

# FY2025/1 Full-year Earnings Presentation

2025.3.12



## New Management Structure

Having fully established its core M&A strategy, GENDA will move forward to a “New Growth Phase”, to execute this cycle at its full speed.

With organic performance in top form, Mai Shin will pass the torch to CFO & CSO leading the growth, and continue to support as a director



Representative  
Director and  
**President**  
**Nao**  
**Kataoka**



**Managing**  
Director  
CFO  
**Taiju**  
**Watanabe**



**Managing**  
Director  
CSO / CPA  
**Kohei**  
**Habara**



Director CCO  
Head of Contents &  
Promotion Business  
**Yuzo**  
**Sato**



Director (**New**)  
Head of Amusement  
Arcade Business  
**Kazuhiro**  
**Ninomiya**



**Director**  
**Mai**  
**Shin**

### Finance

#### Equity

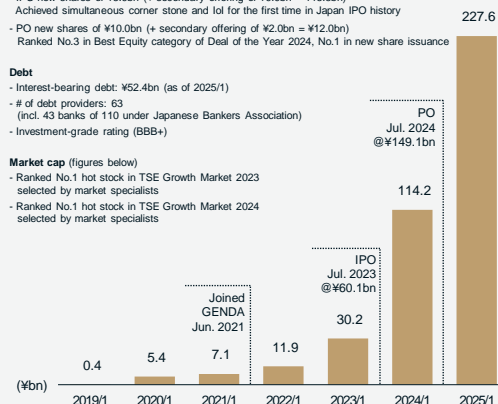
- IPO new shares of ¥5.9bn (+ secondary offering of ¥9.9bn = ¥15.8bn)  
Achieved simultaneous corner stone and lot for the first time in Japan IPO history
- PO new shares of ¥10.0bn (+ secondary offering of ¥2.0bn = ¥12.0bn)  
Ranked No.3 in Best Equity category of Deal of the Year 2024, No.1 in new share issuance

#### Debt

- Interest-bearing debt: ¥52.4bn (as of 2025/1)
- # of debt providers: 63  
(incl. 43 banks of 110 under Japanese Bankers Association)
- Investment-grade rating (BBB+)

#### Market cap (figures below)

- Ranked No.1 hot stock in TSE Growth Market 2023 selected by market specialists
- Ranked No.1 hot stock in TSE Growth Market 2024 selected by market specialists



### M&A

#### Numbers

- # Sourcing: over 700 (for 7 years since the establishment)
- # Announcements: 40 (for 7 years since the establishment)
- Ranked No.1 in the number of M&A by a listed company in Japan 2023 (10 deals)
- Ranked No.1 in the number of M&A as a listed company in Japan 2024 (11 deals)

#### Structures

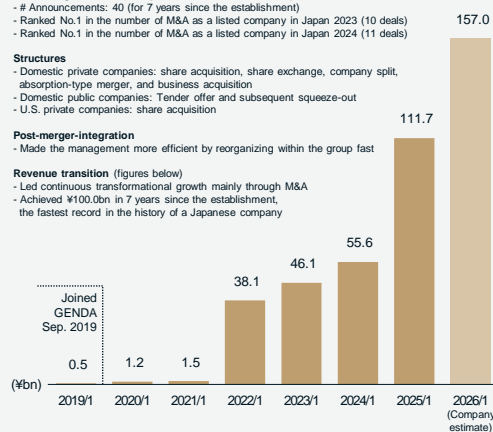
- Domestic private companies: share acquisition, share exchange, company split, absorption-type merger, and business acquisition
- Domestic public companies: Tender offer and subsequent squeeze-out
- U.S. private companies: share acquisition

#### Post-merger-integration

- Made the management more efficient by reorganizing within the group fast

#### Revenue transition (figures below)

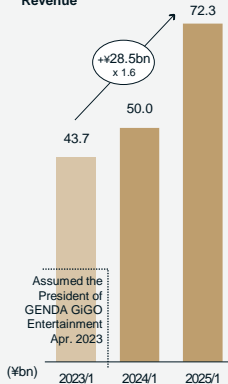
- Led continuous transformational growth mainly through M&A
- Achieved ¥100.0bn in 7 years since the establishment, the fastest record in the history of a Japanese company



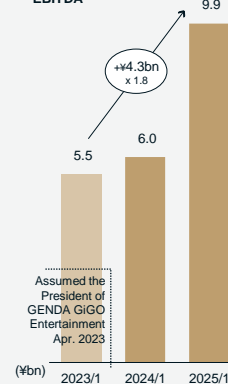
### Amusement Arcade Business

Drastically increased the earnings of the core GENDA GiGO Entertainment

#### Revenue



#### EBITDA



Note: They will officially assume office when the proposal of appointment of directors is approved at the 7<sup>th</sup> Ordinary General Meeting of Shareholders to be held in April 2025.

Source: "Deal of the Year 2024" of NIKKEI Veritas, "Market Questionnaire 2025: Hot stocks in Growth Market selected by market specialists" and "Market Questionnaire 2024: Hot stocks in Growth Market selected by market specialists" by Wealth Advisor Co., Ltd., "Number of M&A by a listed company in 2024" and "Number of M&A by a listed company in 2023" by M&A Online



## Executive Summary

### FY2025/1: 4Q YoY growth even greater than 3Q, which was greater than the strong 1Q and 2Q, resulting in historical high record

Adjusted indicator: Intrinsic performance excluding one-off M&A-related expenses

Adjusted EBITDA: ¥**15.3** bn (Target ¥1.3bn) 4Q YTD YoY **+87%** (3Q YTD YoY +64%)

(ref.) Adjusted OP income: ¥**9.1** bn (Target ¥7.0bn) 4Q YTD YoY **+66%** (3Q YTD YoY +43%)

Adjusted Cash EPS: ¥**81.36** 4Q YTD YoY **+19%** (YoY **+97%** excl. the tax increase as the company started paying taxes from FY2025/1)

### PMI / M&A: Amazing PMI results both domestic and overseas, which cannot be explained without synergies

PMI at major subsidiaries in Japan: GiGO: **Historical High** | Karaoke BanBan: **Historical High** | FUKUYA: **Historical High**

PMI at NEN in the U.S.: Incredible "**Average +201%**" in same store sales. Japan as one to physically spread world-class Japanese anime IP all across the U.S.

### FY2026/1: 4<sup>th</sup> upward revision reflecting strong organic growth

Our KPI indicators: Revenue ¥**157.0** bn | EBITDA ¥**22.0** bn YoY **+54%** | Net income before amortization of goodwill ¥**8.0** bn YoY **+71%**

(ref.) Income indicators: OP income ¥10.5bn YoY +31% | Net income ¥5.0bn YoY +51% → Under IFRS OP income ¥**13.5** bn YoY **+69%** | Net income ¥**8.0** bn YoY **+142%**

Multiple: EV/EBITDA 18.7x → 11.1x (**▲7.6x**) | PER 40.1x → 27.1x (**▲13.0x**)

### Stock related: To be more attractive stock for internal and external shareholders

ESOP: Increase incentive subsidy from 5% to **30%**

Stock split: **2-for-1** stock split aiming to increase the liquidity

Benefit yield: 1.5%→**3.0%** Maintain the existing benefits even after the stock split



## Summary of Earnings – Summary of Consolidated Statements of Income

### 4Q YoY growth even greater than 3Q, which was greater than the strong 1Q and 2Q

(adjusted basis excl. M&A-related expenses)

(¥ in millions)	Full-year								
	<sup>a</sup> Adjusted (excl. M&A-related expenses)			GAAP results (incl. M&A-related expenses)			Comparison with Company Estimate		
	FY2024/1	FY2025/1	YoY	FY2024/1	FY2025/1	YoY	FY2025/1(E)	vs Adjusted	vs GAAP
Revenue	55,697	111,786	<b>+100%</b>	55,697	111,786	+100%	110,000	101%	101%
EBITDA (%)	8,201 14%	15,391 13%	<sup>b</sup> <b>+87%</b>	8,102 14%	14,234 12%	+75%	13,000 12%	118%	109%
Net income before amortization of goodwill (%)	4,511 8%	5,931 5%	<sup>c</sup> <b>+31%</b>	4,359 7%	4,653 4%	+6%	5,400 5%	130%	86%
(Ref.) Net income before amortization of goodwill (before tax)	4,771	9,414	<b>+97%</b>	4,596	8,039	+74%	7,425	129%	108%
Operating income (%)	5,469 9%	9,122 8%	<sup>d</sup> <b>+66%</b>	5,370 9%	7,965 7%	+48%	7,000 6%	130%	114%

<sup>a</sup> M&A-related expenses ..... Showing intrinsic performance excluding one-off expenses. M&A-related operating expenses were ¥0.49bn in 4Q / ¥1.15bn in YTD, affecting EBITDA and below. M&A non-operating expenses were ¥0.22bn in 4Q YTD (no result in 4Q). Making this together with the above, ¥1.37bn in 4Q YTD affected ordinary income and below.

<sup>b</sup> EBITDA ..... **+87% / +¥7.1bn YoY**, even greater than +64% YoY of 3Q, +56% YoY of 2Q, +50% YoY of 1Q, **further expanded the growth.**

<sup>c</sup> Net income before amortization of goodwill ..... **+31% / +¥1.4bn YoY**, even greater than +21% YoY of 3Q, +18% YoY of 2Q, ▲9% YoY of 1Q, **further expanded the growth.** More than offsetting the normalization of corporate tax incurred from this fiscal year. In view of intrinsic performance excluding the impact of taxes on "before-tax" basis, **+97% / +¥4.6bn YoY**. Even though ¥10.0bn through follow-on offerings for M&A is yet to be fully deployed, **Cash EPS YoY is already +19%.**

