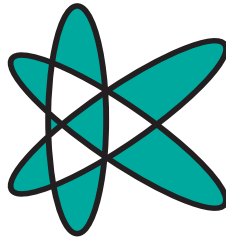


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OKURA HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 01655)

VOLUNTARY ANNOUNCEMENT INTERNAL RESTRUCTURING

The Board hereby announces that the Group is carrying out internal restructuring arrangements pursuant to which six of its subsidiaries shall undergo absorption-type mergers to effect the following changes in the structure of the Group on 1 January 2019 (the “**Internal Restructuring**”):

- (i) K’s Holdings (a subsidiary direct wholly-owned by the Company) will be merged with Okura Japan (a subsidiary indirect wholly-owned by the Company) whereby Okura Japan will survive and become a direct wholly-owned subsidiary of the Company, and K’s Holdings will be absorbed and dissolved;
- (ii) Aisen (a subsidiary indirect wholly-owned by the Company) will be merged with Okura Nishinohon (a subsidiary indirect wholly-owned by the Company) whereby Okura Nishinohon will survive and remain an indirect wholly-owned subsidiary of the Company, and Aisen will be absorbed and dissolved; and
- (iii) Adward (a subsidiary indirect wholly-owned by the Company) will be merged with Aratoru (a subsidiary indirect wholly-owned by the Company) whereby Aratoru will survive and remain an indirect wholly-owned subsidiary of the Company, and Adward will be absorbed and dissolved.

INTERNAL RESTRUCTURING

This announcement is made by the Company on a voluntary basis to update its shareholders and potential investors of the recent development of the Group.

As disclosed in the Group's annual report for the year ended 30 June 2018, in response to the intensifying competitive landscape of the pachinko industry, the Group has been actively streamlining its operations to focus its resources on maintaining its customer base. In line with such an approach and to further enhance operation efficiency, the Group is carrying out restructuring arrangements, pursuant to which six wholly-owned subsidiaries of the Group, namely, K's Holdings, Okura Japan, Aisen, Okura Nishinohon, Adward and Aratoru, shall undergo absorption-type mergers, the details of which are set out below:

(i) K's Holdings' merger with Okura Japan

As at the date of this announcement, K's Holdings is a direct wholly-owned subsidiary of the Company and Okura Japan is an indirect wholly-owned subsidiary of the Company. As a result of the Internal Restructuring, K's Holdings will be merged with Okura Japan with effect from 1 January 2019, whereby Okura Japan will survive and become a direct wholly-owned subsidiary of the Company, and K's Holdings will be absorbed and dissolved.

(ii) Aisen's merger with Okura Nishinohon

As at the date of this announcement, Aisen and Okura Nishinohon are both indirect wholly-owned subsidiaries of the Company. As a result of the Internal Restructuring, Aisen will be merged with Okura Nishinohon with effect from 1 January 2019, whereby Okura Nishinohon will survive and remain an indirect wholly-owned subsidiary of the Company, and Aisen will be absorbed and dissolved.

(iii) Adward's merger with Aratoru

As at the date of this announcement, Adward and Aratoru are both indirect wholly-owned subsidiaries of the Company. As a result of the Internal Restructuring, Adward will be merged with Aratoru with effect from 1 January 2019, whereby Aratoru will survive and remain an indirect wholly-owned subsidiary of the Company, and Adward will be absorbed and dissolved.

For the purpose of compliance with the Japanese laws and regulations applicable to the internal restructuring, certain financial information of Okura Japan, K's Holdings, Okura Nishinohon, Aisen, Aratoru and Adward as of 30 June 2018 prepared in accordance with Japanese GAAP had been gazetted in the Tokyo Shimbun (東京新聞) and the National Printing Bureau (独立行政法人 国立印刷局) of Japan on 13 November 2018. The key financial information of Okura Japan, K's Holdings, Okura Nishinohon, Aisen, Aratoru and Adward that had been gazetted are set out below:

Key financial information of Okura Japan as of 30 June 2018:

