



**GENDA's Business Strategy  
and Growth Potential**

**March 11, 2024**



Company Name: **GENDA** Inc.



Listing: **July 28, 2023** on the **TSE Growth Market**



Date of Establishment: **May 2018**



Revenue: ¥**55.6** bn | EBITDA: ¥**8.1** bn | OP: ¥**5.3** bn | NI before Amortization of Goodwill: ¥**4.3** bn



# of Employees: **5,007** (FY2024/1)



Group companies: **19** consolidated subsidiaries

*Note: All figures are based on consolidated results for the fiscal year ended January 31, 2024. OP stands for Operating Income and NI does for Net Income.*

## Board members



■ **Representative Director and Chairman of the Board Nao Kataoka**

- Former President of Aeon Fantasy, and led the company to become the World's No.1 amusement arcade
- Increased operation profit by 2.4x, from ¥ 2.5bn to ¥6.0bn and increased the market cap by 5.5x, from ¥23.7bn to ¥131.0bn



■ **Representative Director and President Mai Shin**

- Former Managing Director of Goldman Sachs (then youngest Managing Director)
- Combined skills in financial professionalism and managerial skills through founding business



■ **Director, CCO and Head of of Contents & Promotion Business Yuzo Sato**

- Former Corporate Officer of Hakuhodo, President & CEO of TBWA\HAKUHODO
- Extensive knowledge and network in the advertising, media and entertainment fields



■ **Director CFO Taiju Watanabe**

- Former Vice President at Investment Banking Division of Goldman Sachs
- Professional expertise in M&A and financing

*Source: Operating income of AEON Fantasy Co., Ltd. refers to operating income of 2,536 million yen for the fiscal year ended February 2014, the year to which Hisashi Kataoka belonged on March 1, 2013, when he became president and representative director, and 5,970 million yen for the fiscal year ended February 2018, the year immediately preceding May 15, 2018, when he stepped down. The market capitalization of AEON FANTASY Co., Ltd. refers to March 1, 2013, when Hisashi Kataoka assumed the position of President and Representative Director, and May 15, 2018, the date of his resignation. "The world's largest amusement facility operator" is based on the numbers of stores of AEON Fantasy Co., Ltd., ROUND 1, Bandai Namco Amusement Inc., Taito Corporation and Dave & Busters, Chuk E. Cheese, published by each company for the fiscal year 2017, the fiscal year immediately preceding Nao Kataoka's stepping down from the President and Representative Director of Aeon Fantasy Co., Ltd. The number of stores of Bandai Namco Amusement Inc. excludes the number of revenue shared stores.*

## Executive Officers



■ **Executive Officer CSO / CPA Kohei Habara**

- Passed the CPA exam while in college and worked at KPMG AZSA & Co. and previously at PwC Advisory
- Served as financial advisor on more than 30 M&A projects, including projects for entertainment companies



■ **Executive Officer, CTO and Head of IT Strategy Dept. Daisuke Kajiwara**

- Formerly Executive Officer of Yahoo Japan and GREE, General Manager of Development Division / General Manager of Business Division, Formerly CTO of Every
- Also serves as Executive Officer CTO of IT Strategy Division at GENDA GiGO Entertainment



■ **Executive Officer, Head of Amusement Arcade Operations Kazuhiro Ninomiya**

- Previously, at Bandai Namco Amusement, he served as Executive Officer in charge of domestic amusement arcade business and Overseas Business Division Manager
- Also serves as Representative Director and President at GENDA GiGO Entertainment



■ **Executive Officer, Head of Character MD Business, Keiichiro Tanaka**

- Also serves as the Representative Director and Chairman of the Board of Fukuya Holdings Co., Ltd. and Ares Company, Ltd. and Chairman of the Board of Directors of Tokyo Character Makers, Ltd.
- After managing stores at Namco, he joined Fukuya and established Fukuya Holdings in 2017



■ **Executive Officer, Head of U.S. Operations, Atsushi Iyoda**

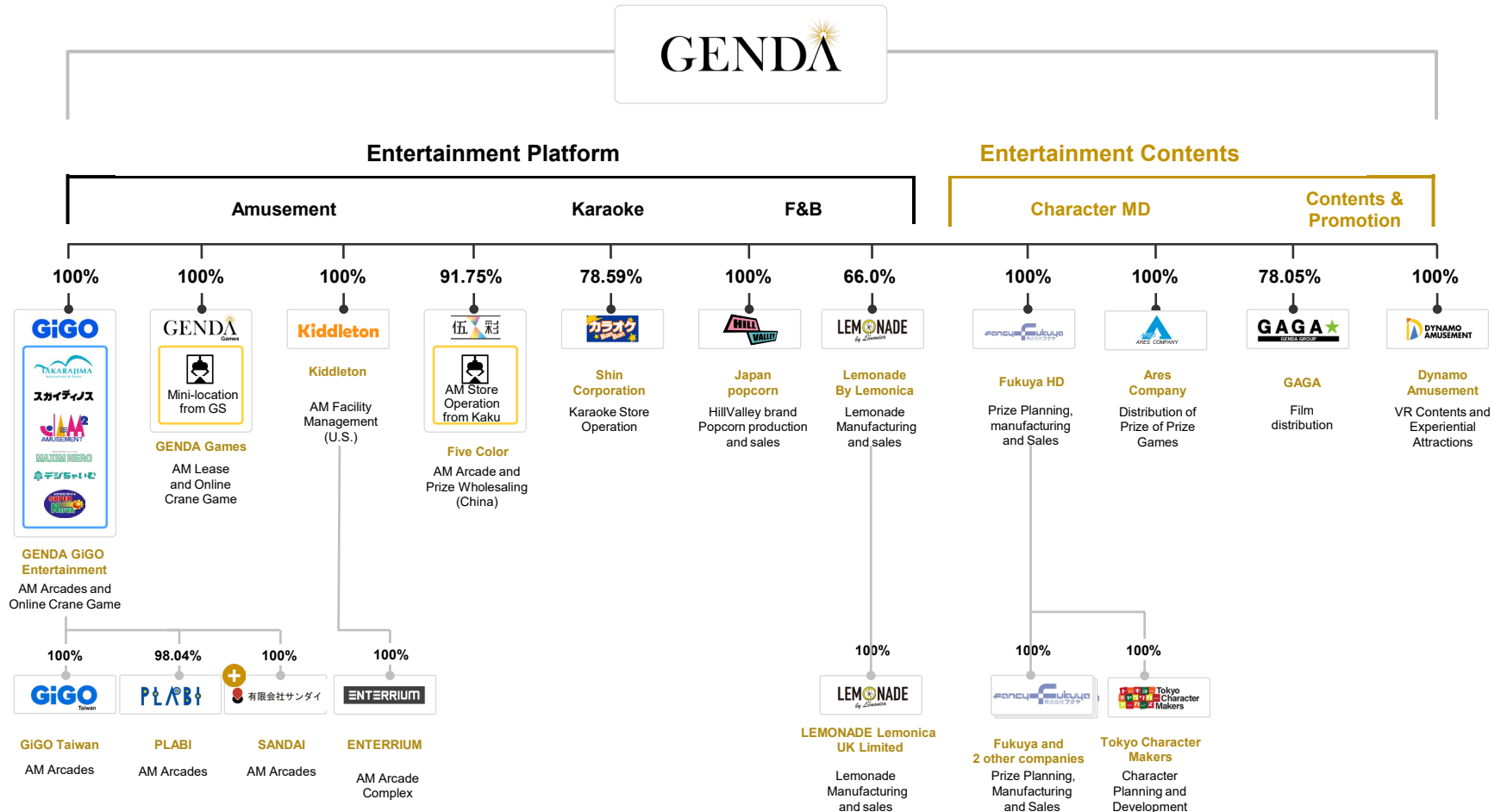
- Formerly worked at Aeon Fantasy, where he also served as representative director of the company's Vietnam and Philippines subsidiaries
- Also serves as the CEO / President of Kiddleton Inc, a U.S. subsidiary



■ **Executive Officer, Head of F&B Business, Tomoki Nagae**

- Previously worked at PwC Advisory, where he was involved in advisory and PMI work on M&A projects
- Conducted research on sake breweries at the University of Tokyo's Faculty of Agriculture, graduating at the top of his department

## GENDA is a Pure Holding Company of Entertainment Companies centered in Amusement Industry



Note: Assumptions as of March 11 2024. "AM arcade" in the figures refer to amusement arcade. SANDAI plans to complete the project in May 1, 2024.

# Business Model

# Our growth strategy is "M&A in the Entertainment Industry"



*Note: GENDA's envisioned growth strategy.*



# Our growth strategy is "M&A in the Entertainment industry"



## Entertainment Ecosystem

Broadly rooted in the Entertainment Field  
Building a Global Entertainment Network

Global  
Entertainment  
Network for  
Dreams and  
Aspiration



*Note: Diagram of our envisioned growth strategy.*



## IP Content × Platform

The current entertainment industry consists of "IP contents" such as animation and "platforms" that connect IP content fans. GENDA continues to expand and solidify its "Entertainment Platform" while gradually expanding into "Entertainment Contents". Using M&A to incorporate both areas into our portfolio and create an "Entertainment Ecosystem".

IP Contents  
such as Anime

Platform connecting  
IP contents and the Fans

Fans of the  
IP contents



### “Entertainment Contents”

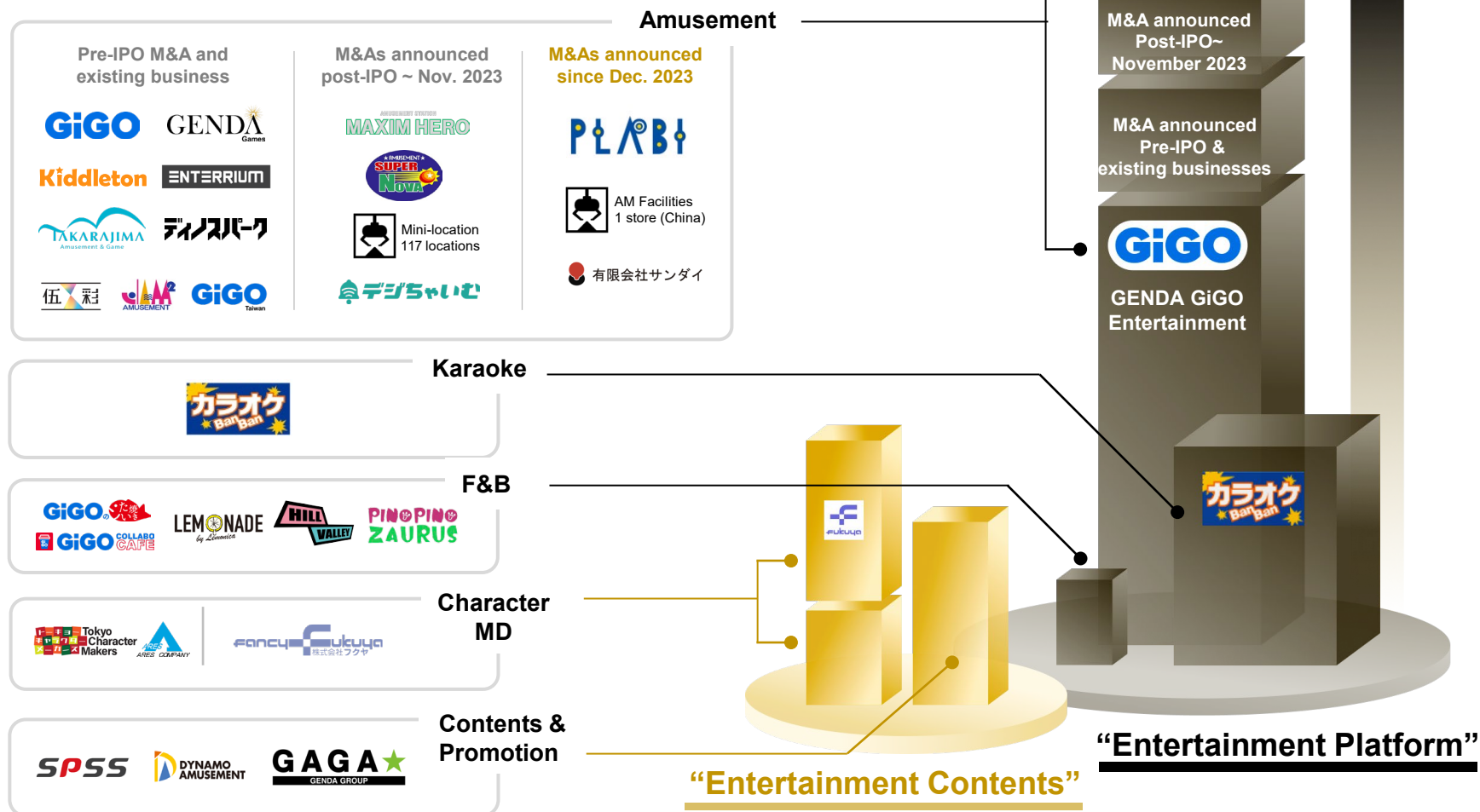
Divided into Character Merchandising (MD) and Contents & Promotion and positioned in the Upstream business domain of Entertainment Platform Business of Entertainment Ecosystem