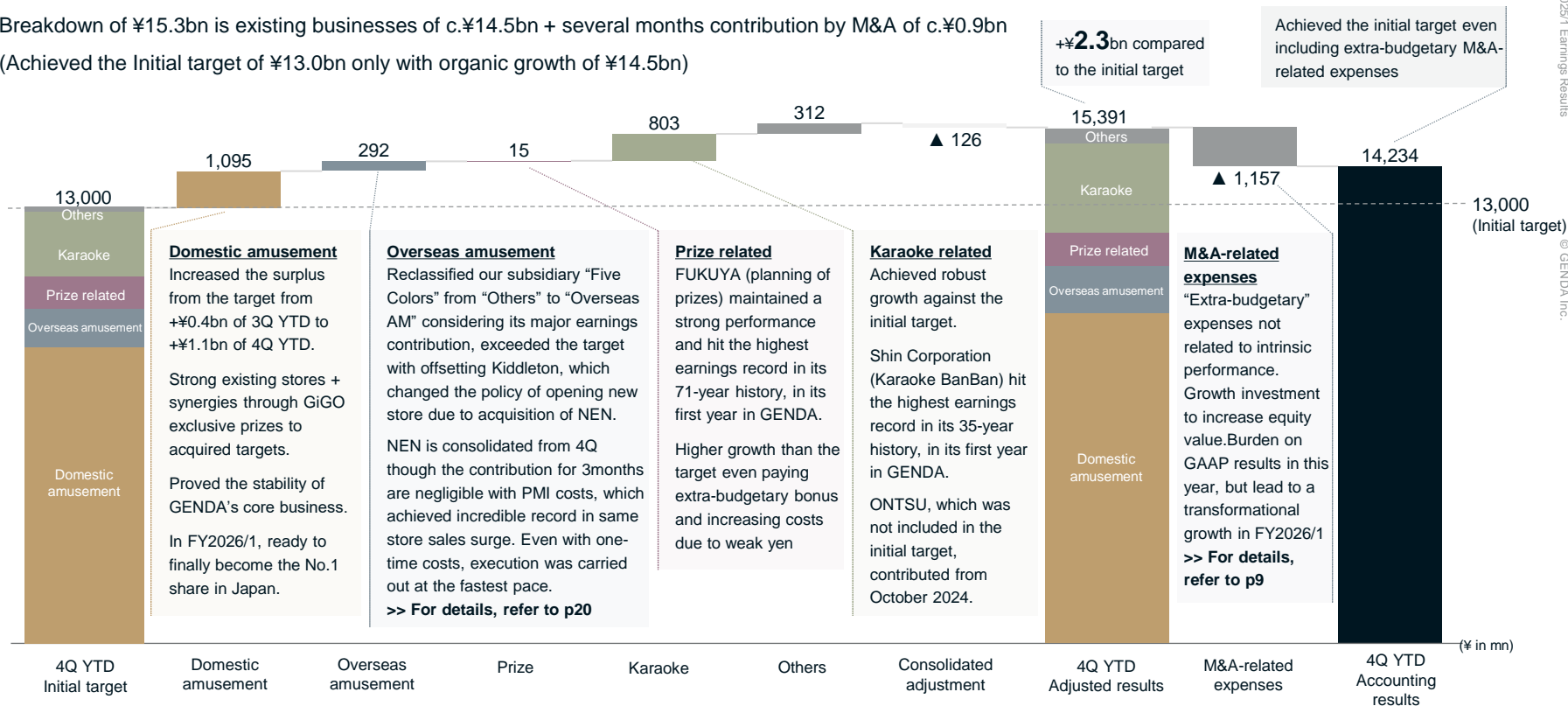
<sup>d</sup> (Ref.) Operating income ..... **+66% / +¥3.6bn YoY**, even greater than +43% YoY of 3Q, +30% YoY of 2Q, +25% YoY of 1Q, **further expanded the growth.**

### Adjusted EBITDA was up +¥2.3bn, pushing the surplus even further (+¥1.0bn in 3Q YTD)

Existing businesses grew to ¥15.3bn vs. the initial target of ¥13.0bn, +¥2.3bn (largely renewing the historical high record)

Breakdown of ¥15.3bn is existing businesses of c.¥14.5bn + several months contribution by M&A of c.¥0.9bn

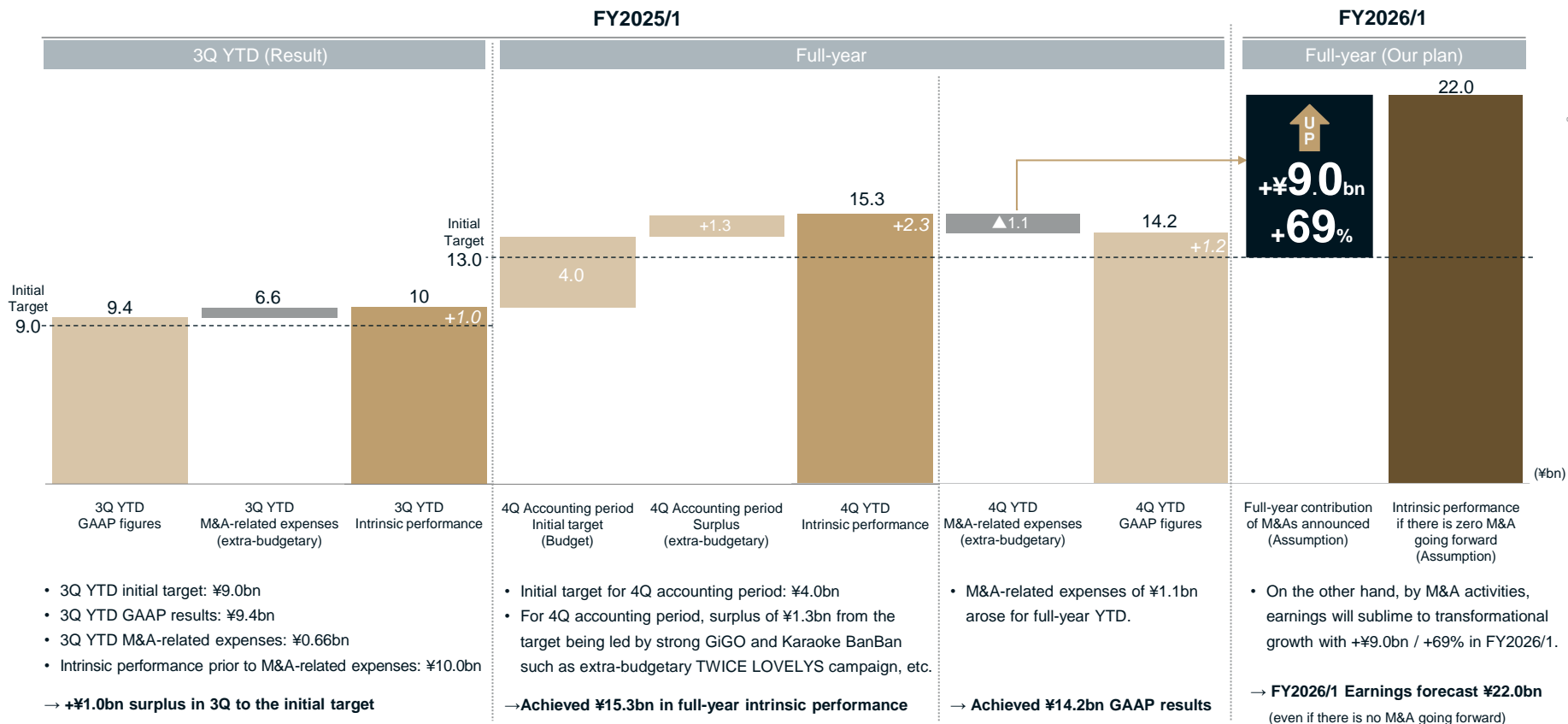
(Achieved the Initial target of ¥13.0bn only with organic growth of ¥14.5bn)





## M&A expenses sublimes to Transformational growth in FY2026/1

### M&A-related expenses of ▲¥1.1bn in 4Q YTD will sublime to earnings forecast of +¥9.0bn YoY



After the transformational growth, did the theoretical stock price increase?

## Earnings grows as a matter of course, as we acquire profitable companies

Shareholder should evaluate whether EPS (= theoretical stock price) has increased.

Because in M&A, EPS may decrease (= theoretical stock price drops) although it seemingly grew as a result of M&A (in M&A, sometimes increase in earnings < increase in # of shares due to a miss priced acquisition and new stock issuance without discipline)

GENDA issued new shares associated with financing and acquisition costs.  
However, Cash EPS (= theoretical stock price) linearly keeps increasing and the theoretical stock price succeeded in increasing consistently. That is, we continuously succeeded in “earnings growth > dilution” even by growth mainly through “M&A.”

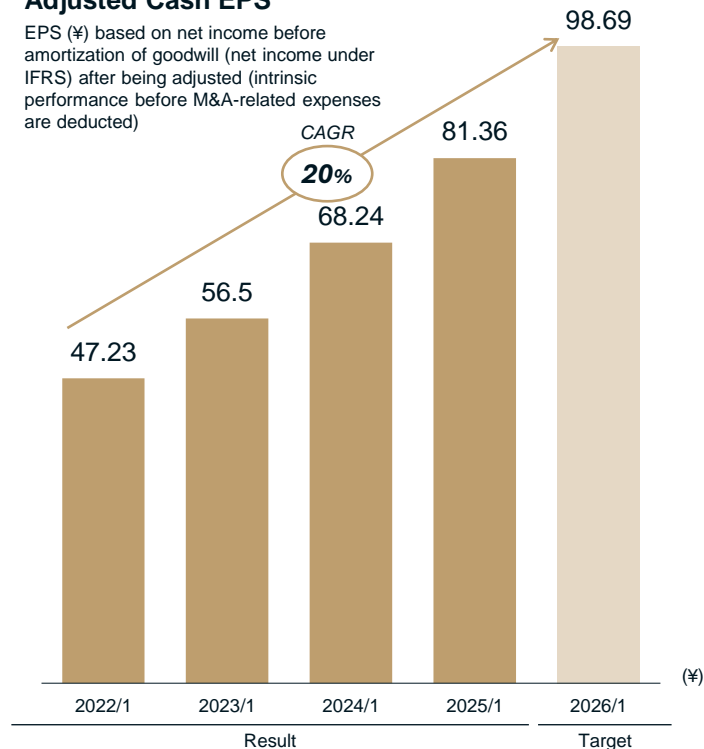
Besides, while deploying the standby fund of ¥10.0bn for M&A raised by follow-on offering in July 2024 to M&As, we will be able to make further “earnings growth > dilution” by deploying the rest of the fund to future M&A.

We ensure below 3 points as M&A discipline to maintain “earnings growth > dilution”

- ① **M&A at an appropriate valuation**
- ② **Appropriate debt financing (to control an increase in number of shares)**
- ③ **Maximize Post-merger-integration** → for details, page 15 and after

### Adjusted Cash EPS

EPS (¥) based on net income before amortization of goodwill (net income under IFRS) after being adjusted (intrinsic performance before M&A-related expenses are deducted)



Note: Figures before taking into account the 2-for-1 stock split with April 1, 2025 as the effective date.

