

September 25, 2025

To Our Valued Stakeholders

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

**Notice of Making Melo Works Co., Ltd. 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 to conduct a simplified share exchange with the Company as the wholly owning parent company in share exchange and Melo Works Co., Ltd. (Headquarters: Yokohama city, Kanagawa; Representative Director: Shigenori Kanemoto; hereinafter “Melo Works”), which runs a karaoke facility operation business, 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.

1. Reason for the Share Exchange

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.

In the karaoke facility operation business, GENDA aims to operate karaoke facilities that will be loved by customers for a long time and is committed to operating facilities with high quality and meticulous service.

In addition, GENDA is advancing the expansion of our store network by opening new facilities and conducting M&A with the aim of delivering entertainment experiences to many more customers.

Melo Works operates 62 karaoke facilities, including “ALL” (as of September 2025). It operates stores with the aim of becoming a community-based company based on the philosophy of “providing affordable, enjoyable time and space to everyone in the community.” Melo Works is committed to providing high quality customer service and maintaining the store’s environment, as well as improving services based on customer feedback, and continues to operate with the goal of remaining a store that will always be loved by the community.

With the Share Exchange, we can expect the efficiency of store operation to be improved by sharing human resources and knowledge of DX and making a bulk purchase of consumables, etc. with stores operated by GENDA. Besides, we can expect an increase in earnings of the acquired stores in terms of both cost reduction and sales improvement, for example, by implementing IP collaborations leveraged by our business network in the amusement business, which plays a central role in GENDA’s “Entertainment Platform Business,” and offering food and beverages developed in the food and beverage business.

We will keep striving to create attractive facilities to deliver a more enjoyable entertainment experience to all our customers that visit GENDA’s stores.

2. Summary of the Share Exchange

(1) Schedule for the Share Exchange

(1) Date of the Board of Directors’ resolution (Wholly owning parent company in share exchange and wholly owned subsidiary in share exchange)	September 25, 2025
(2) Date of signing of the agreement	September 25, 2025
(3) Date of the General Meeting of Shareholders’ resolution (Wholly owned subsidiary in share exchange)	Within October 2025 (scheduled)
(4) Effective date	November 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) 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 Melo Works 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 Melo Works’ general meeting of shareholders scheduled to be held within

October 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.

(3) Allotment of Shares pertaining to the Share Exchange

	Company (wholly owning parent company in share exchange)	Melo Works (Wholly owned subsidiary company in share exchange)
Allotment ratio pertaining to the Share Exchange (Share Exchange Ratio)	1	25,744
Number of shares to be delivered upon the Share Exchange	Common stock of the Company: 1,544,640 shares	

(Note 1) The Company will allocate and deliver 25,744 shares of common stock of the Company for each share of common stock of Melo Works.

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

The Company plans to allocate and deliver 1,544,640 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 1,544,640 new shares.

(Note 3) Treatment of shares less than one unit

In accordance with the Share Exchange, it is expected that the shareholders of Melo Works provided in "(11) Major shareholders and Shareholding ratio" of "4. 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 Melo Works provided in "(11) Major shareholders and Shareholding ratio" of "4. 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.

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

Exchange

Not applicable.

3. Basis, etc. of allocation of the Share Exchange

(1) 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 Bridge Consulting Group Inc. (hereinafter "Bridge Consulting Group") as an independent calculation agent which was independent of the Company and Melo Works and requested them to calculate the equity value.

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

(2) Matters related to the calculation

(i) Name of the calculation agent and its relationship with the Company and Melo Works

Bridge Consulting Group is a calculation agent which is independent of the Company and Melo Works. It does not fall under a related party of the Company or Melo Works or have an important stake related to the Share Acquisition or the Share Exchange that should be noted.

(ii) Summary of the calculation

We calculated the Company's equity value based on the market price, as the Company is listed on the Growth Market of the Tokyo Stock Exchange and a market price exists. Specifically, with the calculation base date being September 24, 2025, the business day immediately preceding the date of the Board of Directors meeting held on September 25, 2025, we determined the stock price observation period. Taking into account that short-term fluctuations can be easily influenced by temporary factors, we set the value at 841.62 yen, which is the average of the closing prices of the Company's common stock in the Growth Market of the Tokyo Stock Exchange over the most recent one-month period leading up to the calculation base date of September 24, 2025.

On the other hand, regarding the equity value of Melo Works, which is not listed, we asked Bridge Consulting Group, 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 (15,634,105 yen to 22,443,602 yen), we determined that the equity value of Melo Works was 21,666,667 yen per share.

