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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)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE LEASE AGREEMENT

The Board is pleased to announce that, on 29 July 2025 (after trading hours), NBI (a non-wholly-owned subsidiary of the Company) entered into the Lease Agreement with Core Global in respect of the Ryokan Inn for a term commencing from 29 August 2025 to 28 August 2027.

Core Global is a wholly-owned subsidiary of Core Holdings, which currently holds 25% of the issued shares in NBI (a non-wholly-owned subsidiary of the Company). Core Global is hence an associate of a connected person of the Company and a connected person of the Company at the subsidiary level pursuant to Rule 14A.07(4) and Rule 14A.13(1) of the Listing Rules. As such, the Lease Agreement and the transactions contemplated thereunder constitute continuing connected transactions between the Company and a connected person at the subsidiary level pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual caps of the rent payable by the Group under the Lease Agreement is, on an annual basis, higher than 1% but less than 5%, the Lease Agreement is subject to the announcement and annual review requirements under Chapter 14A of the Listing Rules but exempt from the circular and independent shareholders' approval requirements.

The Board is pleased to announce that, on 29 July 2025 (after trading hours), NBI (a non-wholly-owned subsidiary of the Company) entered into the Lease Agreement with Core Global in respect of the Ryokan Inn for a term commencing from 29 August 2025 to 28 August 2027.

* *for identification purposes only*

PRINCIPAL TERMS

The principal terms of the Lease Agreement are as follows:

Date:	29 July 2025
Parties:	(1) NBI (as lessor) (2) Core Global (as lessee)
Leased building:	The Ryokan Inn located in Minami-Izu-cho, Kamo-gun, Shizuoka Prefecture, Japan, comprising 14 buildings with a total floor area of approximately 5,925.4 sq. m..
Usage:	As a facility for the operation of hotels and other business incidental thereto under the name "Hana no Omotenashi Nanraku".
Term:	29 August 2025 to 28 August 2027
Monthly rent:	The aggregate amount of (i) a fixed rent of JPY3.8 million (equivalent to approximately HK$0.2 million) per month; and (ii) a variable rent of 80% of monthly actual gross profits (as defined in the Lease Agreement) less the amount of the aforesaid fixed rent.
Payment terms:	Monthly rent shall only begin to accrue on a date to be determined between the parties after the completion of large-scale repair works to be conducted in respect of the Ryokan Inn (estimated to be June 2026). Fixed rent shall be paid in advance on the last day of the previous month, and variable rent shall be paid in arrears on the last day of the following month.

HISTORICAL TRANSACTION VALUE AND PROPOSED ANNUAL CAPS

NBI and Core Global had not entered into transactions which are similar in nature to the transactions contemplated under the Lease Agreement, thus no historical transaction figure is available.

The annual caps for the amount of rent receivable by NBI from Core Global under the Lease Agreement for the period from 29 August 2025 to 31 March 2026 and the two financial years ending 31 March 2027 and 2028 are JPY0 million (equivalent to approximately HK$0 million), JPY114.7 million (equivalent to approximately HK$6.1 million), and JPY136.1 million (equivalent to approximately HK$7.2 million), respectively.

In determining the said annual caps, the Directors (including the independent non-executive Directors) have taken into account: (i) the fact that no monthly rent will be received from Core Global until completion of the renovation works to be conducted in respect of the Ryokan Inn (estimated to be June 2026); (ii) the amount of fixed monthly rent to be received from Core Global in each subsequent financial year; and (iii) the estimated amount of variable rent to be received from Core Global in each financial year taking into account the expected occupancy rate of the Ryokan Inn and the anticipated development and growth of the business during the lease term, which the management deems reasonable.

Taking into account the above factors, the Directors (including the independent non-executive Directors) consider that the above proposed annual caps for the transactions contemplated under the Lease Agreement are fairly and reasonably determined.

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.

NBI 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. NBI is principally engaged in hotel operations.

Core Global is a company incorporated in Japan with limited liability and a wholly-owned subsidiary of Core Holdings. Core Global is principally engaged in hotel management and operations.

As Core Holdings currently holds 25% of the issued shares in NBI (a non-wholly-owned subsidiary of the Company), Core Global is an associate of a connected person of the Company and a connected person of the Company at the subsidiary level pursuant to Rule 14A.07(4) and Rule 14A.13(1) of the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT

The Group recently acquired the Ryokan Inn and the land on which it is constructed, and it is expected that the acquisition will complete on 29 August 2025, being the commencement date of the Lease Agreement.

Core Global, a subsidiary of one of the Group's joint venture partners, is an experienced and reputable hotel manager managing and operating a wide range of hotels and resorts, including the "Hewitt", "Quintessa" and "Hedistar" branded hotels, and numerous other hotels and resorts. By entering into the Lease Agreement with Core Global, the Group will enable Core Global to operate the Ryokan Inn at the newly acquired property immediately after completion of the acquisition. This way, the operational risks of the Group will be minimised and the Group can ensure a stable rental yield after completion of the acquisition.

The terms of the Lease Agreement, including the respective amount of fixed rent and variable rent payable by Core Global, are arrived at after arm's length negotiations between the parties taking into account: (i) the fact that the variable rent model is common for the leasing of hotel premises in Japan; and (ii) the prevailing market rent for comparable premises in Minami-Izu-cho, Kamo-gun, Shizuoka Prefecture, Japan.

None of the Directors has any material interests in the Lease Agreement and therefore, none of them has abstained from voting on the Board resolution(s) approving the Lease Agreement, the transactions contemplated thereunder and the proposed annual caps.

The Directors (including the independent non-executive Directors) believe that the Lease Agreement has been entered into in the ordinary and usual course of business of the Group, and on normal commercial terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

Core Global is a wholly-owned subsidiary of Core Holdings, which currently holds 25% of the issued shares in NBI (a non-wholly-owned subsidiary of the Company). Core Global is hence an associate of a connected person of the Company and a connected person of the Company at the subsidiary level pursuant to Rule 14A.07(4) and Rule 14A.13(1) of the Listing Rules. As such, the Lease Agreement and the transactions contemplated thereunder constitute continuing connected transactions between the Company and a connected person at the subsidiary level pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual caps of the rent payable by the Group under the Lease Agreement is, on an annual basis, higher than 1% but less than 5%, the Lease Agreement is subject to the announcement and annual review requirements under Chapter 14A of the Listing Rules but exempt from the circular and independent shareholders' approval requirements.

DEFINITIONS

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

"Board"	the board of Directors
"Company"	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
"connected person(s)"	shall have the meaning as ascribed to it under the Listing Rules

"Core Global"	Core Global Management Co., Ltd., a company incorporated in Japan with limited liability and a wholly-owned subsidiary of Core Holdings
"Core Holdings"	Core Holdings, a company incorporated in Japan with limited liability whose ultimate beneficial owner is Masazumi NAKANO
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"JPY" or "¥"	Japanese Yen, the lawful currency of Japan
"Lease Agreement"	a lease agreement in respect of the Ryokan Inn entered into between NBI (as lessor) and Core Global (as lessee) on 29 July 2025
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"NBI"	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
"Ryokan Inn"	the 14 buildings located in Minami-Izu-cho, Kamo-gun, Shizuoka Prefecture, Japan, comprising a 7-storied building, a 8-storied building and 12 single-storied buildings with a total floor area of approximately 5,925.4 sq. m.
"Share(s)"	common share(s)* (普通株式) in the share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"sq. m."	square meter
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	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.

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, 29 July 2025

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