## After the transformational growth, what is the valuation level?

### EV / EBITDA and P/E multiple drop sharply due to Continuous Transformational Growth

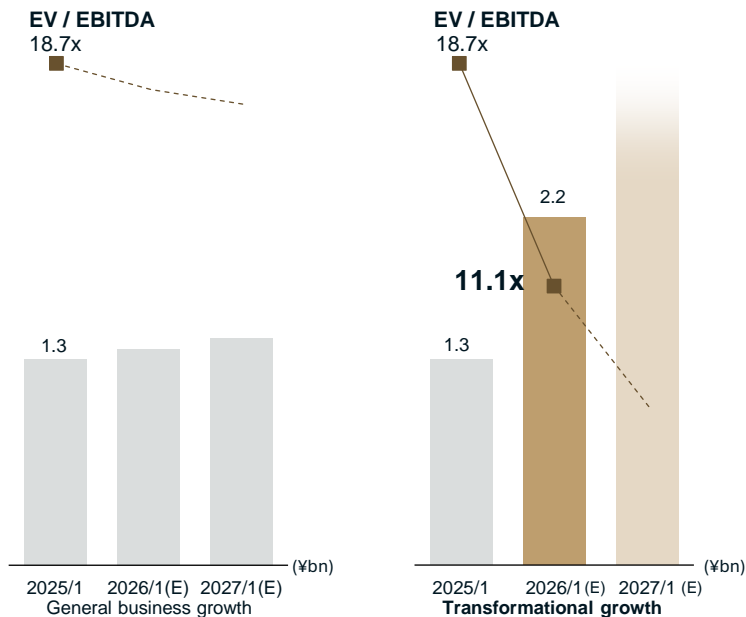
For a company with a high growth rate, valuation multiple goes down inverse multiple of the growth rate.

Unlike ordinary companies, it would be difficult to gauge such high growth company only using the FY1 multiple.

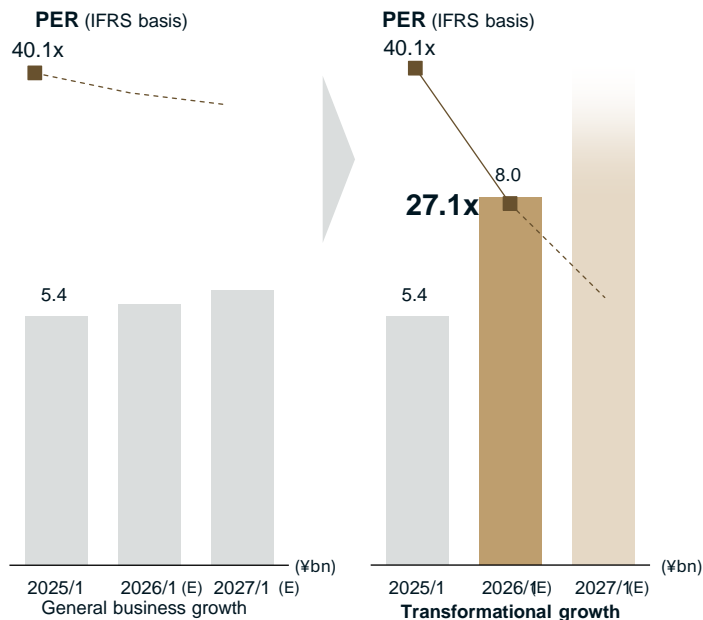
Actually, in our estimated multiple, EV/EBITDA will drop from 18.7x to 11.1x (▲7.6x), PER (IFRS basis) from 40.1x to 27.1x (▲13.0x).

We aim for further transformational growth in FY2027/1 too, and multiple will further drop down in that case.

#### Our estimate on EBITDA



#### Our estimate on Net income before amortization of goodwill (Net income under IFRS)



## Financial Discipline – Summary of Consolidated Balance Sheet

### Ready for the next M&A with financial soundness by abundant cash and debt capacity

(¥ in millions)	FY2024/1 End of Full-year	FY2025/1 End of Full-year	Difference	Remarks
<b>Current assets</b>	<b>23,567</b>	<b>45,646</b>	<b>+22,078</b>	Increase in cash and deposit
Of which, cash and deposits + short-term securities	12,379	25,649	+13,270	Started smoothly deploying the pending fund for M&A raised by equity (¥10.0bn) from this year.
<b>Fixed assets</b>	<b>28,573</b>	<b>68,722</b>	<b>+40,148</b>	Mainly increase in tangible asset by opening new stores and M&As
Of which, goodwill	4,992	18,136	+13,144	Secured huge buffer (c.¥17.5bn) against net assets with an increase in net assets.
<b>Total assets</b>	<b>52,141</b>	<b>114,368</b>	<b>+62,227</b>	Increased because of the above reasons
<b>Total liabilities</b>	<b>32,476</b>	<b>78,678</b>	<b>+46,201</b>	Mainly increase in interest-bearing debt due to M&A financing.
Of which, interest-bearing debt	18,993	52,473	+33,480	Low Net Debt / EBITDA (1.7x <sup>1</sup> ), with enough room for debt capacity
<b>Net assets</b>	<b>19,664</b>	<b>35,690</b>	<b>+16,025</b>	Mainly increase in equity capital
Of which, shareholders' equity	19,427	35,478	+16,051	Increased by follow-on offering, stock-based M&A, accumulated income
<b>Net Debt / EBITDA</b>	<b>0.8 x</b>	<b>1.7 x<sup>1</sup></b>	<b>+ 0.9 x</b>	By follow-on offering, still have enough debt capacity even after increased debt due to closing of M&As (Note shows the detail of calculation).
<b>Capital adequacy ratio</b>	<b>37.2 %</b>	<b>31.0 %</b>	<b>▲6.2 %</b>	Maintaining capital efficiency by leverage even after the follow-on offering

1. To approach the discussion with financial institutions in view of the actual debt capacity as of today, the EBITDA used in the calculation of Net Debt / EBITDA is ¥22.0bn expected for the next fiscal year. The reason for not using the LTM results is that, in M&A, the debt is fully consolidated on the closing date, while the full-year contribution of the EBITDA of the target company, which is the main source of repayment of that debt, is one year later. Using our LTM results, the EBITDA of the relevant target company is not included, and the ability to repay debt within one year, which is the purpose of this indicator, cannot be measured. In addition, in the calculation of Net Debt, HALOS and ActPro occurred after the end of 4Q is reflected, and the figure is as close as possible to the Net Debt as of today after all the disclosed M&As.

## Loan from numerous banks and investment-grade rating are the fruits of our financial discipline

### Loan Approval by creditors based on “details of M&A, not disclosed to the stock market”

63 financial institutions (incl. 43 banks of 112 belonging to Japanese Bankers Association (“JBA”)) + acquired an investment-grade rating (BBB+)

As of January 31, 2025

Total amount of loaned money in banks in Japan Approx. ¥607tn  
(112 banks are members of JBA)

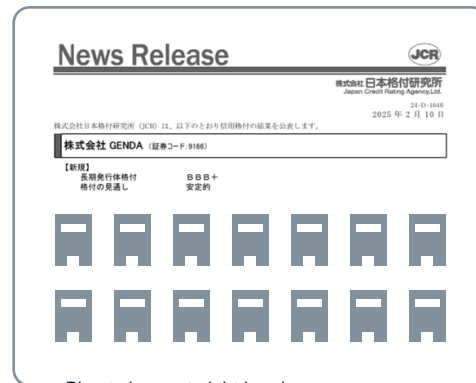
2024

Corporate bond market in Japan Approx. ¥15tn



As of January 31, 2025  
GENDA's outstanding borrowings ¥52.4bn  
(43 banks + 20 leasing companies etc. = 63)

Downside of our investment  
centered on M&A is deemed “safe”  
by financial institutions and a  
rating agency which evaluate  
mainly risks based on undisclosed  
details of M&A, we believe this will  
reassure our shareholders who will  
enjoy the upside.



Plan to issue straight bond as soon as we are ready. While we start with small amount (¥5.0 to ¥10.0bn) as we need to discover bond investors' demand as Debt IPO, we expect to issue regularly after the launch of the initial straight bond

¥ GENDA :) ¥



**Tie domestic and overseas entertainment platforms, and work together to spread world-class IP such as anime to the world**

## Minimize Impairment loss by M&A with discipline

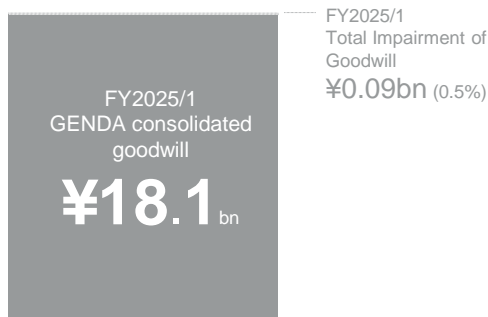
### Impairment of Goodwill limited to 0.5% of total goodwill amount

#### Goodwill

Mainly impairment of ¥0.07bn in “GAGA” of Entertainment Contents, which a certain volatility is inevitable (risk-off by impairment of all goodwill)

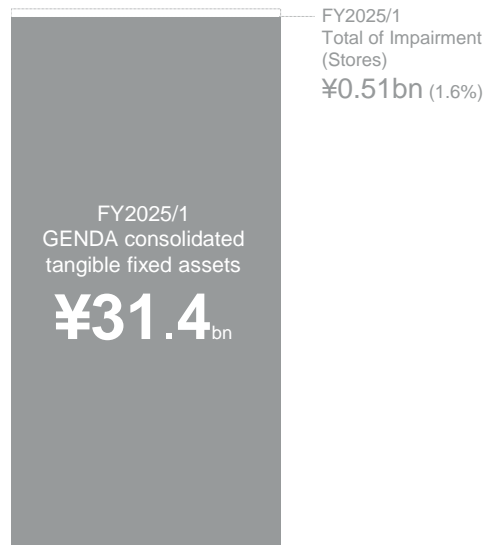
On the other hand, GAGA is venerable in the entertainment industry. Its joining of GENDA has greatly contributed to the GENDA's presence in the industry and produced values which cannot be measured by operating results, including M&A sourcing.

Impairment of goodwill limited to 0.5% of all by thorough M&A discipline x PMI growth and achieved the fast speed conducting a record number of M&A for the second year in a row as a listed company.



#### (For reference) Tangible fixed assets

Holding down the store impairment to 1.6% of all, while operating store business at 11,800 locations including stores who have been operating for more than some decades. Maintain discipline by carefully selecting investment in organic growth, limited to investments which passed the same IRR hurdle as M&A.



