

Consolidated Financial Results for the Fiscal Year Ended August 31, 2025

[Japanese GAAP]

Company name: KOSHIDAKA HOLDINGS Co., LTD.

Listing: Tokyo Stock Exchange

Stock code: 2157

URL: <https://www.koshidakaholdings.co.jp/>

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Scheduled date of Annual General Meeting of Shareholders: November 27, 2025

Scheduled date of filing of Annual Securities Report: November 28, 2025

Scheduled date of payment of dividend: November 28, 2025

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for securities analysts and institutional investors)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended August 31, 2025 (Sep. 1, 2024 – Aug. 31, 2025)

(1) Consolidated results of operations

(Percentages are year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Aug. 31, 2025	69,387	9.7	11,392	12.1	11,598	6.1	5,258	(21.9)
Fiscal year ended Aug. 31, 2024	63,263	15.8	10,164	32.6	10,934	40.8	6,735	(5.2)

Note: Comprehensive income (million yen) Fiscal year ended Aug. 31, 2025: 5,651 (down 15.3%)

Fiscal year ended Aug. 31, 2024: 6,671 (down 4.1%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Aug. 31, 2025	64.01	59.42	16.1	17.8	16.4
Fiscal year ended Aug. 31, 2024	82.70	75.86	24.2	18.4	16.1

Reference: Equity in earnings of affiliates (million yen)

Fiscal year ended Aug. 31, 2025: - Fiscal year ended Aug. 31, 2024: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Aug. 31, 2025	68,588	35,105	51.2	425.81
As of Aug. 31, 2024	61,714	30,354	49.2	374.91

Reference: Shareholders' equity (million yen)

As of Aug. 31, 2025: 35,096

As of Aug. 31, 2024: 30,346

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Aug. 31, 2025	12,774	(8,292)	(791)	10,439
Fiscal year ended Aug. 31, 2024	12,581	(10,413)	(3,123)	6,750

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Aug. 31, 2024	-	7.00	-	11.00	18.00	1,481	21.8	5.2
Fiscal year ended Aug. 31, 2025	-	12.00	-	12.00	24.00	2,010	37.5	6.0
Fiscal year ending Aug. 31, 2026 (forecast)	-	13.00	-	13.00	26.00		-	

3. Consolidated Earnings Forecast for the Fiscal Year Ending August 31, 2026 (Sep. 1, 2025 – Aug. 31, 2026)

(Percentages are year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	39,431	16.0	6,139	20.0	6,105	15.2	4,933	54.6	59.86
Full year	82,544	19.0	12,966	13.8	12,911	11.3	7,500	42.6	90.99
							-9,493	-80.5	-115.17

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly added: 1 (KOSHIDAKA Digital Co., Ltd.)

Excluded: 1 (KOSHIDAKA SINGAPORE PTE. LTD.)

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(3) Number of issued shares (common stock)

1) Number of shares issued at the end of the period (including treasury shares)

As of Aug. 31, 2025:	83,781,480 shares	As of Aug. 31, 2024:	82,300,000 shares
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2) Number of treasury shares at the end of the period

As of Aug. 31, 2025:	1,357,908 shares	As of Aug. 31, 2024:	1,357,519 shares
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3) Average number of shares outstanding during the period

Fiscal year ended Aug. 31, 2025:	82,150,153 shares	Fiscal year ended Aug. 31, 2024:	81,441,834 shares
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* The current financial report is not subject to audit by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the Company's management at the time the materials were prepared. These materials are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to page 4 of the attachments "1. Overview of Results of Operations, (4) Outlook" for forecast assumptions and notes of caution for usage.

Contents of Attachments

1. Overview of Results of Operations	2
(1) Results of Operations	2
(2) Financial Position	3
(3) Cash Flows	3
(4) Outlook	4
2. Basic Approach to the Selection of Accounting Standards	5
3. Consolidated Financial Statements and Notes	6
(1) Consolidated Balance Sheet	6
(2) Consolidated Statements of Income and Comprehensive Income	8
(3) Consolidated Statement of Changes in Equity	10
(4) Consolidated Statement of Cash Flows	12
(5) Notes to Consolidated Financial Statements	13
Going Concern Assumption	13
Changes in Accounting Policies	13
Segment and Other Information	13
Revenue Recognition	16
Per-share Information	16
Material Subsequent Events	16
4. Others	18
(1) Changes in Directors	18

