

August 27, 2025

To Our Valued Stakeholders

Company Name	GENDA Inc.	
Name of Representative	Representative Director,	Nao Kataoka
	President and CEO	
	(Code No.: 9166 Tokyo Stock Exchange Growth Market)	
Contact information	Managing Director, CFO	Taiju Watanabe
		(TEL 03-6281-4781)

**Notice of the Acquisition of Shares of CARATT, Inc. and Making it a Wholly Owned  
Subsidiary through a Simplified Share Exchange**

GENDA Inc. (Headquarters: Minato-ku, Tokyo; Representative Director, President and CEO: Nao Kataoka; hereinafter referred to as “Company”) and its group companies (hereinafter collectively referred to as “GENDA”) hereby announce that we have resolved at a meeting of the Board of Directors held today, as an element of a series of transactions (hereinafter “Transaction”) designed to acquire all shares of CARATT, Inc. (Headquarters: Kashiba city, Nara; Representative Director and President: Takashi Sano; hereinafter referred to as “CARATT”), which operates a photography studio businesses and others, (i) to acquire part of the shares outstanding of CARATT (hereinafter “CARATT Share Acquisition”), (ii) to acquire all shares of Five Star Co., Ltd. (Headquarters: Setagaya-ku, Tokyo; Representative Director: Takashi Sano; hereinafter “Five Star”), which holds shares of CARATT (hereinafter “Five Star Share Acquisition”) and (iii) to conduct a simplified share exchange with the Company as the wholly owning parent company in share exchange and CARATT as the wholly owned subsidiary in share exchange (hereinafter “Share Exchange”) as follows.

The Company plans to conduct the Share Exchange by taking the procedures of simplified share exchange pursuant to the provisions of paragraph 2 of Article 796 of the Companies Act, without gaining approval by the general meeting of shareholders.

**I. Reason for the Transaction**

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 expanding our “Entertainment Platform,” primarily focusing on amusement arcades, both domestically and internationally, we have been proactively conducting M&A of entertainment companies and businesses that can be expected to have

synergy effects within our Entertainment Ecosystem, transcending the inherent volatility of the entertainment business and establishing a structure in which the companies mutually contribute to business expansion and profits growth within GENDA.

With the philosophy of creating communication that enriches lives and brings happiness to society through the heartwarming experience of “photo shoots,” CARATT operates 108 photography studios including “Studio CARATT,” “Studio Coffret” and “Self-portrait Studio Original,” across Japan (as of August 27, 2025). CARATT's strength lies in its photographers' ability to capture a client's natural, fleeting expressions using handheld cameras. This technique allows them to provide modern, stylish photos that are perfect for social media. Besides, CARATT is not limited to traditional commemorative photography for events like Shichi-Go-San (*a Japanese traditional celebration for children turning 3, 5 or 7*) and Coming-of-Age ceremonies. They are capturing the needs of younger generations and families by expanding their offerings to include diverse photo studio concepts, such as casual, everyday self-photo studios, tailored to different age groups and purposes. By comprehensively handling everything from on-location photography and costume rentals to studio space design, they have developed a service that uses photography to support their clients through all of life's moments. Instead of being a simple photography service, CARATT provides photography itself as an “experiential entertainment.” They create new connections and communication between people, and between people and society, that emerge from this unique experience.

Through CARATT joining GENDA, we will strengthen the collaboration between GENDA's existing businesses and CARATT's photography business and maximize the value of the entertainment experience for both companies. The customer demographics of CARATT, which appeal to young people and families, are highly compatible with those of GENDA's amusement arcade, “GiGO,” and karaoke facilities, “Karaoke BanBan.” This shared tendency to “gather and have fun” will create an opportunity for a reciprocal referral effect. In addition, we will maximize mutual customer referrals by integrating CARATT's customer data with GENDA's based of over 2.4 million customers. Specifically, we will maximize the customer lifetime value (LTV) of GENDA's customers by using CARATT's customer data along with GENDA's service customers and usage data and recommending the most suitable GENDA services to each customer segment. Furthermore, we can leverage GENDA's intellectual property (IP) connections to create new customer experiences, such as collaborations between CARATT's services and various IPs. Besides, it will be possible to centralize and share tenant information to efficiently expand into appropriate locations as we have already done with GiGO and Karaoke BanBan.