### “Entertainment Platform”

Focusing on amusement arcade operations with Food & Beverage (F&B) business, which connects IP contents and the fans

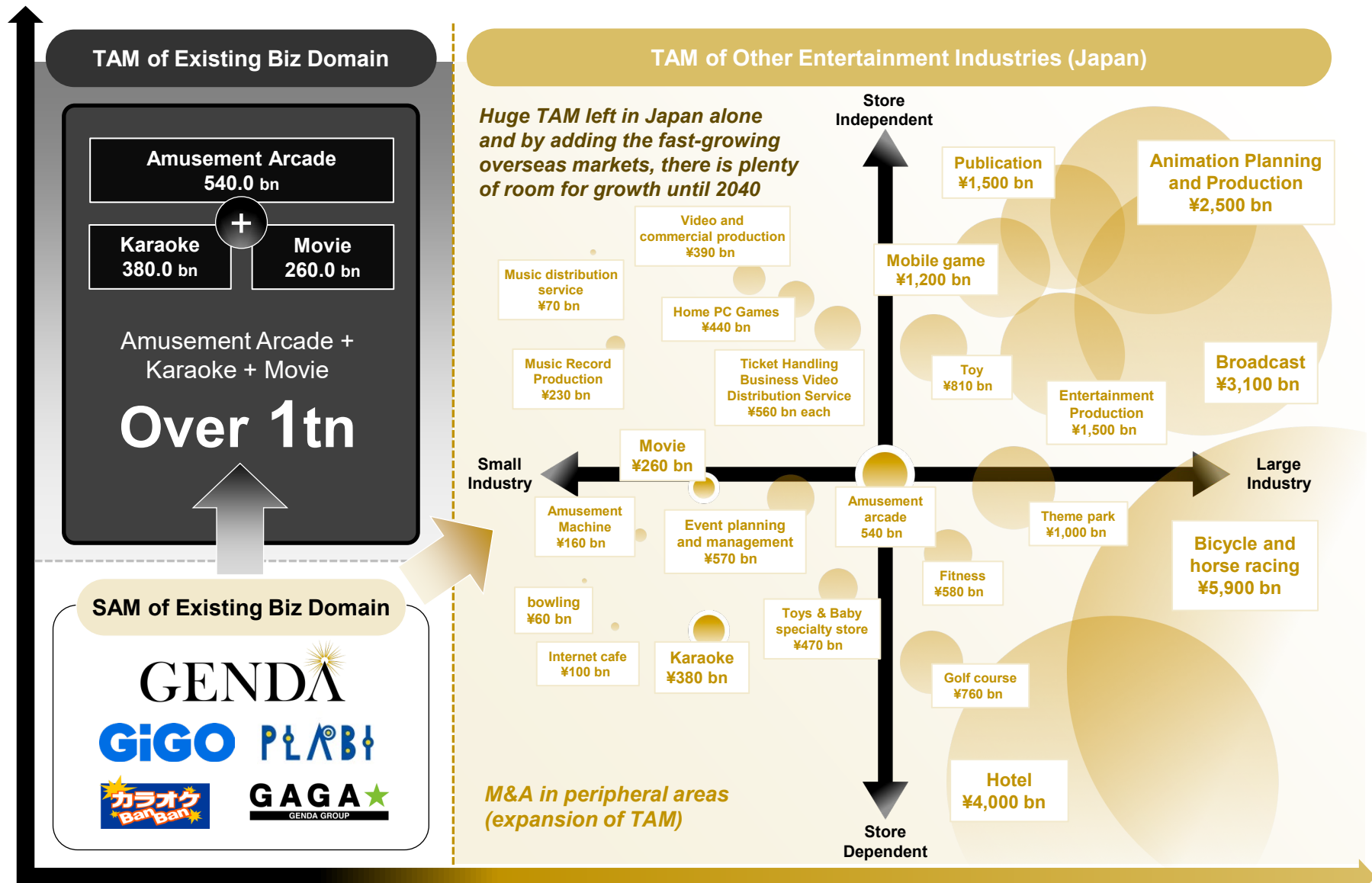
## Amusement Centric + Peripheral Areas

Accelerate M&A in amusement and steadily advance into peripheral areas



Note: The picture is an image created based on the sales of each segment. The number of locations acquired is as of the date of the announcement of the project. Character MD means Character Merchandising.

# TAM as the room for M&As in the Entertainment Industry

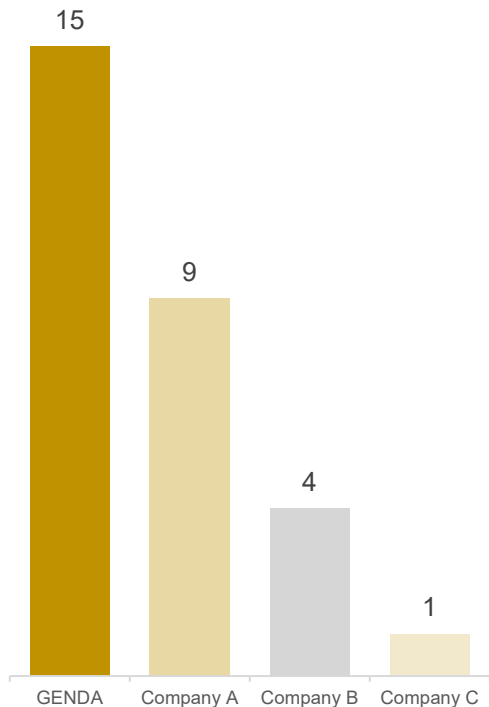


Note: The image shows an overview of the entertainment industry based on our perceptions. Amounts indicating the size of the market are estimates of sales in the fact-finding reports issued by the respective industry associations.

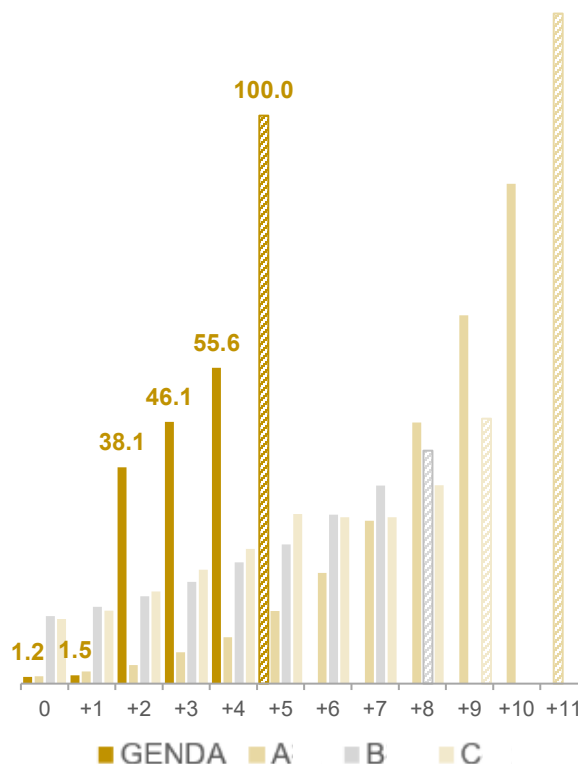
## GENDA advocates “Continuous Transformational Growth” through M&As in the Entertainment Industry

- 3 companies that continuously conduct M&As in a specific industry, and subsequently grow in a transformational manner
- Each company has a "Continuous Transformational Growth" trajectory, which differs from a typical organic growth company
- GENDA continuously acquires companies that grow organically, and as a result GENDA grows inorganically

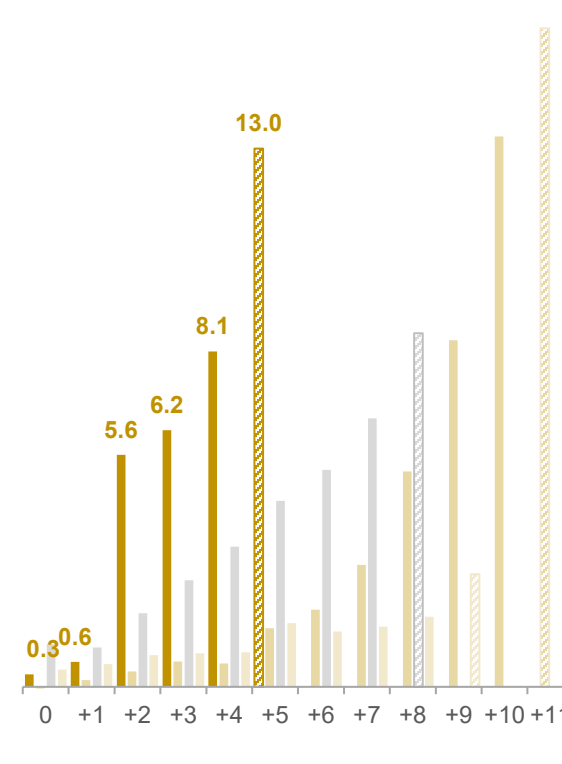
# of M&As in the last fiscal year



Sales (yen in billions)



EBITDA (yen in billions)



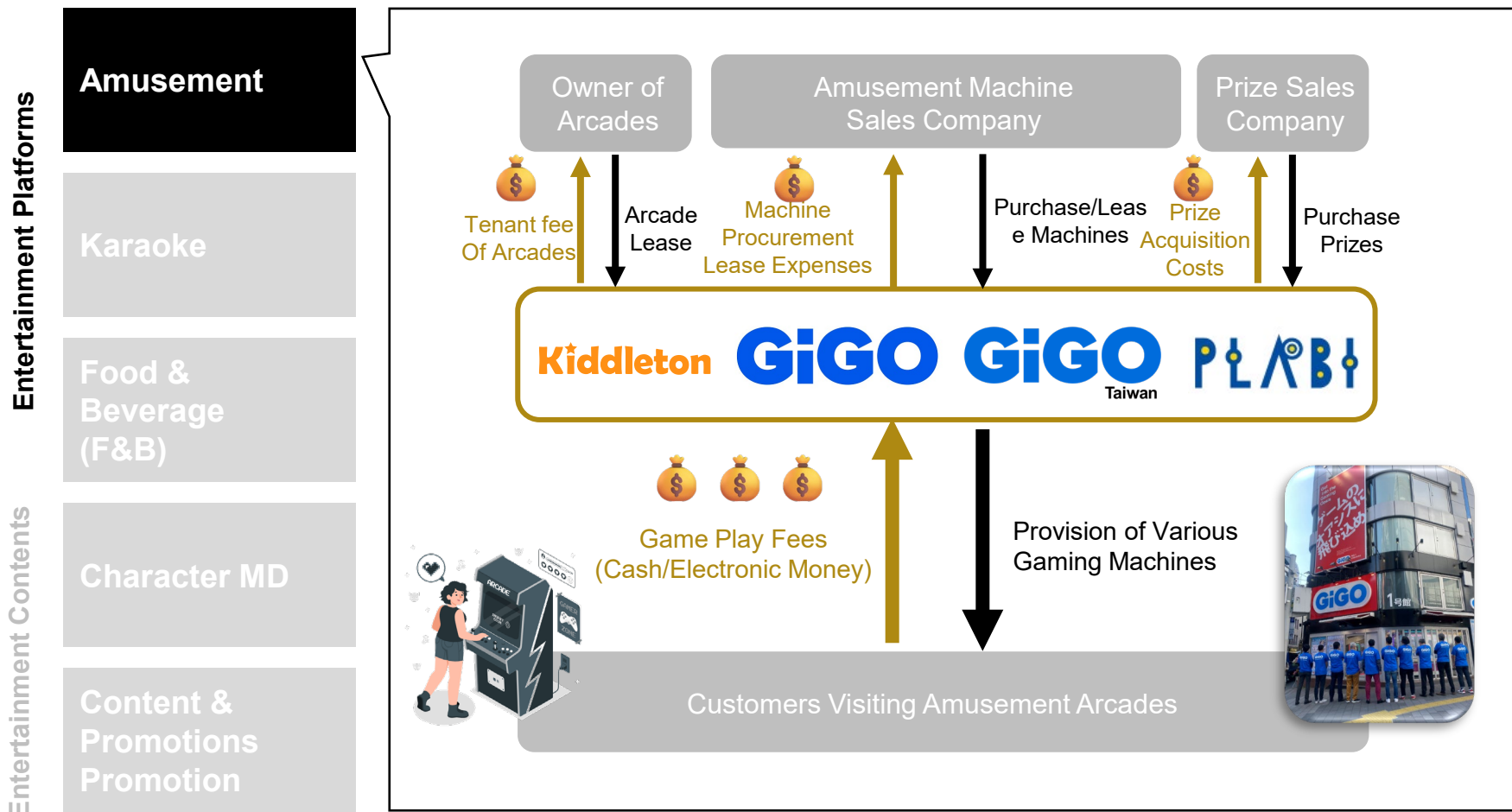
Note: GENDA and Company A data for sales and EBITDA are set to zero for the fiscal year in which sales exceed 1 bn yen; Company B and Company C data are set to zero for the fiscal year preceding the listing year for which data can be collected. The number of M&As is the number announced during the fiscal year.

