DYNAM JAPAN HOLDINGS Co., Ltd.

(incorporated in Japan with limited liability)

(Stock Code: 06889)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

HIGHLIGHTS

— Our gross pay-ins were ¥379,269 million (or HK$27,543 million[Δ]), recording a decrease of 2.0% as compared with the six months ended 30 September 2018;

— Our revenue was ¥73,970 million (or HK$5,372 million[Δ]), recording an increase of 0.5% as compared with the six months ended 30 September 2018;

— Our profit before income tax was ¥13,150 million (or HK$955 million[Δ]), recording an increase of 6.0% as compared with the six months ended 30 September 2018;

— Our net profit for the period attributable to owners of the Company was ¥8,691 million (or HK$631 million[Δ]), recording an increase of 4.2% as compared with the six months ended 30 September 2018;

— We operated 449 halls as at 30 September 2019 (450 halls as at 30 September 2018);

— Basic earnings per share of the Company were ¥11.35 (or HK$0.8[Δ]); and

— The Board has resolved to declare an interim dividend of ¥6 per ordinary share.

Δ Translated into Hong Kong dollars at the rate of ¥13.77 to HK$1.00, the exchange rate prevailing on 30 September 2019 (i.e. the last business day in September 2019).

Note: The above % increases and decrease 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 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 2019 (the "Reporting Period"). The results have been reviewed by PricewaterhouseCoopers Aarata LLC, the Company's auditor and the audit committee of the Company (the "Audit Committee").

SUMMARY OF FINANCIAL RESULTS

	Six months ended 30 September			
	2019 (unaudited)		2018 (unaudited)	
	(in millions)			
	¥	***HK$***	¥	*HK$*
Gross pay-ins	**379,269**	**27,543**	386,840	26,624
Less: gross payouts	**(305,299)**	**(22,171)**	(313,257)	(21,559)
Revenue	**73,970**	**5,372**	73,583	5,064
Hall operating expenses	**(61,134)**	**(4,439)**	(62,452)	(4,298)
General and administrative expenses	**(2,339)**	**(170)**	(2,241)	(154)
Other income	**4,451**	**323**	4,764	328
Other operating expenses	**(906)**	**(66)**	(1,386)	(95)
Operating profit	**14,042**	**1,020**	12,268	844
Finance income	**286**	**21**	322	22
Finance expenses	**(1,178)**	**(86)**	(179)	(12)
Profit before income taxes	**13,150**	**955**	12,411	854
Income taxes	**(4,454)**	**(324)**	(4,086)	(281)
Net profit for the period	**8,696**	**631**	8,325	573
Net profit attributable to:				
Owners of the Company	**8,691**	**631**	8,340	574
Non-controlling interests	**5**	Δ	(15)	(1)
	8,696	**631**	8,325	573
Earnings per share				
Basic	**¥11.35**	**HK$0.8**	¥10.89	HK$0.7
Diluted	**¥11.35**	**HK$0.8**	¥10.89	HK$0.7
EBITDA(*)	**19,638**	**1,426**	18,049	1,242

* EBITDA is defined as earnings before finance costs, taxation, depreciation, amortisation, and net foreign exchange gain or loss.

Δ Less than HK$0.5 million.

	30 September 2019 (unaudited)		31 March 2019 (audited)	
	(in millions)			
	¥	HK$	¥	HK$
Non-current assets	**213,091**	**15,475**	125,457	8,872
Current assets	**61,441**	**4,462**	59,875	4,234
Current liabilities	**46,837**	**3,401**	36,452	2,578
Net current assets	**14,604**	**1,061**	23,423	1,656
Total assets less current liabilities	**227,695**	**16,536**	148,880	10,529
Non-current liabilities	**92,595**	**6,724**	7,080	501
Total equity	**135,100**	**9,812**	141,800	10,028

Adoption of IFRS16 'Leases'

The Group has adopted the IFRS16, Leases, in the interim condensed consolidated financial information for the six months ended 30 September 2019.

The details of IFRS16, Lease, and affected items in the consolidated financial statements are set out in the 'Financial Review' and note 2 of the interim condensed consolidated financial information.

Note: IFRS is International Financial Reporting Standards.

BUSINESS OVERVIEW

Pachinko Hall Operation as Our Core Business

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

For the six months ended 30 September 2019, we closed 1 high playing cost hall in line with a change in our business areas. Also, we converted 2 low playing cost halls to high playing cost halls. As a result, we had a total of 449 halls in operation as of 30 September 2019.

By hall type, we operate 177 high playing cost halls and 272 low playing cost halls, with low playing cost halls making up the majority at 60% of the total.

High Playing Cost Halls
Main hall brand: DYNAM

Most machines are high playing cost machines. This hall type includes 10 halls operated by Yume Corporation and 2 halls operated by Cabin Plaza.

Low Playing Cost Halls
Main hall brand: DYNAM Yuttari Kan
DYNAM Shinrai no Mori

Machines are mainly low playing cost machines and there is a wide selection of general prizes. This hall type includes Yuttari Kan and Shinrai no Mori. They are comprised of 26 halls operated by Yume Corporation and 6 halls operated by Cabin Plaza.