1. Overview of Results of Operations

(1) Results of Operations

In the fiscal year that ended in August 2025 (September 1, 2024 to August 31, 2025), the Japanese economy was affected by the increasing costs of energy and food, in part due to the war in Ukraine and conflicts in the Middle East involving Israel and its neighbors. Due to the impact of tariffs of the Trump administration in the United States, prices have remained generally high. Regarding exchange rates, which have a significant effect on prices in Japan, the central banks of Japan and the United States appear to be at a turning point in their policy stances. As a result, markets continue to be sensitive to economic indicators involving business sentiment and inflation. However, as these policies change, the markets are beginning to focus in the speed and magnitude of monetary policy actions. With the return of foreign tourists and wage increases starting at large companies, there are emerging signs that a consistent rise in both prices and wages may be possible.

Business segment performance is as follows.

Karaoke

The core Karaoke segment is continuing to open many stores. During the current fiscal year, there were 50 new locations. Existing stores are continuing to attract more customers by flexible pricing adjusted to the market conditions of individual locations.

Many activities are under way to accomplish the medium-term corporate vision of “Entertainment as Infrastructure.” Major initiatives are additional forms of entertainment other than karaoke, many types of content collaboration, and measures to upgrade and expand recruiting and training activities. In addition, we have been developing and making progress in introducing DX to enhance operating efficiency and offer new types of entertainment. One step is the addition of “E-bo” entertainment boxes, a new type of entertainment platform, at locations in the Tokyo and surrounding areas. As an additional function of these boxes, some boxes allow customers to use original recording versions. Furthermore, there were progress such as salary increases in the Koshidaka Workstyle Innovation Plan with which Koshidaka Holdings strengthens the framework for business operations. The average salary of employees has increased significantly during the past two fiscal years.

In other countries, store openings in Southeast Asia continued. Two Karaoke Manekineko stores were opened in Malaysia and one in Thailand during the current fiscal year. We have also decided to expand into the United States and the Philippines. In the U.S., we are in the process of preparing the first store opening, while in the Philippines, we have established a new local subsidiary.

At the end of August 2025, the number of karaoke locations in Japan was 703, 39 more than at the end of the previous fiscal year. The number of overseas karaoke stores was 25 in four countries, consisting of four in South Korea, 15 in Malaysia, four in Thailand and two in Indonesia, three more than at the end of the previous fiscal year.

Sales in the Karaoke segment were 67,162 million yen, up 9.7% year on year, and there was a segment profit of 12,405 million yen, up 7.9% year on year.

Real Estate Management

The performance of the AQERU Maebashi commerce and business complex, MANEKI Shimbashi Building in Tokyo and the Fleuret Hanasaki Building in Yokohama, the major properties in this segment, and other existing and new properties was stable.

Sales in the Real Estate Management segment were 1,857 million yen, up 17.1% year on year, and the segment profit was 222 million yen, up 102.8% year on year.

Other

The performance of the five food and beverage stores (Gindaco Highball, CAFÉ ECLA) increased steadily.

Sales in the Other segment were 879 million yen, up 1.9% year on year, and the segment profit increased 74 million yen to 37 million yen, turning profitable from a loss one year earlier.

Koshidaka Holdings wrote down the value of certain stores and facilities which had been recording consecutive losses for the fiscal years ended in August 2024 and 2025, including those opened during the fiscal year ended in

August 2024 that had been in operation for 13 months. These assets were impaired because their carrying value exceeded the present value of expected future earnings. The impairment loss recorded totaled 3,389 million yen.

Overall, the Koshidaka Group (KOSHIDAKA HOLDINGS Co., LTD. and its consolidated subsidiaries) had sales of 69,387 million yen, up 9.7% year on year. The operating profit was 11,392 million yen, up 12.1% year on year, the ordinary profit was 11,598 million yen, up 6.1% year on year, and the profit attributable to owners of parent was 5,258 million yen, down 21.9% year on year.

(2) Financial Position

Financial position at the end of the current fiscal year is as follows.

Assets

Total assets at the end of the current fiscal year increased 6,873 million yen (11.1%) from the end of the previous fiscal year to 68,588 million yen.