Shaded data for sales and EBITDA are forecasts for the ongoing period. Sales and EBITDA (GENDA, Companies A and C) are based on company forecasts, while EBITDA (Company B) is based on IBES data.

Mainly operating Amusements Arcades throughout Japan, with expansion in the United States and Taiwan (323 stores)

## Domain

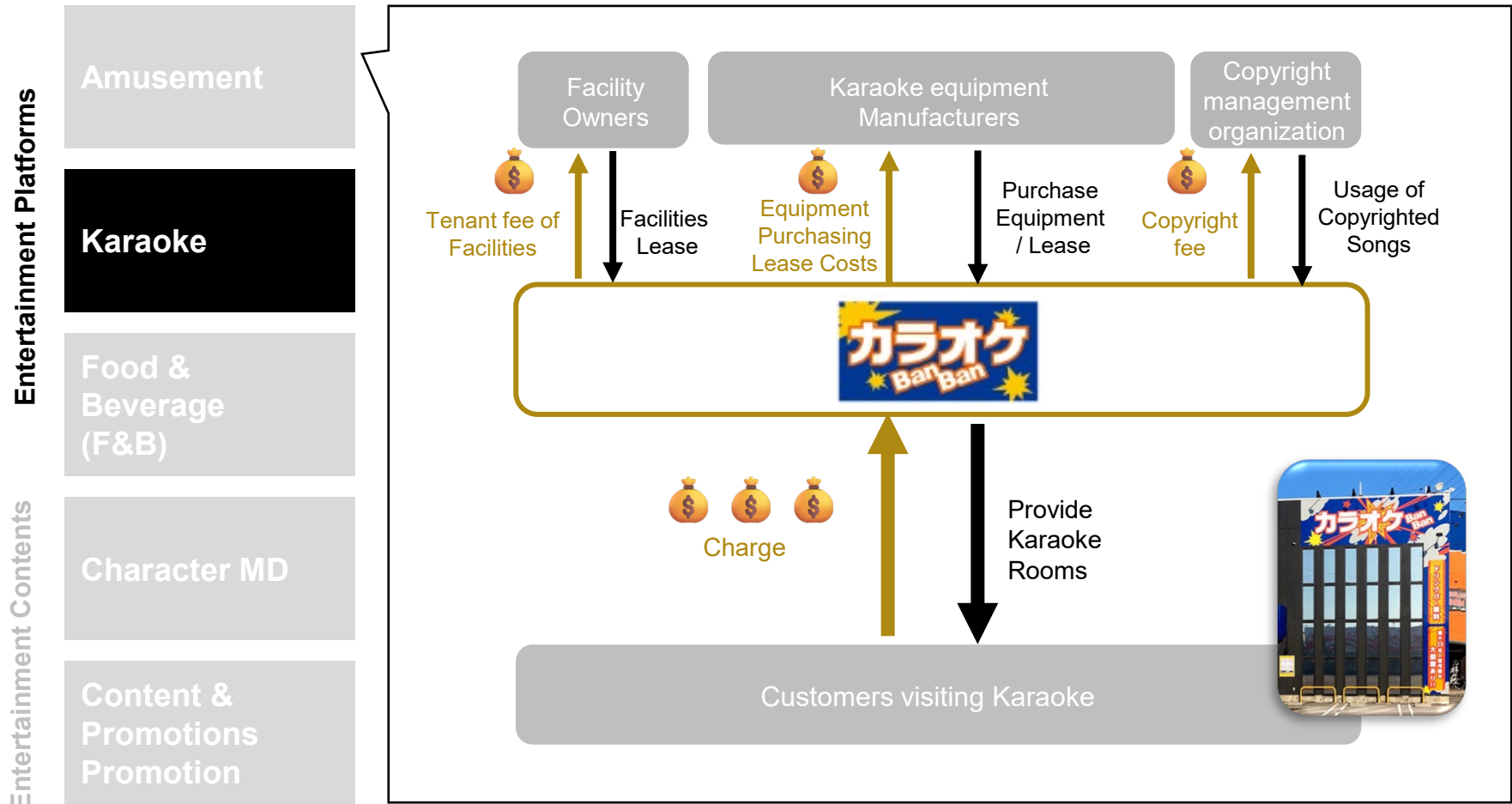
## Business Overview



## Karaoke Chain under “Karaoke BanBan” brand by Shin Corporation Japan's third largest karaoke business in terms of number of stores

### Domain

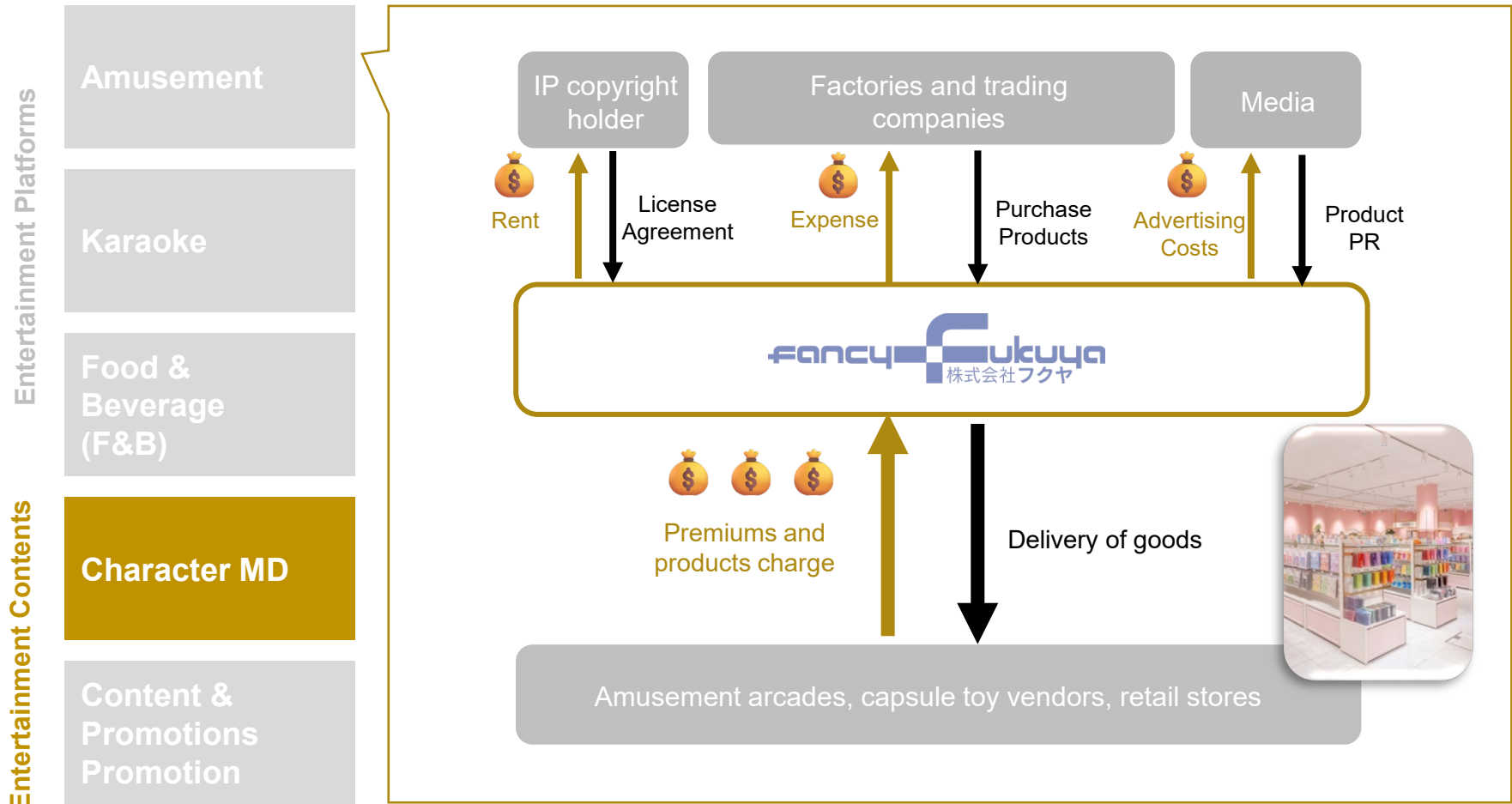
### Business Overview



**Fukuya Holdings, the core company of Character MD domain, is a vendor of prizes and capsule toys for amusement arcades**