Chain Store Management and Growth Strategy of the Group

The Group will maximize leverage of its position as the pachinko industry's leading company in terms of the number of pachinko halls and will steadily accumulate profits over the long term through multiple-hall development and low cost operations.

One of the Group's management policies is implementing chain store management. Chain store theory is to maximize profit with low cost operation, which means that greater the expansion in the number of halls, the more profit and the greater ratio of return to customers. Dynam, our wholly-owned subsidiary, was the pioneer which introduced the chain store management theory to the industry.

A feature of the Group's chain store management is multiple-hall development and low cost operations centered on low playing cost games. Devising low cost measures and the expertise needed from store openings to store management are crucial in promoting low playing cost games. By reaping the benefits of the economies of scale through multi-hall development when purchasing game machines and general prizes, the Group will continue to leverage our status as the pachinko industry's leading company in terms of the number of pachinko halls and steadily accumulated profits over the long term by implementing chain store management.

Multiple-hall development

The Group is implementing multiple-hall development based on its theory of chain store operations by opening new standardized halls and acquiring 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 for hall development by opening new halls in small regional business areas with 30,000 to 50,000 residents.

  — *Standardizing hall specifications*

  The Group standardizes the interior layout and installation number of gaming machines of the halls. This has enabled the Group to cut down initial investment costs 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 as to scrap the halls easily 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.

- ***Acquiring 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 acquire other pachinko hall operators into the Group and expand its network of halls. As an example, the Company acquired Yume Corporation into the Group through share exchange on 1 November 2015.

Low-cost operations

By reaping the benefits of the economies of scale, the Group has used second-hand gaming machines, established distribution centers and leveraged ICT* to streamline hall operations and optimize major costs such as gaming machine and personnel expenses, which account for approximately 60% of hall operating expenses.

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

  The Group not only installs 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. The Group has established 16 distribution centers throughout Japan, each of which covers the logistical needs and facilitates the sharing of gaming machines among 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.

- ***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 as well as saving time and effort for customers. Apart from that, ICT systems are applied strategically to streamline and reduce the cost of corporate functions including hall management, formulation of marketing strategies, personnel administration and accounting.

* *Information and communication technology*

Other Business

Aircraft Leasing Business

The Company aspires to achieve a steady growth through the aircraft leasing business leveraged by strong cash flow generated from the pachinko hall operation.

Market Environment

Global air passenger demand demonstrates long-term robust growth with an average revenue passenger kilometre growth rate of 4.6% annually over 20 years. According to the Boeing Current Market Outlook, the size of the world's passenger aircraft fleet is expected to double from currently 25,830 to 50,660 by 2038. Aircraft leasing business is expected to grow steadily in the coming two decades.

Future Activities

As for the aircraft leasing operation, the Company incorporated a subsidiary in Ireland, Dynam Aviation Ireland Limited (DAIL), in December 2018. The Company intends to purchase mainly the narrow-body aircrafts such as Airbus A320 and Boeing 737, maximum of 20 aircrafts within the investment framework of 90 billion yen during the initial three years.

Operational Merits in Ireland

Ireland, where the DAIL was incorporated, has political measures of inviting and promoting the aircraft leasing business. According to the report by IDA (Investment and Development Agency) Ireland, 14 companies out of top 15 aircraft owning companies set up headquarters in Ireland. It is said to be the best suited location for the aircraft leasing business with a plenty of professional resource and information.

FINANCIAL REVIEW

Adoption of IFRS16 'Leases'

The Group has adopted the IFRS16, Leases, in the interim condensed consolidated financial information for the six months ended 30 September 2019.

The adoption of IFRS16, Leases, affected the following items in the consolidated financial information.

Consolidated Statement of Financial Position on 1 April 2019:

- Right-of-use assets — increased by ¥79,359 million
- Lease receivables — increased by ¥5,651 million
- Lease payables — increased by ¥93,752 million
- Retained earnings — decreased by ¥9,443 million
- Equity ratio as of 1 April 2019 was 49.1%, decreased from 76.5% as of 31 March 2019

Consolidated Statement of Profit or Loss:

Profit before income tax increased by ¥289 million on Condensed Consolidated Statement of Profit or Loss.

Consolidated Statement of Cash Flows:

Cash flows from operating activities increased by ¥5,403 million and, in contrast, cash flows from financing activities decreased by the same amount on Consolidated Statement of Cash Flows.

The details of IFRS16, Leases, are set out in note 2 of the interim condensed consolidated financial information.

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				
	2019 (unaudited)		2018 (unaudited)		
	(in millions, except for percentages)				
	¥	***HK$[1]***	¥	*HK$[2]*	changes[3]
Gross pay-ins					
— High playing cost halls	**211,562**	**15,364**	222,935	15,343	–5.1%
— Low playing cost halls	**167,707**	**12,179**	163,905	11,280	+2.3%
Total gross pay-ins	**379,269**	**27,543**	386,840	26,624	–2.0%
Gross payouts					
— High playing cost halls	**175,248**	**12,727**	186,135	12,810	–5.8%
— Low playing cost halls	**130,051**	**9,444**	127,122	8,749	+2.3%
Total gross payouts	**305,299**	**22,171**	313,257	21,559	–2.5%
Revenue					
— High playing cost halls	**36,314**	**2,637**	36,800	2,533	–1.3%
— Low playing cost halls	**37,656**	**2,735**	36,783	2,532	+2.4%
Total revenue	**73,970**	**5,372**	73,583	5,064	+0.5%

(1) Translated into Hong Kong dollars at the rate of ¥13.77 to HK$1.00, the exchange rate prevailing on 30 September 2019 (i.e. the last business day in September 2019).

