

April 9, 2025

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 Concerning the Acquisition of Shares of Pixel Intermediate Holding Corporation,  
which owns Player One Amusement Group Inc., by our 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 referred to as “GENDA”) announces that we have resolved at a meeting of the Board of Directors held today that our consolidated subsidiary, Kiddleton, Inc. (Headquarters: Dallas, Texas, USA; President and CEO: Atsushi Iyoda; hereinafter “Kiddleton”), will acquire 100% of the shares of Pixel Intermediate Holding Corporation (Headquarters: Wilmington, Delaware, USA; hereinafter collectively referred to as “PLAYER ONE,” including its group companies), which has group companies such as Player One Amusement Group Inc. (Headquarters: Ontario, Canada), which is engaged in the operation of amusement arcades, etc., and make it a consolidated subsidiary as follows.

1. Reason for the 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.

Kiddleton, which operates GENDA's mini-location business in the U.S., offers Japanese-style small prize game machines (arcade games for the purpose of winning prizes) and Japanese-style “Kawaii” designed prizes which were not previously found in the U.S. market, and operates with its uniqueness by sticking to “merchandise available nowhere else, experience available nowhere else.” In November 2024, Kiddleton acquired 100% of equity interest of Claw Holdings, LLC, which owns National Entertainment Network, LLC

(hereinafter “NEN”). NEN has a network of approximately 10,000 mini-locations throughout the U.S. After Kiddleton acquired the equity interest, NEN serves as a giant platform for delivering Japanese prizes all across America, which were previously difficult to get in the U.S. GENDA has been promoting measures such as the replacement of existing prize games with Kiddleton-style ones as soon as NEN joined us. As a result, the sales of mini-locations after the replacement have significantly increased compared to those before the replacement, and the average sales at stores where PMI was implemented have increased by approximately three times. (\*1)

Founded in 1975, PLAYER ONE has been engaged in the operation of amusement arcades, etc. in North America. It had been affiliated with Cineplex Inc., which is an entertainment company and operates movie theaters in Canada, since 2012, and acquired by Open Gate Capital, which is a private equity fund, through M&A in February 2024.

PLAYER ONE is engaged in the Route Operations business and the Sales & Distribution business. In the Route Operations business, it operates 104 amusement arcades and approximately 2,000 mini-locations and has an advantage in opening a store in large-scale entertainment facilities such as movie theaters and FECs (Family Entertainment Centers). In the Sales & Distribution business, it sells and wholesales game machines, etc. The mini-location that Kiddleton and NEN have worked on in vacant spaces in supermarkets and shopping malls is a business model which it is possible to install even in limited space and a cash recoupment period is short because the scale is small and the amount of investment is limited. However, since PLAYER ONE has installed more game machines in one location and has an advantage in the development of locations where we can expect a long-term contract, it is possible to steadily generate a certain scale of cashflow. With this M&A, on an estimate basis calculated by simply totaling in a way described in \*2, GENDA's sales volume in North America in the fiscal year ending on January 31, 2027 is estimated to be approximately 300 million U.S. dollars in total (approximately 44.0 billion yen) and will constitute approximately 25% of all (\*2).