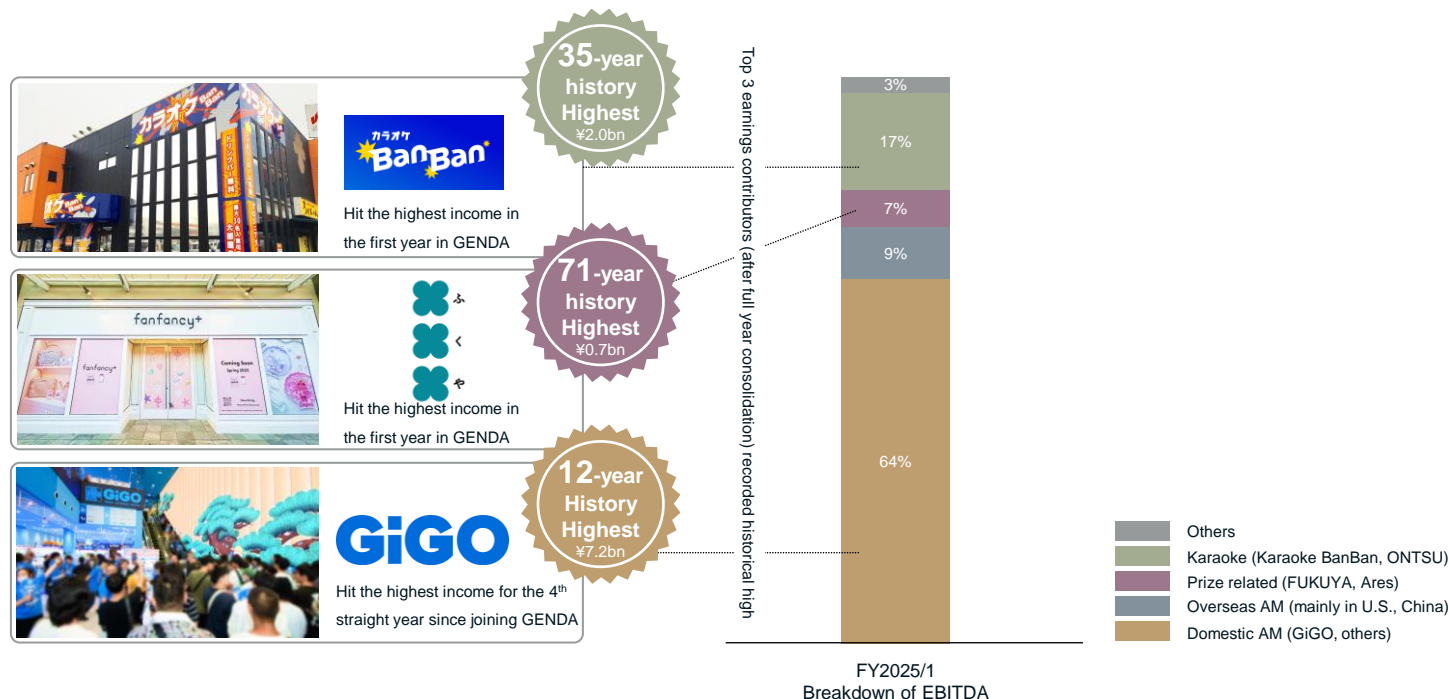
Note: In line with GAGA's impairment of goodwill, GENDA Inc. has recorded a GAGA's appraisal loss of subsidiary shares on a non-consolidated basis. However, since this is recorded only on the non-consolidated financial statements and is eliminated in the consolidated financial statements, there is no impact on consolidated results. (The appraisal loss of subsidiaries is ¥0.3bn (1.3%) compared to the subsidiary shares of ¥22.9bn at the end of January 2025 on a non-consolidated basis for GENDA Inc.)



Simultaneous historical high earnings by 3 different entertainment companies is an evidence of Synergies

## GiGO Historical High! Karaoke BanBan Historical High! FUKUYA Historical High!

Without synergies, it would be too difficult to explain how entertainment companies in different business categories hit the historical high earnings (division income) in their 12-year / 35-year/71-year history at the same time after joining the same group through M&A. This embodies “conglomerate premium” in entertainment that entertainment is contiguous and business grows more managed by the same group than individually.





## Combined store of GiGO x Karaoke BanBan – Synergies expected at M&A is becoming evident in numbers

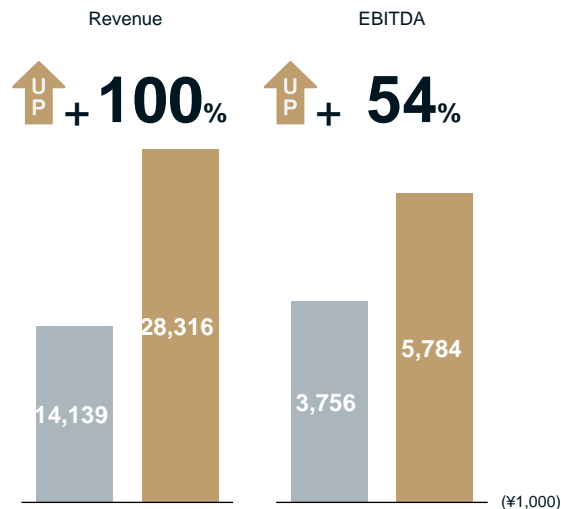
### Combined store of GiGO x Karaoke BanBan doubled the sales of the same building

Originally, Karaoke BanBan solely operated in a two-story building in Kuwana city, Mie.

Renewed the building and opened again with GiGO on the first floor and Karaoke BanBan on the second floor in December 2024.

Sales increased 100% and EBITDA increased 54% in the same place for the first 2 months after opening.

Plan to renew and open more stores in the similar format in the future



# GiGO

×



(Repost) “FY2025/1 3Q Earnings Presentation”  
dated December 10, 2024

Open a combined store of GiGO and Karaoke BanBan

**First combo store of Karaoke BanBan x GiGO**

Scheduled to open a combined store of karaoke and amusement arcade in Kuwana city, Mie, in late December.  
The long-awaited first store in a style expected as a synergy since Karaoke BanBan joined our group.  
Although Karaoke BanBan was originally on both first and second floor, however, the area was too big to operate only karaoke, thus changed into the combo of “GiGO” on the first floor and “Karaoke BanBan” on the second floor. It is expected that the sales of karaoke will not change but the store income will increase drastically.  
Furthermore, for our customers, it will evolve to a place where they can experience multiple entertainments, for example, they can enjoy playing in the amusement arcade while waiting to be called for karaoke.



## Launch “GiGO Link,” dramatically evolves GiGO App (to be introduced during 2025)

Existing GiGO App needed to be mediated by the physical “terminal” and we had to connect the app to the terminal every time we played a game. As a result, many customers played games by directly touching the terminal with Suica card, etc. and this was a hurdle to maximize the GiGO App.

Therefore, our tech team, which is a PMI special unit, built “GiGO Link,” on which you can choose the amount for playing just by touching the game machine with GiGO App once (without being mediated by settlement terminal).

1. Touch a game machine with GiGO App



2. Set the amount for playing on GiGO App



3. Immediately reflect on the game machine and you can start playing!



In operation, by consolidating customers' data by usage of GiGO App, possible to send a notification according to customers' preference and deliver coupons to invite them to our stores again. Besides, since we can see customers' situations since the arrival till the leave in real time, it becomes possible to serve them attentively and properly, which contributes to improvement of customer satisfaction.



Post-merger-integration (PMI) has been steadily executed at NEN in the U.S.

## Replacing NEN locations with Kiddleton-style prize games and Japanese prizes

PMI measures to replace prize games and Japanese prizes with “Kiddleton-style mini crane games x Japanese-style Kawaii prizes” at NEN’s locations

Implemented the replacement at 194 locations from the commencement of consolidation in November 2024 till the end of February 2025

First, promote the replacement at bigger locations, and then plan to implement the replacement at smaller ones.

Replacement with Kiddleton style

Mini crane games



“Kawaii” prizes



Before



After

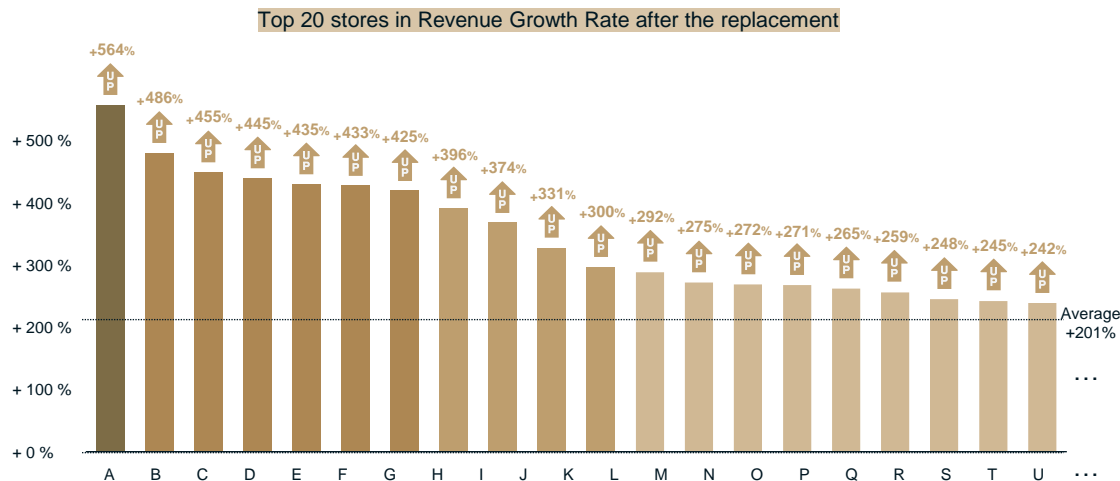


## Incredible results from the replacement with Kiddleton's style

# Phenomenal results with same store sales growth “average +201%” !!

In other words, same store sales tripled on average. For comparison, even with PMI in Japan, same store sales growth is c.+50% “at most”.

Now replacing machines at approx.10,000 locations of NEN across the U.S. as quickly as possible, with inbound inquiries of new store openings.



Number of stores by growth rate by PMI

Same store sales before & after the acquisition	Before & After the replacement with Kiddleton's style at NEN's location in the U.S.	Before & After the amusement arcades in Japan joined via roll-up M&As
~ 0%	-	-
+ 0 ~ + 99%	19	9
+ 100 ~ + 199%	15	-
+ 200 ~ + 299%	22	-
+ 300 ~ + 399%	4	-
+ 400 ~ + 499%	6	-
+ 500% ~	1	-

In our analysis, this implies the nationwide “supply-demand gap” of Japanese IP contents, now available only in a few cities such as NY and LA.