With the Aspiration of “More fun for your days,” GENDA will keep delivering a variety of entertainment experiences.

## II. Outline of the Transaction

### 1. Schedule for the Transaction

II-4	Date of the Board of Directors' Resolution to approve the CARATT Share Acquisition Agreement	August 27, 2025
	Date of Signing of the CARATT Share Acquisition Agreement	
II-5	Date of the Board of Directors' Resolution to approve the Five Star Share Acquisition Agreement	
	Date of Signing of the Five Star Share Acquisition Agreement	
II-6	Date of the Board of Directors' Resolution to approve the Share Exchange Agreement (Wholly owning parent company in share exchange and wholly owned subsidiary company in share exchange)	
	Date of Signing of the Share Exchange Agreement	
II-4	Date of Closing for the CARATT Share Acquisition	September 29, 2025 (scheduled)
II-5	Date of Closing for the Five Star Share Acquisition	
	Dividend in kind of CARATT shares by Five Star	September 30, 2025 (scheduled)
II-6	Date of the General Meeting of Shareholders' resolution (Wholly owned subsidiary in share exchange)	
	Effective date of the Share Exchange	October 1, 2025 (scheduled)

(Note) The Company plans to conduct the Share Exchange by taking the procedures of simplified share exchange pursuant to the provisions of paragraph 2 of Article 796 of the Companies Act, without gaining approval by the general meeting of shareholders.

### 2. Summary of the Transaction

The Company plans to make CARATT a wholly owned subsidiary by acquiring 639,700 of its outstanding shares (including 39,700 shares to be newly issued upon the exercise of share acquisition rights). We will acquire 142,090 shares through the CARATT Share Acquisition, 305,700 shares through the Five Star Share Acquisition (the Company plans to hold CARATT shares through a dividend in-kind from Five Star), and 191,910 shares through the Share Exchange.

### 3. Outline of the accounting treatment of the Transaction

The accounting treatment of the Transaction is expected to fall under the category of "acquisition" under the Accounting Standard for Business Combinations. Goodwill is expected to be recognized in our consolidated financial statements, but the amount is currently under scrutiny.

#### 4. Summary of the CARATT Share Acquisition

##### (1) Method of the CARATT Share Acquisition

The Company plans to conclude a share transfer agreement dated August 27, 2025, with the counterparty listed in (2) below and to acquire common shares of CARATT on September 29, 2025.

##### (2) Outline of the counterparty for the CARATT Share Acquisition

(1) Name	Takashi Sano	
(2) Address	Setagaya-ku, Tokyo	
(3) Relationship between the listed company and the individual concerned	Capital relationship	The individual concerned holds 7,900 shares of the Company's stock (shareholding ratio 0.004%).
	Personal relationship	Not applicable
	Business relationship	Not applicable

None of one individual shareholder and 12 individuals who are not shareholders of CARATT as of today but will become shareholders upon exercise of stock acquisition rights issued by CARATT have any capital, personal or business relationship with the Company.

##### (3) Number of shares to be acquired, acquisition cost and status of shares held before and after acquisition

(1) Number of shares held before change	0 share
(2) Number of shares to be acquired	447,790 shares (*)
(3) Acquisition cost	1,207 million yen
(4) Number of shares held after change	447,790 shares (ownership ratio 70.0%) (*)

(\*) (2) and (4) include shares to be indirectly acquired through the Five Star Share Acquisition.

##### (4) Basis for calculation of the acquisition cost

To determine the above acquisition price, the Company asked AGS FAS Co., Ltd. (hereinafter "AGS FAS"), which is an independent calculation agent, to make a calculation. We discussed with the counterparty by reference to the result of the calculation and then agreed on the above acquisition cost.

AGS FAS adopted the discounted cash flow method (hereinafter "DCF method") to calculate the share price per share of CARATT. The details of the business plan used in the DCF Method are described in "(b) Summary of the calculation" of "(ii) Matters related to the calculation" of "(4) Basis, etc. for the allocation of the Share Exchange" of "6. Summary of the Share Exchange."

