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April 24, 2025

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Notice Concerning Change in a Consolidated Subsidiary (Share Transfer)

HEIWADO CO., LTD. (hereinafter, the “Company”) hereby announces that it has resolved at a meeting of the Board of Directors held on April 24, 2025 to transfer all of the shares held by the Company in its subsidiary, YU-ING CO., LTD. (hereinafter, “YU-ING”), to GENDA GiGO Entertainment Inc. (hereinafter, “GGE”).

Please note that this matter falls within the scope of the minor criteria for timely disclosure pertaining to the matters related to transfer or acquisition of shares or equity interest accompanied by change in a subsidiary, etc., which is established by the Tokyo Stock Exchange, and as it is disclosed on a voluntary basis, certain details have been omitted.

1. Reasons for the share transfer

As a member of the Company Group, YU-ING has been operating amusement facilities, including game centers and bowling alleys within shopping centers operated by the Group.

The amusement industry market has continued to grow since 2014, driven by prize games, but the market temporarily contracted due to the impact of the spread of COVID-19, and is currently in the process of recovery and re-expansion since 2022. Meanwhile, the business environment surrounding YU-ING has become increasingly challenging due to various factors, including the need to develop new forms of amusement that respond to changing needs for recreation, intensifying competition within the industry, increase in facility operating costs, and labor shortages.

After careful consideration of YU-ING's future growth strategy in light of these environmental changes, the Company has determined that the best way to achieve the sustainable growth of YU-ING and enhance the appeal of the shopping centers operated by the Company is to leverage the management resources and network of a company that has extensive experience and expertise in the amusement industry and is actively pursuing new initiatives. As a result, the Company has decided to transfer all of its shares in YU-ING to GGE.

GGE's parent company, GENDA Inc., has set “making people's lives more enjoyable worldwide” as its aspiration and is working to achieve this by building a global entertainment network and increasing the total amount of enjoyment available to the world. As a core company of GENDA, GGE operates amusement facilities with the goal of providing the world's best real entertainment experiences, and is actively expanding

its store network through new store openings and M&A. By joining the group of GGE, a leading company in the amusement facility operation business, YU-ING will be able to accelerate its growth strategy under a stronger business foundation.

Although the capital relationship between the Company and YU-ING will be terminated as a result of this share transfer, the Company believes that the appeal of the facilities operated by YU-ING will be enhanced through the utilization of GGE's expertise and brand power, contributing to the revitalization and value enhancement of the shopping centers operated by the Company.

2. Overview of the subsidiary to be transferred

(1) Name	YU-ING CO., LTD.	
(2) Location	1 Nishiima-cho, Hikone-shi, Shiga Prefecture	
(3) Name and job title of representative	Shinpei Fujita Representative Director and President	
(4) Description of business	Operation of amusement facilities, bowling alleys, etc.	
(5) Share capital	50 million yen	
(6) Date of establishment	October 16, 2000	
(7) Major shareholders and shareholding ratios	HEIWADO CO., LTD. (the Company) 100%	
(8) Relationship between the Company and the subsidiary in question	Capital relationship	The Company holds 100% of the shares of the subsidiary in question
	Personnel relationship	The Company has dispatched an officer to the subsidiary in question
	Business relationship	There are transactions between the Company and the subsidiary in question, including the leasing of buildings

3. Overview of the transferee of shares

(1) Name	GENDA GiGO Entertainment Co., Ltd.	
(2) Location	1-9-1 Higashi-Shimbashi, Minato-ku, Tokyo	
(3) Name and job title of representative	Kazuhiro Ninomiya Representative Director and President	
(4) Description of business	Planning and operation of amusement facilities	
(5) Share capital	50 million yen	
(6) Date of establishment	April 1, 2004	
(7) Major shareholders and shareholding ratios	GENDA Inc. (100%)	
(8) Relationship between the Company and transferee of shares	Capital relationship	None
	Personnel relationship	None
	Business relationship	Tenant operation of an amusement facility within the store "AL PLAZA KANAZAWA," operated by the transferee of shares

4. Number of shares to be transferred, transfer price, and ownership status before and after the transfer

(1) Number of shares owned before the transfer	1,000 shares (Number of voting rights: 1,000) (Voting rights ownership ratio: 100.0%)
(2) Number of shares to be transferred	1,000 shares (Number of voting rights: 1,000)
(3) Number of shares owned after the transfer	0 shares (Number of voting rights: 0) (Voting rights ownership ratio: 0%)

* The transfer price is an amount that is less than 15% of the consolidated net assets as of the end of the Company's most recent fiscal year, and in accordance with a confidentiality agreement between the parties, it will not be disclosed. The transfer price was determined through discussions between the parties, taking into reasonable consideration the results of a stock valuation and legal and financial investigations conducted by an external expert, etc.

5. Schedule

(1) Date of the Board of Directors' resolution	April 24, 2025
(2) Date of conclusion of the Share Transfer Agreement	April 24, 2025
(3) Date of execution of share transfer	May 8, 2025

6. Future outlook

The impact of this share transfer on the Company's consolidated financial results is expected to be immaterial. If any matters requiring disclosure arise in the future, the Company will disclose them promptly.