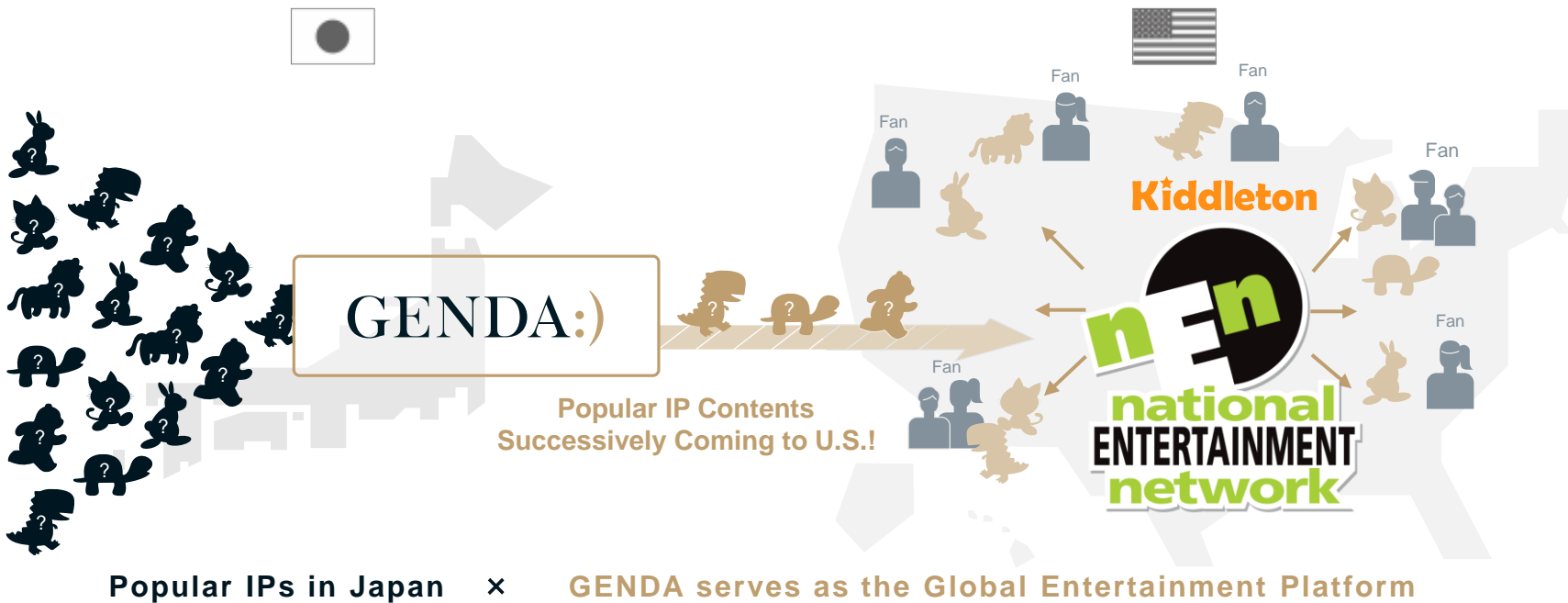
**Besides, this result is made only by Japanese-style “Kawaii” stuffed animals, such as bears or rabbits, without real popular Japanese anime IP.**

**Further upside exists by real popular anime IP fully implemented in the future.** (to next page)

GENDA is a global platformer of Japanese Anime IP

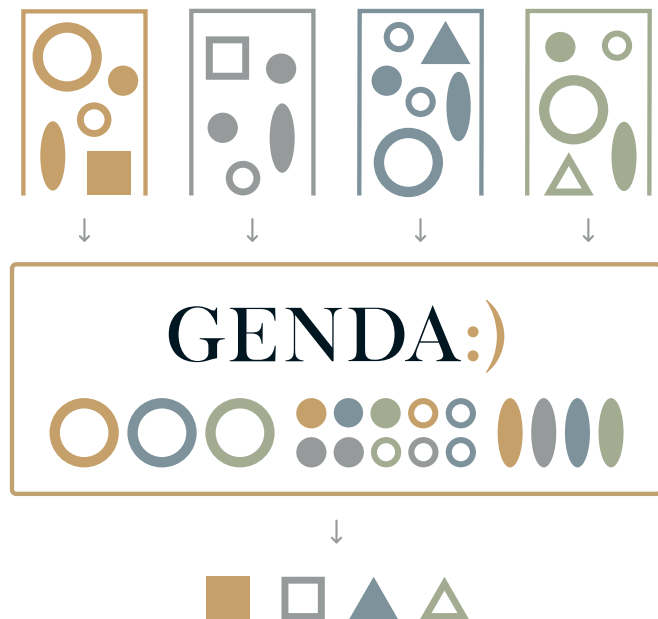
## Japan as one to spread world-class anime IP to fans (GENDA serves as an offline platformer)

Now that GENDA, a Japanese company, has acquired the long-desired entertainment platform with individual consumers across the U.S., we will gradually sell famous Japanese anime IP prizes directly to anime fans across the U.S. through the NEN platform (many lined up for 2025, we plan to announce them in series).



## Thoroughly sort out portfolio by sale behind continuous M&A

Promptly sell business not related to entertainment, entertainment business but too difficult to operate, real estate below cost of shareholder's equity, securities for non-business



### Cinema Business

Sold cinema business to a close entertainment company, originally operated by an amusement arcade we acquired through roll-up M&A

### Daycare Business

Sold daycare business to a local company operated by an amusement arcade we acquired through roll-up M&A

### Fitness Club Business

Sold the fitness club operation business operated by an amusement arcade we acquired through roll-up M&A

### Closure of loss-making stores

Closed loss-making stores of an amusement arcade we acquired through roll-up M&A immediately after consolidation

### Real estate

Have the sellers carve out its real estate before our acquisition.  
Will try to liquidate our remaining real estate (book value c.¥2.0bn) to convert into higher yield investment including M&A. (not expect hidden profit as they are mainly in rural areas)

### Securities

Sold a total of 11 stocks held by the acquired target companies.  
Convert the proceeds into cash and use them for higher yield investments including M&A.





Keep “Continuous Transformational Growth” in this fiscal year again

## The 4<sup>th</sup> upward revision to FY2026/1 forecast

Revenue ¥**157.0**bn YoY **+40%** | EBITDA ¥**22.0**bn YoY **+54%** | Net income before amortization of goodwill ¥**8.0**bn YoY **+71%**

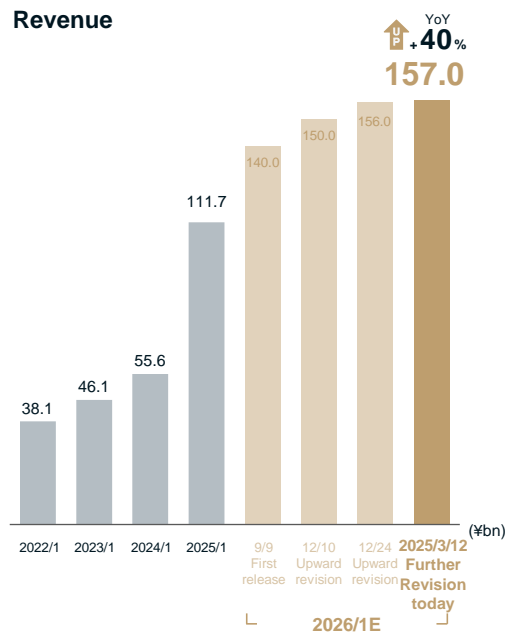
These earnings assume zero M&A going forward. Also, expenses of -¥0.4bn deducted for M&A already announced

(In another words, adjusted EBITDA is ¥22.4bn, adjusted net income before amortization of goodwill is ¥8.4bn)

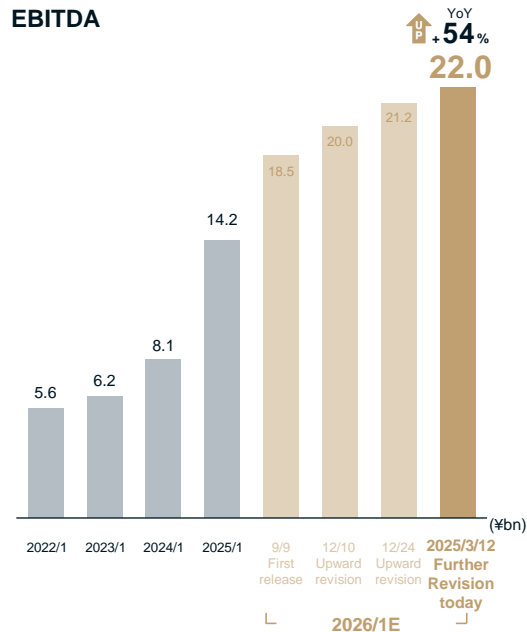
(ref.) OP income: ¥10.5bn YoY +31% / Net income: ¥5.0bn YoY +51%

(ref.) Under IFRS: OP income: ¥13.5bn YoY +69% / Net income: ¥8.0bn YoY +142% (amortization of goodwill is ¥3.0bn in this fiscal year. Scheduled to transfer to IFRS in FY2027/1)

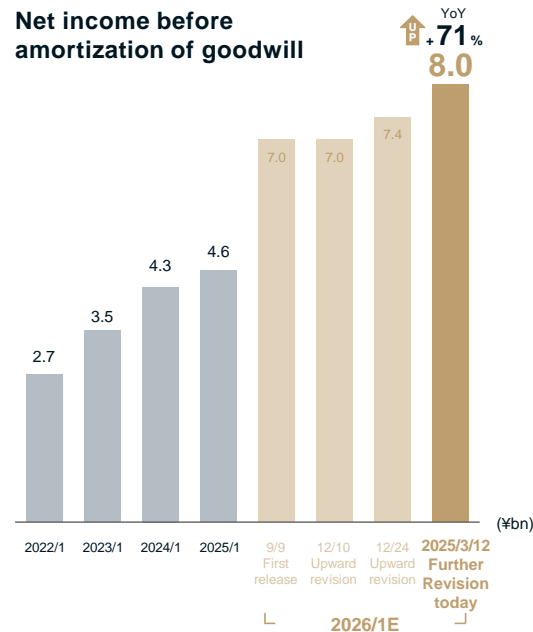
### Revenue



### EBITDA



### Net income before amortization of goodwill

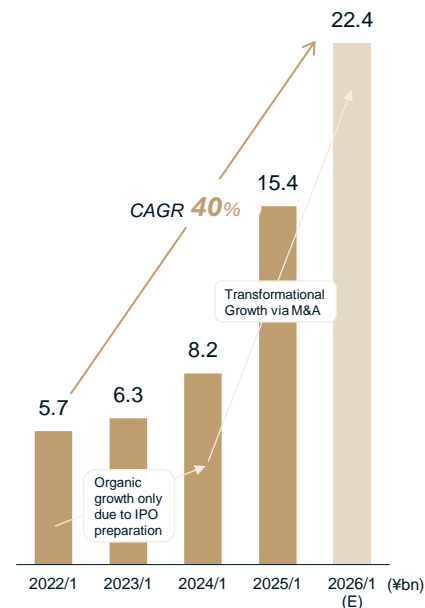


# Disciplined M&A & PMI cycle to achieve transformational growth in Cash Flow

Evaluate the M&A consideration in comparison with the cash flow from the target, and enhance cash flow after consolidation with post-merger-integration