Current assets increased 3,888 million yen (32.7%) to 15,791 million yen. This was mainly due to an increase of 3,715 million yen in cash and deposits.

Property, plant and equipment increased 74 million yen (0.2%) to 34,593 million yen. This was mainly due to a decrease of 210 million yen in buildings and structures, net, mainly due to the write-down for impairment, while there were increases of 239 million yen in vehicles, tools, furniture and fixtures, net, and 45 million yen in construction in progress.

Intangible assets increased 531 million yen (76.3%) to 1,227 million yen.

Investments and other assets increased 2,379 million yen (16.3%) to 16,976 million yen. This was mainly due to increases of 1,371 million yen in deferred tax assets, 411 million yen in long-term loans receivable, 395 million yen in leasehold and guarantee deposits and 116 million yen in investment securities.

Total non-current assets increased 2,985 million yen (6.0%) to 52,797 million yen.

Liabilities

Current liabilities increased 948 million yen (6.8%) to 14,923 million yen. This was mainly due to increases of 1,447 million yen in accounts payable-other and 374 million yen in contract liabilities, while there were decreases of 470 million yen in income taxes payable and 375 million yen in current portion of long-term borrowings.

Non-current liabilities increased 1,174 million yen (6.8%) to 18,559 million yen. This was mainly due to increases of 1,463 million yen in long-term borrowings and 840 million yen in asset retirement obligations, while there was a decrease of convertible-bond-type bonds with share acquisition rights of 1,000 million yen.

Total liabilities increased 2,122 million yen (6.8%) to 33,483 million yen.

Net assets

Net assets increased 4,750 million yen (15.7%) to 35,105 million yen. This was mainly due to an increase of 3,358 million yen in retained earnings, 500 million yen in share capital, 500 million yen in capital surplus and 393 million yen in foreign currency translation adjustment.

(3) Cash Flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the current fiscal year increased 3,688 million yen from the end of the previous fiscal year to 10,439 million yen.

The cash flow components during the current fiscal year and the main reasons for changes are as described below.

Cash flows from operating activities

Net cash provided by operating activities totaled 12,774 million yen, compared with 12,581 million yen provided in the previous fiscal year. Main factors include profit before income taxes of 7,255 million yen, depreciation of 4,665 million yen, impairment losses of 3,389 million yen and income taxes paid of 3,760 million yen.

Cash flows from investing activities

Net cash used in investing activities totaled 8,292 million yen, compared with 10,413 million yen used in the previous fiscal year. Main factors include purchase of property, plant and equipment of 6,304 million yen, purchase of intangible assets of 589 million yen, payments of leasehold and guarantee deposits of 729 million yen, purchase of investment securities of 444 million yen and loan advances of 411 million yen.

Cash flows from financing activities

Net cash used in financing activities totaled 791 million yen, compared with 3,123 million yen used in the previous fiscal year. Main factors include proceeds from long-term borrowings of 3,000 million yen, repayments of long-term borrowings of 1,911 million yen and dividends paid of 1,879 million yen.

(4) Outlook

Amid the prolonged war in Ukraine and the ongoing conflict between Israel and Hamas in the Gaza Strip, the new Trump administration's tariff policies have added further upward pressure on prices. At the same time, concerns over rising domestic inflation in the U.S. and potential negative impacts on the economy have made markets increasingly sensitive to the stance of U.S. monetary authorities and various economic indicators.

We will continue to place priority on opening many more stores and diversifying the services that we offer. Due to these actions, Koshidaka Holdings will accomplish the mid-point target of the Entertainment Infrastructure Plan medium-term corporate vision "Entertainment as Infrastructure" (EIP) that involves operating private entertainment rooms everywhere in Japan. The timing of achieving the final goal is now clearly set as the fiscal year ending in August 2027. We will move even faster with many initiatives as we position the period from the fiscal year ended in August 2025 to the fiscal year ending in August 2027 as the final stage of EIP. In addition, we are working on the next (after EIP) medium-term business plan looking ahead about 10 years that will follow the current plan.

