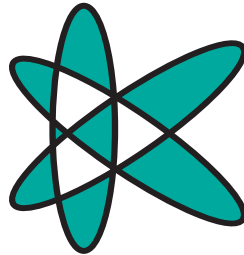


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Okura Holdings Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 01655)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This is a voluntary announcement made by Okura Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for keeping the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the Shareholders and potential investors that its pachinko hall, Big Apple. Ofuna hall* (ビッグアップル.大船) located at 1-23-1, Ofuna, Kamakura-shi, Kanagawa Prefecture, Japan (“**BA Ofuna**”) will cease operations with effect from 7 May 2023. The management of the Company has decided to close down BA Ofuna having duly considered its deteriorating operating and financial performance since the outbreak of the Coronavirus Disease 2019 in Japan in January 2020 and the resulting low overall customer traffic since early 2020. The management considered that although BA Ofuna gradually managed to regain customer traffic in the six months ended 31 December 2022, as compared with some of the Group’s other pachinko halls, the recovery of customer traffic at BA Ofuna is still at a slow pace despite the Group’s continuous effort and accordingly this pachinko hall continue to record losses from its business operations. Taking into account the general adverse operating landscape, the intense competition in the pachinko industry and the increasing competition from other forms of entertainment in Japan, the management considered that it will be more beneficial for the Group to focus its resources on the other more promising pachinko halls by enhancing customer experience there and minimise further losses from business operations by closing down pachinko halls with weaker performance.

The Directors believe that the streamlining of resources and operations by closing down BA Ofuna will help stabilise and improve the Group's financial performance in the long run, and is in the best interests of the Group and the Shareholders as a whole.

The below table sets forth the financial information of BA Ofuna for the periods indicated:

	For the six months ended 31 December 2022 (<i>unaudited</i>) (JPY '000)	Approximate percentage contributed to the Group for the six months ended 31 December 2022 (%)	For the year ended 30 June 2022 (<i>audited</i>) (JPY '000)	Approximate percentage contributed to the Group for the year ended 30 June 2022 (%)
BA Ofuna				
Revenue	170,474	5.49	337,985	6.08
(Loss)/profit before taxation	(28,540)	— ⁽¹⁾	5,630	— ⁽²⁾
			As at 31 December 2022 (<i>unaudited</i>) (JPY '000)	Approximate percentage accounted for the Group's consolidated figures as at 31 December 2022 (%)
BA Ofuna				
Net liability value			2,547,423	— ⁽³⁾
Total asset value			900,528	4.90

Notes:

- (1) The approximate percentage of loss before taxation of BA Ofuna contributed to the Group for the six months ended 31 December 2022 is not applicable as the Group recorded profit before taxation for the period.
- (2) The approximate percentage of profit before taxation of BA Ofuna contributed to the Group for the year ended 30 June 2022 is not applicable as the Group recorded loss before taxation for the year.

- (3) The approximate percentage accounted for the Group's consolidated net asset value as at 31 December 2022 is not applicable as BA Ofuna recorded a net liability value instead of a net asset value as at 31 December 2022.

Based on the information currently available to the Group, an insignificant loss on disposal of property, plant and equipment is expected to be recognised by the Company for the year ending 30 June 2023 in relation to the closure of BA Ofuna, while a gain of approximately JPY2,700 million from the derecognition of right-of-use assets and lease liabilities in relation to BA Ofuna is expected to arise during the same period. The Company is still assessing the amount of such gain and shall make a further announcement on the update of the expected gain and/or its impact on the Company's financial position in due course, if applicable, in accordance with the requirements of the Listing Rules. Save as disclosed above, the Board considers that the closure of BA Ofuna to have no material adverse impact on the business operation and financial position of the Group.

Following the closure of BA Ofuna, the Group will be operating 11 pachinko halls in the Kyushu, Kanto, Kansai and Chugoku regions in Japan.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

By Order of the Board
Okura Holdings Limited
Katsuya YAMAMOTO
*Chief Executive Officer, Executive Director
and Chairman of the Board*

Hong Kong, 2 May 2023

As at the date of this announcement, the Board comprises six Directors, of which (i) three are executive Directors, namely Mr. Katsuya YAMAMOTO, 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 purposes only*