost operations in every aspect of the business, from new hall development to hall operation.

The Group is able to achieve low-cost operations by reaping the benefits of economies of scale in purchasing game machines and general prizes and other aspects of the business through its multiple-hall model. Accordingly, the Group is in a strong and advantageous position to develop the pachinko hall operation business.

Multiple-hall development

The Group is implementing multiple-hall development based on its theory of chain store operations by opening new standardized halls and merging other pachinko hall operators into the Group to drive an increase in the number of halls.

- ***Opening new standardized halls***

  The Group is controlling its initial opening costs by standardizing hall types and concentrating on opening halls in smaller populated regional areas. At the same time, the Group is reaping the benefits of the economies of scale of multiple-hall development to limit purchasing cost of gaming machines and general prizes.

  — *Targeting small business areas with 30,000 to 50,000 residents*

    The Group is promoting a suburban strategy of hall development, targeting small regional business areas with 30,000 to 50,000 residents to open new halls.

  — *Standardizing installation number of 480 game machines*

    Having standardized the interior layout of the halls, the Group has set 480 gaming machines as the standard installation number for the pachinko and pachislot halls. This has enabled the Group to cut down on initial investments, by reducing the cost and period of construction.

— *Wood-frame halls on land leased for 20 years*

As a rule of thumb, the Group constructs wood-frame halls on land leased for 20 years to avoid excessive investment in land purchases, so that it can easily scrap the halls if market conditions change in the future. This also minimizes loss on retirement of assets because fixed-asset depreciation will be almost completed by the time the land lease expires in 20 years.

- ***Merging other pachinko hall operators into the Group***

  Making the most of its advantage as a listed company, the Group implements schemes such as share exchanges to merge other pachinko hall operators into the Group and expand its network of halls.

  — *Share Exchange Agreement with Yume Corporation*

  The Company concluded a share exchange agreement on 24 September 2015 with Yume Corporation, pursuant to which the Company becomes parent company of Yume Corporation and thereby Yume Corporation becomes a wholly-owned subsidiary of the Company. On 1 November 2015, Yume Corporation officially joined the Group.

  Yume Corporation is a leading company among Japan's approximately 3,700 pachinko hall operators. It had a nationwide network of 39 halls operated under "Yumeya" brand as of 30 September 2015. As the two companies committed to chain store management, the Group and Yume Corporation (we) will maximize the management resources we have developed and increase our number of halls and industry market share as a Group.

Low-cost operations

The Group is enjoying economies of scale to steadily accumulate revenues and profits. To this end, the Group has used second-hand gaming machines for efficient hall development, established distribution centers and utilized ICT systems to optimally control the operating cost of its halls.

- ***Using second-hand gaming machines and establishing distribution centers***

  The Group boasts a balanced installation of not only the newest and most popular hit models of gaming machines, but also an array of second-hand ones procured at low cost in its halls.

  To control machine expenses (the procurement cost of gaming machines), the Group has established 16 distribution centers throughout Japan, each of which covers the logistical needs and facilitates the sharing of gaming machines among 20 to 30 halls. The gaming machines installed in the halls are centrally managed according to coverage area by these distribution centers. The centers help the Group to flexibly manage the lineup of gaming machines in the halls while reducing the transportation overhead.

- ***Use of ICT systems***

  The Group has installed an individual ball counter system to manage the number of pachinko balls and pachislot tokens that come out of each gaming machine in the halls. This serves to improve staff's productivity and reduce personnel expenses in the halls by saving the customers time keeping track of their win and streamlining the work of hall staff.

  Apart from that, ICT systems are applied strategically to streamline and reduce the cost of corporate functions including hall management, the formulation of marketing strategies, personnel administration and accounting.

FINANCIAL REVIEW

The following table sets forth the gross pay-ins, gross payouts and revenue by type of hall for the periods indicated:

	Six months ended 30 September				
	2015 (unaudited)		2014 (unaudited)		
	(in millions, except for percentages)				
	¥	**HK$[1]**	¥	HK$[2]	changes
Gross pay-ins					
— High playing cost halls	**269,133**	**17,386**	289,840	20,556	-7.1%
— Low playing cost halls	**147,971**	**9,559**	135,456	9,607	+9.2%
Total gross pay-ins	**417,104**	**26,945**	425,297	30,163	-1.9%
Gross payouts					
— High playing cost halls	**227,804**	**14,716**	241,744	17,145	-5.8%
— Low playing cost halls	**113,457**	**7,329**	102,870	7,296	+10.3%
Total gross payouts	**341,261**	**22,045**	344,615	24,441	-1.0%
Revenue					
— High playing cost halls	**41,328**	**2,670**	48,096	3,411	-14.1%
— Low playing cost halls	**34,515**	**2,230**	32,586	2,311	+5.9%
Total revenue	**75,843**	**4,899**	80,682	5,722	-6%

(1) Translated into Hong Kong dollars at the rate of ¥15.48 to HK$1.00, the exchange rate prevailing on 30 September 2015 (i.e. the last business day in September 2015).

(2) Translated into Hong Kong dollars at the rate of ¥14.10 to HK$1.00, the exchange rate prevailing on 30 September 2014 (i.e. the last business day In September 2014).