### Adjusted EBITDA

EBITDA before one-off M&A costs

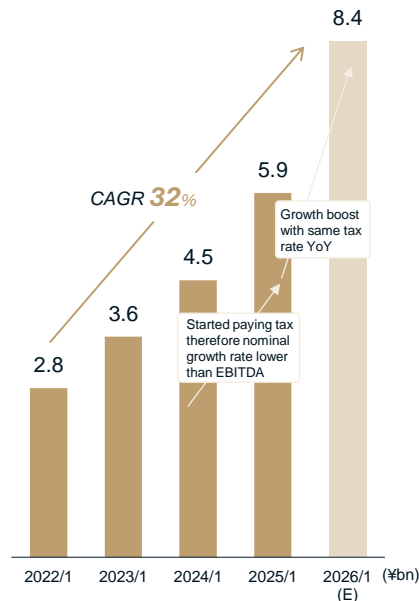


- Interest  
- Tax  
- Depreciation  
- Impairment

However, Depreciation and Impairment are non-cash items

### Adjusted Net Income before Amortization of Goodwill

IFRS based Net Income before one-off M&A costs

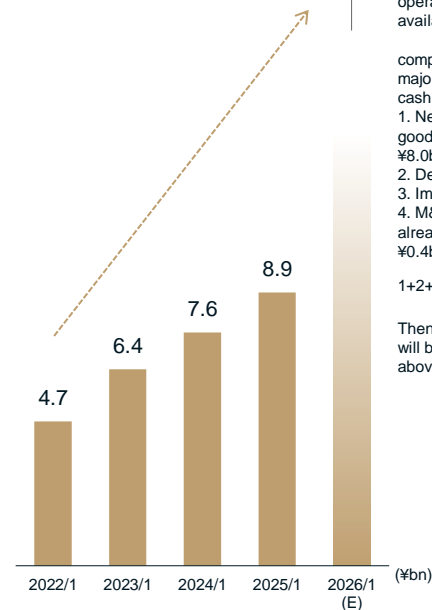


+ Depreciation  
+ Impairment  
+/- change in WC

Adding back depreciation and Impairment to show pure cash flow generating capabilities

### Adjusted Operating Cash Flow

Operating Cash Flow before one-off M&A costs



Although no company estimate for 2026/1 operating cash flow available,

company estimate of major items in operating cash flow are;

1. Net income before goodwill amortization ¥8.0bn
2. Depreciation ¥8.5bn
3. Impairment ¥0.5bn
4. M&A costs for M&As already announced ¥0.4bn

1+2+3+4=¥17.4bn

Then, change in WC etc. will be deducted from above

## Shareholders' perspective of GENDA officers and employees

# We intentionally maintain negative free cash flow

**We are proud that we have the same or even stricter investment perspective as our external shareholders**

Our operating cash flow is increasing linearly, but we are using more investment cash flow than that.

As a result, we maintain negative free cash flow.  
We would like to explain our thoughts behind this.

First of all, our officers and employees own c.25% of the company's shares.

In other words, those who hold shares have experience of transferring money directly from their own bank accounts to GENDA's bank account. (For those with families, they made such decisions after family meetings).

As a result, we have seen the cash we have saved for life through our careers, directly deposited into GENDA's bank account.

Besides, because the company has no obligation to return this cash, it can only be justified through dividends, share repurchases, or capital gains.

Moreover, unlike external shareholders, since it cannot be easily sold, even if we suddenly need cash, we cannot convert it into cash in the short term.

Therefore, we are proud to say that we have the same or even stricter eye on how to use such cash as our external shareholders.

Since we have transferred the cash from our own bank account and is no longer accessible, we want to keep the cash working at ALL times without letting it sleep, or if there is no “good way” to use it, we want to immediately return it to the shareholders (including ourselves).

The decision on “good way” to use is based on the cost of equity (of which hurdle higher than WACC).

Because if there is a project that exceeds that, in theory we should invest even if we issue new shares, which is the most “expensive” cost of capital.

Fortunately, from the industrial revolution to GenAI, human leisure time has increased, and in the entertainment industry, also benefiting from Japanese anime, there are many “good ways” for both organic and M&A.

Thus, we are not only using the cash from operating CF, but also raising funds through financial CF, deploying the cash together through investment CF. As a result, we are making FCF negative, but all of this is an activity to maximize “long-term” FCF.

We will try as hard as possible and share the destiny with our shareholders to take on the challenge of becoming the world's No.1 entertainment company in 2040.

We would be grateful if you could support us with a long-term perspective.

## Transformational enhancement of shareholders' perspective of employees

# Increase the incentive subsidy for Employee Stock Ownership Plan from 5%→**30%**

To increase the incentive grant rate for the employee stock ownership plan covering employees of all companies so that those who newly joined GENDA through M&A or career move can have the same perspective as our external shareholders. In GENDA Inc. (a pure holding company), more than half of the employees are members of the plan (63% as of the end of January 2025).

Name	GENDA Employee Stock Ownership Plan
Eligibility	Employees of GENDA and its consolidated subsidiaries (voluntary enrollment)
Incentive subsidy	Before revision 5% → After revision <b>30%</b>
Contribution	1 unit ¥1,000 (upper limit 50 units)

To be a more attractive share for individual shareholders by leveraging the characteristics of B2C business

## 2-for-1 Stock Split, but maintained the program to double the yield from 1.5% to **3.0%** !!

Maintain the program of the benefits while conducting a 2-for-1 stock split, resulting in a doubling of benefit yield

Aim to increase the liquidity of the shares by split in the same way as last year, not to increase the minimum amount to purchase GENDA stock

### Shareholder Benefit Program Determined! Designated App available now



After logging in “GENDA Shareholder Benefit App,” you can change your points to coupon which you can use to play at amusement arcades or karaoke. Plan to enclose a login ID and password with the Convocation Notice of the General Meeting of Shareholders early in April to eligible shareholders.



### Kleiner to be added to the lineup of benefits from the next record date!



For shareholders who will be confirmed to be eligible at the end of July 2025 and after, you can choose Kleiner Feigling, in addition to existing service tickets for GiGO and Karaoke BanBan! You can redeem points with a value of ¥5,000 for one box of Kleiner Feigling (20 bottles). The lineup is planned to be several types of regular flavors!

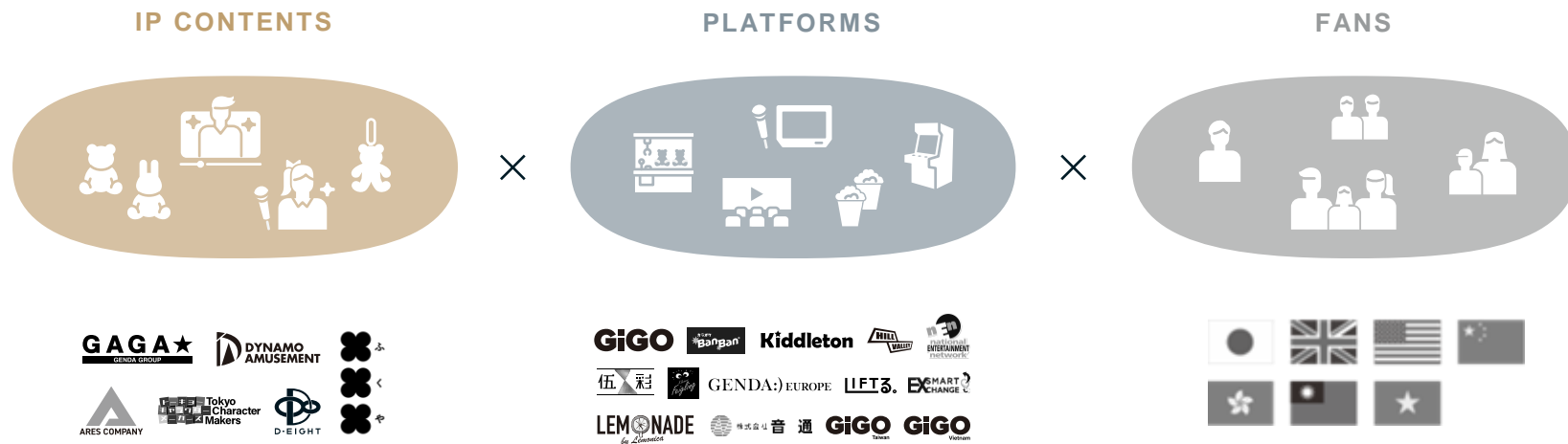


# The Big Picture of the Current Entertainment Industry

## IP Contents × Platform

We believe the current business environment surrounding the entertainment industry is to deliver the “IP Contents” such as animation to the “fans” through entertainment “platforms.”

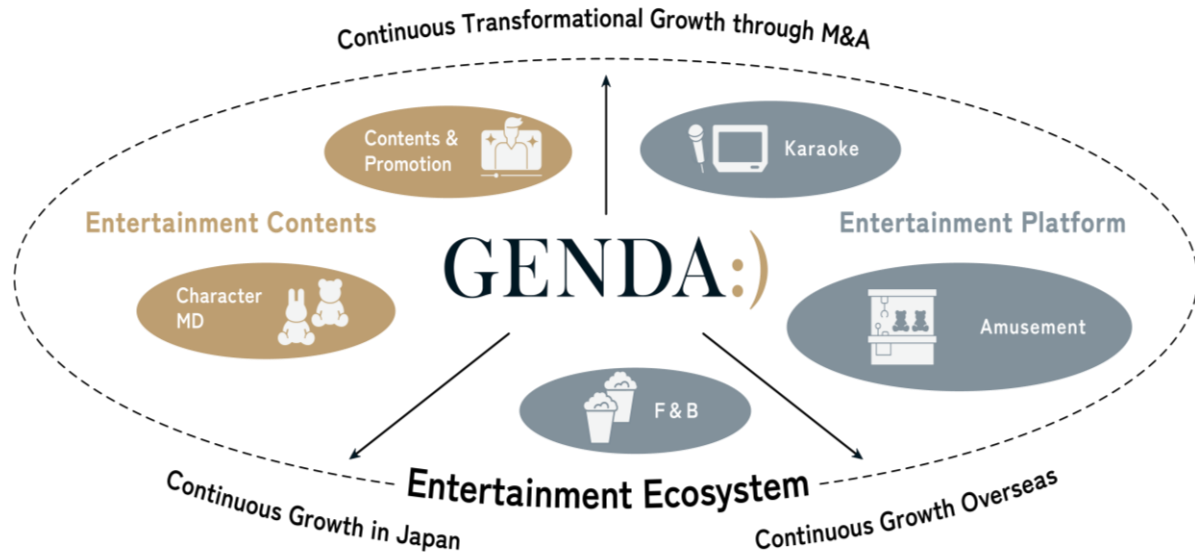
In this context, we will first position “Platform” as our main growth driver, while entering into the “IP Contents” domain in the mid-to-long term.