(2) Translated into Hong Kong dollars at the rate of ¥14.53 to HK$1.00, the exchange rate prevailing on 28 September 2018 (i.e. the last business day in September 2018).

(3) The increase and decrease are referred to the changes in respect of the Japanese yen amounts but not the translated amounts in Hong Kong dollars.

During this interim period, the pachinko hall industry has continued to operate under a severe business environment.

Under such business environment, the Group has made efforts to grow and develop with local communities and to improve the machine utilisation through various together business measures under the important policies of setting up our halls from the customers' viewpoints and operating each of our halls with a focus on customers' needs.

As the infrastructure for the community, the Group is committed to multiple hall development focusing on low playing cost halls for realizing the vision "Remaking Pachinko and Pachislot More Familiar National Pastime".

The total number of halls as at the end of September 2019 became 449. By hall type, we operate 177 high playing cost halls and 272 low playing cost halls, with low playing cost halls making up the 60% of the total.

Set out below is detailed performance of our gross pay-ins, gross payouts, and revenue for this interim period.

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 was ¥386,840 million (equivalent to approximately HK$26,624 million) and ¥379,269 million (equivalent to approximately HK$27,543 million) for the six months ended 30 September 2018 and 2019 respectively.

Our gross pay-ins by hall type are as follows.

Gross pay-ins for high playing cost halls decreased by ¥11,373 million (equivalent to approximately HK$826 million), or 5.1%*, from ¥222,935 million (equivalent to approximately HK$15,343 million) for the six months ended 30 September 2018 to ¥211,562 million (equivalent to approximately HK$15,364 million) for the six months ended 30 September 2019. The decrease was primarily due to the decrease in utilisation of our machines.

Gross pay-ins for low playing cost halls increased by ¥3,802 million (equivalent to approximately HK$276 million), or 2.3%*, from ¥163,905 million (equivalent to approximately HK$11,280 million) for the six months ended 30 September 2018 to ¥167,707 million (equivalent to approximately HK$12,179 million) for the six months ended 30 September 2019. The increase was due primarily to the recovery in utilisation of our machines as the outcome of our efforts in operation measures.

Gross payouts

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

Our gross payouts was ¥313,257 million (equivalent to approximately HK$21,559 million) and ¥305,299 million (equivalent to approximately HK$22,171 million) for the six months ended 30 September 2018 and 2019 respectively.

Our gross payouts by hall type are as follows.

Gross payouts for high playing cost halls decreased by ¥10,887 million (equivalent to approximately HK$791 million), or 5.8%*, from ¥186,135 million (equivalent to approximately HK$12,810 million) for the six months ended 30 September 2018 to ¥175,248 million (equivalent to approximately HK$12,727 million) for the six months ended 30 September 2019, which was in line with the decrease in gross pay-ins.

Gross payouts for low playing cost halls increased by ¥2,929 million (equivalent to approximately HK$213 million), or 2.3%*, from ¥127,122 million (equivalent to approximately HK$8,749 million) for the six months ended 30 September 2018 to ¥130,051 million (equivalent to approximately HK$9,444 million) for the six months ended 30 September 2019. The increase was due primarily to the increase in gross pay-in.

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 increased by ¥387 million (equivalent to approximately HK$28 million), or 0.5%*, from ¥73,583 million (equivalent to approximately HK$5,064 million) for the six months ended 30 September 2018 to ¥73,970 million (equivalent to approximately HK$5,372 million) for the six months ended 30 September 2019.

Our revenue by hall type are as follows.

Revenue for high playing cost halls decreased by ¥486 million (equivalent to approximately HK$35 million), or 1.3%*, from ¥36,800 million equivalent to approximately HK$2,533 million) for the six months ended 30 September 2018 to ¥36,314 million (equivalent to approximately HK$2,637 million) for the six months ended 30 September 2019. The decrease was primarily due to a decrease in utilisation of our high playing cost machines. The revenue margin for the six months ended 30 September 2019 increased by 0.7 points to 17.2% as compared with the previous interim period.

Revenue for low playing cost halls increased by ¥873 million (equivalent to approximately HK$63 million), or 2.4%*, from ¥36,783 million (equivalent to approximately HK$2,532 million) for the six months ended 30 September 2018 to ¥37,656 million (equivalent to approximately HK$2,735 million) for the six months ended 30 September 2019. The increase was primarily due to the increase in utilisation of our low playing cost machines. The revenue margin for the six months ended 30 September 2019 increased by 0.1 point to 22.5% as compared with the previous interim period.

Hall operating expenses

Hall operating expenses for the six months ended 30 September 2019 was ¥61,134 million (equivalent to approximately HK$4,439 million), recording a decrease by ¥1,318 million (equivalent to approximately HK$96 million), or 2.1%* as compared to the previous interim period.