## Domain

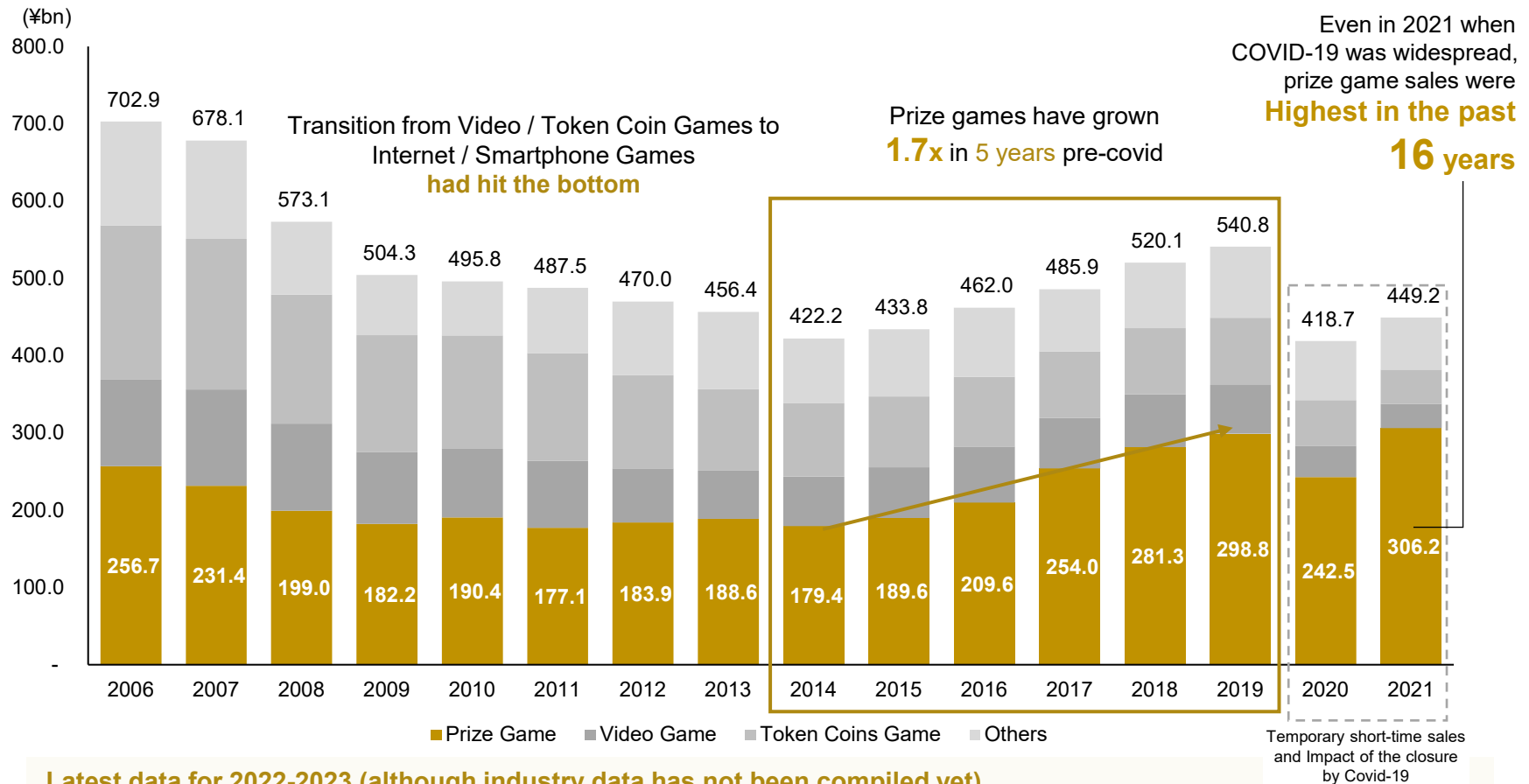
## Business Overview





# Market Environment

## Market Size of ¥540.0 bn in 2019 by Rapid Growth of Prize Games



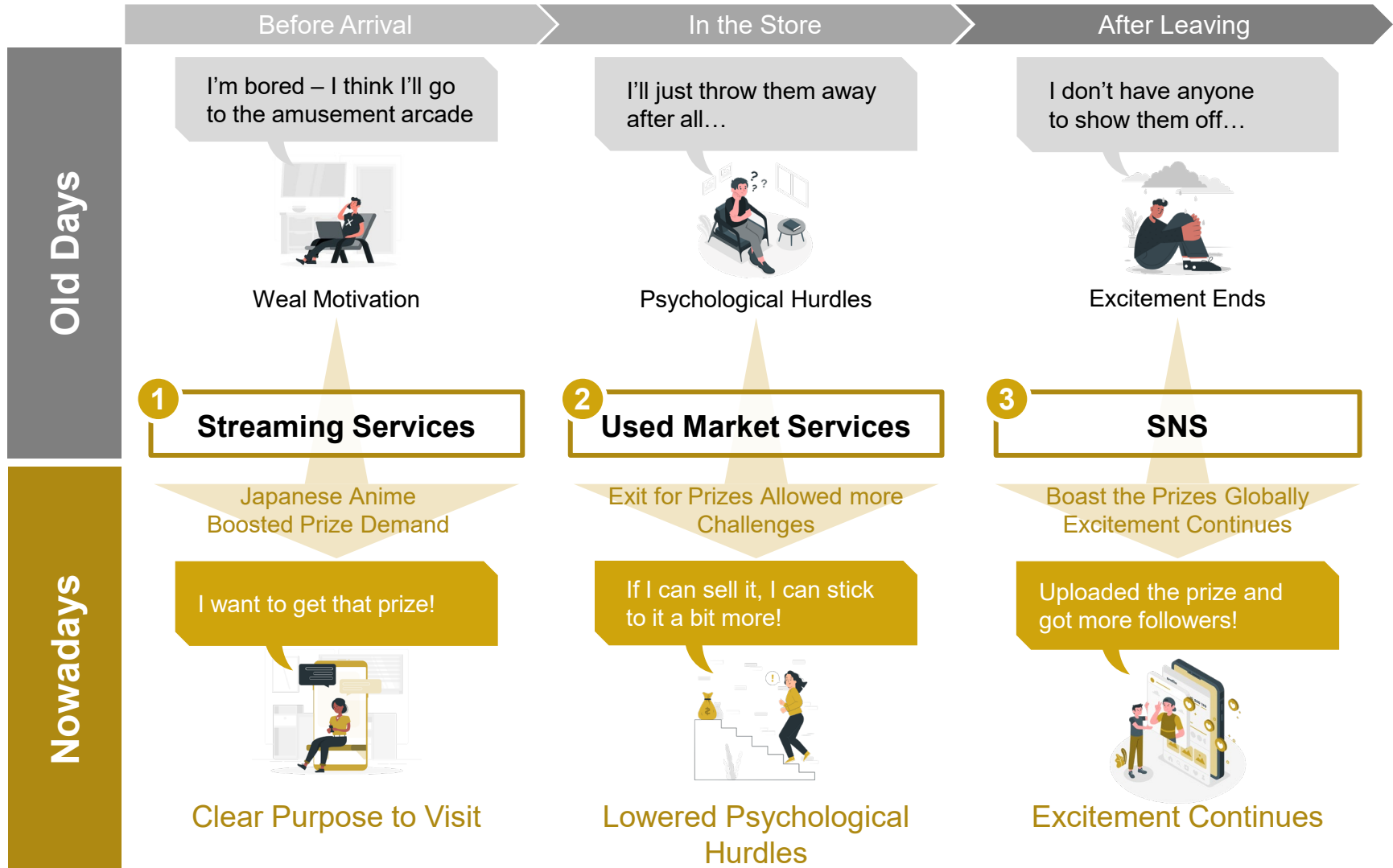
**Latest data for 2022-2023 (although industry data has not been compiled yet)**

**Monthly sales** from October onwards of GENDA GiGO Entertainment in FY2022/1 have **consistently surpassed the monthly sales figures of the pre-COVID-19 year of 2019** (compared to monthly sales from October 2019 to January 2020).

In FY2023/1, sales are expected to exceed those **pre Covid-19 in all locations, including stores in front of urban stations**, where the recovery of human flow has been slow, and exceed those in 2019

Source: "Survey of the Amusement Industry Industry," Japan Amusement Industry Association  
Note: Monthly sales are the sum of the sales of stores that existed in the previous year and the current year in the month in question.

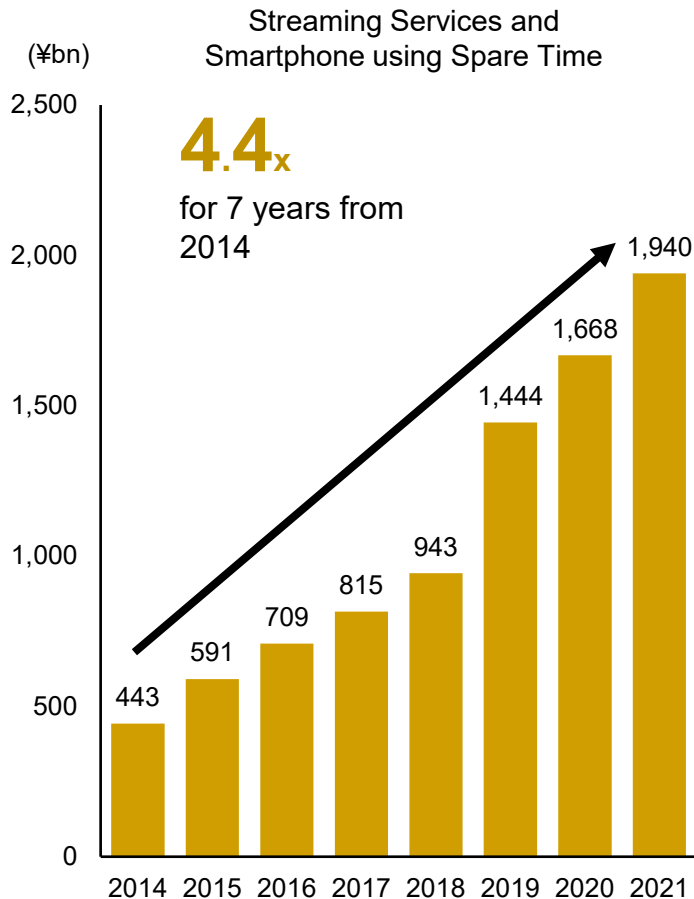
## Three Trends are Driving the Growth of Prize Games



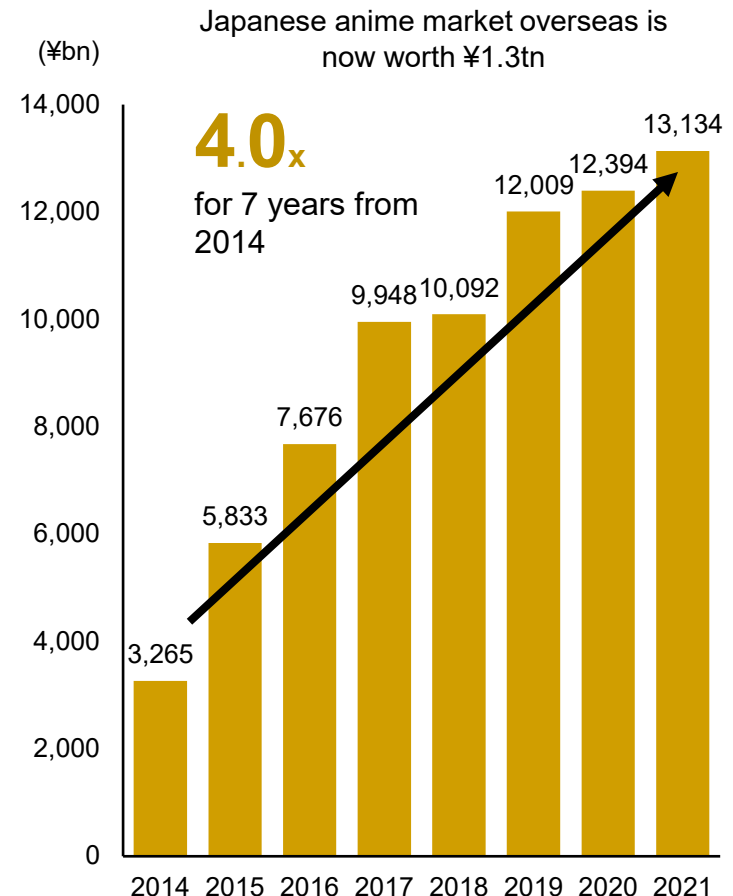
“Online” anime market is expanding globally

Fans increasingly want to feel anime “offline” as "Oshi-Katsu" boom

## Anime Streaming Market Size in Japan



## Overseas Japanese Anime Market



Source: Dentsu Media Innovation Lab "Information Media White Paper 2023

## Entertainment Platform as a place to experience animation and other IP content in the real offline world

With the environment for viewing animation online, a variety of IP content is provided to fans on a daily basis

Amusement arcades and food and beverage are places where you can have real contact with those IP contents

Growing demand from IP content fans for a platform that allows them to experience anime consumption as "Oshi-Katsu"

**Increase in online anime consumption**



**Boost of “Offline” Anime Consumption**

Providing a place where you can meet your “Fave” in real life in the entertainment platform



**Increase in transaction of anime prize in used markets**

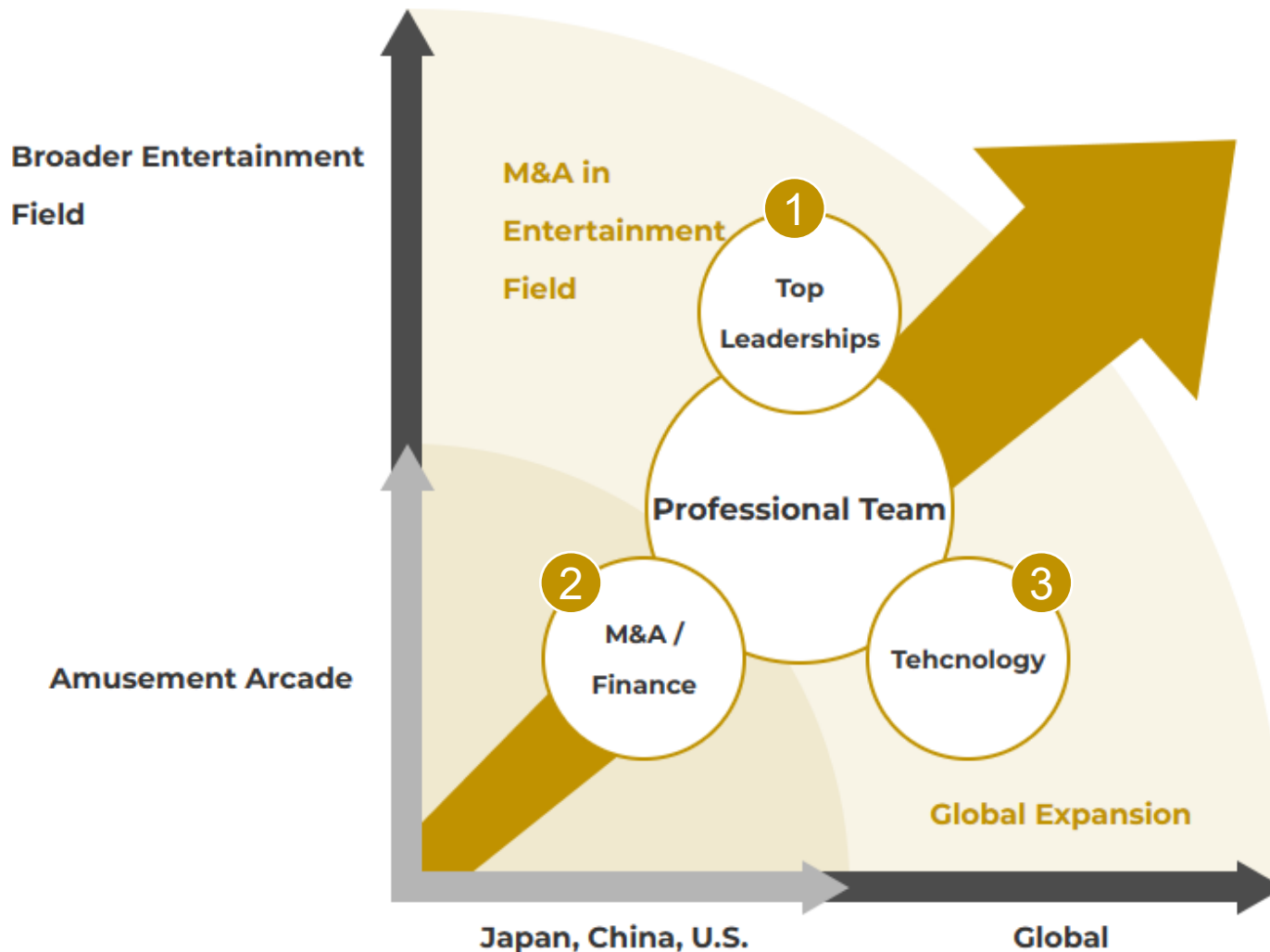


**Spread of updates on anime prize on SNS**



# Growth Strategy

**GENDA Group aims to be the world's No.1 entertainment company**  
**Professional talents in three areas to support our growth strategy**



