May 23, 2024

To Our Valued Stakeholders


Company Name GENDA Inc.

Name of Representative Representative Director and President Mai Shin

(Code No.: 9166 Tokyo Stock Exchange Growth Market)

Contact information (for inquiries) Director, CFO Taiju Watanabe

(TEL 03-6281-4781)


# Notice Regarding the Acquisition of VAR LIVE JAPAN Co., Ltd.'s VR Game Business by 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") announced today that its Board of Directors resolved at a meeting held today that Dynamo Amusement, Inc. (Headquarters: Chiyoda-ku, Tokyo; President & CEO: Naoki Ogawa; hereinafter "Dynamo Amusement"), a consolidated subsidiary of GENDA, will acquire VR Game Business of VAR LIVE JAPAN Co., Ltd.(Headquarters: Chuo-ku, Tokyo; Representative Director: Aya Suginomori, hereinafter "VAR LIVE JAPAN"), which sells and rents VR (Virtual Reality) game consoles and develops and sells VR contents.

This matter falls within the scope of the Tokyo Stock Exchange's standards for the timely disclosure of minor information regarding the "transfer or acquisition of all or part of a business" and is disclosed on a voluntary basis; therefore, certain items have been omitted.

## 1. Reason for Business Acquisition

Our aspiration is "More fun for your days", and to achieve this aspiration, we are building a global entertainment network to increase the "total amount of fun" distributed throughout the world. In the process of building our unique Entertainment Ecosystem through M&A, we will make roll-up M&A of amusement arcades as the center of our strategy, while actively implementing M&A of entertainment companies and businesses that can be expected to have synergy effects with

amusement arcades, and will strive for mutual business expansion and profit contribution among the companies in our group.

Dynamo Amusement, which plans, produces, and sells VR contents and interactive attractions, has a vision of making the world a place where "surprises" continue to spread by producing "surprises" that no one has ever felt before. Dynamo Amusement plans, produces, and sells a variety of "interactive contents" based on video, such as interactive theater attractions, VR attractions, and interactive games.

VR is a technology that uses specialized devices to "simulate the experience of Contents in a form that is as close to the actual experience as possible" and is being used in a variety of fields, including entertainment, medicine, education, sports, and etc. The global VR market is valued at $25.11 billion in 2023 and is expected to grow from $32.64 billion in 2024 to $244.84 billion by 2032. (*1)

VAR LIVE JAPAN Co., Ltd., the Japanese subsidiary of VAR LIVE International, one of the world's leading VR game developers, has been developing arcade VR game consoles with the mission of developing "high quality VR that can be experienced easily" throughout Japan. In this business transfer, Dynamo Amusement will take over the mainstay arcade VR game console "VAR BOX" and related business contracts from VAR LIVE JAPAN, and Dynamo Amusement will develop VAR BOX locations and utilize VAR LIVE JAPAN's operational know-how.

GENDA GiGO Entertainment Inc., the core of GENDA Group's entertainment platform business, operates amusement arcades. VAR BOX has already been installed in several amusement arcades, including the store “GiGO Akihabara No. 5”, and GENDA plans to further increase the number of VAR BOX machines and promote projects using VAR BOX in the future.

(*1) Source: FORTUNE BUSINESS INSIGHTS, "Market Research Report Virtual Reality (VR) Market Size, Market Share Analysis (2024-2032).

2. Outline of Business Acquisition

(1) Details of Business Acquisition

VR Game Business

(2) Items and amounts of assets and liabilities subject to Business Acquisition (planned)

The assets to be transferred are the current assets and fixed assets of the subject business that have been agreed upon by both parties. The liabilities subject to the business acquisition are the deposit received from Dynamo Amusement, which will be extinguished after the business acquisition is executed.

| Item | | Amount of money |
|---|---|---|
| Assets | Inventories, machinery and equipment | 11 million yen |

| | | |
|---|---|---|
| Liabilities | Guarantee deposits received | 3 million yen |

(3) Transfer price and method of settlement

Due to confidentiality obligations with the counterparty, we refrain from disclosing the transfer price. The transfer price is within the scope of the Tokyo Stock Exchange's standards for the timely disclosure of information on the "transfer or acquisition of all or part of a business".

Settlement will be made in cash on the date of business transfer.

3. Outline of the consolidated subsidiary conducting the acquisition

| | | |
|---|---|---|
| (1) | Name | Dynamo Amusement, Inc. |
| (2) | Location | 2-21 Awaji-cho, Kanda, Chiyoda-ku, Tokyo |
| (3) | Title and name of representative | President & CEO Naoki Ogawa |
| (4) | Business | Planning, production and sales of VR Contents and interactive attractions |
| (5) | Capital stock | 16.2 million yen |
| (6) | Date of Establishment | October 1, 2021 |
| (7) | Share of equity | GENDA Inc.: 100%. |

4. Outline of the counterparty

| | | | |
|---|---|---|---|
| (1) | Name | VAR LIVE JAPAN Co., Ltd. | |
| (2) | Location | 6-15-6 Tsukiji, Chuo-ku, Tokyo | |
| (3) | Title and name of representative | Representative Director Aya Suginomori | |
| (4) | Business | Sales and rental of VR game console<br>Development and sales of VR Contents | |
| (5) | Capital stock | 1 million yen | |
| (6) | Date of Establishment | February 4, 2019 | |
| (7) | Major Shareholders and Shareholding Ratio | VAR LIVE International: 100%. | |
| (8) | Relationship between the listed company and the Company | Capital ties | NA |
| | | Personal relations | NA |

| | | |
|---|---|---|
| | Business relations | NA |
| | Related Party Status | NA |

5. Schedule of business transfer

| | | |
|---|---|---|
| (1) | Date of resolution by the Board of Directors | May 23, 2024 |
| (2) | Date of Signing | May 23, 2024 |
| (3) | Date of Closing | June 1, 2024 |

6. Outline of Accounting Procedures

This business acquisition is expected to be classified as an "acquisition" under the accounting standards for business combinations. The allocation of acquisition costs and the amount of goodwill associated with this transaction are currently under scrutiny.

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.