Our growth strategy = “M&A in the Entertainment industry”

## Completion of the Entertainment Ecosystem

Based on a foundation of continuous growth brought about by the steady expansion of our domestic business and aggressive overseas business development, we aim to build a “GENDA Entertainment Ecosystem” that will expand globally by accumulating M&A in both the entertainment platform and entertainment content areas. In this way, we believe that we will be able to overcome the volatility of the ever-changing entertainment business by building a solid business portfolio.



Note: Diagram of our envisioned growth strategy.



## M&A and capital transactions track record

### Completed 40 M&A in total, 11 before IPO and 29 after IPO

1	2	3	4	5	6	7	8	9	10
									
June 2018 Share Acquisition (100%)	July 2019 Joint Venture (50%)	December 2020 Share Acquisition (85.1%)	April 2021 Business Acquisition	October 2021 Capital Alliance	December 2021 Business Acquisition	January 2022 100% ownership Acquisition	January 2022 Share Acquisition (100%)	June 2022 Capital Alliance	October 2022 Business Acquisition
11	12	13	14	15	16	17	18	19	20
									
October 2022 Absorption-type split	September 2023 Assets Acquisition	September 2023 100% ownership Acquisition	September 2023 100% ownership Acquisition	October 2023 Fixed assets Acquisition	October 2023 Share Acquisition (66.0%)	October 2023 Share Acquisition (100%)	November 2023 Share Acquisition (78.05%)	November 2023 Fixed assets Acquisition from Global Solutions	November 2023 Equity Acquisition (100%)
21	22	23	24	25	26	27	28	29	30
									
December 2023 Absorption-type split	December 2023 Management right Acquisition	December 2023 Share Acquisition (100%)	January 2024 Share Acquisition (100%)	February 2024 Share Acquisition (82.45%)	February 2024 Share Acquisition (78.59%)	May 2024 Share Acquisition (100%)	June 2024 Share Acquisition (100%)	June 2024 Business Acquisition	November 2024 Equity Acquisition (100%)
31	32	33	34	35	36	37	38	39	40
									
July 2024 100% ownership Acquisition	August 2024 Share Acquisition (72.92%)	October 2024 Absorption-type split (Matahari Entertainment)	September 2024 Absorption-type split (ATOM)	February 2025 Absorption-type split	December 2024 Fixed assets Acquisition from KARATEZ	March 2025 Share Acquisition (100%)	March 2025 Share Acquisition + Share Exchange (100%)	March 2025 Share Acquisition (100%)	March 2025 Absorption-type split

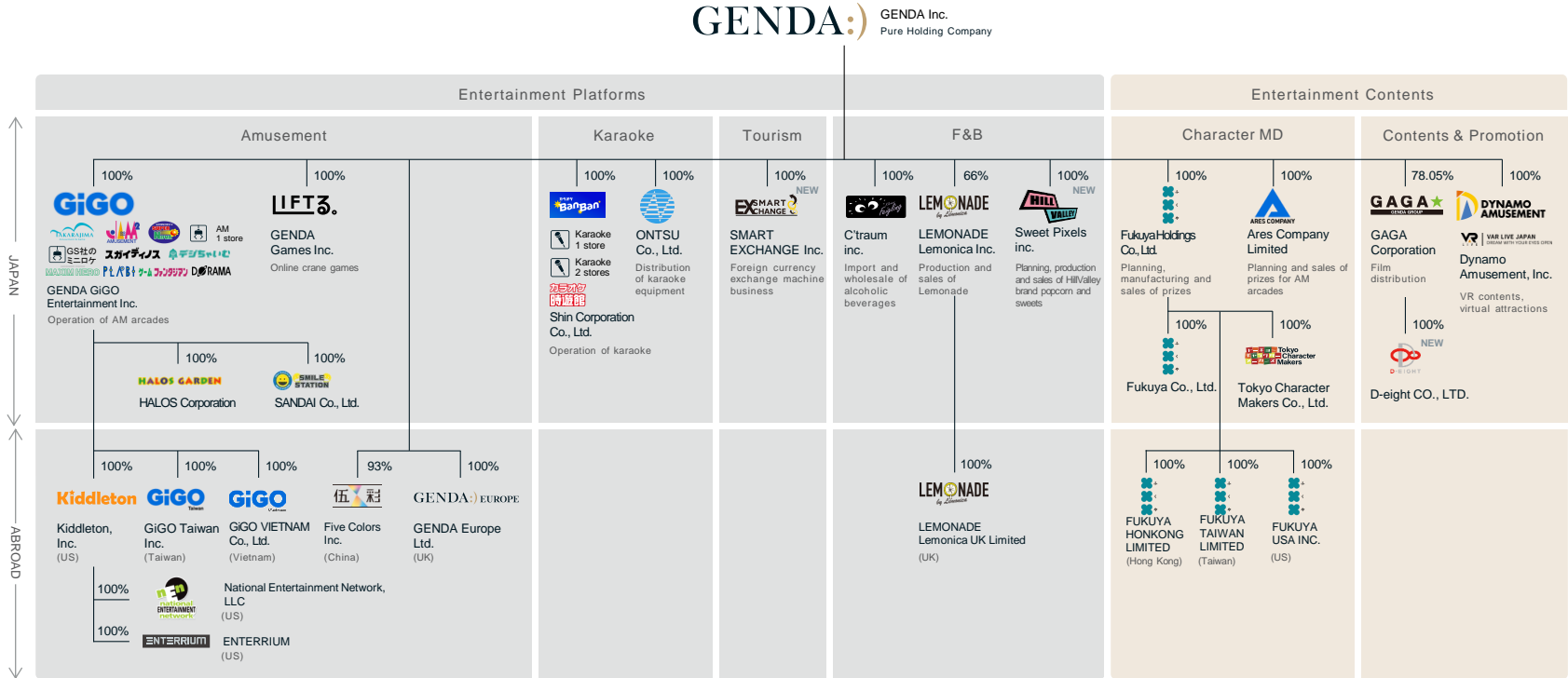
Note: The acquired ratio and the number of acquired properties are as of the date of the announcement of the project.

Entertainment Contents

Entertainment Platform

## GENDA Group Overview

# GENDA is a pure holding company of amusement centric entertainment companies



Note: Organizational chart as of March 12, 2025. AM arcades in the chart refer to amusement arcades. The chart is intended to present mainly our consolidated subsidiaries.

## The Big Picture of the Current Entertainment Industry

### Aspiration

#### **More fun for your days**

We believe that “fun” is essential for human beings

“More fun for your days” is our “Aspiration”

### Vision

#### **To be the World’s No.1 Entertainment Company in 2040**

Speed is King, GRIT and GRIT, Enjoy our Journey

With these three values, we take on new challenges and aim to be the world’s number one entertainment company

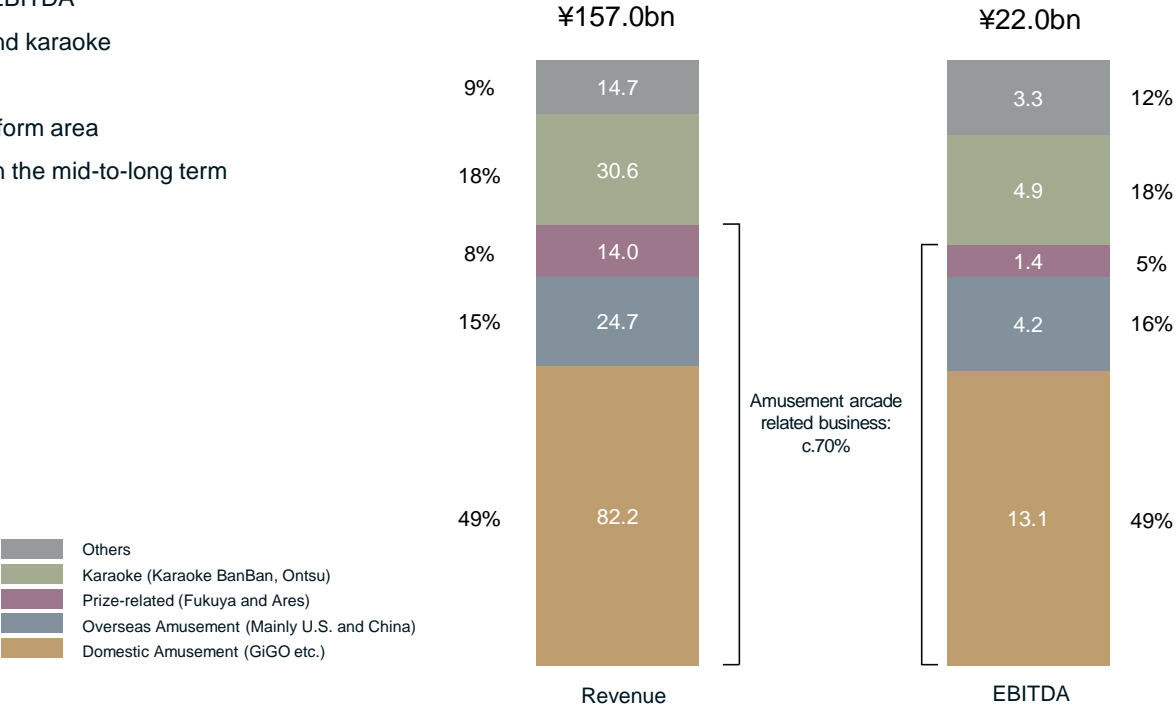
# GENDA:) )



Amusement Centric + Peripheral Areas

Over 95% of GENDA’s Revenue and EBITDA  
as of today are amusement arcades and karaoke

We continue to focus on M&As on platform area  
While entering into the contents area in the mid-to-long term



Note: The graphs for Revenue and EBITDA do not include "Consolidation Adjustments," which is why their total values (¥166.2bn and ¥26.9bn, respectively) do not match the company’s forecast (¥157.0bn and ¥22.0bn), with the Revenue Consolidation Adjustment at -¥9.4bn, primarily due to internal transactions, and the EBITDA Consolidation Adjustment at -¥4.9bn, mainly consisting of GENDA’s standalone corporate expenses (-¥4.5bn) and M&A-related expenses (-¥0.4bn) that have already been announced and are confirmed to be recorded in the FY2026/1 period; for reference, the actual consolidation adjustments for FY2025/1 were -¥7.8bn for revenue and -¥3.6bn for EBITDA.

