



January 22, 2024

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	Director, CFO	Taiju
(for inquiries)		Watanabe
		(TEL 03-6281-4781)

Notice Concerning Acquisition of Shares of Shin Corporation Co., Ltd. (Making it a Consolidated 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 78.59% of the outstanding shares excluding treasury stock issued by Shin Corporation Co., Ltd. (Headquarters: Shinjuku-ku, Tokyo; CEO: Shinji Kato; hereinafter "Shin Corporation"), a company that operates karaoke facilities, etc., and to make it a consolidated subsidiary.

1. Reason for acquisition

Our aspiration is "More fun for your days" and our goal is to become the "World's No.1 Entertainment Company" by 2040. In the process of achieving this goal, we are striving to deliver new entertainment to our customers by expanding our "Entertainment Platform Business" that connects IP content and fans.

Shin Corporation operates 372 "BanBan" karaoke boxes in 45 prefectures throughout Japan (as of December 31, 2023). Karaoke is in high demand as entertainment regardless of age or gender, and Shin Corporation delivers entertainment experiences to approximately 20 million customers annually. In FY2022, the karaoke box market size was 260.2 billion yen, up 67.9% from the previous year, and we believe that the industry as a whole has emerged from the slump caused by the Covid-19. For about 10 years prior to the Covid-19 disaster, the karaoke box market

remained stable at around 390 billion yen. We believe that this market enjoys a certain level of support and stability even amidst the diversification of entertainment. Aiming to create karaoke facilities that will be loved by customers for a long time, Shin Corporation has been operating karaoke facilities with high quality and service, such as the industry's first introduction of a "soft drink bar," which is now widely adopted in the industry, and a "kids' space" in areas where there are many families with children.

Through this acquisition of shares, we believe that we will be able to realize synergies such as an increase in the number of customers to the entertainment facilities of both companies by jointly conducting store development, campaigns, and other activities with GENDA GiGO Entertainment Inc. , the core of the Group's "Entertainment Platform Business". Also, we expect that the development of mini-locations (game corners without staff) at Shin Corporation's stores by GENDA Games Inc., an amusement machine rental company in our group, will improve the business performance of both companies. In addition, we expect to attract more customers to Shin Corporation-operated stores by utilizing the sales promotion know-how of SPSS Co., Ltd., which is engaged in sales promotions within our group. The Group, aiming to become the "World's No.1 Entertainment Company," will utilize Shin Corporation's "entertainment platform," karaoke facilities, to bring new entertainment to our customers.

2. Outline of the subsidiary to be acquired

(1)	Name	Shin Corporation Co., Ltd.	
(2)	Location	346-6 Yamabuki-cho, Shinjuku-ku, Tokyo	
(3)	Title and name of representative	Shinji Kato, CEO	
(4)	Business	Operation of karaoke facilities, etc.	
(5)	Capital stock	10 million yen	
(6)	Date of Establishment	June 14, 1989	
(7)	Major Shareholders and Shareholding Ratio	1 individual: 78.59%. Other corporations: 21.41%.	
(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 May 31, 2021	Year ending May 31, 2022	Year ending May 31, 2023
Net assets	-414 million yen	-421 million yen	-352 million yen
Total assets	14, 173 million yen	13, 627 million yen	12, 814 million yen
Net assets per share	-63.70 yen	-64.82 yen	-54.24 yen
Net sales	11, 492 million yen	11, 549 million yen	17, 927 million yen
Operating income (loss)	-2,715 million yen	-1,223 million yen	153 million yen
Ordinary income (loss)	-2,717 million yen	-1,225 million yen	157 million yen
Net income (loss)	-1,926 million yen	-16 million yen	86 million yen
Earnings per share	-296.27 yen	-2.56 yen	13. 26 yen
Dividend per share	-	-	-

3. Outline of the counterparty of the acquisition

The counterparty of the share acquisition is an individual shareholder, but the name of the counterparty will not be disclosed due to the counterparty's wishes and a confidentiality agreement between the parties. There are no capital, personal, or business relationships to be noted between GENDA and the counterparty of the share acquisition.

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	5,109,000 shares
Number of shares held after the change	5,109,000 shares (Percentage of shares held to the number of shares issued excluding treasury stock: 78.59%)

*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.

5. Acquisition schedule

(1) Date of resolution by the Board of Directors	January 22, 2024
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(2)	Date of Signing	January 22, 2024
(3)	Date of Closing	February 1, 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.