	JPY ('000)
Current assets	4,259,335
Non-current assets	8,820,515
Deferred assets	<u>1,029,831</u>
Total:	<u>14,109,682</u>
Current liabilities	1,861,602
Non-current liabilities	3,758,189
Shareholders' equity	<u>8,489,890</u>
Total:	<u>14,109,682</u>

Key financial information of K's Holdings as of 30 June 2018:

	JPY ('000)
Current assets	85,978
Non-current assets	<u>7,884,005</u>
Total:	<u>7,969,984</u>
Current liabilities	444,308
Shareholders' equity	<u>7,525,675</u>
Total:	<u>7,969,984</u>

Key financial information of Okura Nishinohon as of 30 June 2018:

	JPY ('000)
Current assets	264,193
Non-current assets	1,363,470
Deferred assets	<u>332,757</u>
Total:	<u>1,960,421</u>
Current liabilities	1,875,104
Non-current liabilities	85,606
Shareholders' equity	<u>(289)</u>
Total:	<u>1,960,421</u>

Key financial information of Aisen as of 30 June 2018:

	JPY ('000)
Current assets	<u>19,250</u>
Total:	<u>19,250</u>
Current liabilities	248
Shareholders' equity	<u>19,002</u>
Total:	<u>19,250</u>

Key financial information of Aratoru as of 30 June 2018:

	JPY ('000)
Current assets	124,601
Non-current assets	2,658
Deferred assets	<u>30,666</u>
Total:	<u>157,926</u>
Current liabilities	57,523
Non-current liabilities	25,068
Shareholders' equity	<u>75,335</u>
Total:	<u>157,926</u>

Key financial information of Adward as of 30 June 2018:

	JPY ('000)
Current assets	8,013
Non-current assets	<u>50,897</u>
Total:	<u>58,911</u>
Current liabilities	118,562
Non-current liabilities	4,911
Shareholders' equity	<u>(64,562)</u>
Total:	<u>58,911</u>

The Board considers that the internal restructuring will not have any material adverse effect on the business operation and financial conditions of the Group.

DEFINITIONS

“Adward”	Adward Co., Ltd.* (アドワード株式会社), a company incorporated under the laws of Japan on 16 October 2007 and a subsidiary indirect wholly-owned by the Company
“Aisen”	Aisen Co., Ltd.* (株式会社アイセン), a company incorporated under the laws of Japan on 9 March 2000 and a subsidiary indirect wholly-owned by the Company
“Aratoru”	Aratoru Co., Ltd.* (アラトル株式会社), a company incorporated under the laws of Japan on 22 February 2007 and a subsidiary indirect wholly-owned by the Company
“Board”	the board of Directors
“Company”	Okura Holdings Limited (Stock Code: 01655)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Japanese GAAP”	the generally accepted accounting principles in Japan
“K’s Holdings”	K’s Holdings Co., Ltd.* (株式会社ケース・ホールディングス), a company incorporated under the laws of Japan on 27 October 2008 and a direct wholly-owned subsidiary of the Company
“Okura Japan”	Okura Co., Ltd.* (王蔵株式会社), a company incorporated under the laws of Japan on 3 April 1984 and a subsidiary indirect wholly-owned by the Company
“Okura Nishinihon”	Okura Nishinihon Co., Ltd.* (王蔵西日本株式会), a company incorporated under the laws of Japan on 3 December 2012 and a subsidiary indirect wholly-owned by the Company

“subsidiary”

has the meaning ascribed to it under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

For and on behalf of the Board

Okura Holdings Limited

Katsuya YAMAMOTO

*Chief Executive Officer, Executive Director and
Chairman of the Board*

Hong Kong, 13 November 2018

As at the date of this announcement, the Board comprises seven Directors, of which (i) four are executive Directors, namely Mr. Katsuya YAMAMOTO, Mr. Fumihide HAMADA, Mr. Yutaka KAGAWA and Mr. Toshiro OE; and (ii) three are independent non-executive Directors, namely Mr. Mitsuru ISHII, Mr. Yuji MATSUZAKI and Mr. Kazuyuki YOSHIDA.

** For identification purpose only*