*Note: GENDA's envisioned future business development.*



## Extensive Management Experience in the Entertainment Industry

### Representative Director and Chairman of the Board, **Nao Kataoka**

Graduated from Faculty of Economics, Keio University  
1995, Joined Jusco K.K. (currently Aeon Co., Ltd.)  
2004, transferred to Aeon Fantasy Co.  
2013, President and Representative Director of Aeon Fantasy  
2017, President and Representative Director of Aeon Entertainment  
May 2018, founded GENDA and became Chairman  
Current position from September 2019

### Director, CCO, Head of Content & Promotion Business **Yuzo Sato**

Bachelor of Education, Waseda University  
Joined Hakuhold Inc. in 1986  
Appointed President and CEO of TBWA\HAKUHODO Inc. in 2015  
Appointed as Executive Officer of Hakuhold Inc.  
Appointed as Corporate Officer of Hakuhold Products Inc. in 2018  
April 2022, joined GENDA Inc. and became Director  
Appointed Chief Communication Officer (CCO) in September 2023  
Assumed current position (concurrently) in December 2023

### GENDA GiGO Entertainment, Chairman of the Board of Directors, **Satoshi Ueno**

1982, Joined SEGA Enterprises, Inc.  
2000, President of SEGA AMUSEMENT West Japan Co.  
2015, Executive Vice President of SEGA Entertainment Inc.  
2017, President of SEGA ENTERTAINMENT INC (Currently GENDA GiGO Entertainment Inc.)  
Current position from April 2023

### GAGA Representative Director and President CEO, **Tatsumi Yoda**

Appointed Advisor to Avex D.D. Inc. (currently Avex Inc.) in 1988.  
1993, Representative Director and Chairman of the Board (also serving as Representative Director and President since January 1995, retiring in August 2004)  
Appointed non-executive Director of GAGA Communications Corporation (currently GAGA Corporation) in 1999  
Appointed Representative Director and Chairman of the Board in 2004  
Appointed Representative Director and Chairman of the Board, Dolly Music Inc. in 2005. (Director and Chief Advisor since March 2017)  
In 2006, appointed as Director of Philosophia Entertainment Alliance Inc. (current position)  
In 2008 Representative Director and Chairman of the Board, T.Y. Entertainment, Inc.  
Current position since June 2020

### Executive Officer, Head of Character MD Business and Representative Director and President, Fukuya Holdings Co., **Keiichiro Tanaka**

1993, Joined NAMCO LTD.  
1996: Joined Fukuya Co., Ltd. and became Director and Sales Manager  
Appointed Senior Managing Director in 1999  
Appointed Representative Director and President in 2002  
Established Fukuya Holdings Co., Ltd. in 2017 and became Representative Director  
Appointed Representative Director and President in 2002  
Current position from February 2024

### Executive Officer, Head of Amusement Arcade Business and Representative Director and President, GENDA GiGO Entertainment, **Kazuhiro Ninomiya**

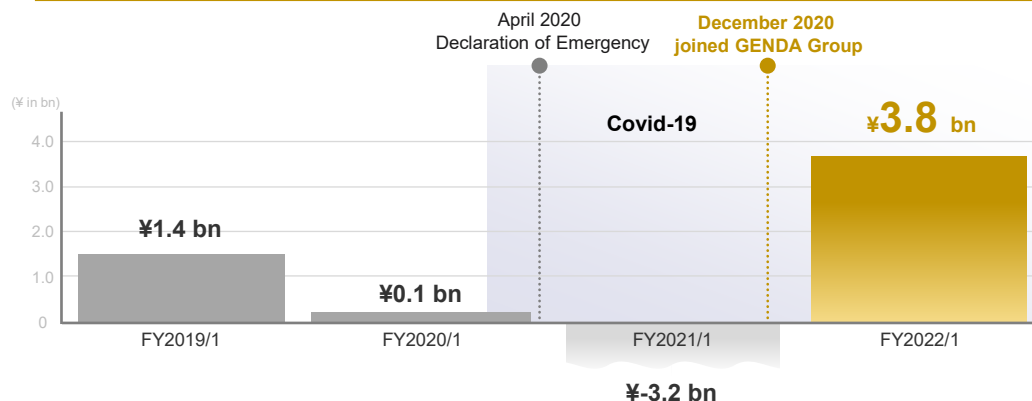
Graduated from Faculty of Management Information, Tama University  
1996, Joined NAMCO CORPORATION,  
2018, Executive Officer, Facility Sales Division Manager, Bandai Namco Amusement  
2020, served as Managing Director of Namco UK Ltd. and Director of Namco USA Inc.  
April 2021, joined GENDA and became CSO  
August 2021, became Director, General Manager, Product Planning Division of GENDA SEGA Entertainment (Currently GENDA GiGO Entertainment Inc.)  
Current position from April 2023

## PMI of the former SEGA Entertainment, Inc.

- **PMI team with management experience from three industry leaders**
  - Kataoka, former President of Aeon Fantasy (Currently Chairman of GENDA)
  - Former President, former Sega Entertainment Ueno (Current Chairman, GENDA GiGO Entertainment)
  - Former Executive Officer, BANDAI NAMCO AMUSEMENT Ninomiya (Current President, GENDA GiGO Entertainment)
- **Shopping center-type store reform ("Musamura Serious Project")** using as an experimental store GiGO AEON Mall Musashi Murayama
- As a result of horizontal deployment of the know-how and cost reductions, **operating profit recovered significantly in the first fiscal year after becoming GENDA Group** (see graph at the bottom)



Operating Income Transitions (GENDA GiGO Entertainment / former Sega Entertainment)





## PMI after Roll-up M&As of Small and Mid-sized Amusement Arcades

PMI know-how in various roll-up M&A formats (stock acquisition, business transfer, absorption-type demerger, fixed asset acquisition)

- Increase the prize games ratio
- Development of exclusive GiGO giveaways (“Campaign”)
- Layout changes by replacing amusement machines to match the clientele
- Improve operational efficiency through horizontal deployment of DX
- Amusement machines and prizes can be purchased in bulk as a Group of 318 stores

### Takarajima (stock acquisition) 20 stores

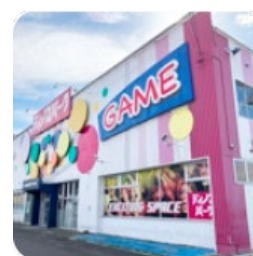


PMI



Sales  
120%\*

### Sugai Dinos (business transfer) 18 stores



PMI



Sales  
121%\*

### Avicce (absorption-type demerger) 3 stores



PMI



Sales  
107%\*

### MAXIM HERO (fixed assets acquisition) 1 store



PMI



Sales  
151%\*

*Note: From the viewpoint of fair comparison, the effectiveness of PMI results was measured after GENDA grouping in, using the latest and longest period of time for which comparisons could be made over the same period. For Takarajima, the figures compare sales from February 2021 to January 2022 (12 months) before GENDA grouping in and November 2022 to October 2023 (latest 12 months). Figures for Sugai Dinos and Avicce compare sales from October 2021 to September 2022 (12 months) before joining the GENDA Group and from November 2022 to October 2023 (latest 12 months). The figures for MAXIM HERO are the sales figures for the 4th week of October compared to the previous week.*

### Established an Internal Professional Team that enables flexible M&A and Financing

#### Representative Director and President, **Mai Shin**

Graduated from the University of Tokyo, Faculty of Economics. 2007, joined Goldman Sachs & Co. and engaged in bond sales in the Financial Institutions Sales Division. 2010, at the Financial Products Development Department, in charge of a wide range of activities including product development and proposals for interest rate and foreign exchange derivatives and advising on global financial regulations. 2016, Director, Financial Products Development Department. November 2017, Managing Director. Aug 2018, joined GENDA as Director. Current position since June 2019.

#### Director and CFO, **Taiju Watanabe**

Graduated from Hitotsubashi University, Faculty of Commerce and Management. 2011, joined Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.) and served as the Wholesale Relationship Manager at the Corporate Banking Division. 2015, joined Goldman Sachs & Co. and served as the Vice President in the Advisory Group of the Investment Banking Division, involved in M&A advisory and equity / bond financing transactions. June 2021, joined GENDA and August 2021 appointed as Executive Officer, CFO. Current position since April 2023.

#### Head of Corporate Strategy Dept./ US CPA, **Toshiharu Shiima**

Graduated from the University of Tokyo, Faculty of Law  
Joined Sumitomo Mitsui Banking Corporation, 2007

Engaged in M&A advisory work in the Corporate Information Department and affiliated companies

2015 Joined PwC Advisory LLC, engaged in M&A advisory services

2018 Stationed at an overseas subsidiary to engage in PMI at Nippon Pulp & Paper Trading Co.

In November 2023, he joined GENDA Inc.

#### Head of Finance Dept., **Yorikazu Hattori**

Graduated from faculty of Commerce, Keio University

2011, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)

Engaged in originating syndicated loan for corporate clients in Syndicated Finance Department and M&A Finance

November 2021, joined GENDA and currently holds the position

#### Head of IR Dept., **Mika Ito**

B.A. in Social Sciences, School of Social Sciences, Waseda University  
Joined Mizuho Securities Co.

Engaged in M&A and fund-raising in the investment banking division

Joined GENDA Inc. in August 2021

Current position from June 2023

#### Executive Officer CSO / CPA, **Kohei Habara**

Graduated from Kobe University, Faculty of Economics. Passed the Certified Public Accountant Examination while still a university student, and worked at KPMG AZSA LLC auditing mainly listed companies. 2017, joined PwC Advisory LLC, and involved in over 30 M&A deals as financial advisor, including deals for entertainment companies. September 2019, joined GENDA and August 2021 appointed as Executive Officer. Current position since September 2023. He was appointed to the Head of F&B Business. In November 2023, he was appointed to the Representative Director and President of GENDA capital.

#### Head of Group Management Dept. / CPA, **Atsushi Kawata**

Graduated from Waseda University Graduate School of Accounting

Passed the Certified Public Accountant Examination while still in graduate school  
Joined KPMG AZSA LLC in 2009

Seconded to KPMG Mexico in 2018

Joined GENDA Inc. in July 2022 and assumed current position

#### Head of Accounting Dept. / CPA, **Yusaku Kitada**

Graduated from Faculty of Business Administration, Kobe University

2015, passed the Certified public Accountant Examination while still a university student

2015, joined Deloitte Touche Tohmatsu LLC Osaka Office

Current position from August 2021

#### Head of Legal Dept. / Attorney, **Misato Fujimoto**

Graduated from Faculty of Law, Chuo University

Passed the Bar Examination while still a university student.

2008, joined Nishimura & Asahi Law Office. Mainly engaged in M&A legal advice and other corporate legal affairs

2017, joined TOMY Company, Limited

In January 2022, joined GENDA and currently holds the position.

## 2 M&A / Finance Team – “27” M&A and Capital Transactions

Pre-IPO #M&A		1	Entertainment Contents	2	Entertainment Platform	3	Entertainment Platform	4	Entertainment Platform	5	Entertainment Contents
1 ~ 11 11			 June 2018 Acquisition (100%)		 July 2019 Joint Venture (50%)		 December 2020 Acquisition (85.1%)		 April 2021 Acquisition of the business		 October 2021 Capital Alliance
6	Entertainment Platform	7	Entertainment Platform	8	Entertainment Platform	9	Entertainment Contents	10	Entertainment Platform	11	Entertainment Platform
	 December 2021 Acquisition		 January 2022 Acquisition		 January 2022 Acquisition (100%)		 June 2022 Capital Alliance		 October 2022 Acquisition		 October 2022 Acquisition
Post-IPO #M&A		12	Entertainment Platform	13	Entertainment Platform	14	Entertainment Contents	15	Entertainment Platform	16	Entertainment Platform
12 ~ 26 15			 September 2023 Transfer of Assets		 September 2023 Becoming a wholly owned subsidiary		 September 2023 Becoming a wholly Owned subsidiary		 October 2023 Transfer of Fixed assets		 October 2023 Acquisition (66.0%)
17	Entertainment Contents	18	Entertainment Contents	19	Entertainment Platform	20	Entertainment Platform	21	Entertainment Platform	22	Entertainment Platform
	 October 2023 Acquisition (100%)		 November 2023 Acquisition (78.05%)		 November 2023 Assets transferred from Global Solutions		 November 2023 Acquisition (100%)		 December 2023 Acquisition of Stores		 December 2023 Acquisition of management rights
23	Entertainment Platform	24	Entertainment Contents	25	Entertainment Platform	26	Entertainment Platform	27	Entertainment Platforms		
	 December 2023 Pino Pino Zaurus Limited Acquisition (100%)		 January 2024 Acquisition (100%)		 February 2024 Acquisition (82.45%)		 February 2024 Acquisition (78.59%)		 May 2024 (scheduled) Stock acquisition (100%)	...	