Our hall operating expenses by hall type are as follows.

Hall operating expenses for high playing cost halls decreased by ¥1,255 million (equivalent to approximately HK$91 million), or 4.4%*, from ¥28,574 million (equivalent to approximately HK$1,967 million) for the six months ended 30 September 2018 to ¥27,319 million (equivalent to approximately HK$1,984 million) for the six months ended 30 September 2019.

Hall operating expenses for low playing cost halls decreased by ¥63 million (equivalent to approximately HK$5 million), or 0.2%*, from ¥33,878 million (equivalent to approximately HK$2,332 million) for the six months ended 30 September 2018 to ¥33,815 million (equivalent to approximately HK$2,455 million) for the six months ended 30 September 2019.

General and administrative expenses

General and administrative expenses increased by ¥98 million (equivalent to approximately HK$7 million), or 4.4%*, from ¥2,241 million (equivalent to approximately HK$154 million) for the six months ended 30 September 2018 to ¥2,339 million (equivalent to approximately HK$170 million) for the six months ended 30 September 2019.

Other income

Other income decreased by ¥313 million (equivalent to approximately HK$23 million), or 6.6%, from ¥4,764 million (equivalent to approximately HK$328 million) for the six months ended 30 September 2018 to ¥4,451 million (equivalent to approximately HK$323 million) for the six months ended 30 September 2019. The decrease was due primarily to the insurance income for the loss on disaster that recognized in the previous interim period was not recognized for this interim period.

Other operating expenses

Other operating expenses decreased by ¥480 million (equivalent to approximately HK$35 million), or 34.6%*, from ¥1,386 million (equivalent to approximately HK$95 million) for the six months ended 30 September 2018 to ¥906 million (equivalent to approximately HK$66 million) for the six months ended 30 September 2019. The decrease was due primarily to the loss on disaster that recognized in the previous interim period was not recognized for this interim period.

Finance income

Finance income decreased by ¥36 million (equivalent to approximately HK$3 million), from ¥322 million (equivalent to approximately HK$22 million) for the six months ended 30 September 2018 to ¥286 million (equivalent to approximately HK$21 million) for the six months ended 30 September 2019.

Finance expenses

Finance expenses increased by ¥999 million (equivalent to approximately HK$73 million), from ¥179 million (equivalent to approximately HK$12 million) for the six months ended 30 September 2018 to ¥1,178 million (equivalent to approximately HK$86 million) for the six months ended 30 September 2019. The increase was primarily attributable to the increased interest expenses due to the adoption of IFRS16, Leases.

* The increase and decrease are referred to the changes in respect of the Japanese yen amounts but not the translated amounts in Hong Kong dollars.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2019

	Note	Six months ended 30 September **2019** ***¥ million*** **(unaudited)**	2018 *¥ million* (unaudited)
Revenue	*4*	**73,970**	73,583
Hall operating expenses	*5*	**(61,134)**	(62,452)
General and administrative expenses		**(2,339)**	(2,241)
Other income	*6*	**4,451**	4,764
Other operating expenses	*7*	**(906)**	(1,386)
Operating profit		**14,042**	12,268
Finance income	*8*	**286**	322
Finance expenses	*9*	**(1,178)**	(179)
Profit before income taxes		**13,150**	12,411
Income taxes	*10*	**(4,454)**	(4,086)
Net profit for the period		**8,696**	8,325
Attributable to:			
Owners of the Company		**8,691**	8,340
Non-controlling interests		**5**	(15)
		8,696	8,325
Earnings per share			
Basic (expressed in ¥)	*15*	**11.35**	10.89
Diluted (expressed in ¥)	*15*	**11.35**	10.89

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2019

	Note	Six months ended 30 September 2019 ¥ million (unaudited)	2018 ¥ million (unaudited)
Net profit for the period		**8,696**	8,325
Other comprehensive (loss)/income:			
Items that will not be reclassified to profit or loss:			
Changes in fair value of financial assets measured at fair value through other comprehensive income		**(748)**	**139**
— Income tax effect of changes in fair value of financial assets measured at fair value through other comprehensive income		**5**	**(6)**
		(743)	**133**
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(614)**	**891**
		(614)	**891**
Other comprehensive (loss)/income for the period, net of tax		**(1,357)**	**1,024**
Total comprehensive income for the period		**7,339**	**9,349**
Attributable to:			
Owners of the Company		**7,333**	**9,364**
Non-controlling interests		**6**	**(15)**
		7,339	**9,349**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2019