## 5. Summary of the Five Star Share Acquisition

### (1) Outline of the subsidiary to be acquired

(1)	Name	Five Star Co., Ltd.	
(2)	Location	Setagaya-ku, Tokyo	
(3)	Title and name of Representative	Representative Director Takashi Sano	
(4)	Business	Asset management company holding CARATT shares, etc.	
(5)	Date of establishment	October 10, 2013	
(6)	Shareholding ratio	Three individual shareholders: 100%	
(7)	Relationship between the listed company and the company concerned	Capital relationship	Not applicable
		Personnel relationship	Not applicable
		Business relationship	Not applicable

\* Five Star Co., Ltd. has a company split plan to transfer its assets and liabilities, excluding CARATT shares and cash and deposits, to a newly established company through an incorporation-type company split that will take effect on September 12, 2025. The Company plans to acquire shares of Five Star after the company split. In addition, Five Star plans to distribute all of its CARATT shares (305,700 shares) to the Company in kind as of September 30, 2025.

### (2) Outline of the counterparty of the acquisition

The counterparty for the share acquisition consists of three individual shareholders; however, due to the wishes of the counterparties and a confidentiality agreement between the parties, their names and other details will not be disclosed. None of the counterparties have any capital, personal or business relationship with the Company.

### (3) Number of shares acquired, acquisition cost, and number of shares held before and after acquisition

(1)	Number of shares held before change	0 share
(2)	Number of shares to be acquired	100 shares
(3)	Acquisition cost	2,598 million yen
(4)	Number of shares held after change	100 shares (ownership ratio 100%)

## 6. Summary of the Share Exchange

### (1) Method of the Share Exchange

It will be conducted through a share exchange in which the Company will become the wholly owning parent company in share exchange and CARATT will become the wholly owned subsidiary company in share exchange. The Share Exchange will be conducted subject to approval of the Share Exchange

Agreement by resolution at a CARATT's general meeting of shareholders scheduled to be held on September 30, 2025. The Company plans to conduct the Share Exchange by taking the procedures of simplified share exchange pursuant to the provisions of paragraph 2 of Article 796 of the Companies Act, without gaining approval by the general meeting of shareholders.

(2) Allotment of Shares pertaining to the Share Exchange

	Company (wholly owning parent company in share exchange)	CARATT (wholly owned subsidiary in share exchange)
Allotment ratio pertaining to the Share Exchange (Share Exchange Ratio)	1	9.884
Number of shares to be delivered upon the Share Exchange	Common stock of the Company: 1,896,838 shares	

(Note 1) The Company will allocate and deliver 9.884 shares of common stock of the Company for each share of common stock of CARATT (excluding, however, the shares of common stock of CARATT held by the Company as of the effective date of the share exchange).

(Note 2) Number of the Company's shares to be delivered through the Share Exchange

The Company plans to allocate and deliver 1,896,838 shares of common stock of the Company in the Share Exchange. With respect to the shares to be delivered by the Company, the Company plans to issue 1,896,838 new shares.

(Note 3) Treatment of shares less than one unit

In accordance with the Share Exchange, it is expected that the shareholders of CARATT provided in "(11) Major shareholders and Shareholding ratio" of "(5) Outline of the companies involved in the Share Exchange" will hold less than one unit (less than 100 shares) of the Company's stock. It will be possible to sell such shares by using the following program.

(i) Buyback program for shares less than one unit (sale of shares less than one unit): Pursuant to the provision of paragraph 1 of Article 194 of the Companies Act, the shareholders may request the Company to buy out shares less than one unit held by them.

(Note 4) Treatment of fractions of less than one share

If the Share Exchange results in a fraction of less than one share of common stock of the Company, pursuant to the provisions of Article 234 of the Companies Act and other related laws, the Company will pay to the shareholders of CARATT provided in "(11) Major shareholders and Shareholding ratio" of "(5) Outline of the companies involved in the Share Exchange" in response to the whole number part of total of the fractions less than one share and will not allocate shares responding to the fractions.

(3) Treatment of stock acquisition rights and bonds with stock acquisition rights in connection with the Share Exchange

Not applicable.

(4) Basis, etc. of allocation of the Share Exchange

(i) Basis and reason for the allocation

In order to ensure the fairness and appropriateness of the Share Acquisition and the share exchange ratio for the Share Exchange (hereinafter “Share Exchange Ratio”), the Company appointed AGS FAS as an independent calculation agent which was independent of the Company and CARATT and requested them to calculate the equity value.

