



December 19, 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
		(TEL 03-6281-4781)

**Notice of Acquisition of Shares in PLABI CORPORATION by a Consolidated Subsidiary (Making it a Consolidated Sub-subsidiary) and Change of Specified Subsidiary**

GENDA Inc. (Headquarters: Minato-ku, Tokyo; Representative Director and Chairman of the Board: Nao Kataoka; Representative Director and President: Mai Shin; hereinafter "GENDA") announced today that its Board of Directors resolved at a meeting held today that GENDA GiGO Entertainment (Headquarters: Minato-ku, Tokyo; President: Kazuhiro Ninomiya; hereinafter "GENDA GiGO Entertainment"), a consolidated subsidiary of GENDA, will acquire 82.45% of the outstanding shares of PLABI CORPORATION (Headquarters: Hitachi City, Ibaraki Prefecture; Representative Director and President: Nobuaki Kaji; hereinafter "PLABI"), which operates amusement facilities and other businesses, and make PLABI a subsidiary of GENDA GiGO Entertainment. PLABI's net assets for the immediately preceding fiscal year are equivalent to 30/100 or more of the Company's net assets, making it a specified subsidiary of the Company.

1. Reason for acquisition

Our Aspiration is "More fun for your days". 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. The market size of the amusement industry has been expanding every year since 2014, driven especially by sales

of prize games. 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. On the other hand, even the top 10 players in the industry have only about 50% of the domestic market share, and we believe that the market has room for industry restructuring. In this environment, we believe that we can provide entertainment experiences that can be enjoyed by more customers by implementing the so-called roll-up strategy of continuous M&A and investing our knowledge and management resources in companies that newly join our group or businesses that come under our group's management. We believe that this will enable us to provide entertainment experiences that will be enjoyed by a greater number of customers.

Since commencing operation of amusement arcades in 1967, PLABI has operated 45 amusement arcades nationwide, including "AMUSEMENT PLABI," "cocoro'co," and "MINAMI ASOBI ISLANDS," as well as 363 non-staffed locations inside food supermarkets and clothing chain stores. (As of December 2023) Amusement arcades are located in shopping centers and large food supermarkets, and are enjoyed by customers of all ages, from small children to adults. PLABI also operate "Amusement Cafe Previ," with athletic facilities, large playground equipment and café space, and "☆twinkle☆," an indoor playground with a crane game corner.

The participation of PLABI in our group is expected to increase the efficiency of both companies' store operations through the sharing of human resources and DX expertise between the amusement arcade operated by PLABI and the stores operated by GENDA GiGO Entertainment, as well as the introduction of our original prizes under the GiGO PRIZE brand of prizes developed by GENDA GiGO Entertainment and an increase in the purchasing power of amusement machines and prizes due to the increase in the number of stores are expected to boost the profits of both companies.

We will continue to strive to create attractive facilities to all customers who visit amusement arcades operated by PLABI.

## 2. Outline of the consolidated subsidiary to be acquired

(1)	Name	GENDA GiGO Entertainment Inc.
(2)	Location	1-9-1 Higashi-Shinbashi, Minato-ku, Tokyo

(3)	Title and name of representative	Representative Director and President Kazuhiro Ninomiya
(4)	Business	Planning and operation of amusement arcade Planning and operation of restaurant facilities Amusement equipment rental
(5)	Capital stock	50 million yen
(6)	Date of Establishment	April 1, 2004
(7)	Shareholders and Shareholding Ratio	GENDA Inc.: 100%.

### 3. Outline of the Sub-Subsidiary to be Acquired

(1)	Name	PLABI CORPORATION		
(2)	Location	3-1-16 Benten-cho, Hitachi City, Ibaraki Prefecture, Japan		
(3)	Title and name of representative	Representative Director and President Nobuaki Kaji		
(4)	Business	Amusement Arcade Operations Indoor Playground Project Amusement café business, etc.		
(5)	Capital stock	50 million yen		
(6)	Date of Establishment	September 9, 1965.		
(7)	Major Shareholders and Shareholding Ratio	2 individuals and 1 corporation: 82.45%. Other corporations and individuals: 17.55%. *Shareholding Ratio as of the date of submission of this document		
(8)	Listed companies and Relationship with the Company	Capital ties	NA	
		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	987 million yen	1,110 million yen	1,084 million yen
	Total assets	6,354 million yen	6,076 million yen	5,808 million yen
	Net assets per share	307.13 yen	345.37 yen	337.34 yen

Net sales	3,832 million yen	4,496 million yen	4,907 million yen
Operating income	76 million yen	209 million yen	358 million yen
Ordinary income	56 million yen	229 million yen	312 million yen
Net income (loss)	-57 million yen	125 million yen	-15 million yen
Earnings per share	-17.87 yen	38.99 yen	-4.95 yen
Dividend per share	-	-	5.00 yen

\* PLABI expects to return to profitability in the fiscal year ending March 31, 2024.

#### 4. Outline of the counterparty of the acquisition

The counterparties of the share acquisition are two individual shareholders and one corporation, but their names will not be disclosed due to their wishes and confidentiality agreements between the parties. There are no capital, personal, or business relationships to be noted between GENDA and the counterparties.

#### 5. Number of shares to be acquired, acquisition price and status of shares held before and after the acquisition

Number of shares held before the change	0 shares
Number of shares acquired	2,650,380 shares
Number of shares held after the change	2,650,380 shares (ownership ratio: 82.45%)

\*The acquisition price exceeds 15% of the consolidated net assets of GENDA 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. From the date of submission of this document to the closing date, it is planned that PLABI CORPORATION will purchase its own shares. Accordingly, the "Number of shares acquired," "Number of shares held after the change" and "ownership ratio" may change by the transaction execution date. We plan to disclose them as soon as they are determined.

#### 6. Acquisition schedule

(1) Date of resolution by the Board of Directors	December 19, 2023
(2) Date of Signing	December 19, 2023
(3) Date of Closing	February 1, 2024 (scheduled)

## 7. 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.