

April 24, 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 Young Co., Ltd.
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”) hereby announce that we have resolved at a meeting of the Board of Directors held today to acquire 100% of the shares outstanding of Young Co., Ltd. (Headquarters: Hikone city, Shiga; Representative Director and President: Shinpei Fujita; hereinafter referred to as “Young”), which operates an amusement arcade business and others, and to make it a subsidiary of GENDA as follows.

This matter falls within the scope of the Minor Standards for Timely Disclosure of “transfer or acquisition of shares or equity Involving changes in a subsidiary or other matters involving changes in a subsidiary” stipulated by the Tokyo Stock Exchange, Inc. and is disclosed on a voluntary basis; therefore, certain items have been omitted.

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.

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, has set a vision of “Spark Fun – Inspire Excitement,” has been pursuing real entertainment beginning at “like” and creating passionate experiences that stimulate the five senses as a gaming pioneer.”

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 325.0 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.

Young operates 13 stores such as amusement arcades named "Indoor Amusement Park Young," bowling alleys named "LAPYUTA BOWL" and playgrounds for kids named "KiDS PARADISE," etc. and 86 mini-locations including capsule toy specialty stores, "GACHA² CITY" in the Chubu and Kansai regions (as of April 2025). In order to deliver real-feeling values to all customers, Young operates amusement arcades which create new forms of play, games and community and serve as source to send information.

By this acquisition of the shares, we can expect an increase in earnings for both Young 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 stores operated by Young and the ones operated 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	Young Co., Ltd.	
(2)	Location	1 Nishiima-cho, Hikone city, Shiga	
(3)	Title and name of Representative	Representative Director and President Shinpei Fujita	
(4)	Business	Planning and operation of amusement arcades, gacha gacha (<i>capsule toy machine</i>) corners, play zones for kids and bowling alleys	
(5)	Capital stock	50 million yen	
(6)	Date of Establishment	October 16, 2000	
(7)	Share of equity	HEIWADO CO. LTD.: 100%	
(8)	Relationship between the listed company and the company concerned	Capital ties	Not applicable
		Personal relations	Not applicable
		Business relations	GENDA is making a sale to Young.

4. Outline of the counterparty of the acquisition

(1)	Name	HEIWADO CO., LTD.	
(2)	Location	1 Nishiima-cho, Hikone city, Shiga	
(3)	Title and name of Representative	Representative Director, Executive President and CEO Masashi Hiramatsu	
(4)	Business	General retailing handling food, clothing, housing-related products, etc.	
(5)	Capital stock	11,614,370,000 yen	
(6)	Date of Establishment	June 18, 1957	
(7)	Net assets and Total assets (as of February 20, 2025)	Consolidated net assets 192,026million yen Consolidated total assets 307,868million yen	
(8)	Major shareholders and Shareholding ratio (as of August 20, 2024)	The Master Trust Bank of Japan, Ltd. (trust account)	7.27%
		Natsuhara LLC	6.80%
		Heiwado Kyoeikai	6.32%
		Heiwado Foundation	5.83%
		Shiga Bank, Ltd.	4.86%
		Peace & Green Co., Ltd.	3.79%
		Nippon Life Insurance Company	3.62%
		Heiwa Kanko Kaihatsu Co., Ltd.	3.29%
		Heiwado Employee Shareholding Association	2.13%
		Michiko Natsuhara	1.66%
(9)	Relationship between the listed company and the company concerned	Capital ties	Not applicable
		Personal relations	Not applicable
		Business relations	There are lease agreements between GENDA and HEIWADO CO., LTD.
		Related parties	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	1,000 shares
Number of shares held after the change	1,000 shares (100% ownership)

* We do not disclose the acquisition price based on a confidentiality agreement between the parties because it is less than 15% of the consolidated net assets of GENDA Inc. as of the end of the immediately preceding fiscal year. The acquisition price was determined through discussions between the parties after reasonable consideration of the results of equity valuation by outside experts and legal and financial research.

6. Schedule of the acquisition

(1)	Date of resolution by the Board of Directors	April 24, 2025
(2)	Date of Signing	April 24, 2025
(3)	Date of Closing	May 8, 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 on January 31, 2026 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.