GROSS PAY-INS

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

Our gross pay-ins decreased by ¥8,193 million (equivalent to approximately HK$529 million), or 1.9%, from ¥425,297 million (equivalent to approximately HK$30,163 million) for the six months ended 30 September 2014 to ¥417,104 million (equivalent to approximately HK$26,945 million) for the six months ended 30 September 2015.

During this interim period, the utilization of pachinko machines continuously showed downward trend in the entire industry. With respect to the Company, during the first half of this fiscal year, the utilization mainly in our high playing cost halls was in a continuous 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 interim period. Following the last fiscal year, we have been implementing measures to improve the utilization in our high playing cost halls including renovation of halls and change of machine mix. These measures resulted in mitigation of the downward trend in utilization since the beginning of this September compared with those in previous months. 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 strategic focus on low playing cost games.

High playing cost halls. Gross pay-ins for high playing cost halls decreased by ¥20,707 million (equivalent to approximately HK$1,338 million), or 7.1%, from ¥289,840 million (equivalent to approximately HK$20,556 million) for the six months ended 30 September 2014 to ¥269,133 million (equivalent to approximately HK$17,386 million) for the six months ended 30 September 2015. The decrease was primarily due to the decrease in utilization of our high playing cost machines and decreased number of high playing cost machines while increased number of low playing cost machines.

Low playing cost halls. Gross pay-ins for low playing cost halls increased by ¥12,515 million (equivalent to approximately HK$808 million), or 9.2%, from ¥135,456 million (equivalent to approximately HK$9,607 million) for the six months ended 30 September 2014 to ¥147,971 million (equivalent to approximately HK$9,559 million) for the six months ended 30 September 2015. The increase was due primarily to the addition of 17 halls compared with the previous interim period including new hall openings and conversion of hall types from high playing cost halls.

GROSS PAYOUTS

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

Our gross payouts decreased by ¥3,354 million (equivalent to approximately HK$217 million), or 1%, from ¥344,615 million (equivalent to approximately HK$24,441 million) for the six months ended 30 September 2014 to ¥341,261 million (equivalent to approximately HK$22,045 million) for the six months ended 30 September 2015.

High playing cost halls. Gross payouts decreased by ¥13,940 million (equivalent to approximately HK$901 million), or 5.8%, from ¥241,744 million (equivalent to approximately HK$17,145 million) for for the six months ended 30 September 2014 to ¥227,804 million (equivalent to approximately HK$14,716 million) for for the six months ended 30 September 2015, which was in line with the decrease in gross pay-ins.

Low playing cost halls. Gross payouts increased by ¥10,587 million (equivalent to approximately HK$684 million), or 10.3%, from ¥102,870 million (equivalent to approximately HK$7,296 million) for the six months ended 30 September 2014 to ¥113,457 million (equivalent to approximately HK$7,329 million) for the six months ended 30 September 2015. The increase was due primarily to the increase in gross pay-ins as a result of the addition of 17 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 ¥80,682 million (equivalent to approximately HK$5,722 million) and ¥75,843 million (equivalent to approximately HK$4,899 million) for the six months ended 30 September 2014 and 2015 respectively.

During the first half of this fiscal year, total revenue decreased from the previous interim period influenced by the decline of gross pay-ins in high playing cost halls. By contrast, revenue in our low playing cost halls increased year-on-year through increased number of halls mainly with new hall openings as the outcome of our strategic focus on low playing cost games.

High playing cost halls. Revenue for high playing cost halls decreased by ¥6,768 million (equivalent to approximately HK$437 million), or 14.1%, from ¥48,096 million (equivalent to approximately HK$3,411 million) for the six months ended 30 September 2014 to ¥41,328 million (equivalent to approximately HK$2,670 million) for the six months ended 30 September 2015. The decrease was primarily due to a decrease in gross pay-ins. The revenue margin for the six months ended 30 September 2015 decreased by 1.2 points to 15.4% year-on-year, reflecting increased ratio of gross payouts to gross pay-ins. The increase in the ratio of gross payouts was a result of change in mix of machines implemented to encourage machine utilization in high playing cost halls.

Low playing cost halls. Revenue for low playing cost halls increased by ¥1,929 million (equivalent to approximately HK$125 million), or 5.9%, from ¥32,586 million (equivalent to approximately HK$2,311 million) for the six months ended 30 September 2014 to ¥34,515 million (equivalent to approximately HK$2,230 million) for the six months ended 30 September 2015. The revenue margin for the six months ended 30 September 2015 decreased by 0.8 points to 23.3% year-on-year, reflecting increased ratio of gross payouts to gross pay-ins. The increase in the ratio of gross payouts was a result of change in mix of machines implemented to encourage machine utilization in low playing cost halls.

