

December 24, 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
		(TEL 03-6281-4781)

**Notice Regarding the Acquisition of Shares of HALOS Corporation**  
**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) and its group companies (hereinafter "GENDA") hereby announce that we have resolved at a meeting of the Board of Directors held today to acquire 100% of the shares outstanding of HALOS Corporation (Headquarters: Chuo-ku, Tokyo; President: Fujio Imaizumi; hereinafter "HALOS"), which runs an amusement arcade business etc., and make HALOS a subsidiary of GENDA.

1. Reason for acquisition

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 to business expansion and profits within GENDA.

GENDA GiGO Entertainment Inc. (Headquarters: Minato-ku, Tokyo; Representative Director and President: Kazuhiro Ninomiya), which takes a central role in Entertainment Platform Business of GENDA, operates amusement arcades targeting a place to provide the world's No.1 entertainment, that is real and appeals to human beings' sense, and make everybody in the world long to visit GiGO. GENDA is advancing the expansion of our store network of amusement arcades by opening new arcades and conducting M&A with the aim of delivering more enjoyable entertainment experiences to our customers (the number of stores run by GENDA was 859 as of November 30, 2024, of which, 402 were amusement arcades).

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 (\*1) 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.

HALOS operates 53 amusement arcades, "HALOS Garden" and others, and 63 mini-locations nationwide (as of December 2024). In the operation business of amusement arcades, HALOS plays a role of a "social uncle" that works together with local communities to nurture the dreams of children to a great extent, and aims for operation of amusement arcades filled with dreams that will "nourish their hearts."

By the acquisition of the shares, we can expect an increase in profit for both HALOS 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 HALOS and the ones by GENDA.

We will keep striving to create attractive arcades for all our customers that visit GENDA's amusement arcades.

(\*1) Source: "Survey on the Amusement Industry," Japan Amusement Industry Association

## 2. Outline of the consolidated subsidiary to acquire the shares

(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 arcades Planning and operation of restaurant facilities Rental of equipment for play facilities
(5)	Capital stock	50 million yen
(6)	Date of Establishment	April 1, 2004
(7)	Share of equity	GENDA Inc.: 100%

### 3. Outline of the subsidiary to be acquired

(1)	Name	HALOS Corporation		
(2)	Location	1-7-3 Shintomi, Chuo-ku, Tokyo		
(3)	Title and name of Representative	President Fujio Imaizumi		
(4)	Business	Planning, design, management and operation of amusement complexes Planning and operation of events Planning, manufacturing and sales of playground equipment and original prizes Franchisee operation of Curves, a women-only fitness center		
(5)	Capital stock	100 million yen		
(6)	Date of Establishment	February 8, 1996		
(7)	Share of equity	Hanwa Co., Ltd.: 100%		
(8)	Relationship between the listed company and the company concerned	Capital ties	Not applicable	
		Personal relations	Not applicable	
		Business relations	Not applicable	
(9)	Financial position and results of operations for the past three years			
	Accounting period	Year ending March 31, 2022	Year ending March 31, 2023	Year ending March 31, 2024
	Net assets	1,146 million yen	1,238 million yen	1,304 million yen
	Total assets	2,185 million yen	2,232 million yen	2,493 million yen
	Net assets per share	286,684.78 yen	309,692.58 yen	326,060.87 yen
	Net sales	4,645 million yen	4,869 million yen	5,728 million yen
	Operating income	206 million yen	170 million yen	137 million yen
	Ordinary income	187 million yen	179 million yen	153 million yen
	Net income	109 million yen	114 million yen	87 million yen
	Earnings per share	27,381.94 yen	28,508.84 yen	21,885.21 yen
	Dividend per share	-	5,500 yen	5,500 yen

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

(1)	Name	Hanwa Co., Ltd.
(2)	Location	4-3-9 Fushimi-machi, Chuo-ku, Osaka-city, Osaka
(3)	Title and name of	President Yoichi Nakagawa

	Representative	
(4)	Business	Domestic and import-export business in: Steel products, Steelmaking raw materials, a variety of metals, food products, energy, life living materials, lumber, machinery and others
(5)	Capital stock	45,651 million yen
(6)	Date of Establishment	April 1, 1947
(7)	Net assets and total assets (as of September 30, 2024)	Net assets 369,469 million yen Total assets 1,165,893 million yen
(8)	Major Shareholders and Shareholding Ratio (as of September 30, 2024)	The Master Trust Bank of Japan, Ltd. (trust account) 14.04%
		Hanwa Clients' Stock Investment Association 5.74%
		Custody Bank of Japan, Ltd. (trust account) 5.30%
		Sumitomo Mitsui Banking Corporation 3.78%
		JP MORGAN CHASE BANK 385632 (Standing proxy: Settlement & Clearing Services Dept., Mizuho Bank, Ltd.) 3.70%
		Hanwa Employees' Stock Investment Association 2.60%
		STATE STREET BANK AND TRUST COMPANY 505223 (Standing proxy: Settlement & Clearing Services Dept., Mizuho Bank, Ltd.) 1.62%
		DFA INTL SMALL CAP VALUE PORTFOLIO (Standing proxy: Citibank, N.A., Tokyo Branch) 1.59%
(9)	Relationship between the listed company and the company concerned	Capital ties Not applicable
		Personal relations Not applicable
		Business relations Not applicable
		Related party status Not applicable

5. Number of shares 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	4,000 shares

Number of shares held after the change	4,000 shares (100% ownership)
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\*The acquisition price exceeds 15% of the consolidated net assets of GENDA Inc. as of the end of the immediately preceding fiscal year. However, it 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 etc.

#### 6. Schedule of Acquisition

(1)	Date of resolution by the Board of Directors	December 24, 2024
(2)	Date of Signing	December 24, 2024
(3)	Date of Closing	March 1, 2025 (scheduled)

#### 7. 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.