Taking into consideration the financial situations and future prospects of CARATT comprehensively based on the results of the equity value calculations submitted by AGS FAS and the results of the due diligence conducted on CARATT, as a result of negotiations and discussions between the parties, the Company has determined that the Share Exchange Ratio is appropriate.

(ii) Matters related to the calculation

(a) Name of the calculation agent and its relationship with the Company and CARATT

AGS FAS is a calculation agent which is independent of the Company and CARATT. It does not fall under a related party of the Company or CARATT or have an important stake related to the Share Acquisition or the Share Exchange that should be noted.

(b) Summary of the calculation

Since the Company's shares are listed on the Growth Market of the Tokyo Stock Exchange, the equity value of the Company was set at 860 yen, which was the closing price of the Company's common stock in the Growth Market of the Tokyo Stock Exchange on August 26, 2025, the business day immediately preceding the date of the Board of Directors meeting held on August 27, 2025.

On the other hand, regarding the equity value of CARATT, which is not listed, we asked AGS FAS, which is an independent third-party body, to calculate it to ensure fairness and appropriateness. After careful discussions between the parties within the range of the calculation results stated in the calculation report (7,954 yen to 9,920 yen), we determined that the equity value of CARATT was 8,500 yen per share.

AGS FAS calculated the equity value of CARATT by using DCF method to reflect the ability to make earnings based on the status of its future business activities in the evaluation, because CARATT is not listed and they were unable to use the market price method, and the source of their equity value is the ability to make earnings in the future.

The financial projections on which the calculations were based were based on CARATT's operating

results and financial conditions expected after becoming a wholly owned subsidiary, and there is no fiscal year that we expect a significant increase or decrease in income or a significant difference in the amounts of assets and liabilities compared to the most recent financial statements.

Based on the above calculation results, we have examined and negotiated the Share Exchange Ratio, and as a result, we have decided to allocate 9.884 shares of the Company's stock for each share of CARATT stock, as stated in 6. (2) above.

In calculating the equity value of CARATT, AGS Consulting has, in principle, used as-is the information provided to them, the information they have heard through interviews, and publicly available information.

In addition, we have not independently verified the accuracy and completeness of those materials and information, assuming that they are all accurate and complete, that there is no undisclosed information that could materially affect the calculation of the equity value of CARATT, and that CARATT's future earnings plans and financial forecasts have been reasonably prepared based on the best possible estimates and judgment at this point in time.

(iii) Prospects for delisting and reasons thereof

Not applicable.

(5) Outline of the companies involved in the Share Exchange

	Wholly owned subsidiary in share exchange	Wholly owning parent company in share exchange
(1) Name	CARATT, Inc.	GENDA Inc.
(2) Location	416-1 Kamada, Kashiba city, Nara	1-9-1 Higashi-Shinbashi, Minato-ku, Tokyo
(3) Title and name of Representative	Representative Director and President Takashi Sano	Representative Director, President and CEO Nao Kataoka
(4) Business	Photography studio business	Pure holding company of entertainment companies (Entertainment Platform Business, Entertainment Contents Business)
(5) Capital	30 million yen (as of July 31, 2025)	16,893 million yen (as of July 31, 2025)
(6) Date of Establishment	December 2004 (founded in 1994)	May 2018
(7) Fiscal Year End	September	January
(8) Number of employees	969 (as of September 2024)	Consolidated 13,152 (as of January 31, 2025)