Bridge Consulting Group calculated the equity value of Melo Works by using DCF method to reflect the ability to make earnings based on the status of its future business activities in the evaluation,

because Melo Works 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 Melo Works' 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 25,744 shares of the Company's stock for each share of Melo Works stock, as stated in 4. (3) above.

In calculating the equity value of Melo Works, Bridge Consulting Group 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 Melo Works, and that Melo Works' future earnings plans and financial forecasts have been reasonably prepared based on the best possible estimates and judgment at this point in time.

(3) Prospects for delisting and reasons thereof

Not applicable.

4. Outline of the companies involved in the Share Exchange

	Wholly owned subsidiary in share exchange	Wholly owning parent company in share exchange
(1) Name	Melo Works Co., Ltd.	GENDA Inc.
(2) Location	3-63 Kyoshin-cho, Minami-ku, Yokohama city, Kanagawa	1-9-1 Higashi-Shinbashi, Minato-ku, Tokyo
(3) Title and name of Representative	Representative Director Shigenori Kanemoto	Representative Director, President and CEO Nao Kataoka
(4) Business	Karaoke facility operation business	Pure holding company of entertainment companies (Entertainment Platform Business, Entertainment Contents Business)
(5) Capital	3 million yen	16,893 million yen (as of July 31, 2025)

(6)	Date of Establishment	December 25, 2003	May 2018
(7)	Fiscal Year End	September	January
(8)	Number of employees	483 (as of August 2025)	Consolidated 13,152 (as of January 31, 2025)
(9)	Major Customers	Coca-Cola (Japan) Company, Limited, Suntory Spirits Limited, DAIICHIKOSHO CO., LTD., XING Inc., Saitama Resona Bank, Ltd., etc.	GENDA GiGO Entertainment Inc., etc.
(10)	Main Banks	Saitama Resona Bank, Ltd., Musashino Bank, Ltd., Saitamaken Shinkin Bank	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	Shigenori Kanemoto: 100%	<p>(as of July 31, 2025)</p> <p>Yoshimura Hideki Midas B Investment Limited Partnership 29.15%</p> <p>Nao Kataoka 12.81%</p> <p>Custody Bank of Japan, Ltd. (trust account) 7.74%</p> <p>STATE STREET BANK AND TRUST COMPANY 5.00%</p> <p>505001 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Dept.)</p> <p>CEPLUX-THE INDEPENDENT UCITS PLATFORM 2 3.53%</p> <p>(Standing proxy: Citibank, N.A., Tokyo Branch)</p> <p>Mai Shin 3.32%</p> <p>Midas Capital G Fund 2.39%</p>

		Limited Liability Partnership DBS BANK LTD. 700154 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Dept.) The Master Trust Bank of Japan, Ltd. (trust account) MARIN FOOD CO., LTD.	1.73% 1.47% 1.31%				
(12)	Number of shares issued	60 shares	183,905,904 shares (as of July 31, 2025)				
(13) Relationship between the parties							
	Capital relationship	Not applicable					
	Personnel relationship	Not applicable					
	Business Relationship	The Company's subsidiary, ONTSU Co., Ltd., makes a sale to Melo Works.					
	Related Party Status	Not applicable					
(14) Financial position and operating results for the past three years							
		Melo Works Co., Ltd.			GENDA Inc. (consolidated)		
	Fiscal Year End	FY2022/9	FY2023/9	FY2024/9	FY2023/1	FY2024/1	FY2025/1
	Net Assets	158 million yen	186 million yen	206 million yen	11,240 million yen	19,664 million yen	35,690 million yen
	Total Assets	879 million yen	834 million yen	728 million yen	31,033 million yen	52,141 million yen	114,368 million yen
	Net assets per share	52.86 yen	62.14 yen	68.79 yen	88.31 yen	141.61 yen	226.54 yen
	Revenue	886 million yen	1,201 million yen	1,450 million yen	46,091 million yen	55,697 million yen	111,786 million yen
	Operating income or loss (-)	-83 million yen	42 million yen	51 million yen	4,244 million yen	5,370 million yen	7,965 million yen
	Ordinary income	188 million yen	46 million yen	49 million yen	4,011 million yen	5,216 million yen	7,305 million yen

Net Income or Net income attributable to owners of the parent	110 million yen	27 million yen	19 million yen	3,494 million yen	4,178 million yen	3,304 million yen
Net income per share	36.72 yen	9.27 yen	6.65 yen	27.49 yen	31.60 yen	22.66 yen
Dividend per share	-	-	-	-	-	-

5. 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.

6. Outline of accounting treatments

Accounting treatments associated with the Share Exchange is expected to be classified as an “acquisition” under the Accounting Standards for Business Combination. We expect goodwill to arise on our consolidated financial statements, but the amount is currently being finalized.

7. Outlook for the future

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.