



December 15, 2023

To Our Valued Stakeholders

Company Name	GENDA Inc.	
Name of Representative	Representative Director	Mai Shin
	and President	
	(Code No.: 9166 Tokyo Stock Exchange Growth Market)	
Contact information (for inquiries)	Director, CFO	Taiju Watanabe
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Notice Concerning Acquisition of Shares of Fukuya Holdings Co., Ltd. (Making it a Wholly Owned Subsidiary)

GENDA Inc. (Headquarters: Minato-ku, Tokyo; Representative Director and Chairman of the Board: Nao Kataoka; Representative Director and President: Mai Shin; hereinafter "GENDA") has resolved at a meeting of its Board of Directors held today to acquire all shares issued by Fukuya Holdings Co., Ltd. (Headquarters: Chiyoda-ku, Tokyo; President: Keiichiro Tanaka; hereinafter "Fukuya HD") a holding company that owns four group companies in Japan and overseas and is engaged in the business of planning and selling prizes in prize games (arcade games in which the object is to win prizes) to amusement arcades.

1. Reason for acquisition

Our aspiration is "More fun for your days". GENDA GiGO Entertainment Inc. (Headquarters: Minato-ku, Tokyo; Representative Director and President: Kazuhiro Ninomiya; hereinafter "GENDA GiGO Entertainment"), the core of the Group's entertainment platform business, operates amusement arcades and is striving to expand its network of amusement arcades through new store openings and mergers and acquisitions in order to provide customers with even more enjoyable entertainment experiences.

In the amusement industry, sales of prize games have been on an upward trend since 2014 in particular. Although the market has temporarily shrunk due to the impact of store closures and shorter business hours caused by the outbreak of the new coronavirus, the 306.2 billion yen in

sales of prize games in the market in FY2021 is the highest amount in the industry over the past 16 years for which data can be compiled as of today, and in addition, the fact that major companies in the industry, including our group, are generating record profits in FY2022 is a sign that the industry as a whole is on a growth trend. In addition, the fact that the industry's major players, including the Group, are generating record profits in FY2022 indicates that the industry as a whole has emerged from the slump caused by the Covid-19 and entered a phase of further growth. Against this backdrop, GENDA GiGO Entertainment has been aggressively investing in prize games in order to capture the trend of market expansion.

Fukuya HD is mainly engaged in the planning and sales of prizes, capsule toys, raffles, etc. in Japan through its subsidiary Fukuya Co., Ltd. FUKUYA USA INC., a U.S. subsidiary, FUKUYA HONG KONG LIMITED, a Hong Kong subsidiary, and Taiwan FUKUYA TAIWAN LIMITED. Due to the high affinity between these businesses of the Fukuya HD Group and the amusement business of our Group, Fukuya HD has capital participation in our consolidated subsidiary, Five Colors Inc., which was established in China in June 2019 and is engaged in amusement arcade operation and equipment rental business, as well as In August 2021, we jointly established Tokyo Character Makers, Inc., which is engaged in character-related business with our company. The Fukuya HD Group is particularly strong in the planning of original prizes and licensed character prizes in the prizes business, and has been developing "Oshi-Katsu" (an activity to support one's favorite idols and characters) goods under the "fanfancy+" brand, which have gained popularity. The "fanfancy+ with GiGO" store in collaboration with GENDA GiGO Entertainment, specializing in "Oshi-Katsu" goods, have been well received by customers in Japan and overseas, who have been responding to the "Oshi-Katsu" needs of the anime and idol market in recent years. We believe that the brand value of both companies will be further enhanced by further expanding the store network to meet the needs of the market.

The acquisition of the shares is expected to expand the lineup of prizes and original merchandising products at amusement arcades operated by the Group, which is expected to increase the volume of Fukuya HD Group's own prizes and reduce per-item costs in terms of manufacturing and distribution.

In the future, we will position the Fukuya HD Group as the "Character MD" of our group's "Entertainment Contents Business," and we will work on joint product planning, sharing the foundation and know-how that both companies have built, such as GENDA GiGO Entertainment's ability to select prizes and expand its store network in amusement arcades and the Fukuya HD Group's ability to plan prizes and original merchandising products, with the aim of expanding the prize lineup and developing original merchandising products that are more attractive than ever and creating amusement arcades that are enjoyed by customers. We will strive to create an amusement facility that will be enjoyed by our customers.

