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**NIRAKU GC HOLDINGS**

株式会社ニラク・ジー・シー・ホールディングス

**NIRAKU GC HOLDINGS, INC.\***

*(Incorporated in Japan with limited liability)*

**(Stock Code: 1245)**

## **DISCLOSEABLE TRANSACTION**

### **ACQUISITION OF LAND AND BUILDING IN SHIZUKUISHI-CHO, JAPAN**

The Board is pleased to announce that, on 17 April 2025 (after trading hours), the Purchaser (a non-wholly-owned subsidiary of the Company) entered into the Purchase and Sale Agreement with the Seller (an Independent Third Party) for the acquisition of the Land and the Building located at Shizukuishi-cho, Iwate-gun, Japan at a total consideration of JPY358.4 million (equivalent to approximately HK\$19.0 million).

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Purchase and Sale Agreement are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **THE ACQUISITION**

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\* for identification purpose only

The principal terms of the Purchase and Sale Agreement are as follows:

**Date:** 17 April 2025

**Parties:** (1) Seller  
(2) Purchaser

**Subject matter:** The Purchaser shall acquire from the Seller (i) the Land, comprising of 20 individual lots with a total area of approximately 7,192.21 sq. m. located in Shizukuishi-cho, Iwate-gun, Japan; and (ii) the Building constructed on the Land, being a 10-storey building constructed as a ryokan inn with a total floor area of approximately 9,514.43 sq. m..

**Consideration:** The total consideration for the Acquisition is JPY358.4 million (equivalent to approximately HK\$19.0 million), which comprises the purchase price of the Land, the purchase price of the Building, and the amount of consumption tax and local consumption tax.

**Payment terms:** The full amount of the consideration in the sum of JPY358.4 million (equivalent to approximately HK\$19.0 million) shall be paid on 30 April 2025.

**Handover:** The Seller shall deliver the Land and the Building to the Purchaser on an “as is” basis on the date of payment of the consideration, i.e. 30 April 2025. Ownership shall be transferred from the Seller to the Purchaser upon receipt of the consideration, which shall be deemed to constitute completion of handover.

**Condition precedent:** The Purchase and Sale Agreement is conditional upon the receipt of a court order permitting the sale of the Land and the Building in accordance with the Purchase and Sale Agreement. In the unlikely event that such court order is not obtained, the parties may cancel the Purchase and Sale Agreement in its entirety at no cost to either party, and neither party shall be liable to each other for any damages resulting from such cancellation.

The consideration for the Acquisition was determined after arm's length negotiations between the parties by reference to prevailing local market conditions, the location and the investment potential of the Land and the Building, with reference to the appraised market value as advised by an independent valuer. The Directors (including the independent non-executive Directors) are of the view that the consideration for the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as whole.

## **INFORMATION OF THE LAND AND THE BUILDING**

The Land comprises of four major plots of land and various mineral spring sites located in Shizukuishi-cho, Iwate-gun, Japan. The total number of lots comprised by the Land is 20, with a total area of approximately 7,192.21 sq. m..

The Building is a 10-storey building with a total floor area of approximately 9,514.43 sq. m., which was constructed and operated as a hot spring ryokan inn. As the previous owner is in liquidation, the ryokan inn is currently closed.

The appraised market value of the Land and the Building as advised by an independent valuer is JPY1.0 billion (as at 1 March 2025).

## **INFORMATION OF THE GROUP AND THE PARTIES**

The Group is principally engaged in pachinko and pachislot hall operations, hotel and restaurant operations in Japan, and amusement arcade operations in Southeast Asian countries.

The Purchaser is an indirect non-wholly-owned subsidiary of the Company currently held as to 75% by the Group and 25% by its joint venture partner, Core Holdings. The Purchaser is principally engaged in hotel operations.

The Seller is the liquidator attorney of the bankrupt Choeikan Co. Choeikan Co is a company incorporated in Japan currently in liquidation. The ultimate beneficial owner of Choeikan Co prior to liquidation was Takahiro TERUI. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller and its ultimate beneficial owner(s) are Independent Third Parties of the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

One of the principal business activities of the Group is hotel operations in Japan, and the Group has recently added two onsen inns to the Group's hotel portfolio in August 2024. The tourism industry in Japan has been undergoing a strong revival since the COVID-19 pandemic, and more and more foreigners are travelling to Japan for leisure tourism. The management of the Group is cautiously optimistic about the continuous recovery and development potential of the tourism industry in Japan. With the attractive price of the Land and the Building as compared to its appraised market value, the management of the Group considers that the Acquisition presents a great opportunity for the Group to further expand its hospitality business.

The Building located on the Land is an established hot spring ryokan inn in an ideal location attractive to leisure tourists travelling to Japan. Shizukuishi-cho is located about 16 kilometers west of Morioka City and borders Akita Prefecture (Senboku City). It is a vast area with mountains and plateaus covering most of the area, and is a fan-shaped basin surrounded by the Ou Mountain Range. The town has long been known as a therapeutic hot spring resort, and has been developed as a tourist town with golf courses, ski resorts, and other leisure facilities. With the addition of the ideally located ryokan inn to the Group's hotel portfolio, the management of the Group is of the view that the Group will be better positioned to capture the business opportunities brought by the recovery and development potential of the tourism industry in Japan.

