



News Release Dated September 12, 2025

Company: KOSHIDAKA HOLDINGS Co., LTD.
Representative: Hiroshi Koshidaka,
Representative Director and President
Stock code: 2157, TSE Prime
Contact: Yoshihito Doi,
Senior Executive Director, in charge of Group CF
Tel: +81-570-666-425

Acquisition of the Karaoke Stores and Other Businesses of Standard Corp. by Using an Absorption-type Split at a KOSHIDAKA Consolidated Subsidiary

The Boards of Directors of KOSHIDAKA HOLDINGS Co., LTD. and consolidated subsidiary KOSHIDAKA SP Co., LTD. approved resolutions today to use an absorption-type split for the acquisition of the karaoke stores and other businesses of Standard Corp. The acquisition is to take place on November 1, 2025. KOSHIDAKA SP signed a contract with Standard today for the absorption-type split.

1. Purpose of the absorption-type split

The medium-term corporate vision of KOSHIDAKA HOLDINGS is “Entertainment as Infrastructure,” which has the goal of positioning entertainment as part of the social infrastructure with the goal of being a source of enjoyment and well-being in the lives of people worldwide. Key initiatives for accomplishing this goal include the operation and expansion of a nationwide network of Karaoke Manekineko stores.

There were 50 new stores during the fiscal year, raising the total in Japan to 703 as of the end of August 2025. KOSHIDAKA HOLDINGS is currently in the final stage of the Entertainment as Infrastructure Plan (EIP), which has the goal of sales of 100 billion yen in the fiscal year ending in August 2027. We are increasing the pace of our initiatives aimed at sustained growth.

The acquisition of the karaoke and other operations of Standard by using an absorption-type split will add about 70 stores to the KOSHIDAKA Group. KOSHIDAKA HOLDINGS will continue to use Standard’s JOYSOUND brand at the karaoke stores that will be acquired. Based on analysis using customer characteristics and improved efficiency of store operations, we will make suitable decisions concerning the use of different brands and the integration of the services of Standard’s stores with services of the karaoke stores of KOSHIDAKA HOLDINGS.

Furthermore, as KOSHIDAKA HOLDINGS expands its store network, a greater impact is anticipated from the sales initiatives implemented across the entire group, which is expected to make a contribution to higher sales and earnings.

KOSHIDAKA HOLDINGS sees this initiative not simply as business expansion, but as a key driver for strengthening our foundation and accelerating its strategies for growth. Looking ahead, we are committed to initiatives that ensure the sustainable enhancement of corporate value.

2. Major steps for the absorption-type split

(1) Schedule of the absorption-type split

| | |
|--|--------------------------------|
| Board of Directors Meeting to approve the absorption-type split contract: | September 12, 2025 |
| Conclusion of the absorption-type split contract: | September 12, 2025 |
| General Meeting of Shareholders to approve the absorption-type split contract: | September 26, 2025 (tentative) |
| Effective date of the absorption-type split: | November 1, 2025 (tentative) |

(2) Method used for the absorption-type split

Business operations divested by Standard will be absorbed by KOSHIDAKA SP.

(3) Payment for the absorption-type split

As consideration for this absorption-type split, KOSHIDAKA SP plans to deliver cash payments totaling 3.5 billion yen to Standard.

(4) Treatment of share acquisition rights and bonds with share acquisition rights in association with the absorption-type split

Not applicable.

(5) Change of capital in association with the absorption-type split

Not applicable.

(6) Rights and obligations assumed by KOSHIDAKA SP

KOSHIDAKA SP will receive assets, liabilities, and other rights and obligations associated with the karaoke business of Standard as specified in the absorption-type split contract.

Specifically, this refers to the rights and obligations required to operate the karaoke boxes, complex cafés and restaurants (approximately 70 locations) managed by Standard, with the relevant amount detailed in Section 5. (3) below. It should be noted, however, that borrowings from subsidiaries and associates included in the Standard's liabilities will not be transferred.

(7) Prospects for fulfilling debt obligations

KOSHIDAKA HOLDINGS believes that KOSHIDAKA SP will have no problem fulfilling debt obligations concerning the businesses to be acquired.

