

November 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 Watanabe
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**Notice Concerning the Succession of Part of the Business of DORAMA Co., Ltd.
through a Company split (Absorption-type split)**

GENDA Inc. (Headquarters: Minato-ku, Tokyo; Representative Director and Chairman of the Board: Nao Kataoka, Representative Director and President: Mai Shin) and its group companies (hereinafter referred to as "GENDA") hereby announce that its Board of Directors has resolved at a meeting held today that we will succeed an operation business of amusement arcades run by DORAMA Co., Ltd. (Headquarters: Shibuya-ku, Tokyo; CEO: Yasuhiro Kammai; hereinafter "DORAMA") through a company split (absorption-type split) with DORAMA as the split company and GENDA GiGO Entertainment Inc. (Headquarters: Minato-ku, Tokyo; Representative Director and President: Kazuhiro Ninomiya; hereinafter "GENDA GiGO Entertainment") as the successor company (hereinafter "Absorption-Type Split") as follows.

The Absorption-Type Split will be executed subject to the approval and adoption of the relevant proposals at the extraordinary shareholders' meetings of the split company and the successor company respectively, scheduled to be held in late January 2025.

This matter falls within the scope of the Minor Standards for Timely Disclosure of "Organization Restructuring Actions such as Mergers of Subsidiaries, etc." stipulated by the Tokyo Stock Exchange, Inc. and is disclosed on a voluntary basis; therefore, certain items have been omitted.

1. Purpose of the Absorption-Type Split

GENDA has set the aspiration of "More fun for your days" and aims to build a global entertainment network and increase the "total amount of fun" distributed throughout the world to achieve this aspiration. In the process of building our unique Entertainment Ecosystem by M&A, while giving top priority of our strategy to roll-up M&A of amusement arcades, we have been

proactively conducting M&A of entertainment companies and businesses that can be expected to have synergy effects with the operation of amusement arcades and building a structure in which the companies mutually contribute business expansion and profits within GENDA.

GENDA's vision is to create the world's best fun time and space "Tanoshi-ba®" (*1) and keep providing them in the operation of amusement arcades (as of the end of October 2024, the number of GENDA stores was 814, of which 366 were amusement arcades). GENDA is striving to expand the store network of amusement arcades by opening new stores and conducting M&A to deliver more enjoyable entertainment experience to our customers.

The market size of the amusement industry has been expanding every year since 2014, driven by sales of prize games in particular. Although the market temporarily shrank due to the impact of store closures and shortened business hours caused by the Covid-19 virus outbreak, the sales of 325 billion yen (*2) from prize games in the market in FY2022 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 the industry's major players, including GENDA, generated record profits in FY2023 indicated that the industry as a whole emerged from the slump caused by the Covid-19 virus 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 oligopolization has not proceeded, 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 a so-called roll-up strategy of continuous M&A and investing our knowledge and management resources in companies that newly join GENDA or businesses that newly come under the management of GENDA.

DORAMA runs an operation business of amusement arcades in the Kanto region, and we plan to take over seven amusement arcades operated by DORAMA through the Absorption-Type Split.

By the Absorption-Type Split, we can expect an increase in profit for both the business subject to the absorption-type split and GENDA by providing limited-edition prizes of "GiGO PRIZE," which is a prize brand developed by GENDA, and improving the purchasing power of amusement machines and prizes in accordance with increasing numbers of stores in addition to streamlining the store operation by sharing human resources and knowledge of DX between the stores developed by DORAMA and the ones by GENDA.

We will keep striving to create attractive facilities so that we can offer "Tanoshi-ba®" to all customers that visit GENDA's amusement arcades.

(*1) "Tanoshi-ba®" is a registered trademark of GENDA GiGO Entertainment (*translator's note: The meaning of Tanoshi-ba is "fun place"*).