Taking into account the above factors, the Directors (including the independent non-executive Directors) consider that the terms of the Acquisition are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

None of the Directors has any material interests in the Acquisition and therefore, none of them has abstained from voting on the Board resolution(s) approving the Purchase and Sale Agreement and the transaction contemplated thereunder.

The consideration and other expenses for the Acquisition will be funded partly by internal resources of the Group, partly by the other shareholder of the Purchaser, and partly by external financing. It is expected that approximately 71% of the total consideration shall be funded by loan proceeds to be obtained by the Purchaser from financial institutions.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Purchase and Sale Agreement are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

<b>“Acquisition”</b>	the acquisition of the Land and the Building by the Purchaser from the Seller pursuant to the Purchase and Sale Agreement
<b>“Board”</b>	the board of Directors
<b>“Building”</b>	the 10-storey building located at 7-1, 5-18, 5-48, 5-51, 7-4, 17-1, 5-48 Saki, 7-1 Saki building number 7-1, Aza Okuridaira, Oaza Oshuku Dai 6 Chiwari, Shizukuishi-cho, Iwate-gun, Japan with a total floor area of approximately 9,514.43 sq. m.
<b>“Choeikan Co”</b>	Choeikan Co., Ltd.* (株式会社長栄館), a company incorporated in Japan with limited liability and currently in liquidation
<b>“Company”</b>	NIRAKU GC HOLDINGS, INC.* (株式会社ニラク・ジー・シー・ホールディングス), which is a stock company* (株式会社) incorporated in Japan with limited liability, the Shares of which are listed on the main board of the Stock Exchange
<b>“connected person(s)”</b>	shall have the meaning as ascribed to it under the Listing Rules
<b>“Core Holdings”</b>	Core Holdings, a company incorporated in Japan with limited liability whose ultimate beneficial owner is Masazumi NAKANO
<b>“Directors”</b>	the directors of the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Independent Third Party(ies)”</b>	third party(ies) who is/are independent of the Company and its connected persons
<b>“JPY” or “¥”</b>	Japanese Yen, the lawful currency of Japan

<b>“Land”</b>	lot nos. 5-17, 5-18, 5-48, 5-51, 5-80, 5-108, 5-109, 6-3, 7-1, 7-3, 7-4, 7-7, 7-8, 17-1, 18-7, 18-10, 18-11, 18-12, 42-1 and 42-2 located in Aza Okuridaira, Oaza Oshuku Dai 6 Chiwari, Shizukuishi-cho, Iwate-gun, Japan with a total area of approximately 7,192.21 sq. m.
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Purchase and Sale Agreement”</b>	the purchase and sale agreement in respect of the Land and the Building entered into between the Seller and the Purchaser on 17 April 2025
<b>“Purchaser”</b>	NBI Regional Revitalization Investment Co., Ltd.* (株式会社NBI地方創生インベストメント), a limited liability company incorporated in Japan and an indirect non-wholly-owned subsidiary of the Company, the shares of which are held as to 75% by the Group and 25% by Core Holdings
<b>“Seller”</b>	the liquidator attorney, Shuei OTA, of the bankrupt Choeikan Co
<b>“Share(s)”</b>	common share(s)* (普通株式) in the share capital of our Company
<b>“Shareholder(s)”</b>	holder(s) of Share(s)
<b>“sq. m.”</b>	square meter
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“%”</b>	per cent

*(\*) The English titles marked with “\*” are unofficial English translations of the Japanese titles of natural persons, legal persons, governmental authorities, institutions, laws, rules, regulations and other entities for which no official English translation exists. These titles are for identification purpose only.*

*In this announcement, certain amounts denominated in ¥ are translated into HK\$ at the exchange rate shown below, but such conversions shall not be construed as representations that amounts in ¥ were or may have been converted into HK\$ at such rate or any other exchange rates or at all: ¥1 = HK\$0.053.*

Shareholders and potential investors should note that the completion of the Acquisition is subject to satisfaction (or, if applicable, waiver) of certain conditions precedent under the Purchase and Sale Agreement. There is no assurance that the completion of the Acquisition will take place. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

On behalf of the Board  
株式会社ニラク・ジー・シー・ホールディングス  
**NIRAKU GC HOLDINGS, INC.\***  
**Hisanori TANIGUCHI**

*Chairman, Executive Director and Chief Executive Officer*

Fukushima, Japan, 17 April 2025

*As at the date of this announcement, the executive Directors are Hisanori TANIGUCHI and Masataka WATANABE; the non-executive Director is Hiroshi BANNAI; and the independent non-executive Directors are Michio MINAKATA, Yoshihiro KOIZUMI, Kuraji KUTSUWATA, Akihito TANAKA and Reiko HACHISUKA.*