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 six months ended 30 September											
	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	12,207	34.4%	10,827	32.4%	23,034	33.5%	12,712	37.3%	10,042	32.7%	22,754	35.1%
Machine expenses	10,571	29.8%	8,585	25.7%	19,156	27.8%	9,121	26.8%	7,608	24.8%	16,729	25.8%
Depreciation charges	2,339	6.6%	2,890	8.7%	5,228	7.6%	2,160	6.3%	2,619	8.5%	4,779	7.4%
Rental	2,308	6.5%	3,354	10.0%	5,662	8.2%	2,397	7.0%	3,025	9.9%	5,422	8.4%
Advertising expenses	1,365	3.8%	1,179	3.5%	2,543	3.7%	1,070	3.1%	954	3.1%	2,025	3.1%
Utilities expenses	1,454	4.1%	1,693	5.1%	3,147	4.6%	1,487	4.4%	1,559	5.1%	3,046	4.7%
G-prize expenses	551	1.6%	642	1.9%	1,194	1.7%	1,172	3.4%	1,284	4.2%	2,455	3.8%
Cleaning and ancillary services	836	2.4%	921	2.8%	1,757	2.6%	808	2.4%	809	2.6%	1,617	2.5%
Repair and maintenance	1,379	3.9%	750	2.2%	2,128	3.1%	567	1.7%	620	2.0%	1,188	1.8%
Others	2,471	7.0%	2,535	7.6%	5,006	7.3%	2,590	7.6%	2,187	7.1%	4,776	7.4%
Total	35,479	100.0%	33,376	100.0%	68,855	100.0%	34,084	100.0%	30,707	100.0%	64,791	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 six months ended 30 September											
	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	**70.2**	**34.4%**	**47.9**	**32.4%**	**57.6**	**33.5%**	74.3	37.3%	48.0	32.7%	59.9	35.1%
Machine expenses	**60.8**	**29.8%**	**38.0**	**25.7%**	**47.9**	**27.8%**	53.3	26.8%	36.4	24.8%	44.0	25.8%
Depreciation charges	**13.4**	**6.6%**	**12.8**	**8.7%**	**13.1**	**7.6%**	12.6	6.3%	12.5	8.5%	12.6	7.4%
Rental	**13.3**	**6.5%**	**14.8**	**10.0%**	**14.2**	**8.2%**	14.0	7.0%	14.5	9.9%	14.3	8.4%
Advertising expenses	**7.8**	**3.8%**	**5.2**	**3.5%**	**6.4**	**3.7%**	6.3	3.1%	4.6	3.1%	5.3	3.1%
Utilities expenses	**8.4**	**4.1%**	**7.5**	**5.1%**	**7.9**	**4.6%**	8.7	4.4%	7.5	5.1%	8.0	4.7%
G-prize expenses	**3.2**	**1.6%**	**2.8**	**1.9%**	**3.0**	**1.7%**	6.9	3.4%	6.1	4.2%	6.5	3.8%
Cleaning and ancillary services	**4.8**	**2.4%**	**4.1**	**2.8%**	**4.4**	**2.6%**	4.7	2.4%	3.9	2.6%	4.3	2.5%
Repair and maintenance	**7.9**	**3.9%**	**3.3**	**2.2%**	**5.3**	**3.1%**	3.3	1.7%	3.0	2.0%	3.1	1.8%
Others	**14.2**	**7.0%**	**11.2**	**7.6%**	**12.5**	**7.3%**	15.1	7.6%	10.5	7.1%	12.6	7.4%
Total	**203.9**	**100.0%**	**147.7**	**100.0%**	**172.1**	**100.0%**	199.3	100.0%	146.9	100.0%	170.5	100.0%

Hall operating expenses increased by ¥4,064 million (equivalent to approximately HK$263 million), or 6.3%, from ¥64,791 million (equivalent to approximately HK$4,595 million) for the six months ended 30 September 2014 to ¥68,855 million (equivalent to approximately HK$4,448 million) for the six months ended 30 September 2015.

The increase in the total amount of entire hall operating expenses is primarily attributable to (i) increase in pachinko and pachislot machine expenses and maintenance expenses in high playing cost halls as a result of the renovation of halls implemented to encourage machine utilization, and (ii) increase in pachinko and pachislot machine expenses and hall staff costs in low playing cost halls due to increased number of halls.

High playing cost halls. Hall operating expenses increased by ¥1,395 million (equivalent to approximately HK$90 million), or 4.1%, from ¥34,084 million (equivalent to approximately HK$2,417 million) for the six months ended 30 September 2014 to ¥35,479 million (equivalent to approximately HK$2,292 million) for the six months ended 30 September 2015. The average hall operating expenses per hall also increased by 2.3% due primarily to increased pachinko and pachislot machine expenses and repair and maintenance expenses per hall by 14.1% and 139% respectively, which is partially offset by decreased staff costs as a result of renovation of high playing cost halls in this interim period following the last fiscal year.

Low playing cost halls. Hall operating expenses increased by ¥2,669 million (equivalent to approximately HK$ 172 million), or 8.7%, from ¥30,707 million (equivalent to approximately HK$ 2,178 million) for the six months ended 30 September 2014 to ¥33,376 million (equivalent to approximately HK$ 2,156 million) for the six months ended 30 September 2015, due primarily to the increase in pachinko and pachislot machine expenses and hall staff costs associated with addition of 17 halls since the previous interim period. The average hall operating expenses per hall was ¥148 million (equivalent to approximately HK$10 million) for the six months ended 30 September 2015 and maintained the same level as the previous interim period.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses increased by ¥355 million (equivalent to approximately HK$23 million), or 14.9%, from ¥2,383 million (equivalent to approximately HK$169 million) for the six months ended 30 September 2014 to ¥2,738 million (equivalent to approximately HK$177 million) for the six months ended 30 September 2015. The increase was primarily due to the increased number of employees.