	Note	At 30 September 2019 ¥ million (unaudited)	At 31 March 2019 ¥ million (audited)
Non-current assets			
Property, plant and equipment	11	**95,843**	95,445
Right-of-use assets	2	**80,530**	–
Investment properties		**2,006**	1,351
Intangible assets		**3,083**	3,112
Financial assets measured at fair value through other comprehensive income		**2,891**	3,774
Lease receivables	2	**5,644**	1,254
Deferred tax assets		**15,182**	10,615
Other non-current assets		**7,912**	9,906
		213,091	125,457
Current assets			
Inventories		**3,519**	1,949
Trade receivables	12	**580**	614
Lease receivables	2	**2,168**	81
Prizes in operation of pachinko halls		**4,644**	3,791
Other current assets		**2,390**	5,903
Cash and cash equivalents		**48,140**	47,537
		61,441	59,875
TOTAL ASSETS		**274,532**	185,332
Current liabilities			
Trade and other payables	13	**16,764**	19,297
Borrowings		**1,864**	2,124
Finance lease payables	2	**–**	227
Lease payables	2	**12,572**	–
Provisions		**2,137**	2,013
Income taxes payables		**4,866**	4,310
Other current liabilities		**8,634**	8,481
		46,837	36,452
Net current assets		**14,604**	23,423
Total assets less current liabilities		**227,695**	148,880

	Note	At 30 September 2019 ¥ million (unaudited)	At 31 March 2019 ¥ million (audited)
Non-current liabilities			
Deferred tax liabilities		**8**	8
Borrowings		**2,775**	502
Finance lease payables	*2*	**–**	353
Lease payables	*2*	**83,312**	–
Other non-current liabilities		**938**	687
Provisions		**5,562**	5,530
		92,595	7,080
NET ASSETS		**135,100**	141,800
Capital and reserves			
Share capital		**15,000**	15,000
Capital reserve		**12,741**	12,741
Retained earnings		**109,856**	115,204
Other component of equity		**(2,482)**	(1,124)
Equity attributable to owners of the Company		**135,115**	141,821
Non-controlling interests		**(15)**	(21)
TOTAL EQUITY		**135,100**	141,800

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 September 2019

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 1, 32nd Floor, Hong Kong Plaza, 188 Connaught Road West, 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 2019 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 authorised for issuance by the Board of Directors on 20 November 2019.

The interim condensed consolidated financial information has been reviewed, but not audited.

2. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 September 2019 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 2019 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 2019 are the same as those applied in the consolidated financial statements for the fiscal year ended 31 March 2019 except for the following.

— IAS28 (Amendment), 'Long-term interests in Associates and Joint Ventures'
— IFRSs (Amendment), 'Annual Improvements to IFRSs 2015–2017 Cycle'
— IFRS 9 (Amendment), 'Prepayment Features with Negative Compensation'
— IFRS 16, 'Leases'
— IFRIC 23, 'Uncertainty over Income Tax Treatments'

These standards, amendments and interpretation apply for the first time in 2019, except for IFRS 16, do not also have a material impact on the interim condensed consolidated financial information of the Group.

IFRS 16 Leases

IFRS 16, Leases, replaces the standard on accounting for leases, IAS 17 Leases ("IAS17"), and IFRIC 4 Determining Whether an Arrangement Contains a Lease. It introduces a uniform lease accounting model for lessees, requiring recognition of a right-of-use asset and a liability for all leases with a term of more than 12 months unless such leases are immaterial and eliminates the current requirement for lessees to classify lease contracts as either operating leases or as finance leases. In contrast, the accounting requirements for lessors remain largely unchanged, particularly with regard to the continued requirement to classify leases according to IAS 17.

The Group has assessed whether the contract is, or contains, a lease at inception of a contract. It deems that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has reviewed the following matters in its assessment of whether or not a contract conveys the right to control the use of an identified asset:

- whether the use of an identified asset is included in the contract;
- whether the Group has the right to receive almost all the economic benefits from the use of the asset over the entire period of usage; and
- whether the Group has the right to give instructions on the use of the asset.

The Group has determined the lease term as the non-cancellable period during which the lessee has the right to use the underlying asset, together with both:

- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

(a) Lease as a lessee

(Right-of-use)

The right-of-use asset is initially measured at cost. The cost of the right-of-use asset is derived by adjusting the amount of the initial measurement of the lease liability by any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred in dismantling and removing the underlying asset or restoring the underlying asset or the site on which it is located, less any lease incentives received. After initial recognition, the right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use asset is determined in the same way as property, plant and equipment. In addition, the carrying amount of the right-of-use asset is reduced due to impairment losses, which is adjusted at remeasurement of the relevant lease liability.

(Lease liability)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. The total lease payments included in the measurement of the lease liability comprise the following payments:

- fixed lease payments (including in-substance fixed lease payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;

- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, or lease payments during the option period if Group is reasonably certain to exercise the extension option; and

- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments are apportioned between the financial cost and the reduction in the lease liability based on the effective interest method. The lease liability will be remeasured if there is any change in future lease payments due to a change in an index or a rate, if there is any change in the amounts expected to be payable under residual value guarantees, or if there is any change in the certainty to exercise the purchase option, the extension option, or the option to terminate the lease.

At reassessment of the lease liability, corresponding adjustment is made to the carrying amount of the right-of-use asset, or if the carrying amount of the right-of-use asset is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss.

(Short-term and low-value leases)

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that has a lease term of 12 months or less and leases for which the underlying asset is of low-value. It recognizes lease payments for these leases as expenses over the lease term on a straight-line basis.