Karaoke

The Karaoke business will continue adding locations in prime shopping areas and near stations in the Tokyo metropolitan area, where store utilization rates are likely to be high, and is placing emphasis on increasing the number of stores in the Osaka and Nagoya areas. We plan to step up the pace of opening stores in areas where the number of locations is still low and of relocating existing stores to make them larger and more efficient. Another goal is converting karaoke rooms into private entertainment rooms by offering a variety of services in addition to karaoke. We are upgrading existing services and adding entertainment boxes called "E-bo" as a new type of entertainment platform. In addition to the original recording versions added to "E-bo" in the previous fiscal year, we plan to add more entertainment features to this platform. Plans include a mirroring function, WOWOW sports content, the Momotaro Dentetsu video game and many other types of entertainment. We plan to continue steadily adding new content and functions. Furthermore, we are planning on numerous measures for higher productivity, including the use of a new POS system. Another step is the new Koshidaka Workstyle Innovation Plan for recruiting and training the people we will need to accomplish our Entertainment Infrastructure Plan goals. This plan also includes more salary increases. By taking these actions, we expect to reach the final sales goal of the Entertainment Infrastructure Plan of 100 billion yen in the fiscal year ending in August 2027.

The potential for growth in other countries is even greater than in Japan. We plan to make our model for generating earnings even more effective, expand operations to more areas and take other actions.

On November 1, 2025, an absorption-type split by a Koshidaka Holdings subsidiary is planned for the purpose of acquiring the approximately 70 karaoke and other stores operated by Standard Corp., including locations using the JOYSOUND brand. During the 10-month period from November 2025 to August 2026, these stores are expected to have sales of 7,000 million yen and operating profit of 200 million yen.

Due to these initiatives, we forecast a 20.3% increase in Karaoke segment sales to 80,780 million yen and a 14.4% increase in segment profit to 14,194 million yen.

Real Estate Management

This business will continue to seek opportunities to acquire more properties and work on increasing the occupancy rates of properties that are currently owned.

Due to these activities, we forecast a 5.1% decrease in Real Estate Management segment sales to 1,763 million yen and a 13.5% decrease in segment profit to 192 million yen.

Other

Sales are expected to decrease because of the closing of the Koriyama Maneki-no-Yu bath house. New stores are planned in the food and beverage category.

Due to these activities, we forecast a 44.6% decrease in Other segment sales of 487 million yen and a 38 million yen decrease in segment profit, resulting in a loss of 1 million yen.

Overall, we forecast consolidated net sales of 82,544 million yen, up 19.0%, operating profit of 12,966 million yen, up 13.8%, ordinary profit of 12,911 million yen, up 11.3%, and profit attributable to owners of parent of from 7,500 million yen to 9,493 million yen, up from 42.6% to 80.5%, for the fiscal year ending August 31, 2026. The upper limit is based on the assumption of no extraordinary losses, while the lower limit assumes an extraordinary loss equivalent to the impairment loss for the current fiscal year.

2. Basic Approach to the Selection of Accounting Standards

The Koshidaka Group will continue to prepare consolidated financial statements in accordance with generally accepted accounting principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies. We will consider the use of International Financial Reporting Standards (IFRS) in the future based on changes in foreign ownership of our stock, the growth of our overseas operations and other factors.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

	(Thousands of yen)	
	FY8/24 (As of Aug. 31, 2024)	FY8/25 (As of Aug. 31, 2025)
Assets		
Current assets		
Cash and deposits	6,772,024	10,487,331
Notes and accounts receivable-trade	1,200,948	1,402,172
Merchandise	180,507	158,590
Raw materials and supplies	379,241	573,707
Other	3,403,186	3,172,526
Allowance for doubtful accounts	(32,566)	(2,574)
Total current assets	11,903,342	15,791,753
Non-current assets		
Property, plant and equipment		
Buildings and structures	45,576,672	48,319,441
Accumulated depreciation	(20,758,733)	(23,711,806)
Buildings and structures, net	24,817,938	24,607,634
Vehicles, tools, furniture and fixtures	16,816,898	18,050,994
Accumulated depreciation	(14,229,716)	(15,224,255)
Vehicles, tools, furniture and fixtures, net	2,587,181	2,826,738
Land	6,957,299	6,957,299
Construction in progress	155,672	201,332
Total property, plant and equipment	34,518,091	34,593,004
Intangible assets		
Goodwill	446	62
Software	546,502	944,485
Other	149,146	282,911
Total intangible assets	696,094	1,227,459
Investments and other assets		
Investment securities	793,586	910,306
Long-term loans receivable	2,163,840	2,574,932
Long-term prepaid expenses	648,727	603,308
Leasehold and guarantee deposits	8,290,370	8,686,056
Deferred tax assets	2,830,870	4,202,547
Other	427,435	433,911
Allowance for doubtful accounts	(557,447)	(434,514)
Total investments and other assets	14,597,384	16,976,548
Total non-current assets	49,811,570	52,797,011
Total assets	61,714,913	68,588,765