OTHER INCOME

Other income primarily comprises commission income from vending machines and in-store sales, which represented 57.5% and 57.4% of total other income for the six months ended 30 September 2014 and 2015 respectively. Other income for the six months ended 30 September 2014 and 2015 were ¥3,549 million (equivalent to approximately HK$252 million) and ¥3,644 million (equivalent to approximately HK$235 million) respectively, which maintained steady performance year on year.

OTHER OPERATING EXPENSES

Other operating expenses decreased by ¥479 million (equivalent to approximately HK$31 million), or 48.4%, from ¥990 million (equivalent to approximately HK$70 million) for the six months ended 30 September 2014 to ¥511 million (equivalent to approximately HK$33 million) for the six months ended 30 September 2015. The decrease was primarily attributable to decreased amount of the impairment loss on property, plant and equipment recognized for this interim period.

FINANCE INCOME

Finance income decreased by ¥753 million (equivalent to approximately HK$49 million), or 73.2%, from ¥1,028 million (equivalent to approximately HK$73 million) for the six months ended 30 September 2014 to ¥275 million (equivalent to approximately HK$18 million) for the six months ended 30 September 2015. The decrease was primarily attributable to decreased amount of the net exchange gain recognized for this interim period.

FINANCE COSTS

Finance costs decreased by ¥2,031 million (equivalent to approximately HK$131 million), or 85.8%, from ¥2,366 million (equivalent to approximately HK$168 million) for the six months ended 30 September 2014 to ¥335 million (equivalent to approximately HK$22 million) for the six months ended 30 September 2015. The decrease was primarily attributable to the loss on change in fair value of IGG shares recognized for the previous interim period.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 September 2015

	Note	Six months ended 30 September 2015 ¥ million (unaudited)	2014 ¥ million (unaudited)
Revenue	*5*	**75,843**	80,682
Hall operating expenses	*6*	**(68,855)**	(64,791)
General and administrative expenses		**(2,738)**	(2,383)
Other income	*7*	**3,644**	3,549
Other operating expenses		**(511)**	(990)
Operating profit		**7,383**	16,067
Finance income	*8*	**275**	1,028
Finance expenses	*9*	**(335)**	(2,366)
Profit before income taxes		**7,323**	14,729
Income taxes	*10*	**(2,539)**	(5,693)
Net profit for the period		**4,784**	9,036
Net profit attributable to:			
Owners of the Company		**4,784**	9,040
Non-controlling interests		**(0)**	(4)
Net profit		**4,784**	9,036
Earnings per share			
Basic (expressed in ¥)	*15*	**6.44**	12.17
Diluted (expressed in ¥)	*15*	**6.44**	12.17

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2015

	Note	Six months ended 30 September **2015** ***¥ million*** **(unaudited)**	2014 *¥ million* (unaudited)
Net profit for the period		**4,784**	9,036
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements on defined benefit retirement plans		**–**	(1)
Changes in fair value of financial assets measured at fair value through other comprehensive income		**(4,937)**	–
— Income tax effect of changes in fair value of financial assets measured at fair value through other comprehensive income		**172**	–
		(4,765)	(1)
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(50)**	405
Changes in fair value of available-for-sale financial assets		**–**	(5,690)
— Income tax effect of changes in fair value of available-for-sale financial assets		**–**	9
		(50)	(5,276)
Other comprehensive income for the period, net of tax		**(4,815)**	(5,277)
Total comprehensive income for the period		**(31)**	3,759
Total comprehensive income attributable to:			
Owners of the Company		**(31)**	3,763
Non-controlling interests		**(0)**	(4)
Total comprehensive income		**(31)**	3,759

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2015

	Note	**At 30 September 2015 ¥ million (unaudited)**	At 31 March 2015 ¥ million (audited)
Non-current assets			
Property, plant and equipment	*11*	**101,327**	99,961
Intangible assets		**1,088**	1,029
Financial assets measured at fair value through other comprehensive income		**6,536**	–
Available-for-sale financial assets		**–**	8,807
Deferred tax assets		**11,445**	10,954
Other non-current assets		**12,084**	11,462
		132,480	132,213
Current assets			
Inventories		**4,014**	4,493
Trade receivables	*12*	**450**	486
Financial assets measured at fair value through profit or loss(under IAS39)		**–**	2,925
Prizes in operation of pachinko halls		**4,409**	4,292
Other current assets		**4,082**	7,288
Cash and cash equivalents		**32,418**	29,239
		45,373	48,723
TOTAL ASSETS		**177,853**	180,936
Current liabilities			
Trade and other payables	*13*	**16,244**	20,468
Borrowings		**2,158**	3,160
Finance lease payables		**114**	254
Provisions		**1,689**	1,610
Income taxes payables		**3,206**	719
Other current liabilities		**5,824**	5,169
		29,235	31,380
Net current assets		**16,138**	17,343
Total assets less current liabilities		**148,618**	149,556

