



June 11, 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 (for inquiries)	Director, CFO	Taiju Watanabe
		(TEL 03-6281-4781)

Notice Regarding the Acquisition of National Entertainment Network, LLC.'s Equity Interests 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 have approved Kiddleton, Inc. (Headquarters: Dallas, Texas, USA; President and CEO: Atsushi Iyoda; hereinafter "Kiddleton"), a consolidated subsidiary of GENDA, to acquire all equity interests of Claw Holdings, LLC (Headquarters: Colorado, USA; Executive Chairman: Jason Walbridge; "Claw Holdings"), which owns National Entertainment Network, LLC (Headquarters: Colorado, USA; Executive Chairman : Jason Walbridge; hereinafter "National Entertainment Network"), a U.S. operator and provider of amusement vending machines (Non-staffed game rooms).

1. Acquisition Overview

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 creating our unique Entertainment Ecosystem, our focal point revolves around an M&A rollup strategy, with amusement arcades being at the fore front. Our focus will be on fostering mutual business expansion opportunities and increasing profit contribution among the companies in our group.

Kiddleton, an operator in our group's mini-location business in the U.S., has over 400 mini-

locations. (as of May 31, 2024). Kiddleton offers small Japanese-style prize machines (arcade games designed to win prizes) and prizes with Japanese-style "Kawaii" designs, which were previously unavailable in the U.S. market, and is developing its business with a unique focus on "products and experiences that can only be obtained here." Those small Japanese-style prize machines are exported from Five Colors Inc., a consolidated subsidiary of GENDA, and prizes are exported from Ares Company Limited and FUKUYA USA INC, both consolidated subsidiaries of GENDA. The synergy effects within our group are manifested on a global scale.

National Entertainment Network is a leading operator and provider of amusement vending machines, including skill cranes, bulk vending, 'kiddie' games, and video games across approximately 8,800 locations in the U.S. The company has achieved sales of approximately USD \$100 million and operating income before depreciation and amortization of approximately USD \$8 million (*1). The company also has a very large network of grocer and retailer customers in the U.S., such as Walmart, Kroger, and Denny's. The company also has a maintenance network that spans across the U.S., and operates its own manufacturing facility in Grand Prairie, Texas, where they repair, wrap, and store gaming equipment. The company is also working on a digital initiative, that allows users to take part in a digital rewards program, while also allowing players to experience free plays by scanning QR codes on the machine.

GENDA Group's acquisition of National Entertainment Network is anticipating to integrate Kiddleton's expertise, which boasts three times the sales per location, into the expansive network of National Entertainment Network. This integration will include integrating maintenance networks, streamlining operations like cash collection and prize replenishment, leveraging the prize and equipment procurement capabilities of Kiddleton and GENDA Group, implementing additional credit card readers, and promoting digital membership programs.

In order to realize our aspiration of "more fun for your days," we will continue to expand our international entertainment network and create attractive facilities around the world for our customers to enjoy.

Brown Gibbons Lang & Company served as the exclusive financial advisor to GENDA in the transaction.

(*1) Consolidated results for National Entertainment Network's parent holding company, Claw Holdings, LLC, for the year ended December 31, 2023.

2. Outline of the consolidated subsidiary conducting the acquisition

(1)	Name	Kiddleton, Inc.
(2)	Location	Dallas, Texas, U.S.A.
(3)	Title and name of representative	President & CEO Atsushi Iyoda

(4)	Business	Operation of Kids Play Zone facilities in the U.S. Mini-location business in the U.S., etc.
(5)	Capital stock	15,369 thousand U.S. dollars
(6)	Date of Establishment	July 2019
(7)	Share of equity	GENDA Inc.: 100%.

3. Overview of the Subsidiary to be Acquired (1)

(1)	Name	Claw Holdings, LLC		
(2)	Location	246 S Taylor Ave, STE 200, LOUISVILLE, CO 80027 United States		
(3)	Title and name of representative	Jason Walbridge, Executive Chairman		
(4)	Business	Holding Company		
(5)	Date of Establishment	January 5, 2018		
(6)	Share of equity	Adam Wolfberg 12.33% Jason Walbridge 9.52% In addition, 44 individuals and 21 corporations.		
(7)	Relationship between the listed company and the Company	Capital ties	NA	
		Personal relations	NA	
		Business relations	NA	
(8)	Financial position and operating results for the past three years(* 2)			
	Accounting period	Year ending December 31, 2021	Year ending December 31, 2022	Year ending December 31, 2023
	Net assets	USD\$4,724 thousand	USD\$8,771 thousand	USD\$9,975 thousand
	Total assets	USD\$51,377 thousand	USD\$49,961 thousand	USD\$37,642 thousand
	Net sales	USD\$67,409 thousand	USD\$99,904 thousand	USD\$100,276 thousand
	Operating income (loss)	USD\$ -1,576 thousand	USD\$3,064 thousand	USD\$3,079 thousand
	Ordinary income (loss)	USD\$ -690 thousand	USD\$4,048 thousand	USD\$1,693 thousand
	Attributable to: Shareholders of the parent company Net income (loss)	USD\$ -862 thousand	USD\$4,048 thousand	USD\$1,693 thousand

(* 2) The above figures are in accordance with U.S. GAAP. National Entertainment Network is

the only operating company in Claw Holdings, LLC consolidated group, and the majority of Claw Holdings, LLC's consolidated results are attributable to National Entertainment Network.

3. Overview of the Subsidiary to be Acquired (2)

(1)	Name	National Entertainment Network, LLC	
(2)	Location	246 S Taylor Ave, STE 200, LOUISVILLE, CO 80027 United States	
(3)	Title and name of representative	Jason Walbridge, Executive Chairman	
(4)	Business	Mini-location business	
(5)	Date of Establishment	August 23, 1995	
(6)	Share of equity	Claw Holdings LLC 100%	
(7)	Relationship between the listed company and the Company	Capital ties	NA
		Personal relations	NA
		Business relations	NA

* No figures are available for National Entertainment Network on a non-consolidated basis.

4. Outline of the counterparty of the acquisition

(1)	Name	Adam Wolfberg	
(2)	Address	New York, NY USA	
(3)	Relationship between the listed company and the Person	Capital ties	NA
		Personal relations	NA
		Business relations	NA

(1)	Name	Jason Walbridge	
(2)	Address	Las Vegas, NV USA	
(3)	Relationship between the listed company and the Person	Capital ties	NA
		Personal relations	NA

	Business relations	NA
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In addition, 44 individuals and 21 corporations. None of them have any capital, personal, or business relationship with the Company.

5. Acquisition price and percentage of ownership before and after the acquisition

Percentage of ownership before the change	0%.
Percentage of equity interest acquired	100%.
Acquisition cost	Acquisition cost (Estimated amount) USD\$29 million
	Advisory fees, etc. (Estimated amount) USD\$2 million
	Total amount (Estimated amount) USD\$31 million
Percentage of ownership after the change	100%.

6. Acquisition schedule

(1) Date of resolution by the Board of Directors	June 11, 2024
(2) Date of Signing	June 11, 2024
(3) Date of Closing	Within 2024 (scheduled)

7. Future outlook

The impact of this matter on our group's business performance and financial position is currently under scrutiny. In the event that a significant change in business conditions results in a financial impact, we will disclose such information as soon as it becomes clear.