	(Thousands of yen)	
	FY8/24 (As of Aug. 31, 2024)	FY8/25 (As of Aug. 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	677,552	603,553
Current portion of long-term borrowings	1,711,240	1,336,240
Accounts payable-other	1,766,940	3,214,723
Accrued expenses	1,882,305	2,109,040
Income taxes payable	2,493,886	2,023,058
Provision for bonuses	349,269	438,284
Deposits received	746,980	581,627
Contract liabilities	3,365,428	3,739,870
Other	982,258	877,535
Total current liabilities	13,975,861	14,923,933
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	4,000,000	3,000,000
Long-term borrowings	5,725,060	7,188,820
Deferred tax liabilities	685,008	428,178
Asset retirement obligations	5,934,528	6,775,082
Other	1,039,815	1,167,194
Total non-current liabilities	17,384,412	18,559,275
Total liabilities	31,360,274	33,483,209
Net assets		
Shareholders' equity		
Share capital	2,070,257	2,570,257
Capital surplus	3,302,786	3,802,786
Retained earnings	26,049,100	29,407,342
Treasury shares	(675,710)	(676,177)
Total shareholders' equity	30,746,433	35,104,209
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	96,456	95,924
Foreign currency translation adjustment	(496,873)	(103,199)
Total accumulated other comprehensive income	(400,416)	(7,274)
Share acquisition rights	8,622	8,622
Total net assets	30,354,638	35,105,556
Total liabilities and net assets	61,714,913	68,588,765

(2) Consolidated Statements of Income and Comprehensive Income**Consolidated Statement of Income**

(Thousands of yen)

	FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)	FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)
Net sales	63,263,940	69,387,151
Cost of sales	46,510,361	51,014,093
Gross profit	16,753,579	18,373,057
Selling, general and administrative expenses	6,589,421	6,980,113
Operating profit	10,164,157	11,392,944
Non-operating income		
Interest and dividend income	30,627	38,374
Foreign exchange gains	261,949	-
Cancellation income	504,715	100,137
Reversal of allowance for doubtful accounts	84,103	120,862
Other	182,906	118,079
Total non-operating income	1,064,301	377,453
Non-operating expenses		
Interest expenses	36,824	80,610
Commission fee	500	500
Foreign exchange losses	-	18,495
Provision of allowance for doubtful accounts	30,055	-
Rent expenditure	138,529	-
Other	87,973	72,671
Total non-operating expenses	293,882	172,278
Ordinary profit	10,934,575	11,598,119
Extraordinary income		
Gain on sale of non-current assets	-	1,715
Total extraordinary income	-	1,715
Extraordinary losses		
Loss on retirement of non-current assets	32,877	65,780
Impairment losses	1,784,292	3,389,550
Loss on valuation of shares of subsidiaries and associates	92,248	424,924
Loss on liquidation of subsidiaries	-	463,890
Total extraordinary losses	1,909,417	4,344,146
Profit before income taxes	9,025,158	7,255,688
Income taxes-current	3,079,346	3,626,960
Income taxes-deferred	(789,500)	(1,630,089)
Total income taxes	2,289,845	1,996,871
Profit	6,735,312	5,258,817
Profit attributable to owners of parent	6,735,312	5,258,817

Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	FY8/24	FY8/25
	(Sep. 1, 2023 – Aug. 31, 2024)	(Sep. 1, 2024 – Aug. 31, 2025)
Profit	6,735,312	5,258,817
Other comprehensive income		
Valuation difference on available-for-sale securities	48,880	(532)
Foreign currency translation adjustment	(112,642)	393,674
Total other comprehensive income	(63,762)	393,142
Comprehensive income	6,671,550	5,651,959
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,671,550	5,651,959