(b) Lease as a lessor

In cases where the Group is the lessor, it classify each of our leases as either a finance lease or an operating lease at the inception date of the lease. To classify each lease, the Group makes an overall assessment as to whether or not it transfers substantially all of the risks and rewards incidental to ownership of an underlying asset. If it does, a lease is classified as a finance lease. If not, it is classified as an operating lease.

(Finance leases)

Leases that substantially transfer to lessees all the risks and rewards of ownership of assets are accounted for as finance leases. Amounts due from lessees under finance leases are recognized as receivables at the amount of the net investment in the leases, and unearned income is allocated over the lease term at a constant periodic rate of return on the net investments and recognized in the fiscal year to which it is attributable.

(Operating leases)

The Group recognizes lease payments from operating leases as income on a straight-line basis over the lease term.

(Subleases)

In cases where the Group is an intermediate lessor, the head lease and the sublease are accounted for separately.

The classification of a sublease is determined upon referring, not to the underlying asset, but to the right-of-use asset that arise from the head lease.

If the head lease is a short-term lease to be accounted for by applying the provision for exemption as above, the sublease is classified as an operating lease.

In accordance with transitional reliefs for IFRS 16, the Group has recognized the cumulative effect of initial application at the date of initial application (1 April 2019) instead of retrospective application with full restatement for each previous reporting periods. As a practical expedient, the Group has not conducted any reassessment as at the date of initial application as to whether a contract is, or contains, a lease. Therefore, we have applied IFRS16 to all contracts entered into before 1 April 2019 and identified as a lease based on IAS17 and the related interpretations . The Group has applied IAS 36 Impairment of Assets to assess the right-of-use assets for impairment at the date of initial application.

The associated right-of-use assets for property leases are measured on a retrospective basis as if the new rules had always been applied, discounted using the incremental borrowing rate at the date of initial application.

Other right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in Consolidated Statement of Financial Position as at 31 March 2019.

We have exercised the following practical expedients at the application of IFRS 16 to leases previously classified as operating leases under IAS 17:

- application of a single discount rate to a portfolio of leases with reasonably similar characteristics;

- recognition exemption of short-term leases and leases for which the underlying asset is of low value; and

- use of hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

For leases classified as finance leases under IAS 17, the carrying amounts of the right-of-use assets and lease liabilities at the date of initial application are deemed to be the carrying amounts of the lease assets and liabilities measured under IAS 17 on the immediately preceding day.

IFRS 16 has a material effect on the Group’s consolidated financial statements, particularly on the presentation of the financial position, profit before income tax and cash flows from operating activities as follows:

Consolidated Statement of Financial Position:

For non-cancellable operating lease agreements disclosed as of 31 March, 2019 applying IAS 17, the following adjustments were made between the amount discounted at the incremental borrowing rate as of the date of initial application and the amount of lease liabilities recognized in the interim condensed consolidated statement of financial position at the date of initial application:

	¥ million
Operating lease contracts disclosed at end of the previous fiscal year	3,127
Amount discounted using incremental borrowing rate at the date of initial application	2,915
Finance lease liabilities recognized at end of the previous fiscal year	580
Present discounted value of cancellable operating lease contracts *(Note)*	90,944
Recognition exemption rules	
Short-term leases	(102)
Leases of low-value assets	(5)
Lease liabilities at the date of initial application	94,332

Note: The directors of the Company consider the Group is reasonably certain to exercise the extension option in the lease contract at 1 April 2019.

The carrying amount of right-of-use assets as at 1 April 2019 comprises the following:

Right-of-use assets recognized upon application of IFRS16:

	1 April 2019 **¥ million** **(unaudited)**
Reclassification from rental prepayment	**3,547**
Reclassification from finance lease assets incurred in property, plant and equipment and intangible assets	**382**
Right-of-use assets relating to operating leases recognised upon application of IFRS 16	**75,430**
Total	**79,359**

The recognised right-of-use assets relate to the following types of assets:

	30 September 2019 ***¥ million*** **(unaudited)**	1 April 2019 *¥ million* (unaudited)
Properties	**80,021**	78,840
Tools and equipment	**235**	357
Motor vehicles	**82**	72
Others	**192**	90
Total right-of-use assets	**80,530**	79,359

In addition of right-of-use assets and lease liabilities stated above, the change in the accounting policy mainly affected lease receivables increasing by ¥5,651 million and net impact on retained earnings on 1 April 2019 decreasing by ¥9,443 million on consolidated statement of financial position

Consolidated Statement of Profit or Loss:

Profit before income tax increased by ¥289 million on condensed consolidated statement of profit or loss.

Consolidated Statement of Cash Flows:

Cash flows from operating activities increased by ¥5,403 million and, in contrast, cash flows from financing activities decreased by the same amount on consolidated statement of cash flows.

The weighted average of the lessee's incremental borrowing rate applied to lease liabilities recognized at the date of initial application of IFRS 16 is approximately 2.1%.