	Note	At 30 September 2015 ¥ million (unaudited)	At 31 March 2015 ¥ million (audited)
Non-current liabilities			
Deferred tax liabilities		**12**	175
Borrowings		**13,619**	9,160
Finance lease payables		**31**	66
Other non-current liabilities		**895**	1,002
Provisions		**4,239**	4,100
		18,796	14,503
NET ASSETS		**129,822**	135,053
CAPITAL AND RESERVES			
Share capital		**15,000**	15,000
Capital reserve		**10,129**	10,129
Retained earnings		**109,964**	111,037
Other component of equity		**(5,247)**	(1,089)
Equity attributable to owners of the Company		**129,846**	135,077
Non-controlling interests		**(24)**	(24)
TOTAL EQUITY		**129,822**	135,053

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 September 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 interim condensed consolidated financial information of the Company as of 30 September 2015 consists 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 interim condensed consolidated financial information was approved and authorized for issuance by the Board of Directors on 26 November 2015.

2. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 September 2015 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed consolidated financial information should be read in conjunction with the basis presented in the consolidated financial statements for the year ended 31 March 2015 which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

Adoption of new and revised International Financial Reporting Standards

Significant accounting policies applied in the interim condensed consolidated financial information for the six months ended 30 September 2015 are the same as those applied in the consolidated financial statements for the fiscal year ended 31 March 2015 except for the following.

The following new standards and amendments have been issued and effective for annual periods beginning on 1 April 2015 with no impact on the Group's results of operations and financial positions:

— IFRSs (Amendment), 'Annual Improvements to IFRSs 2010-2012 Cycle'

— IFRSs (Amendment), 'Annual Improvements to IFRSs 2011-2013 Cycle'

Effective from 1 April 2015, the Group has early adopted the below listed new standard for the interim condensed consolidated financial information.

IFRSs	Title	Summaries of new IFRSs and amendments
IFRS 9	Financial Instruments	IFRS 9 'Financial Instruments' (issued in July 2014) is the comprehensive standard, containing new requirements for classification and measurement, impairment and hedge accounting for financial assets and liabilities.

In accordance with IFRS 9, paragraph 7.2.15, the Group did not restate prior periods and the cumulative effect of initially applying the standard as an adjustment was recognized in either retained earnings or an appropriate equity reserve as of the opening balance as at 1 April 2015.

The retained earnings as at 1 April 2015 decreased by ¥868 million and the other comprehensive income as at 1 April 2015 increased by ¥868 million respectively, after electing to present subsequent changes in fair value of investments in equity instruments in other comprehensive income.

The areas of impact from application of IFRS 9 are summarized as follows:

1. Classification and measurements

   The financial assets are categorized into the following categories at the point of initial recognition: an asset category measured at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The classification and measurement of financial assets is determined on the basis of the contractual cash flow characteristics and the objective of the business model associated with holding the asset.

   In accordance with IFRS 9 paragraph 7.2.3, on the date of initial application, the Group assessed whether a financial asset meets the conditions set out in the standard on the basis of the facts and circumstances that exist on that date. As a result, investments in equity instruments, which used to be categorized as financial assets measured at fair value through profit or loss and available-for-sale financial assets, are elected to present their subsequent changes in fair value in other comprehensive income.

2. Impairment

   The IFRS 9 impairment requirements are based on an expected credit loss model that replaces the incurred loss model under IAS39 Financial Instruments: Recognition and Measurement.

   As a result, the impairment allowance is intended to be more forward-looking and the resulting impairment charge will tend to be more volatile than under the previous accounting standard.

3. Hedge Accounting

   Hedge accounting is more closely aligned with financial risk management, and the requirements for general hedge accounting have been simplified for effectiveness testing.

   As a result, hedge accounting is applied to a greater variety of hedging instruments and risks.

   Other amendments to IFRSs effective for the six months ended 30 September 2015 did not have a material impact on the Group's results of operations and financial position.

3. USE OF ESTIMATES AND JUDGEMENTS

In the preparation of the Group's interim condensed consolidated financial information, management is required to make estimates, judgments and assumptions about the reporting amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods, if the revision affects both current and future periods.

The estimates and underlying assumptions which have significant impact on these interim condensed consolidated financial information are the same as those of the consolidated financial information for the year ended 31 March 2015, with the exception that income taxes in the interim periods are calculated based upon the tax rate that would be applicable to estimated annual earnings.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the consolidated financial statements for the year ended 31 March 2015, as described in those consolidated financial statements except for the following.

Effective from 1 April 2015, the Group has early-adopted IFRS 9 "Financial Instruments" (issued in July 2014).

(a) Financial assets

The Group has financial assets including cash and cash equivalents, trade receivable, loans receivable, equity financial assets, and derivative financial assets.

(i) Derivative instruments and hedge accounting

The Group utilizes derivative instruments primarily to manage interest rate risks and to reduce exposure to movements in foreign exchange rates. The Group initially recognizes derivatives as assets or liabilities at fair value. For derivatives designated as qualifying hedge instruments, subsequent changes in fair value are recognized according to the objective and designation of the hedge. Subsequent changes in the fair value of derivatives not designated as qualifying hedging instruments are recognized in profit or loss.

