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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)

PROFIT WARNING

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 as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that based on preliminary assessment of the consolidated management accounts of the Group, it is expected the Group will record a loss attributable to Shareholders of approximately ¥1,980 million for the six months ended 30 September 2020, as compared to the profit attributable to Shareholders of ¥496 million for the six months ended 30 September 2019.

The expected loss attributable to Shareholders for the six months ended 30 September 2020 is mainly caused by the outbreak of novel coronavirus (COVID-19) causing temporary closure of pachinko halls and restaurants in various locations during the first quarter of the financial period. Although the outlets were subsequently resumed, the performance of the Group’s restaurant and entertainment businesses was severely affected leading to a drastic drop in revenue. The Group has implemented various cost control measures to minimise the impact of the COVID-19, and has closely monitored the market conditions and adjusted its business strategies to maintain a stable sales turnover.

Despite the foregoing, the Group maintains a healthy cash flow and financial position and has sufficient cash to meet its business needs.

* for identification purpose only

The Company is still in the process of finalising the unaudited consolidated results of the Group for the six months ended 30 September 2020. This profit warning announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group which are subject to finalisation and other potential adjustments, if any, and have not been confirmed or audited by the Company's auditor. Shareholders and potential investors are advised to read carefully the results announcement of the Company for the six months ended 30 September 2020, which is expected to be published on or around 20 November 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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
Chairman, Executive Director and Chief Executive Officer
Hisanori TANIGUCHI

Fukushima, Japan, 6 November 2020

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

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