Note: The number of acquired properties is as of the date of the announcement of the project. (planned)" indicates a project prior to closing.

# Excellent Tech Engineers have joined GENDA via referral hiring

## Leadership in Tech Team

### Executive Officer, CTO and Head of IT Strategy Dept., **Daisuke Kajiwara**

Completed Graduate School of Engineering, Hiroshima University  
2006, joined Yahoo Japan Corporation

2007, joined GREE, Inc.

2014, Executive Officer, held positions of General Manager of Development Division and General Manager of Business Division

2018, joined every, inc. Director and CTO

2021, joined GENDA and currently holds position

### VPoE **Yusuke Arai**

Department of Information Engineering, faculty of Engineering,  
Tokyo University of Technology

2006, joined Yahoo Japan Corporation

2011, joined VASILY

In charge of front-end development as front-end development  
business manager

2018, Tech Lead, ZOZO Technologies Inc.

2021, joined GENDA and currently holds position

### CPO **Hiroki Shigemura**

2016, joined FiNC Technologies, Inc.

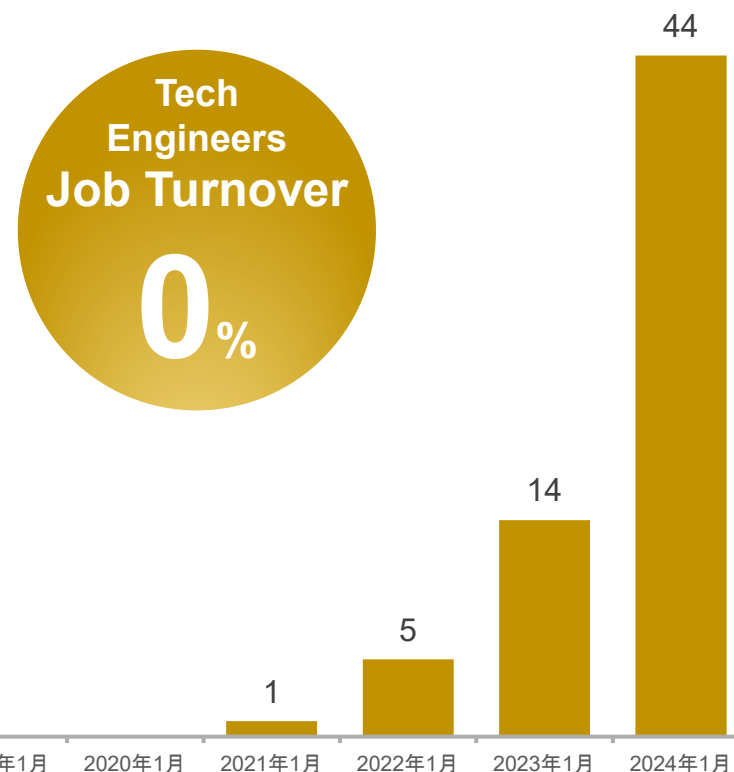
In charge of product management of healthcare app “FiNC”

2020, joined GENDA

2021, CPO of GENDA

## Number of Tech Engineers at GENDA

As a result of thorough referral hiring  
as well as a post-employment environment,  
“Zero” tech engineer has ever left GENDA  
in spite of the highly fluid recruiting market



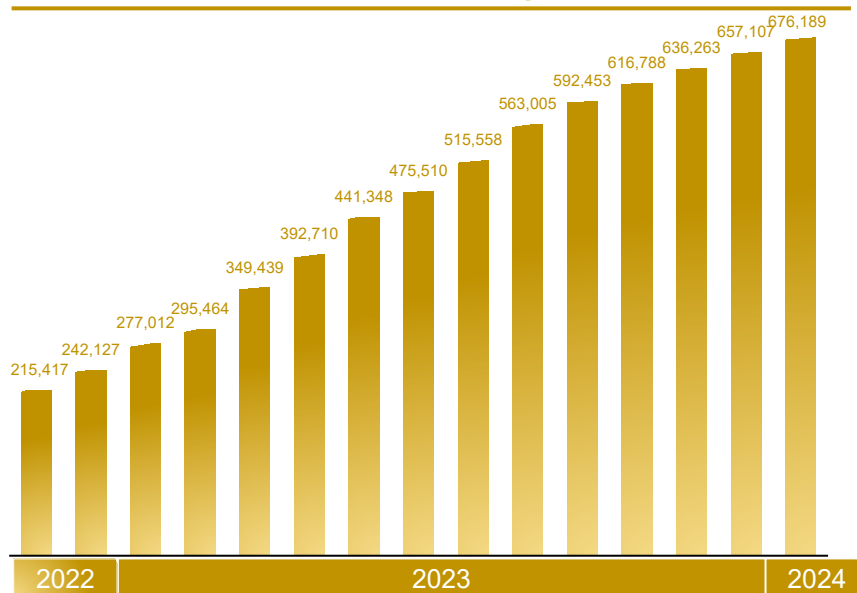
\*The 0% turnover rate indicates that 0 Tech Engineers who have joined the company in the past have left as of the end of January 2024.

## Cumulative number of members of "GiGO App", a membership application for customers, exceeds 60K

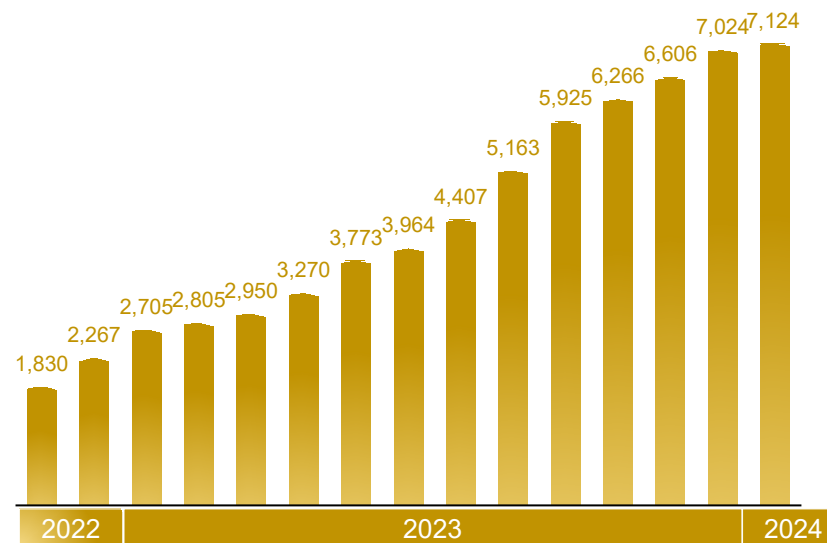
- Steady increase in membership since renewal in December 2022
- The "GiGO App" can be linked to cashless payment functions, such as coupon distribution, service ticket distribution, and **"Prize Pass"** services, enabling the development of a wide variety of services
- "Prize Pass"** is a subscription service that allows users to earn prize game tickets by paying a monthly subscription fee
- Steady growth in the number of "GiGO App" members is expected to contribute to the formation of loyalty to GiGO stores



#### Total Number of Registrations



#### Number of Prize Pass Members





## Intermittent Updates to the in-house GiGO NAVI app

- In amusement arcade industry where there are still manual-intensive work left, GENDA developed the revolutionary “**GiGO NAVI**” application
- Results from “**GiGO NAVI**”
  - Free from paper and Excel work when taking inventory of prizes, etc., significantly reducing work time and increasing accuracy
  - **Only 0.2% error rate** from the theoretical value at GiGO’s flagship store, the largest store in the GENDA Group
  - Visualization of optimal order quantities by creating a database of the past sales data of the prizes
- Continue to utilize the system to streamline cumbersome operations and improve operational efficiency, and increase customer service hours to improve customer satisfaction



Hours required for **Inventory Count** reduced approximately **62%** at test stores

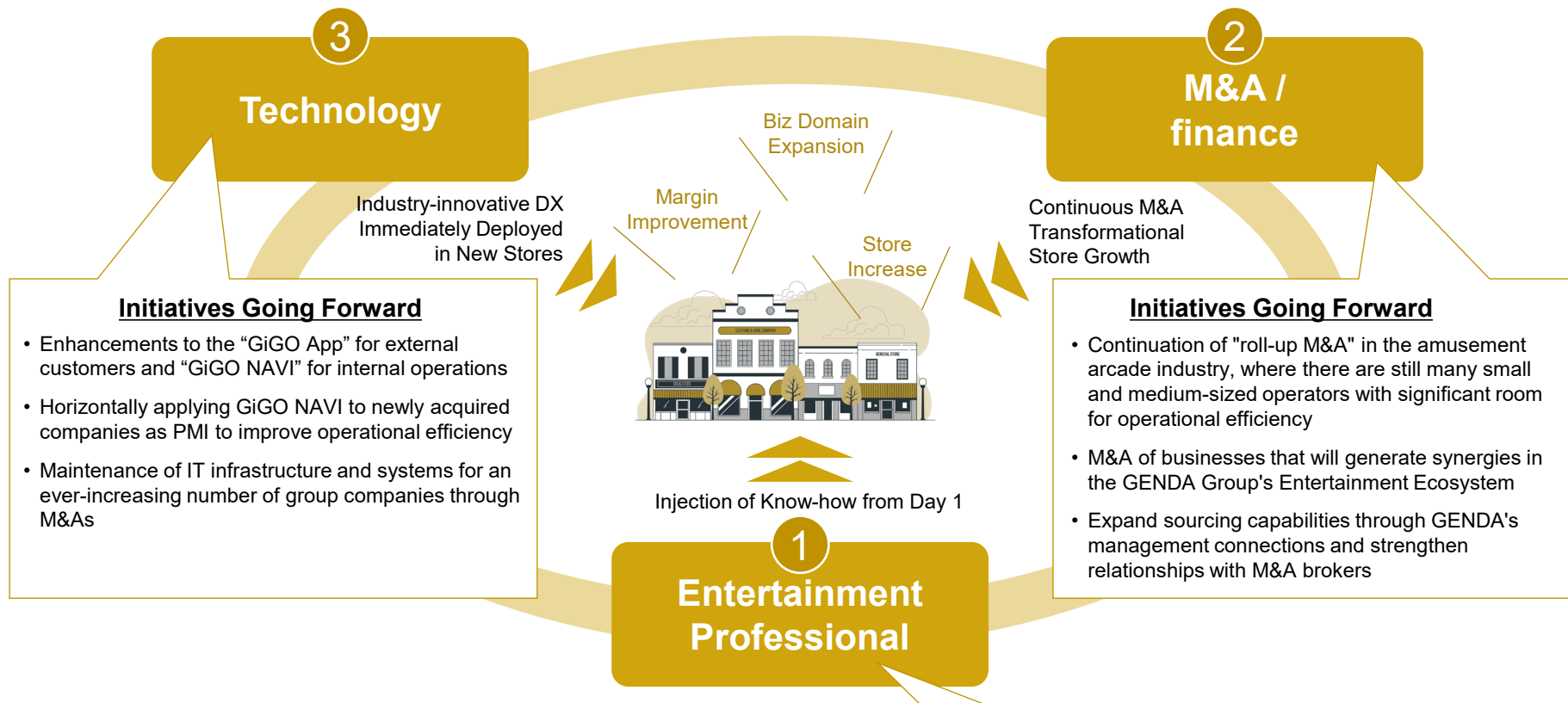


**Database of Prizes** to support Optimal Ordering

景品番号	画像	発売時期	商品名
KOU301334		202206	原神 ともしみ〜楓原万葉・トーマ・ゴロー〜1社限定〜
KOU301439		202206	原神おすわりぬいぐるみディルック&ガイア〜1社限定〜
KDC300357		202206	ブルーアニマル めいぐるみマスコット うさぎ&ソウ

Note: Based on the fact that at GiGO Tachikawa, a test inventory store, total man-hour required for inventory count was reduced by approximately 62% (56 man-hours → 21 man-hours) before and after implementation. The breakdown of the reduction were, storage warehouse counting (20 man-hours → 8 man-hours), replenishment warehouse counting (10 man-hours → 4 man-hours), and machine counting (24 man-hours → 8 man-hours) and input table creation (2 man-hours → 1 man-hours)

## “Continuous Transformational Growth” via the Trinity System



### Initiatives Going Forward: Realize synergies and deploy industry know-how and expertise within the Group



Note: "Roll-up M&A" refers to acquiring many companies in the same industry in order to expand market share. As for "sourcing," it refers to the process of finding a target company that matches the company's desired conditions in an M&A. The logo shown at the bottom indicates the logo of an amusement arcade operated by GENDA GiGO Entertainment.

