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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)**

## **BUSINESS UPDATE AND UPDATE ON DIRECTORS' INFORMATION**

This announcement is made by 株式会社ニラク・ジー・シー・ホールディングス NIRAKU GC HOLDINGS, INC.\* (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) pursuant to the requirements of Rules 13.09, 13.51B(2) and 13.51(2)(l) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

### **BUSINESS UPDATE**

NPJ China Yokochō Co., Ltd. (“**NPJ China**”), a company incorporated in the People’s Republic of China (the “**PRC**”) is an indirect non-wholly-owned subsidiary of the Company engaged in the business of running a Japanese-style food court (“**Yokochō**”) at Shenzhen Upper Hills located in Shenzhen, PRC. As at the date of this announcement, 100% of the equity interest in NPJ China is held by NPJ Hong Kong Limited (“**NPJ Hong Kong**”), and NPJ Hong Kong is in turn held as to 51% by the Group and 49% by its joint venture partner.

Shortly after the opening of Yokochō in the third quarter of 2019, the business was forced to a temporary suspension in early 2020 due to the outbreak of the COVID-19 pandemic. The prolonged intermittent business suspension policy of the PRC in the past 3 years had caused profound impact on the business of Yokochō. Despite the fact that all pandemic measures were lifted and Yokochō finally resumed its operation in early 2023, the business environment remained unstable and its revenue did not improve. As a result, NPJ China continued to suffer persistent loss.

\* For identification purposes only

After careful and due consideration, the shareholders of NPJ Hong Kong resolved not to make additional investment in NPJ China, and mutually reached a decision to cease the business operation of NPJ China. Due to various lease obligations and liabilities of NPJ China, NPJ China is currently insolvent.

The board (the “**Board**”) of directors of the Company (the “**Directors**” and each, a “**Director**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) that, on 14 March 2024, NPJ Hong Kong passed a board resolution and NPJ China passed a shareholder’s resolution for the filing of bankruptcy liquidation proceedings in respect of NPJ China (the “**Proceedings**”) in accordance with the laws of the PRC. If a court order for bankruptcy liquidation is granted, a liquidator will be appointed to NPJ China and the Proceedings will formally commence.

For the year ended 31 March 2023, revenue from NPJ China accounted for not more than 1% of the Group’s total revenue and, as at 31 March 2023, NPJ China recorded a net liability of approximately JPY183.8 million, while the Group had net assets of approximately JPY19,294 million. Having assessed the actual contribution and financial position of NPJ China and external environment factors, the management of the Group believes that the cessation of business operation and liquidation of NPJ China will improve the financial position of the Group, which is in the interests of the Company and its Shareholders as a whole.

The Board is of the view that the cessation of business operation of NPJ China and the Proceedings will not have any material adverse impact on other business operations and financial position of the Group and is not aware of any other matters that need to be brought to the attention of the Shareholders.

## **UPDATE ON DIRECTORS’ INFORMATION**

Mr. Hisanori Taniguchi (“**Mr. Taniguchi**”), an executive Director and the chief executive officer of the Company, and Mr. Akinori Ohishi (“**Mr. Ohishi**”), an executive Director, were nominated by the Group to act as directors of NPJ China. As at the date of this announcement, Mr. Taniguchi and Mr. Ohishi remain directors of NPJ China. The Proceedings constitute an event required to be disclosed by the Company pursuant to Rule 13.51(2)(I) of the Listing Rules. In compliance with the requirement under Rule 13.51B(2) of the Listing Rules, this announcement is made by the Company reporting the change of information required to be disclosed by Mr. Taniguchi and Mr. Ohishi.

Save as disclosed in this announcement, there is no other information relating to Mr. Taniguchi and Mr. Ohishi that is required to be disclosed pursuant to the requirements under Rule 13.51(2)(I) of the Listing Rules, and both of them are not aware of any other matters that need to be brought to the attention of the Shareholders.

The Company will make further announcement(s) in relation to the above matter as and when appropriate in accordance with the Listing Rules.

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

*Chairman, Executive Director and Chief Executive Officer*

Fukushima, Japan, 14 March 2024

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

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