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 interim condensed consolidated financial information, but the Group has not early adopted are as follows. The impact to the interim condensed consolidated financial information 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
IFRS 3	Business Combinations	1 January 2020	31 March 2021	Clarification of the definition of a business
IAS 1	Presentation of Financial Statements	1 January 2020	31 March 2021	Clarification of the definition of materiality
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020	31 March 2021	Clarification of the definition of materiality

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 recognised 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 2019, 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. 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	
	2019	2018
	¥ million	*¥ million*
	(unaudited)	(unaudited)
Gross pay-ins	**379,269**	386,840
Less: Gross payouts	**(305,299)**	(313,257)
Revenue	**73,970**	73,583

5. HALL OPERATING EXPENSES

	Six months ended 30 September	
	2019	2018
	¥ million	*¥ million*
	(unaudited)	(unaudited)
Advertising expenses	**1,697**	2,154
Cleaning and ancillary services	**1,903**	1,938
Depreciation expenses	**5,014**	5,187
Hall staff costs	**24,536**	24,894
Pachinko and pachislot machine expenses	**13,174**	11,348
Depreciation expenses of right-of-use assets	**5,120**	–
Rental expenses	**87**	6,331
Repair and maintenance expenses	**1,667**	1,999
Utilities expenses	**3,062**	3,333
Others	**4,874**	5,268
	61,134	62,452

6. OTHER INCOME

	Six months ended 30 September	
	2019	2018
	¥ million	*¥ million*
	(unaudited)	(unaudited)
Commission from vending machines and in-store sales	**2,415**	2,334
Income from forfeiture of customer's membership cards	**105**	110
Income from catering services	**481**	406
Sales revenue from property held for sale	**26**	53
Revenue from finance leases	**334**	480
Revenue from aircraft leases	**82**	–
Net gains on disposals of used machines	**142**	104
Rental income	**324**	430
Insurance income	**–**	463
Others	**542**	384
	4,451	4,764

7. OTHER OPERATING EXPENSES

	Six months ended 30 September	
	2019	2018
	¥ million	*¥ million*
	(unaudited)	(unaudited)
Disposal cost of non-financial assets	**143**	39
Impairment loss of non-financial assets	**311**	279
Cost of sales of property held for sale	**5**	31
Cost of sales of finance leases	**107**	291
Cost of aircraft leases	**86**	–
Rental expenses	**75**	157
Loss on disaster	**–**	445
Others	**179**	144
	906	1,386

8. FINANCE INCOME

	Six months ended 30 September	
	2019	2018
	¥ million	*¥ million*
	(unaudited)	(unaudited)
Bank interest income	**117**	9
Finance leases interest income	**81**	40
Dividend income	**18**	230
Others	**70**	43
	286	322

9. FINANCE EXPENSES

	Six months ended 30 September 2019 ¥ million (unaudited)	2018 ¥ million (unaudited)
Interest expenses	**40**	61
Amortisation of syndicated bank loan charges	**42**	51
Foreign exchange loss, net	**97**	22
Interest on lease liabilities	**957**	–
Others	**42**	45
	1,178	179

10. INCOME TAXES

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	Six months ended 30 September 2019 ¥ million (unaudited)	2018 ¥ million (unaudited)
Current taxes	**4,657**	4,239
Deferred taxes	**(203)**	(153)
	4,454	4,086

11. CAPITAL COMMITMENTS

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

	At 30 September 2019 ¥ million (unaudited)	At 31 March 2019 ¥ million (audited)
Capital commitment for purchase of property, plant and equipment	**6,117**	11
	6,117	11

12. TRADE RECEIVABLES

The Group's credit terms generally range from 1 to 30 days for those trade receivables.

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

	At 30 September 2019 ***¥ million*** **(unaudited)**	At 31 March 2019 *¥ million* (audited)
1 to 30 days	**479**	504
31 to 60 days	**27**	31
Over 60 days	**74**	79
	580	614

13. TRADE AND OTHER PAYABLES

	At 30 September 2019 ***¥ million*** **(unaudited)**	At 31 March 2019 *¥ million* (audited)
Trade payables	**1,297**	1,465
Halls construction and system payables	**727**	1,681
Other tax expenses	**1,926**	3,144
Pachinko and pachislot machine payables	**3,230**	2,192
Accrued staff costs	**7,732**	8,689
Advertisement and promotions	**187**	297
Housing rent	**204**	223
Others	**1,461**	1,606
	16,764	19,297

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

	At 30 September 2019 ***¥ million*** **(unaudited)**	At 31 March 2019 *¥ million* (audited)
1 to 30 days	**1,237**	1,401
31 to 60 days	**22**	6
Over 60 days	**38**	58
	1,297	1,465

14. DIVIDENDS

During the six months ended 30 September 2019 and 2018, the Company made the following distributions, which is shown in the interim condensed consolidated statement of changes in equity.

	Six months ended 30 September			
	2019		2018	
Dividends declared and paid/ payable to its shareholders by:	**Dividend per share ¥**	**Total Dividends *¥ million* (unaudited)**	Dividend per share ¥	Total Dividends *¥ million* (unaudited)
Final dividend paid	**6.00**	**4,596**	6.00	4,596
		4,596		4,596

On 20 November 2019, the Board of Directors declared an interim dividend of ¥6.00 per ordinary share of the Company, which is payable on 10 January 2020 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	
	2019 *¥ million* (unaudited)	2018 *¥ million* (unaudited)
Earnings for the purpose of calculating basic earnings per share	**8,691**	8,340
Weighted average number of shares	**765,985,896**	765,985,896
Basic earnings per share (¥)	**11.35**	10.89

Diluted earnings per share was the same as basic earnings per share for the six months ended 30 September 2019 and 2018 as there were no dilutive potential ordinary shares in existence during the six months ended 30 September 2019 and 2018.