3. Approach for Calculating Allocations for the Absorption-type Split

The monetary payment by KOSHIDAKA SP for this absorption-type split is based on the assets and liabilities, profitability, future prospects, expected synergies, and all other aspects of the businesses to be acquired. The final amount was determined by mutual agreement of Standard and KOSHIDAKA SP by also using the karaoke business expertise of the KOSHIDAKA Group.

4. Profiles of Standard and KOSHIDAKA SP

| | Divestiture company | Successor company |
|--|--|--|
| (1) Name | Standard Corp. | KOSHIDAKA SP Co., LTD. |
| (2) Location | 2-4-1 Shibakoen, Minato-ku, Tokyo | 2-25-12 Dogenzaka, Shibuya-ku, Tokyo |
| (3) Representative | Katsuaki Kobayashi, Representative Director and President | Ryo Miura, Representative Director and President |
| (4) Business activity | Operation of karaoke boxes, complex cafés and restaurants | Operation of karaoke boxes, restaurants and internet cafés |
| (5) Capital | 90 million yen | 1 million yen |
| (6) Establishment | December 13, 1993 | September 1, 2025 |
| (7) Number of shares outstanding | 2,400 shares | 100 shares |
| (8) Fiscal year-end | March 31 | August 31 |
| (9) Major shareholder and shareholding ratio | XING INC: 100% | KOSHIDAKA Co., Ltd.: 100% |
| (10) Employees | 153 | - |
| (11) Major clients | XING INC | - |
| (12) Relationship with KOSHIDAKA HOLDINGS | No capital relationships, personnel relationships, business transactions, or related party status. | Provision of Directors |

| (13) Financial position and results of operations of Standard for the latest three fiscal years | | | |
|---|---------------------|---------------------|---------------------|
| Fiscal year | FY3/23 | FY3/24 | FY3/25 |
| Net assets | (8,593) million yen | (8,589) million yen | (8,612) million yen |
| Total assets | 3,695 million yen | 3,397 million yen | 3,172 million yen |
| Net assets per share | (3) million yen | (3) million yen | (3) million yen |
| Net sales | 7,156 million yen | 8,818 million yen | 8,693 million yen |
| Operating profit | (666) million yen | 186 million yen | 42 million yen |
| Ordinary profit | (346) million yen | 109 million yen | (51) million yen |
| Profit | (337) million yen | 3 million yen | (22) million yen |
| Net income per share | (140,552.14) yen | 1,533.49 yen | (9,340.34) yen |
| Dividend per share | 0 yen | 0 yen | 0 yen |

Note: Details regarding the financial position and operating results of KOSHIDAKA SP for the past three years are omitted, as this company was established on September 1, 2025, and has not yet closed its first fiscal year.

5. Summary of businesses to be acquired

(1) Activities of businesses to be acquired

Operation of karaoke boxes, complex cafés and restaurants (approximately 70 locations)

(2) Results of operations of the businesses to be acquired (Fiscal year ended March 2025)

Net sales: 8,693 million yen

Operating profit: 42 million yen

Ordinary profit: (51) million yen

(3) Assets and liabilities to be acquired

| Assets | | Liabilities | |
|--------------------|-------------------|-------------------------|-------------------|
| Item | Book value | Item | Book value |
| Current assets | 991 million yen | Current liabilities | 1,260 million yen |
| Non-current assets | 2,050 million yen | Non-current liabilities | 2,031 million yen |
| Total | 3,042 million yen | Total | 3,291 million yen |

Note: These figures are based on the Standard balance sheet as of March 31, 2025. The actual amounts of assets and liabilities for this absorption-type split may increase or decrease between now and the effective date. Furthermore, borrowings from subsidiaries and associates included in the Standard's liabilities are not subject to transfer.

6. Status after the absorption-type split

There will be no change in the address, business activities, capital and fiscal year of KOSHIDAKA SP due to this absorption-type split. However, there may be a change in this company's name and representative.

7. Outlook

The acquisition of the businesses of Standard is expected to affect the consolidated performance of KOSHIDAKA HOLDINGS by about the sales and earnings of the businesses to be acquired. However, the effective date of the absorption-type split will occur after the period covered by the currently announced forecasts. The forecasts for the fiscal year ending in August 2026, which will be announced in the middle of October 2025 alongside the consolidated financial results for the fiscal year that ended in August 2025.