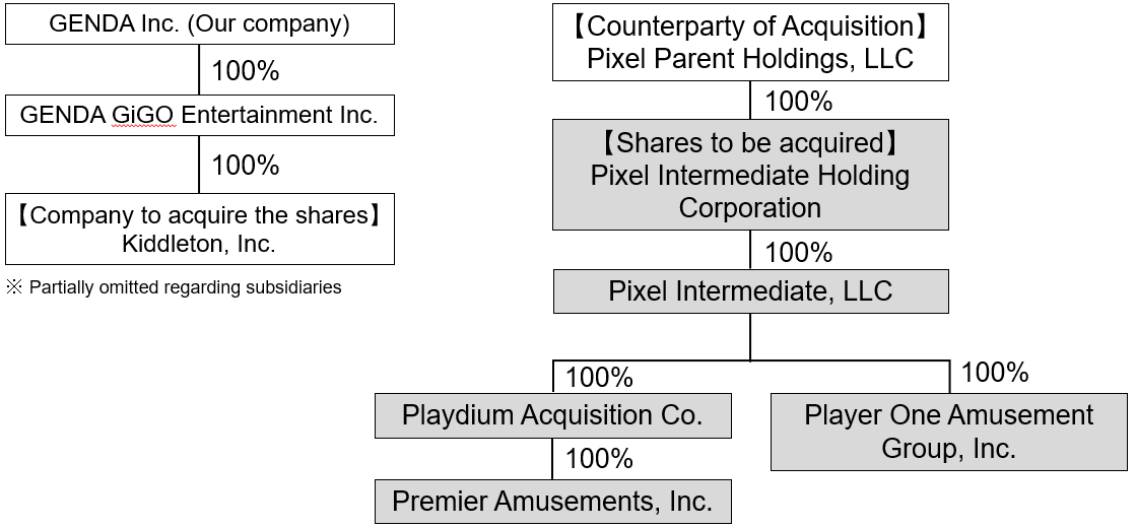
After GENDA acquires PLAYER ONE, as same as the PMI measures which we have implemented for NEN, we will introduce GENDA's unique prizes to PLAYER ONE's huge network, including prizes of Japanese anime IP, which are scheduled to be introduced in the future, as well as installation of mini crane games and introduction of “Kawaii” prizes, and we expect further increase in sales. In addition, we will make the management more efficient by introducing Kiddleton's know-how, integrating maintenance networks, integrating operations such as cash collection and prize replenishment, and utilizing the game equipment procurement functions, etc. By implementing these measures, we expect adjusted consolidated EBITDA, which was 18 million U.S. dollars (approximately 2.6 billion yen) in the results of the fiscal year ending on December 31, 2024, the latest fiscal year-end, to increase up to 35 million U.S. dollars (approximately 5.2 billion yen) in the medium to long term.

To realize our aspiration of “More fun for your days,” we will continue to expand our entertainment network globally and strive to create attractive facilities so that our customers can enjoy around the world.

- (\*1) Among 101 locations where we replaced game machines and prizes in November and December 2024, regarding sales data of 67 locations which had operated for 14 days or more, we compared an average sales per day for the same number of days before and after the replacement.
- (\*2) Estimates calculated by applying the target value of sales for the fiscal year ending on January 31, 2026 which we announced on March 12, 2025 to the fiscal year ending on January 31, 2027, and totaling the amount and our target value of PLAYER ONE for the fiscal year ending on December 31, 2025, in order to show the scale of GENDA's sales in North America in the fiscal year ending on January 31, 2027 after PLAYER ONE joined us because the PLAYER ONE's operating results will contribute to our consolidated ones full year from the fiscal year ending on January 31, 2027.