## How to read “Tanshin” – Summary of Financial results

### “Adjusted” = Earnings excluding one-off M&A-related expenses

We disclose adjusted indicators because intrinsic performance of existing businesses cannot be gauged because of one-off M&A-related expenses

#### 1 Profits after amortization of goodwill = figures for reference

	Revenue		Operating income		Ordinary income		Net income to the shareholders of the parent		Earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Year ended January 31, 2025	111,786	100.7	7,965	48.3	7,305	40.0	3,304	-20.9	45.32	42.33
Year ended January 31, 2024	55,697	20.8	5,370	26.5	5,216	30.0	4,178	19.5	63.20	58.44
(Adjusted)										
Year ended January 31, 2025	111,786	100.7	9,122	66.7	8,680	61.0	4,582	5.8	62.86	58.71
Year ended January 31, 2024	55,697	20.8	5,469	28.4	5,391	33.6	4,329	23.4	65.49	60.56

To be solved by applying IFRS in FY2027/1.  
Amortization of goodwill is approx. ¥3.0bn in FY2025/1 full-year, and approx. ¥3.0bn is added on operating income, ordinary income and net income.

#### 2 Yet, all indicators increase YoY even after amortization of goodwill

Operating income is +66% YoY (+43% in 3Q), accelerate growth in 4Q  
Hurdle higher for net income because (a) “Corporate tax incurred” from this year, (b) amortization of goodwill is “not tax deductible.”

Besides, (c) “M&A-related expenses” being not tax deductible is additional burden on GAAP results

#### 3 Profits before amortization of goodwill = Our KPI

	EBITDA		Net income before amortization of goodwill		Earnings per share before amortization of goodwill	Diluted earnings per share before amortization of goodwill
	Millions of yen	%	Millions of yen	%	Yen	Yen
Year ended January 31, 2025	14,234	75.6	4,653	6.7	63.83	59.62
Year ended January 31, 2024	8,102	29.1	4,359	21.8	65.95	60.99
(Adjusted)						
Year ended January 31, 2025	15,391	87.6	5,931	31.4	81.36	76.00
Year ended January 31, 2024	8,201	30.5	4,511	25.6	68.24	63.11

#### 4 Higher YoY than 3Q, even greater than strong 1Q and 2Q

EBITDA +87% YoY / +¥7.1bn (+64% YoY in 3Q)  
Net income before amortization of goodwill +31% YoY / +¥1.4bn (+21% YoY in 3Q)  
→ Excl. corporate tax incurred from this year +97% YoY / +¥4.6bn (+47%YoY in 3Q)

#### 5 Cash EPS is +19%, expanding YoY margin against double headwind

First, corporate tax incurred from this year as stated above. Second, increase in number of shares due to follow-on offering. Although ¥10.0bn from follow-on offering deployed to M&A, the contribution to earnings in FY2025/1 is almost zero as it will fully contribute from FY2026/1 due to the timing of start of consolidation.

→ Cash EPS already increased +19% YoY (+10% YoY in 3Q) by strong organic performance, in spite of the hurdle both in numerator and denominator of Cash EPS

→ Besides, in FY2026/1, the earnings forecast without M&A is ¥98.59, another +20% increase (Tanshin shows ¥49.29, which reflects the 2-for-1 stock split)

<sup>1</sup> Since the absolute amount of net income is smaller than operating income and ordinary income (because it is after tax), the impact of “amortization of goodwill and M&A-related expenses” is larger than that of operating income and ordinary income. This is because the above expenses are non-taxable expenses and are deducted “in equal amounts” from all operating income, ordinary income and net income.

## Quarterly results – Intrinsic Performance excluding M&A-related expenses

### Note that GENDA has different businesses mix on a fiscal year, or even quarterly basis

As GENDA being an M&A company, when comparing EBITDA margins over time, it is essential to do so on the same business, apples-to-apples basis. The largest difference between previous and current fiscal year is the consolidation of the karaoke business (which has lower margins than amusement arcades) and thus overall consolidated P/L margins appear to have declined. However, Shin Corporation (Karaoke) and all amusement arcade companies joined through roll-up have improved the margin, therefore each business are performing well.

(¥ in millions)	FY2024/1						FY2025/1						
	1Q	2Q	3Q	3Q YTD	4Q	4Q YTD	1Q	2Q	3Q	4Q	4Q YTD	4Q YTD(E)	YoY
Revenue	11,994	12,520	14,293	38,808	16,888	55,697	24,685	24,846	28,096	34,158	111,786	110,000	+100.7%
Gross profit	3,182	2,609	3,368	9,160	3,798	12,958	5,286	5,075	6,506	8,590	25,458	-	—%
Margin (%)	26.5%	20.8%	23.5%	23.6%	22.4%	23.2%	21.4%	20.4%	23.1%	25.1%	22.7%	-	-
<b>EBITDA</b>	2,197	1,712	2,218	6,128	2,072	8,201	3,301	2,817	3,958	5,313	15,391	13,000	+87.6%
<b>Margin (%)</b>	18.3%	13.6%	15.5%	15.8%	12.3%	14.7%	13.4%	11.3%	14.1%	15.5%	13.7%	11.8%	-
Operating income	1,670	1,096	1,475	4,242	1,226	5,469	2,084	1,518	2,478	3,040	9,122	7,000	+66.7%
Margin (%)	13.9%	8.7%	10.3%	10.9%	7.3%	9.8%	8.4%	6.1%	8.8%	8.9%	8.1%	6.3%	-
<b>Net income before amortization of goodwill</b>	1,618	465	1,462	3,546	969	4,516	1,536	935	1,841	1,618	5,931	5,400	+31.3%
<b>Margin (%)</b>	13.5%	3.7%	10.2%	9.1%	5.7%	8.1%	6.2%	3.8%	6.6%	4.7%	5.3%	4.9%	-
Net income attributable to owners of the parent	1,585	432	1,427	3,445	889	4,334	1,303	655	1,495	1,128	4,582	4,300	+5.7%
Margin (%)	13.2%	3.5%	10.0%	8.9%	5.3%	7.8%	5.3%	2.6%	5.3%	3.3%	4.1%	3.9%	-

Note: Please refer to the detailed M&A-related expenses in page 12.

## Quarterly results – GAAP actuals including M&A-related expenses

### GAAP data, including M&A-related expenses from the previous page

M&A-related expenses themselves are indifferent from the organic business performance.

These expenses will be some burden to GAAP financials but will serve as growth investment to fuel our transformational growth

(¥ in millions)	FY2024/1						FY2025/1						
	1Q	2Q	3Q	3Q YTD	4Q	4Q YTD	1Q	2Q	3Q	4Q	4Q YTD	4Q YTD(E)	YoY
Revenue	11,994	12,520	14,293	38,808	16,888	55,697	24,685	24,846	28,096	34,158	111,786	110,000	+100.7%
Gross profit	3,182	2,609	3,368	9,160	3,798	12,958	5,286	5,075	6,506	8,590	25,458	-	+96.4%
Margin (%)	26.5%	20.8%	23.5%	23.6%	22.4%	23.2%	21.4%	20.4%	23.1%	25.1%	22.7%	-	-
<b>EBITDA</b>	2,197	1,712	2,140	6,050	2,051	8,102	3,277	2,423	3,716	4,818	14,234	13,000	+75.6%
<b>Margin (%)</b>	18.3%	13.6%	14.9%	15.5%	12.1%	14.5%	13.2%	9.7%	13.2%	14.1%	12.7%	11.8%	-
Operating income	1,670	1,096	1,397	4,164	1,205	5,370	2,059	1,124	2,235	2,545	7,965	7,000	+48.3%
Margin (%)	13.9%	8.7%	9.7%	10.7%	7.1%	9.6%	8.3%	4.5%	7.9%	7.4%	7.1%	6.3%	-
<b>Net income before amortization of goodwill</b>	1,618	422	1,384	3,426	933	4,359	1,456	461	1,595	1,139	4,653	5,400	+6.7%
<b>Margin (%)</b>	13.5%	3.3%	9.6%	8.8%	5.5%	7.8%	5.9%	1.8%	5.6%	3.3%	4.1%	4.9%	-
Net income attributable to owners of the parent	1,585	390	1,348	3,324	853	4,178	1,223	182	1,249	649	3,304	4,300	-20.9%
Margin (%)	13.2%	3.1%	9.4%	8.5%	5.0%	7.5%	4.9%	0.7%	4.4%	1.9%	2.9%	3.9%	-

Note: Please refer to the detailed M&A-related expenses in page 12.



## Details of stock split and shareholder benefits

### Stock split

#### Method of Stock split

With Monday, March 31, 2025 as the record date, 2-for-1 stock split of common shares held by shareholders of record as of the same date to be carried out.

#### Schedule

1	<b>Date of Public Notice of Record Date</b>	Monday, March 17, 2025 (scheduled)
2	<b>Record Date</b>	Monday, March 31, 2025
3	<b>Effective Date</b>	Tuesday, April 1, 2025

### Shareholder Benefit

#### Expansion of the program

Since we will maintain the scope and content of the current shareholder benefit program after the stock split, this will effectively lead to an expansion of the shareholder benefit program.

Specifically, shareholders who hold 200 shares as of January 31, 2025 and are recorded as holding 400 shares (200 shares before the split) or more with the same shareholder number in the shareholder register as of July 31, 2025 will receive shareholder benefits for 400 shares around autumn 2025.

#### Benefit program

Coupon which you can use at “stores of GiGO group” and “Karaoke BanBan”

Number of shares held	Benefit program	
<b>100 ~ 299 shares</b>	Worth ¥2,000	(Twice a year, worth ¥4,000 / year)
<b>300 ~ 499 shares</b>	Worth ¥6,000	(Twice a year, worth ¥12,000 / year)
<b>500 shares or more</b>	Worth ¥10,000	(Twice a year, worth ¥20,000 / year)

Note: The benefit yield is calculated by dividing the content of benefits which you can get with 100 shares (¥4,000) by the amount required to buy the share unit based on the closing price on March 11, 2025.

## Disclaimer

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

The purpose of this document is to provide shareholders, investors, and others with information on our management policies, plans, and financial condition, and is not intended as a solicitation to buy, sell, or otherwise invest in our stock.

While every effort has been made to ensure the accuracy of the information and materials posted on this document, no guarantee is made as to the accuracy of the content of the information or the timing of updates. In no event shall we be liable for any damage or trouble arising out of or in connection with the use of this website, including, but not limited to, the downloading of any information or data contained in this website, or any errors therein, regardless of the reason thereof.

Any statements on this document regarding our current plans, forecasts, and strategies that are not historical facts are forward-looking statements about future business performance, etc. These statements are based on the judgement of our management in light of the information currently available to it and involve risks and uncertainties. Actual results may differ materially from these forward-looking statements due to various factors, including economic conditions and competition in the entertainment industry.

Thank you :)