(ii) Non-derivative financial assets

Initial recognition and measurement

The Group recognizes trade receivable and other receivables on the date they arise and all other financial assets on the trade date when the Group became a party to the contract concerning such financial instruments.

At the point of initial recognition, the Group classifies financial assets into the following categories: an asset category measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The classification and measurement of financial assets is determined on the basis of the contractual cash flow characteristics and the objective of the business model associated with holding the asset.

The Group recognizes financial assets at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets except for those financial assets that subsequent change in fair value is recognized in profit or loss (FVTPL). For financial assets measured at FVTPL, transaction costs are recognized in profit or loss when they occur.

Subsequent measurement

Subsequent measurement of financial assets after initial recognition depends on the classifications of financial assets as follows:

(1) Financial assets measured at amortized cost

The Group measures financial assets at amortised cost when both of the following conditions are met:

— the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

— the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At the end of each reporting period, interest revenue is calculated by using the effective interest method, applying the effective interest rate to the gross carrying amount of financial assets.

In case where financial assets measured at amortised cost is derecognized, the difference between the carrying amount and the consideration received or receivable is recognized in profit or loss.

(2) Financial assets measured at fair value through other comprehensive income (FVTOCI)

The Group measures financial assets at FVTOCI when both of the following conditions are met:

— the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

— the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Changes in the fair value of financial assets measured at FVTOCI are recognized in other comprehensive income until derecognized. Upon derecognition, the accumulated changes are reclassified from equity to profit or loss. Interest revenue from these financial assets is recognized directly in profit or loss.

In addition to those financial assets meeting both of the conditions above and measured at FVTOCI, the Group presents subsequent changes in fair value of particular investments in equity instruments in other comprehensive income when at initial recognition, the Group makes an irrevocable election on those investments in equity instruments that are not held with the objective of obtaining gains on short-term sales.

Dividends from these investments are recognized in profit or loss.

(3) Financial assets measured at fair value through profit or loss (FVTPL)

All financial assets that are other than those categorised in (1) and (2) above are categorised as financial assets measured at FVTPL.

(iii) Impairment

In accordance with IFRS 9 impairment requirements, financial assets measured at amortised cost and fair value through other comprehensive income (i.e. loans, debt securities, and accounts receivables), lease receivables and certain loan commitments and financial guarantee contracts are assessed for credit risks.

The Group recognizes either a 12-months' or lifetime expected credit losses (ECL) depending on whether there has been a significant increase in credit risk since initial recognition. When there is a significant increase in credit risk, an allowance is recognized for ECL resulting from possible defaults over the expected life of the financial instrument. When there is not, an allowance is recognized for ECL resulting from possible defaults within the next 12 months.

An impairment gain or loss, the amount required to adjust the loss allowance at the reporting date is recognized in profit or loss.

The assessment of credit risk and the estimation of ECL are to be unbiased and probability-weighted, and incorporate all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the reporting date.

(iv) Derecognition of financial assets

The Group derecognizes financial assets when and only when the contractual rights to the cash flows from the financial assets expire, or when the financial assets and substantially all the risks and rewards of ownership are transferred.

(v) Presentation of financial assets and liabilities

When both of the following conditions are met, financial assets and financial liabilities are offset and the net amount is disclosed in the consolidated statement of financial position.

— The Group currently has a legally enforceable right to offset the recognized amounts; and

— The Group intends to settle on a net amount basis or to simultaneously realise the asset and settle the liability.

(b) Financial liabilities

The Group has non-derivative financial liabilities including loans payable, trade and other payables and derivative financial liabilities. (For derivative financial liabilities, refer to (a)(i) Derivative instruments and hedge accounting for further details.)

Non-derivative financial liabilities are initially recognized at fair value minus transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, changes in fair value of the financial liabilities are measured at amortised cost based on the effective interest method with interest expense recognized on an effective yield basis.

Non-derivative financial liabilities are derecognized when the underlying obligation specified in the contract is discharged, cancelled or expires.

5. 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

	Six months ended 30 September	
	2015	2014
	¥ million	*¥ million*
	(unaudited)	(unaudited)
Gross pay-ins	**417,104**	425,297
Less: Gross payouts	**(341,261)**	(344,615)
Revenue	**75,843**	80,682

6. HALL OPERATING EXPENSES

	Six months ended 30 September 2015 ¥ million (unaudited)	2014 ¥ million (unaudited)
Advertising expenses	**2,543**	2,025
Cleaning and ancillary services expenses	**1,757**	1,617
Depreciation charges	**5,228**	4,779
G-prize expenses	**1,194**	2,455
Hall staff costs	**23,034**	22,754
Pachinko and pachislot machine expenses	**19,156**	16,729
Rental expenses	**5,662**	5,422
Repair and maintenance expenses	**2,128**	1,188
Utilities expenses	**3,147**	3,046
Others	**5,006**	4,776
	68,855	64,791

7. OTHER INCOME

	Six months ended 30 September 2015 ¥ million (unaudited)	2014 ¥ million (unaudited)
Commission from vending machines and in-store sales	**2,091**	2,039
Income from forfeiture of unutilized balls and tokens	**124**	201
Income from catering services	**258**	157
Net gains on disposals of used machines	**242**	153
Rental income	**278**	271
Reversal of impairment loss on property, plant and equipment	**–**	318
Others	**651**	410
	3,644	3,549