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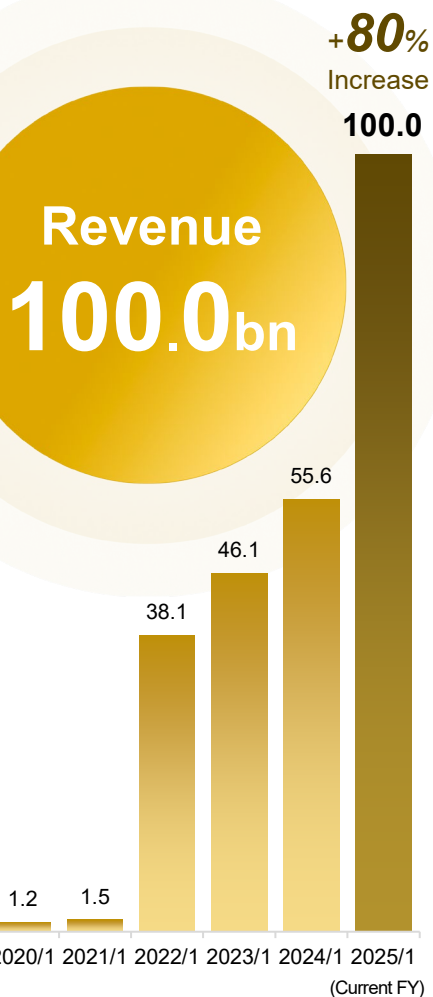
# Business plan

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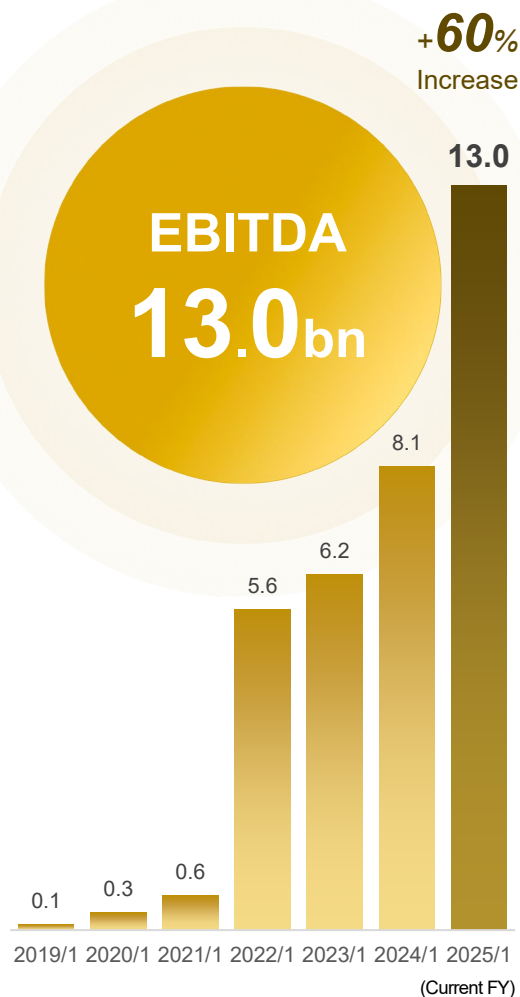
# Highlights of FY2025/1 Earnings Forecast (¥ in billions)

This forecast does NOT include M&As not announced as of today (in other words, the forecast assumes zero M&A after today)

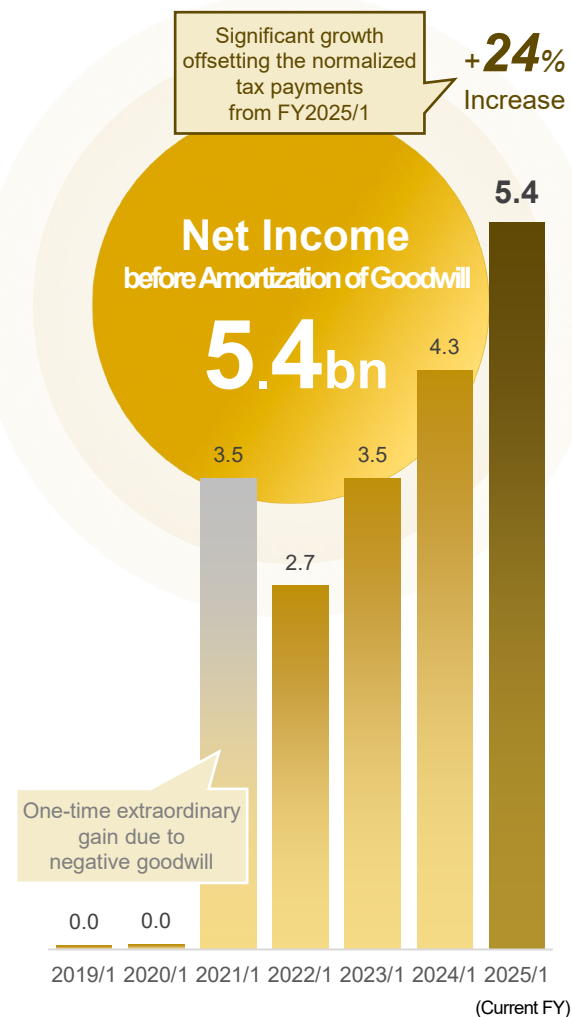
## Consolidated Revenue



## Consolidated EBITDA



## Consolidated Net Income before Amortization of Goodwill



Note: Normalization of income tax payments means that income tax payments, which were reduced by tax loss carryforwards until FY01/2024, will return to normal from FY01/2025.

Figures for FY2019/1~FY2021/1 are for reference only, as consolidated financial statements have not been prepared for FY2019/1~FY2021/1.

# FY2025/1 Earnings Forecast

	FY2024/1 Actual	FY2025/1 Full Year Forecast	YoY Comparison (Percentage change)
(¥ in millions)			
<b>Revenue</b>	55,697	100,000	44,302 +80 %
<b>EBITDA</b>	8,102	13,000	4,897
Margin (%)	14.5 %	13.0 %	+60 %
CF index closest to business operating reality and the most important CF indicator in GENDA's M&A strategy			
<b>Operating income</b>	5,370	7,000	1,629
Margin (%)	9.6 %	7.0 %	+30 %
<b>Ordinary income</b>	5,216	6,600	1,383
Margin (%)	9.3 %	6.6 %	+27 %
<b>Net income before amortization of goodwill</b>	4,359	5,400	1,040
Margin (%)	7.8 %	5.4 %	+24 %
Simplified Indicator of Net Income under IFRS			
<b>Net Income attributable to owners of the parent</b>	4,178	4,300	121
Margin (%)	7.5 %	4.3 %	+3 %

## KPI - EBITDA and Net income before Amortization of Goodwill

From a performance perspective, as we being a company that focuses on M&A as a pillar of its growth strategy, we place the greatest importance on "EBITDA (operating income + depreciation and amortization + amortization of goodwill)," which represents the Group's consolidated annual cash flow generation capacity, and "Net income before amortization of goodwill," an indicator similar to net income under IFRS

Currently, we are executing a large number of M&A projects. However, in light of the fact that all of the target companies in past projects have adopted Japanese GAAP, a trend that is likely to continue, we have adopted Japanese GAAP rather than IFRS in order to ensure flexibility in our M&A and accounting practices. Therefore, we will incur a certain amount of "goodwill amortization expense" (which does not occur under IFRS) as our M&A strategy progresses in the future.

If we change to IFRS, our operating income and net income will increase by the amortization of goodwill, but this will not increase our intrinsic corporate value.

Since enterprise value is only the sum of future free cash flow (after adding back goodwill amortization and other non-cash items) discounted by the time value, and since we repeatedly finance each M&A project based on the target company's ability to generate cash flow.

We believe that it would be more appropriate for investors to focus on our ability to generate cash flow when judging the fair value of our company, which is growing through M&A, and we believe this is important in order to more accurately convey our company's situation. For this reason, we disclose "EBITDA" and "Net income before amortization of goodwill" in our earnings announcements and forecasts, including our financial statements, in addition to the usual step-by-step profit and loss.

*Note: The actual number of amusement arcades includes the increase in the number of amusement arcades due to M&A, but the target does not include the increase in the number of amusement arcades due to M&A. The definition of "M&A sourcing" is the number of direct and indirect (introductions by M&A brokers, financial institutions, etc.) capital transaction proposals from target companies in M&A transactions. 323 amusement facilities as of the end of FY01/2024, of which 47 are to be consolidated from February 1, 2024. The number of amusement arcade stores of PLABI Corporation, which will be consolidated from February 1, 2024, is included in the "323 stores" as of the end of FY01/2024.*

## KPI – M&A related

KPI	FY2023/1 Actual	FY2024/1 Actual	FY2025/1 Target
# of M&A Sourcing	40 cases	170 cases	200 cases

340% vs  
FY target of 50

## KPI – Amusement Arcade Operations

KPI	FY2021/1 Actual	FY2022/1 Actual	FY2023/1 Actual	FY2024/1 Actual	FY2025/1 Target
# of Amusement arcades	202 stores	227 stores	250 stores	323 stores	335 stores

125% vs  
FY target of 258



**In Addition to Maximizing Shareholder Value, we also seek to Maximize Per Share Value**

→ **Specifically, we pursue “Maximization of Cash EPS (earnings per share before amortization of goodwill)”**

(Cash EPS is an indicator that is CF-oriented and net income per share under quasi IFRS with no goodwill amortization)

**We believe “Growth via M&A” does NOT always lead to the increase in Per Share Value**

→ **We access M&A deals whether that will “Increase the Cash EPS”**

## 4 Key Factors in the Pursuit of Maximizing Per Share Value / EPS

### 1 Entry Valuation

We believe the entry valuation is a very important factor in M&A, and we try hard not to enter with wrong price

### 2 Financing

Leverage ample FCF to minimize the amount of equity, limit dilution, and pursue the maximization of equity returns

### 3 PMI

We conduct M&As mainly in areas where we have confidence in PMI, but we would not hold on to a high price by counting too much on our PMI prospects

### 4 Investment Committee

The five committee members hold more than 1/4 of the total shares – thus we will examine whether the M&A deal contributes to the maximization of “per share value”, as the representative of all the shareholders



**Representative  
Director & Chairman**  
**Nao Kataoka:**  
**16.85%**



**Representative  
Director and President**  
**Mai Shin:**  
**8.62%**



**Director  
CFO**  
**Taiju Watanabe:**  
**1.36%**



**Executive  
Officer CSO**  
**Kohei Habara:**  
**0.15%**



**Executive Officer  
Head of AM Business**  
**Kazuhiro Ninomiya:**  
**0.09%**

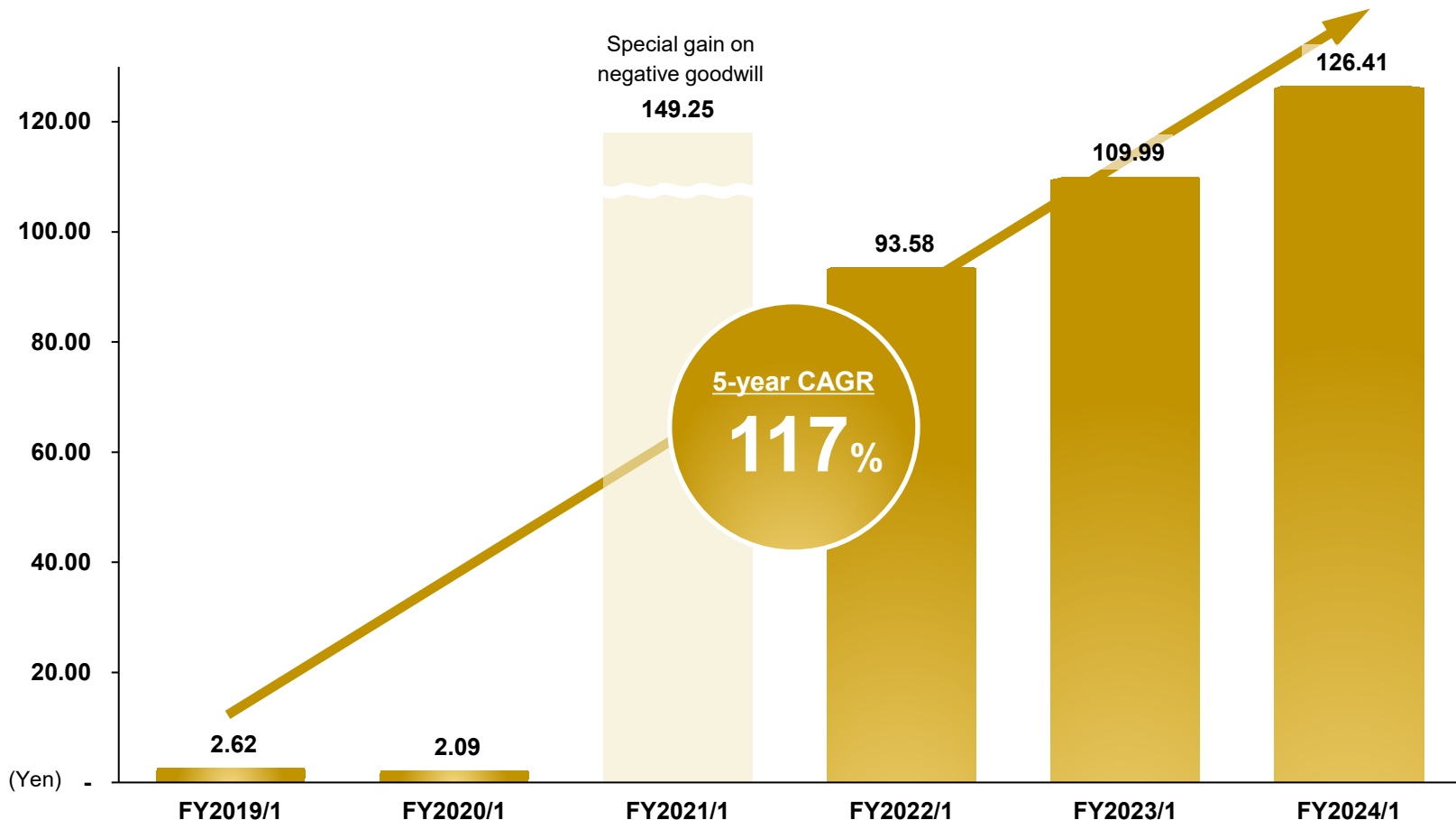
*Note: Percentage of shares held is the ratio including the number of latent shares due to stock acquisition rights, as stated in “Securities Report (Part I), Section 3 [Status of Shareholders]” in the “Annual Securities Report for Initial Listing Application. EPS” refers to “earnings per share. FCF” refers to “free cash flow,” which is operating CF minus investment CF. PMI” refers to the integration process and management to ensure the integration benefits of M&A.*