CORPORATE GOVERNANCE

Compliance with the corporate governance code

During the Reporting Period, the Company has complied with all applicable code provisions set out in the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the listing of Securities (the "Listing Rules") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except for the following deviations.

Code Provision A.2.1

Code provision A.2.1 provides that the roles of chairman and chief executive should be performed by different individuals. Mr. Kohei SATO has been in both roles during the Reporting Period.

However, the Board believes that Mr. Kohei SATO, in his dual capacity as the chairman of the Board and chief executive, provides strong and consistent leadership for the development of the Group, and this is beneficial and in the interests of the Company and the shareholders of the Company (the "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 the notice for an annual general meeting should be sent to shareholders by issuer at least 20 clear business days before the meeting. The annual general meeting of the Company (the "AGM") for the year ended 31 March 2019 was held on 20 June 2019, while the AGM notice was despatched on 29 May 2019. The above arrangement complied with the articles of incorporation of the Company, as amended (the "Articles of Incorporation") prepared pursuant to the Companies Act of Japan (Act No. 86 of 2005, as amended and supplemented from time to time) (the "Companies Act") in respect of the minimum notice period of 21 calendar days (the date of sending and the date of the meeting was not 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 2019). The Companies Act also requires that the notice for the AGM 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 International Financial Reporting Standards as required under the Listing Rules. As a result, more time was required to finalize the annual report which accompanied the AGM notice being despatched to the Shareholders.

Compliance with the model code for securities transactions by directors and "Rules on Prevention of Insider Dealings" by directors

The Company has adopted the Model Code and the "Rules on Prevention of Insider Dealings" as a code of conduct regarding Directors' transactions of the listed securities of the Company. The "Rules on Prevention of Insider Dealings", in addition to the Model Code, has been formulated and adopted by the Company on 1 April 2014 for Directors and employees of the Company who are likely to have access to unpublished inside information of the Group. 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 and the "Rules on Prevention of Insider Dealings" throughout the Reporting Period.

Audit committee's review of financial statements

The unaudited interim condensed consolidated financial statements of the Group for the Reporting Period have been reviewed by PricewaterhouseCoopers Aarata LLC, 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. The audit committee of the Company has also reviewed the unaudited interim condensed consolidated financial statements of the Group for the Reporting Period.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

The changes in the information relating to the Directors since the publication of the Company's annual report for the fiscal year ended 31 March 2019 are set out below pursuant to Rule 13.51B(1) of the Listing Rules:

(1) On 1 August 2019, Mr. Kei MURAYAMA was appointed as a non-executive adviser to Lawson Japan, Inc. (TSE: 2651) on personal matters.

(2) On 1 June 2019, Mr. Kiyohito KANDA was appointed as an instructor of Local Autonomy College.

Interim dividends

The Board declared an interim dividend of ¥6 per ordinary share in respect of the Reporting Period, payable on 10 January 2020 to the Shareholders whose names appear on the Company's share register as at the close of business on 9 December 2019. Based on the assumption that 765,985,896 shares shall be in issue as at 9 December 2019, it is expected that the interim dividend payable will amount to approximately ¥4,596 million (equivalent to approximately HK$334 million).

In the case when the dividends are distributed to the Shareholders in Hong Kong dollars, the exchange rate for the conversion of Japanese yen to Hong Kong dollar are based on the average currency rates prevailing five business days immediately before 20 November 2019 (being 13 to 15, 18 and 19 November 2019).

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 six months ended 30 September 2019 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 Interim Report, certain amounts denominated in Japanese yen are translated into Hong Kong dollars at the rate described below:

1. ¥13.77 to HK$1.00, the exchange rate prevailing on 30 September 2019 (i.e. the last business day in September 2019).

2. ¥14.53 to HK$1.00, the exchange rate prevailing on 28 September 2018 (i.e. the last business day in September 2018).

3. ¥14.14 to HK$1.00, the exchange rate prevailing on 29 March 2019 (i.e. the last business day in March 2019).

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.

"Cabin Plaza" キャビンプラザ	Cabin Plaza Co., Ltd., a stock company incorporated in Japan with limited liability. Cabin Plaza is a wholly-owned subsidiary of the Company
"Dynam" ダイナム	DYNAM Co., Ltd., a stock company incorporated in Japan with limited liability. Dynam is a wholly-owned subsidiary of the Company
"Dynam Aviation" ダイナムアビエーション	Dynam Aviation Ireland Limited, a company incorporated in Ireland with limited liability. Dynam Aviation is a wholly-owned subsidiary of the Company
"Yume Corporation" 夢コーポレーション	Yume Corporation Co., Ltd., a stock company incorporated in Japan with limited liability. Yume Corporation is a wholly-owned subsidiary of the Company

By order of the Board
DYNAM JAPAN HOLDINGS Co., Ltd.
Kohei SATO
Chairman of the Board

Tokyo, Japan, 20 November 2019

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