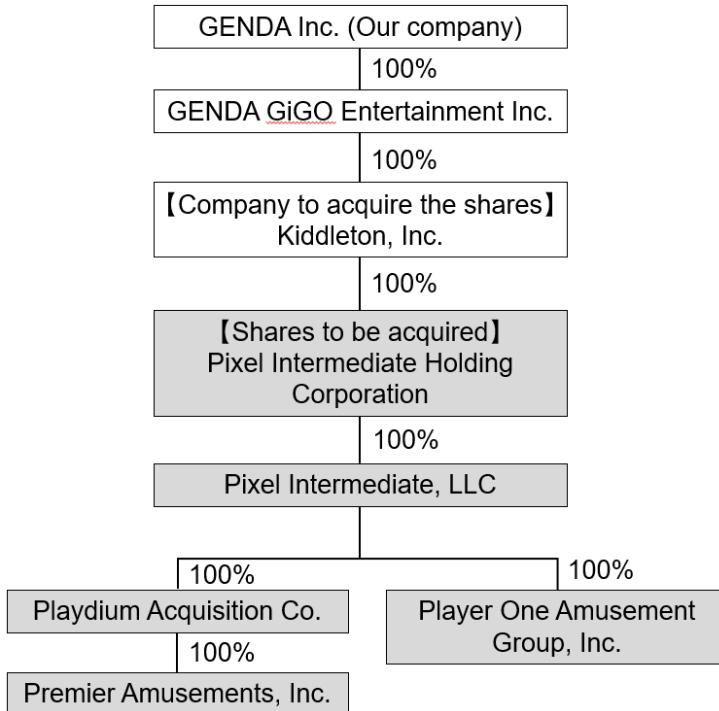
2. Overview of the acquisition

【Before acquisition】



※ Partially omitted regarding subsidiaries

【After completion of acquisition】



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

(1)	Name	Kiddleton, Inc.
(2)	Location	Dallas, Texas, USA
(3)	Title and name of Representative	President and CEO Atsushi Iyoda
(4)	Business	Operation of amusement arcades in the U.S. Mini-location business in the U.S., etc.
(5)	Capital stock	USD\$15,369 thousand
(6)	Date of Establishment	July 2019
(7)	Share of equity	GENDA GiGO Entertainment Inc.: 100%

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

(1)	Name	Pixel Intermediate Holding Corporation	
(2)	Location	1209 Orange Street, Wilmington, Delaware, 19801 USA	
(3)	Business	Pure holding company	
(4)	Date of Establishment	November 14, 2023	
(5)	Share of equity	Pixel Parent Holdings, LLC: 100%	
(6)	Relationship between the listed company and the company concerned	Capital ties	Not applicable
		Personal relations	Not applicable
		Business relations	Not applicable
(7)	Financial position and operating results *		
Accounting period		Year ending on December 31, 2024	
Consolidated net assets		USD\$36,726 thousand	
Consolidated total assets		USD\$133,475 thousand	
Consolidated net assets per share		USD\$133 thousand	
Consolidated net sales		USD\$154,357 thousand	
Consolidated operating loss (-)		USD\$-5,159 thousand	
Net loss attributable to shareholders of the parent company (-)		USD\$-16,379 thousand	
Consolidated net loss per share (-)		USD\$-16 thousand	
Dividend per share		-	

\* The above financial results are based on US-GAAP. The financial position and operating results in and

before the fiscal year ending on December 31, 2023 are omitted because Pixel Intermediate Holding Corporation had been established by Open Gate Capital on November 14, 2023 for the purpose of acquiring businesses operated by Player One Amusement Group, Inc., Playdium Acquisition Co. and Premier Amusements, Inc. (hereinafter “Businesses”), which was executed in February 2024. Besides, since the M&A by Open Gate Capital in February 2024 and the subsequent reorganization resulted in a change in the consolidated parent company and there is no change in the actual nature of the Businesses or the scope of the Businesses to be consolidated to Pixel Intermediate Holding Corporation in or after February 2024, while the consolidated financial figures with Pixel Intermediate Holding Corporation at the top do not include the Businesses for January 2024, we describe the sum of the results of the Businesses in January 2024 and the ones of Pixel Intermediate Holding Corporation for the period from February 2024 till December 2024 in the above “Financial position and operating results.”

(Reference: Financial position and operating results of the Businesses for the past fiscal years)

Financial position and operating results *			
Accounting period	Year ending on December 31, 2022	Year ending on December 31, 2023	Year ending on December 31, 2024
Consolidated net assets	-	-	USD\$36,726 thousand
Consolidated total assets	-	-	USD\$133,475 thousand
Consolidated net sales	USD\$142,603 thousand	USD\$161,525 thousand	USD\$154,357 thousand
Consolidated EBITDA	USD\$24,534 thousand	USD\$29,914 thousand	USD\$ 7,888 thousand
Adjusted consolidated EBITDA	USD\$24,235 thousand	USD\$27,621 thousand	USD\$18,257 thousand
Net income attributable to shareholders of the parent company or Net loss attributable to shareholders of the parent company (-)	USD\$9,076 thousand	USD\$15,440 thousand	USD\$-16,379 thousand
Adjusted net income attributable to shareholders of the parent company	USD\$8,776 thousand	USD\$13,147 thousand	USD\$8,223 thousand