8. FINANCE INCOME

	Six months ended 30 September 2015 ¥ million (unaudited)	2014 ¥ million (unaudited)
Bank interest income	**5**	40
Dividend income	**126**	55
Foreign exchange gains, net	**89**	739
Others	**55**	194
	275	1,028

9. FINANCE EXPENSES

	Six months ended 30 September	
	2015	2014
	¥ million	*¥ million*
	(unaudited)	(unaudited)
Interest expenses	**88**	41
Amortization of syndicated bank loan charges	**206**	185
Loss from changes in fair value of financial assets measured at FVTPL	**–**	1,934
Others	**41**	206
	335	2,366

10. INCOME TAXES

	Six months ended 30 September	
	2015	2014
	¥ million	*¥ million*
	(unaudited)	(unaudited)
Current taxes	**3,019**	6,199
Deferred taxes	**(480)**	(506)
	2,539	5,693

The estimated average tax rate used in Japan is 34% for six months ended 30 September 2015 and 36% for six months ended 30 September 2014. Taxation for overseas is calculated at the rates of taxation prevailing in the relevant jurisdictions.

11. COMMITMENTS

The commitments at the end of the reporting period are as follows:

	At 30 September 2015	At 31 March 2015
	¥ million	*¥ million*
	(unaudited)	(audited)
Capital commitment for purchase of property, plant and equipment	**839**	870
	839	870

12. TRADE RECEIVABLES

The Group normally allows credit terms to customers ranging from 1 to 30 days. Overdue balances are reviewed regularly by the directors.

The aging analysis of the trade receivables based on invoice dates is as follows:

	At 30 September 2015	At 31 March 2015
	¥ million	*¥ million*
	(unaudited)	(audited)
1 to 30 days	**426**	437
31 to 60 days	**1**	22
Over 60 days	**23**	27
	450	486

13. TRADE AND OTHER PAYABLES

	At 30 September 2015	At 31 March 2015
	¥ million	*¥ million*
	(unaudited)	(audited)
Trade payables	**1,238**	1,287
Halls construction and system payables	**2,348**	4,000
Other tax expenses	**1,307**	3,801
Pachinko and pachislot machine payables	**2,807**	2,922
Accrued staff costs	**7,774**	7,734
Others	**770**	724
	16,244	20,468

The aging analysis of the trade payables based on invoice dates is as follows:

	At 30 September 2015	At 31 March 2015
	¥ million	*¥ million*
	(unaudited)	(audited)
1 to 30 days	**1,189**	1,211
31 to 60 days	**8**	60
Over 60 days	**41**	16
	1,238	1,287

14. DIVIDENDS

During the six months ended 30 September 2015 and 2014, the Company made the following distributions, which is shown in the interim condensed consolidated statement of changes in equity.

	Six months ended 30 September			
	2015		2014	
Dividends declared and paid/ payable to its shareholders by:	**Dividend per share**	**Total Dividends**	Dividend per share	Total Dividends
	¥	***¥ million***	¥	*¥ million*
		(unaudited)		(unaudited)
Final dividend paid	**7.00**	**5,200**	7.00	5,200
		5,200		5,200

On 26 November 2015, the Board of Directors declared an interim dividend of ¥7.00 per ordinary share of the Company, which is payable on 13 January 2016 to the shareholders of the Company.

15. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2015	2014
	¥ million	*¥ million*
	(unaudited)	(unaudited)
Earnings for the purpose of calculating basic earnings per share	**4,784**	9,040
Weighted average number of shares (shares)	**742,850,360**	742,850,360
Basic earnings per share (¥)	**6.44**	12.17

Diluted earnings per share was the same as basic earnings per share for the six months ended 30 September 2015 and 2014 as there were no dilutive potential ordinary shares in existence during the six months ended 30 September 2015 and 2014.

16. EVENTS AFTER THE REPORTING PERIOD

The Acquisition of the Entire Issued Share Capital of Yume Corporation

Pursuant to the acquisition agreement dated 25 August 2015 entered into between the Company and Yume Corporation, a company incorporated in Japan, on 1 November 2015, the Company completed the acquisition of 100% of the issued share capital of Yume Corporation by the Share Exchange. The Company has issued 38,805,336 Shares in total (equivalent to approximately HK$370 million) to the Yume Corporation's shareholders in exchange of their total numbers of shares in the Yume Corporation (the "Share Exchange"). The Share Exchange was executed through a simplified share exchange procedure (kan'i kabushiki-koukan) pursuant to the provision of Article 796, paragraph 2 of the Companies Act. Yume Corporation is principally engaged in the business of pachinko halls operation in Japan. The purpose of the acquisition is to expand the Group's existing scale of operation and to enlarge the Group's market share. Details of the Share Exchange are set out in the Group's announcements dated 26 August 2015, 25 September 2015 and 2 November 2015. The initial accounting for the business combination is incomplete when the interim condensed consolidated financial information is authorised for issue, and the effect of this transaction is being evaluated for the impact that it will have on the Group's result of operations and financial position.