(9)	Major Customers	Individual customers	GENDA GiGO Entertainment Inc., etc.																											
(10)	Main Banks	Nara Chuo Shinkin Bank, Nanto Bank, Ltd., Kiyo Bank, Ltd.	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Ltd., SBI Shinsei Bank, Ltd., Resona Bank, Ltd., Shizuoka Bank, Ltd., Aozora Bank, Ltd., Chiba Bank, Ltd., Yamanashi Chuo Bank, Ltd., Japan Finance Corporation, etc.																											
(11)	Major Shareholders and Shareholding Ratio	<div>(As of July 31, 2025)</div> <table><tr><td>Five Star Co., Ltd.</td><td>51.0%</td></tr><tr><td>Takashi Sano</td><td>45.7%</td></tr><tr><td>One individual shareholder</td><td>3.3%</td></tr></table>	Five Star Co., Ltd.	51.0%	Takashi Sano	45.7%	One individual shareholder	3.3%	<div>(as of January 31, 2025)</div> <table><tr><td>Yoshimura Hideki Midas B Investment Limited Partnership</td><td>34.23%</td></tr><tr><td>Nao Kataoka</td><td>13.02%</td></tr><tr><td>Custody Bank of Japan, Ltd. (trust account)</td><td>6.80%</td></tr><tr><td>Mai Shin</td><td>4.54%</td></tr><tr><td>STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd., Settlement &amp; Clearing Services Dept.)</td><td>3.27%</td></tr><tr><td>CEPLUX-THE INDEPENDENT UCITS PLATFORM 2 (Standing proxy: Citibank, N.A., Tokyo Branch)</td><td>3.00%</td></tr><tr><td>Midas Capital G Fund Limited Liability Partnership</td><td>2.81%</td></tr><tr><td>Shin Mai LLC</td><td>2.64%</td></tr><tr><td>MARIN FOOD CO., LTD</td><td>1.53%</td></tr><tr><td>GROWING Co., Ltd.</td><td>1.53%</td></tr></table>		Yoshimura Hideki Midas B Investment Limited Partnership	34.23%	Nao Kataoka	13.02%	Custody Bank of Japan, Ltd. (trust account)	6.80%	Mai Shin	4.54%	STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Dept.)	3.27%	CEPLUX-THE INDEPENDENT UCITS PLATFORM 2 (Standing proxy: Citibank, N.A., Tokyo Branch)	3.00%	Midas Capital G Fund Limited Liability Partnership	2.81%	Shin Mai LLC	2.64%	MARIN FOOD CO., LTD	1.53%	GROWING Co., Ltd.	1.53%
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GROWING Co., Ltd.	1.53%																													
(12)	Number of shares issued	600,000 shares (as of July 31, 2025)	183,905,904 shares (as of July 31, 2025)																											
(13)	Relationship between the parties																													
	Capital	Not applicable																												

	relationship						
	Personnel relationship	Not applicable					
	Business Relationship	Not applicable					
	Related Party Status	Not applicable					
(14) Financial position and operating results for the past three years							
		CARATT, Inc.			GENDA Inc. (consolidated)		
Fiscal Year End		FY2023/3	FY2024/3	FY2024/9 (*)	FY2023/1	FY2024/1	FY2025/1
Net Assets		981 million yen	1,044 million yen	848 million yen	11,240 million yen	19,664 million yen	35,690 million yen
Total Assets		3,068 million yen	3,087 million yen	3,208 million yen	31,033 million yen	52,141 million yen	114,368 million yen
Net assets per share		1,635.97 yen	1,740.71 yen	1,413.46 yen	88.31 yen	141.61 yen	226.54 yen
Revenue		4,031 million yen	3,998 million yen	1,521 million yen	46,091 million yen	55,697 million yen	111,786 million yen
Operating income or loss (-)		332 million yen	242 million yen	-211 million yen	4,244 million yen	5,370 million yen	7,965 million yen
Ordinary income or loss (-)		334 million yen	251 million yen	-208 million yen	4,011 million yen	5,216 million yen	7,305 million yen
Net Income or loss (-) or Net income attributable to owners of the parent		201 million yen	62 million yen	-176 million yen	3,494 million yen	4,178 million yen	3,304 million yen
Net income or loss (-) per share		335.50 yen	104.74 yen	-294.10 yen	27.49 yen	31.60 yen	22.66 yen
Dividend per share		-	-	-	-	-	-

(\*) Due to a change in its fiscal year-end, CARATT's fiscal year for the period ending on September 30, 2024 will be an irregular six-month period from April to September 2024. Additionally, the figures for CARATT are non-consolidated for the fiscal years ending on March 31, 2023 and March 31, 2024, and consolidated for

the six-month period ending on September 30, 2024.

(6) Situation after the Share Exchange

There will be no change in the Company's name, location, name and title of representative, business activities, or fiscal year end as a result of the Share Exchange.

III. 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.