2. Outline of the subsidiary to be acquired

(1)	Name	Fukuya Holdings Co., Ltd.		
(2)	Location	1-6-10 Uchikanda, Chiyoda-ku, Tokyo		
(3)	Title and name of representative	Keiichiro Tanaka, President		
(4)	Business	Domestic Prize Business Character lottery and event merchandising business Live Entertainment Business E-commerce Business		
(5)	Capital stock	10 million yen		
(6)	Date of Establishment	December 7, 2017		
(7)	Major Shareholders and Shareholding Ratio	Keiichiro Tanaka: 93.8%. Shareholding association: 6.2%.		
(8)	Listed companies and Relationship with the Company	Capital ties	As of the date of submission of this document, this company holds 0.34% of the Company's outstanding shares.	
		Personal relations	NA	
		Business relations	NA	
(9)	Operating results and financial condition of the company for the past three years			
	Accounting period	Year ending March 31, 2021	Year ending March 31, 2022	Year ending March 31, 2023
	Net assets	268 million yen	289 million yen	312 million yen
	Total assets	308 million yen	378 million yen	390 million yen
	Net assets per share	4, 469.91 yen	4, 823.19 yen	5, 205. 71 yen
	Net sales	39 million yen	27 million yen	35 million yen
	Operating income	32 million yen	22 million yen	28 million yen
	Ordinary income	38 million yen	29 million yen	33 million yen
	Net income	38 million yen	29 million yen	33 million yen
	Earnings per share	639.72 yen	489.98 yen	561.01 yen
	Dividend per share	196. 15 yen	136.70 yen	178. 50 yen

(Reference) Operating results and financial condition of the acquired subsidiaries and sub-subsidiaries for the past three years

Accounting period	Year ending March 31, 2021	Year ending March 31, 2022	Year ending March 31, 2023
Net assets	790 million yen	912 million yen	1, 117 million yen
Total assets	1, 356 million yen	1, 635 million yen	1, 945 million yen
Net sales	1, 513 million yen	2,052 million yen	2, 922 million yen
Operating income	118 million yen	187 million yen	289 million yen
Ordinary income	149 million yen	205 million yen	322 million yen
Net income	111 million yen	150 million yen	250 million yen

*Because Fukuya Holdings Co., Ltd. does not prepare consolidated financial statements, the financial indicators of Fukuya Holdings Co., Ltd., Fukuya Co., Ltd. , FUKUYA USA INC., FUKUYA HONG KONG LIMITED, and FUKUYA TAIWAN LIMITED are simply added together. Therefore, the above figures do not include offsetting eliminations of internal transactions. Although the subject company's fiscal year ends in March, Fukuya Co., Ltd.'s fiscal year ends in January, and the financial indicators at the end of each fiscal year are simply added together. Net assets per share and net income per share are not stated.

3. Outline of the counterparty of the acquisition

(1)	Name	Keiichiro Tanaka	
(2)	Location	Kita-ku, Tokyo	
(3)	Listed companies and Relationship of the individual concerned	Capital ties	The shareholder holds 0.03% of the Company's issued and outstanding shares.
		Personal relations	NA
		Business relations	NA

4. Number of shares to be acquired, acquisition price and status of shares held before and after acquisition

Number of shares held before the change	0 shares
Number of shares acquired	60, 000 shares
Number of shares held after the change	60,000 shares (100% ownership)

*The acquisition price exceeds 15% of the consolidated net assets of the Company as of the end of the immediately preceding fiscal year, but is undisclosed based on a confidentiality agreement between the parties. The acquisition price was determined through discussions between the

parties after reasonable consideration of the results of a stock valuation by outside experts and legal and financial research.

5. Acquisition schedule

(1)	Date of resolution by the Board of Directors	December 15, 2023
(2)	Date of Signing	December 15, 2023
(3)	Date of Closing	Late January 2024 (scheduled)

6. Future outlook

The impact of this matter on our group's business performance and financial position is expected to be minor. However, if a significant change in business conditions results in a financial impact, we will disclose such information as soon as it becomes clear.