Note

1. The target values for the fiscal year ending on December 31, 2025 are as follows; sales volume of USD\$160,000 thousand, adjusted consolidated EBITDA of USD\$20,000 thousand and adjusted net income attributable to shareholders of the parent company of USD\$9,000 thousand.
2. Regarding the target business to be consolidated to GENDA Inc. by this acquisition, since there is no change in the actual nature of the target business or the scope of the business to be consolidated although the M&A by Open Gate Capital in February 2024 and the subsequent reorganization

resulted in a change in the consolidated parent company, we describe the actual results of the target business within the scope of consolidation for the last three fiscal years. However, the figures for the fiscal year ending on December 31, 2022 and the one ending on December 31, 2023 are omitted because there is no consolidated balance sheet corresponding to that of the consolidated parent company due to the M&A by Open Gate Capital in February 2024 and the subsequent reorganization.

3. Adjusted consolidated EBITDA is calculated by adding back (1) one-off expenses associated with the M&A by Open Gate Capital in February 2024 and (2) a subsidy for COVID-19, etc.
4. Regarding Adjusted Net income attributable to shareholders of the parent company, in addition to (1) and (2), although a large amount of borrowing interest is included in the fiscal year ending on December 31, 2024 associated with the M&A conducted by Open Gate Capital in February 2024, we plan to repay the interest concerned after GENDA conducts M&A and the burden of interest is expected to return to the same level of the year ending on December 31, 2023. Therefore, we deducted interest on the borrowing concerned and added back the amortization of goodwill.

#### 5. Overview of the counterparty of the acquisition

(1)	Name	Pixel Parent Holdings, LLC	
(2)	Location	1209 Orange Street, Wilmington, Delaware, 19801 USA	
(3)	Business	Pure holding company	
(4)	Capital stock	Not disclosed	
(5)	Date of Establishment	November 14, 2023	
(6)	Net assets	Not disclosed	
(7)	Total assets	Not disclosed	
(8)	Share of equity	Pixel Ultimate Holdings, LLC: 98.6%	
(9)	Relationship between the listed company and the company concerned	Capital ties	Not applicable
		Personal relations	Not applicable
		Business relations	Not applicable
		Related parties	Not applicable

6. Number of shares acquired, acquisition price and number of shares held before and after acquisition

Number of shares held before the change	0 share
Number of shares acquired	1,000 shares
Acquisition cost	Acquisition cost (Estimated amount) USD\$170 million
	Advisory fees, etc. (Estimated amount) USD\$4 million
	Total amount (Estimated amount) USD\$174 million
Number of shares held after the change	1,000 shares (ownership ratio: 100%)

Note

1. The acquisition price, advisory fees, etc. and total amount in yen terms (TTM rate at the end of March 2025: 149.52 yen per U.S. dollar) are as follows.

Acquisition cost	(Estimated amount) 25,418 million yen
Advisory fees, etc.	(Estimated amount) 598 million yen
Total amount	(Estimated amount) 26,016 million yen

2. The consideration for the share acquisition will be all cash and we plan to allot cash reserves and borrowings.

7. Schedule of acquisition

(1) Date of resolution by the Board of Directors	April 9, 2025
(2) Date of Signing	April 9, 2025
(3) Date of Closing	July 1, 2025 (scheduled)

8. Future outlook

The impact of this matter on GENDA's consolidated business performance and financial position for the fiscal year ending on January 31, 2026 is currently under scrutiny. In the event that a significant change in business conditions results in a financial impact, we will promptly disclose such information as soon as it becomes clear.

The date of closing of this matter is scheduled on July 1, 2025. The income and loss of PLAYER ONE after the date of closing of this matter is expected to be reflected in our consolidated financial results for the fiscal year ending on January 31, 2026.