**EPS grew 48x** despite 115x sales growth was driven mainly through M&A

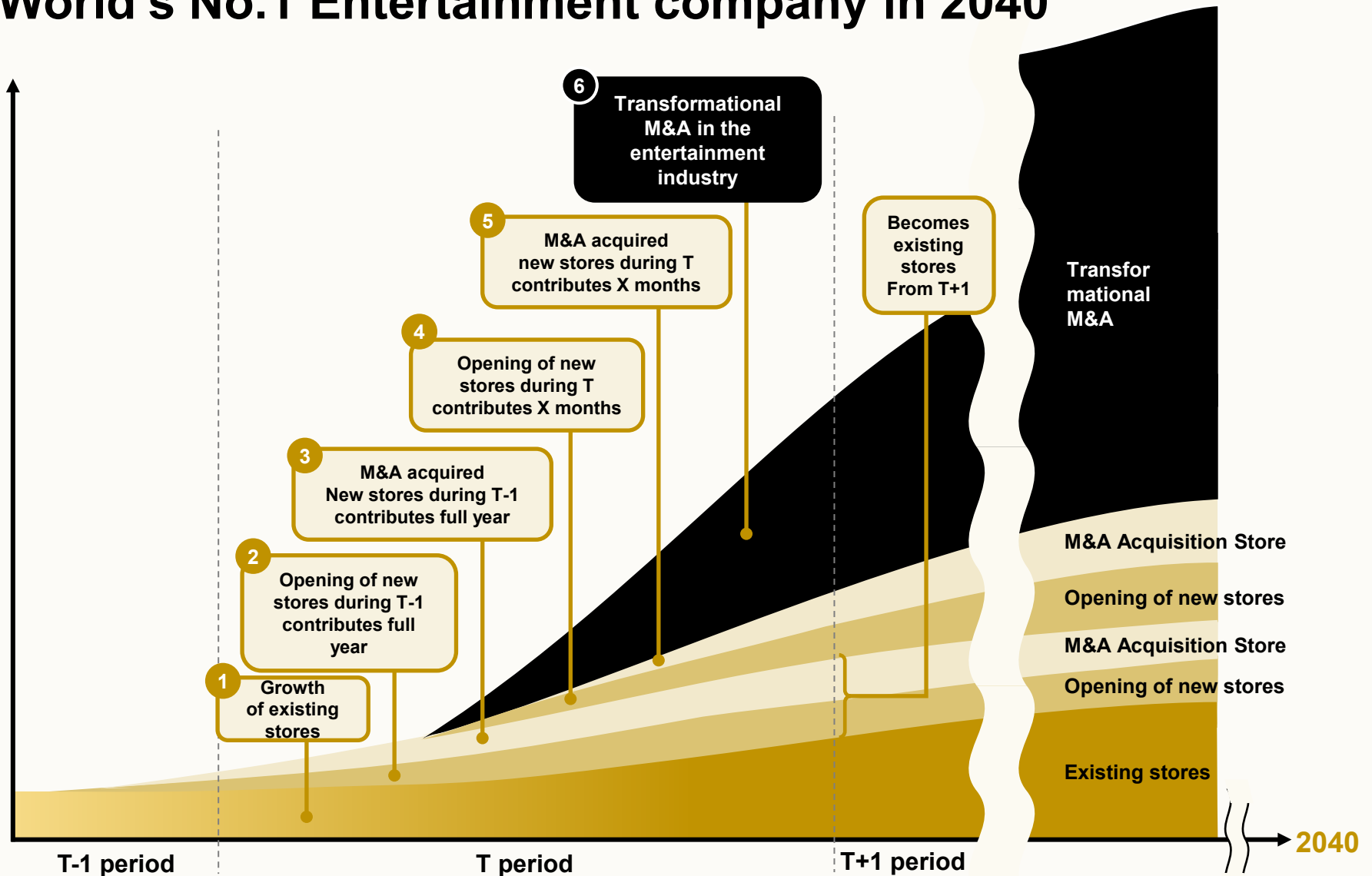
**Continue to pursue the maximization of “share value” as well as “per share value”**

Cash EPS to become the KPI after FY2025/1, when amortization of goodwill will increase, and the PL structure as a company specializing in M&A will come into full swing



Note: Figures for FY2019/1-FY2021/1 are for reference because consolidated financial statements have not been prepared for FY2019/1-FY2021/1.

## World's No.1 Entertainment company in 2040



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## **Status of Use of Proceeds raised at the time of IPO and Risk Information**

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# Deployment of Funds raised at the time of IPO

## Deployed 1,118 million yen for funds raised at the time of IPO

Investment plan generally executed as planned

(Millions of yen)

Use of Proceeds	Original Plan	Revised Plan	FY2024/1 Actual	FY2025/1 Plan
Launch of New Amusement Arcades	1,730	1,730	550	1,180
Renovation of Existing Amusement Arcades	400	400	57	343
Purchase of Amusement Arcade Machines	3,343	2,000	511	1,489
<b>Total</b>	<b>5,473</b>	<b>4,130</b>	<b>1,118</b>	<b>3,012</b>

Note: The difference between the original plan appropriation and the revised plan appropriation is the result of the exercise of the greenshoe option.

Recognized risk	Likelihood of manifestation	Degree of Impact	Potential timeframe for manifestation	Details if manifested	Response to risk
Risk related to M&A and other similar activities	Low	large (e.g. serving size)	No specific time period	<p>GENDA Group aims to enhance existing businesses and efficiently enter new businesses through M&amp;As and business partnerships targeting both domestic and global entertainment companies. GENDA Group utilizes its management expertise to create synergies in business with acquired or partnered companies. However, the following reasons may have an impact on the financial condition and business performance of GENDA Group.</p> <p>(i)Progress of business plan after acquisition: GENDA Group conducts sufficient due diligence and carefully consider risks related to the business, finance, and laws during the process of M&amp;As. However, if the business plan assumed at the time of acquisition does not progress as planned, there is a possibility that it could affect the financial position and business performance of the GENDA Group, for example due to impairment of goodwill, etc.</p> <p>(ii)Occurrence of unexpected debt and unrecognized debt: When executing M&amp;A, the GENDA Group conduct due diligence on the target company's businesses, finances, legal affairs, and taxes in advance, to make decisions after sufficiently identifying risks and analyzing ordinary earning power. However, if problems arise that were unable to identify during the prior investigation, such as the occurrence of unexpected debt or the identification of unrecognized debt, it could affect the financial position and business performance of the GENDA Group. (Cont.)</p>	In the execution of M&A projects, the company maintains a team of experienced officers and employees who can lead a series of procedures related to M&A, including business planning that incorporates synergies, various due diligence procedures, corporate value calculation, negotiation of transaction terms, contract execution, closing, and fundraising in the direct and indirect markets. The company has a team composed of experienced executives and employees who are capable of leading a series of procedures related to M&A, such as business planning, various due diligence, corporate valuation, negotiation of transaction terms, closing, and direct and indirect market financing.

*Note: For risk information other than the above, please refer to "2. Business and Other Risks" in the Annual Securities Report (Part I) for GENDA's initial listing application.*

## Risk Information (continued)

Recognized risk	Likelihood of manifestation	Degree of Impact	Potential timeframe for manifestation	Details if manifested	Response to risk
Risk related to M&A and other similar activities	Low	large (e.g. serving size)	No specific time period	<p>(Cont.)</p> <p>(iii) Asset restructuring associated with integration: In the post-M&amp;A management integration process, there is a possibility that extraordinary profits or losses may occur through business reorganization or the sale of idle assets, which could affect the financial position and business performance of the GENDA Group.</p> <p>(iv) Financing arrangements for M&amp;As: GENDA Group is considering M&amp;As of related businesses as one of the effective means to accelerate business expansion. In addition to new financial burdens and dilution and changes in equity capital, if new borrowing is used, depending on the situation of market interest rate changes, the burden of borrowing interest may increase, which could affect the financial position and business performance of the GENDA Group.</p> <p>(v) Consolidated financial statement system due to increase in consolidated subsidiaries: Currently, GENDA as the holding company works closely with each of its subsidiary to ensure the timely and appropriate closing of accounts. However, if it fails to settle the accounts in a timely and appropriate manner due to inadequate management systems, it may not be able to close its consolidated financial statement in a timely and appropriate manner.</p>	

*Note: For risk information other than the above, please refer to "2. Business and Other Risks" in the Annual Securities Report (Part I) for GENDA's initial listing application.*



# Risk Information (continued)

Recognized risk	Likelihood of manifestation	Degree of Impact	Potential timeframe for manifestation	Details if manifested	Response to risk
Deterioration in performance due to decline in the amusement industry	Low	large (e.g. serving size)	No specific period	While the market size of the amusement industry in Japan has expanded since 2015, driven by the popularity of prize games related to Japanese animation, there is a risk that the performance of GENDA GiGO Entertainment Inc. and GENDA Games Inc., which conducts machine lease business for amusement arcades, may deteriorate due to the diversification of leisure markets, the expansion of home and social games, and the further decline in the birthrate. Additionally, it is considered that the entry of new manufacturers in the amusement machine industry is limited due to the monopolization by major companies, resulting in fewer opportunities to create innovative game machines and the possibility that the entire industry may become inactive.	We plan to import amusement machines from game machine makers overseas, design and develop game machines by our Group Company, and develop new business in amusement arcades
Raise of consumption tax	Low	large (e.g. serving size)	No specific time period	In the circumstance where consumption tax rate increase occurs, it will have an impact on the cost due to the rise in prices including tax, as well as on the business profit due to the increase in consumption tax payment on the sales of our group.	We will take measures to minimize the impact on our customers by implementing further cost reduction initiatives. If that becomes challenging, we may implement price adjustments in our play fees. However, our group has been actively introducing amusement machines equipped with cashless payment systems. This provides us with greater flexibility in pricing compared to machines that only accept cash payments.

Note: For risk information other than the above, please refer to "2. Business and Other Risks" in the Annual Securities Report (Part I) for GENDA's initial listing application.

## Risk Information (continued)

Recognized risk	Likelihood of manifestation	Degree of Impact	Potential timeframe for manifestation	Details if manifested	Response to risk
Other contingent risks	Low	large (e.g. serving size)	No specific period	In the regions where our Group operates, natural disasters such as major earthquakes, heavy rains, or widespread outbreaks of infectious diseases like the COVID-19 pandemic, as well as major catastrophes, social or political events, or turmoil, can potentially have adverse effects such as the suspension of headquarters functions, damage or closure of our stores, and other disruptions. These events have the potential to impact the financial condition and business performance of our Group. Currently, the ongoing global spread of novel infectious diseases like COVID-19 has led to reduced customer visits to amusement facilities, shortened operating hours, temporary closures, and requests for voluntary restrictions on outings by local government authorities. As a result, the operational activities of our operated stores may be affected.	We have implemented a system for prompt information gathering on a daily basis, and in times of emergency, we have established a crisis management headquarters to respond swiftly and effectively to mitigate the situation and ensure a swift recovery. We have built a unified structure that allows the entire company to work together in addressing the crisis.

*Note: For risk information other than the above, please refer to "2. Business and Other Risks" in the Annual Securities Report (Part I) for GENDA's initial listing application.*

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

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*Note: The next disclosure of business plan and growth potential is scheduled to be made at the time of the announcement of financial results for the fiscal year ended January 31, 2025 (around March 2025).*