CORPORATE GOVERNANCE

The Company is committed to the principles of consistent corporate governance and corporate responsibility. 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 included in the Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has complied with all applicable code provisions set out in the Code except for the following deviation.

Code Provision A.2.1

Under code provision A.2.1, the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr.Yoji SATO ceased to act as the chairman of the Board and Mr. Kohei SATO took over the office of chairman on 24 June 2015 and has been in the both roles since then.

The Board believes that Mr. Kohei SATO, in his dual capacity as the chairman of the Board and the chief executive, will provide strong and consistent leadership for the development of the Company and its subsidiaries, and this will be beneficial and in the interests of the Company and its shareholders. Further, the Board considers that a balance of power and authority can be ensured by the current Board composition, with over half of the Board members being independent non-executive Directors.

Code Provision E.1.3

Code provision E.1.3 stipulates that notice for an annual general meeting should be sent to its shareholders by the issuer at least 20 clear business days before the meeting. The AGM for the year ended 31 March 2015 was held on 24 June 2015, while the AGM notice was despatched on 2 June 2015. The above arrangement complied 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 was 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 for the financial year ended 31 March 2015). The Companies Act also requires the notice for the AGM to be despatched together with the audited financial statements under the 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 the annual report which accompanied the AGM notice despatched to the shareholders of the Company (the "Shareholders").

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as a code of conduct regarding Directors' transactions of the listed securities of the Company. Employees of the Company who are likely to get unpublished inside information of the Group must abide by the procedure set out in the document thereof. The Company has made specific enquiry to all Directors, and all Directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Reporting Period. The Company does not have any case of non-compliance therewith.

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. Thomas Chun Kee YIP and Mr. Eisho KUNITOMO. 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 8 meetings during the Reporting Period with an attendance rate of 100% since the appointment of the respective members of the Audit Committee. The interim results for the Reporting Period are unaudited but have been reviewed by the Audit Committee.

The interim condensed consolidated financial information for the Reporting Period have also been reviewed by PricewaterhouseCoopers Aarata, the external auditor of the Company, in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Federation of Accountants.

PricewaterhouseCoopers Aarata has been reappointed as the auditor of the Company at the fourth AGM on 24 June 2015.

INTERIM DIVIDEND

The Board declared an interim dividend of ¥7 per ordinary share in respect of the six months ended 30 September 2015, payable on Wednesday, 13 January 2016 to Shareholders whose names appear on the Company's share register as at the close of business on Monday, 14 December 2015. Based on the assumption that there will be no changes in the 781,655,696 shares in-issue as at the date of declaration of interim dividend until 14 December 2015, it is expected that the interim dividend payable will amount to approximately ¥5,472 million (equivalent to approximately HK$353 million). No Shareholder has waived or agreed to waive any dividends.

The exchange rate for the conversion of Japanese yen to Hong Kong dollars for the dividend to be distributed to Shareholders in the currency other than Japanese yen was based on the average currency rates prevailing five (5) business days immediately preceding 26 November 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 Reporting Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.dyjh.co.jp). The interim report of the Company for the period ended 30 September 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. ¥15.48 to HK$1.00, the exchange rate prevailing on 30 September 2015 (i.e. the last business day in September 2015);

2. ¥14.10 to HK$1.00, the exchange rate prevailing on 30 September 2014 (i.e. the last business day in September 2014); or

3. ¥15.51 to HK$1.00, the exchange rate prevailing on 31 March 2015 (i.e. the last business day in March 2015).

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.* (株式会社キヤビンプラザ), 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
"EBITDA"	earning before interest, taxes, depreciation and amortization
"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 unutilized 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
“Group”	the Company and its subsidiaries at the relevant point in time
“high playing cost 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
“ICT”	information and communication technology
“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 Main Board of the Stock Exchange (Stock Code: 799)
“individual ball counter system”	the system for counting balls and tokens introduced at each machine 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
“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, where smoking is allowed in the halls and Shinrai no Mori, where smoking is not allowed except in designated areas, 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 Growth Enterprise Market of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"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 2015 to 30 September 2015
"Shinrai no Mori" (信頼の森)	our pachinko hall brand and hall type featuring primarily low playing cost machines 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

"Yume Corporation"	Yume Corporation Co., Ltd.* (夢コーポレーション株式会社), a stock company (kabushiki-gaisha 株式会社) incorporated in Japan with limited liability under the Companies Act on 14 December 1970. It has become a wholly-owned subsidiary of the Company under the scheme of the Share Exchange on 1 November 2015.
"Yuttari Kan" (ゆったり館)	our pachinko hall brand and hall type featuring primarily low playing cost machines

By order 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
Chairman of the Board

Tokyo, Japan, 26 November 2015

As of the date of this announcement, the executive Directors are Mr. Kohei SATO, Mr. Yoji SATO and Mr. Haruhiko MORI, the non-executive Director is Mr. Noriaki USHIJIMA and the independent non-executive Directors are Mr. Ichiro TAKANO, Mr. Mitsutoshi KATO, Mr. Thomas Chun Kee YIP, Mr. Eisho KUNITOMO, and Mr. Kei MURAYAMA.

* *For identification purpose only*