(*2) Source: "Survey on the Amusement Industry," Japan Amusement Industry Association

2. Summary of the Absorption-Type Split

(1) Schedule of the Absorption-Type Split

Date of Board of Directors' Resolution on Approval of Absorption-type split agreement (Split company and Successor company)	November 22, 2024
Date of signing of Absorption-type split agreement	November 22, 2024
Date of resolution of the General Meeting of Shareholders for approval of the absorption-type split (Split company and Successor company)	Late January 2025 (scheduled)
Scheduled execution date of the absorption-type split (effective date)	February 1, 2025 (scheduled)

(2) Method of the Absorption-Type Split

The Absorption-Type Split will be an absorption-type split with GENDA GiGO Entertainment as the successor company and DORAMA as the split company.

(3) Details of allocation of the Absorption-Type Split

GENDA GiGO Entertainment plans to deliver cash to DORAMA as compensation for the absorption-type split. We will not disclose the specific amount of money based on the non-disclosure agreement.

(4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in connection with the Absorption-Type Split

Not applicable.

(5) Changes in capital due to the Absorption-Type Split

Not applicable.

(6) Rights and obligations to be succeeded

The successor company will succeed some of the assets, liabilities, contracts and other rights and obligations related to the business to be succeeded with the scope specified in the absorption-type split agreement.

(7) Prospect for fulfillment of obligations

We have determined that there is no problem with the prospects for fulfillment of the obligations to be borne by the split company and the successor company in the Absorption-Type

Split.

3. Basis etc. for the allocation of the Absorption-Type Split

The calculation of the amount of money to be delivered by the successor company in the Absorption-Type Split has been agreed as a fair and reasonable price upon consultation between the parties.

4. Outline of the Companies involved in the Absorption-Type Split

	Split company	Successor company
(1) Name	DORAMA Co., Ltd.	GENDA GiGO Entertainment Inc.
(2) Location	1-13-3 Honcho, Shibuya-ku, Tokyo	1-9-1 Higashi-Shinbashi, Minato-ku, Tokyo
(3) Title and Name of Representative	CEO Yasuhiro Kammai	Representative Director and President Kazuhiro Ninomiya
(4) Business	Amusement business, animation and event business, reuse business	Planning and operation of amusement arcades and restaurant facilities
(5) Capital stock	45 million yen	50 million yen
(6) Date of Establishment	March 1, 1982	April 1, 2004
(7) Accounting period	February	January
(8) Major shareholders and Percentage of shareholding	Yasuhiro Kanmai: 100%.	GENDA Inc.: 100%.
(9) Number of shares outstanding	180,000 shares	17,872 shares
(10) Relationship between the parties		
	Capital ties	Not applicable
	Personal relations	Not applicable
	Business relations	Not applicable
	Related Party Status	Not applicable

5. Details of business to be succeeded

(1) Details of business to be succeeded

Part of the operation business of amusement arcades (7 amusement arcades)

(2) Items and book value of assets and liabilities to be succeeded (planned)

The assets of the succeeding business will be fixed and current assets which belong to the target business and are mutually agreed by both parties. There are no liabilities to be succeeded.

Assets		Liabilities	
Total amount	613 million yen	Total amount	-

6. Outline of accounting treatment

The Absorption-Type Split is expected to be classified as an "acquisition" under the Accounting Standards for Business Combination. We are scrutinizing the allocation of acquisition costs and the amount of goodwill associated with this treatment currently.

7. Situation after the Absorption-Type Split

The corporate name, the location of head office, the name of representative, the scope of business and the accounting period of the successor company will be as stated above in "4. Outline of the Companies involved in the Absorption-Type Split" and we do not plan to change them after the absorption-type split at this moment. The amount of net assets and that of total assets have not been determined yet.

8. Future outlook

We expect that the impact of this matter on our consolidated business performance and financial position for the fiscal year ending January 31, 2025 will be minor. However, if a significant change in business conditions results in a financial impact, we will promptly disclose such information as soon as it becomes clear.