(3) Consolidated Statement of Changes in Equity

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,070,257	3,302,786	20,455,244	(105,741)	25,722,546
Changes during period					
Dividends of surplus			(1,141,456)		(1,141,456)
Profit attributable to owners of parent			6,735,312		6,735,312
Purchase of treasury shares				(569,968)	(569,968)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	5,593,855	(569,968)	5,023,886
Balance at end of period	2,070,257	3,302,786	26,049,100	(675,710)	30,746,433

(Thousands of yen)

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	47,576	(384,231)	(336,654)	8,622	25,394,514
Changes during period					
Dividends of surplus					(1,141,456)
Profit attributable to owners of parent					6,735,312
Purchase of treasury shares					(569,968)
Net changes in items other than shareholders' equity	48,880	(112,642)	(63,762)	-	(63,762)
Total changes during period	48,880	(112,642)	(63,762)	-	4,960,124
Balance at end of period	96,456	(496,873)	(400,416)	8,622	30,354,638

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,070,257	3,302,786	26,049,100	(675,710)	30,746,433
Changes during period					
Issuance of new shares-exercise of share acquisition rights	500,000	500,000			1,000,000
Dividends of surplus			(1,879,450)		(1,879,450)
Profit attributable to owners of parent			5,258,817		5,258,817
Disposal of treasury shares				(466)	(466)
Change in scope of consolidation			(21,124)		(21,124)
Net changes in items other than shareholders' equity					
Total changes during period	500,000	500,000	3,358,242	(466)	4,357,775
Balance at end of period	2,570,257	3,802,786	29,407,342	(676,177)	35,104,209

(Thousands of yen)

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	96,456	(496,873)	(400,416)	8,622	30,354,638
Changes during period					
Issuance of new shares-exercise of share acquisition rights					1,000,000
Dividends of surplus					(1,879,450)
Profit attributable to owners of parent					5,258,817
Disposal of treasury shares					(466)
Change in scope of consolidation					(21,124)
Net changes in items other than shareholders' equity	(532)	393,674	393,142	-	393,142
Total changes during period	(532)	393,674	393,142	-	4,750,917
Balance at end of period	95,924	(103,199)	(7,274)	8,622	35,105,556

(4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	FY8/24	FY8/25
	(Sep. 1, 2023 – Aug. 31, 2024)	(Sep. 1, 2024 – Aug. 31, 2025)
Cash flows from operating activities		
Profit before income taxes	9,025,158	7,255,688
Depreciation	4,427,046	4,665,908
Impairment losses	1,784,292	3,389,550
Amortization of goodwill	843	383
Increase (decrease) in provision for bonuses	2,106	82,488
Increase (decrease) in allowance for doubtful accounts	(167,761)	(150,843)
Interest and dividend income	(30,627)	(38,374)
Interest expenses	36,824	80,610
Foreign exchange losses (gains)	1,297	-
Loss (gain) on sale of property, plant and equipment	-	(1,715)
Decrease (increase) in trade receivables	(248,537)	(254,620)
Decrease (increase) in inventories	(2,120)	(199,990)
Decrease (increase) in accounts receivable-other	(5,787)	67,526
Increase (decrease) in trade payables	20,132	55,958
Increase (decrease) in accounts payable-other, and accrued expenses	(389,153)	422,337
Other, net	1,346,758	1,191,963
Subtotal	15,800,473	16,566,872
Interest and dividends received	30,627	38,374
Interest paid	(36,824)	(70,098)
Income taxes refund (paid)	(3,212,953)	(3,760,771)
Net cash provided by (used in) operating activities	12,581,323	12,774,376
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,587,553)	(6,304,579)
Proceeds from sale of property, plant and equipment	-	1,344
Purchase of intangible assets	(348,883)	(589,819)
Purchase of investment securities	(359,474)	(444,124)
Proceeds from sale of investment securities	10,800	13,000
Payments of leasehold and guarantee deposits	(948,367)	(729,210)
Proceeds from collection of leasehold and guarantee deposits	167,931	238,866
Loan advances	(311,790)	(411,568)
Proceeds from collection of loans receivable	30,452	48,465
Purchase of shares of non-consolidated subsidiaries	(67,075)	(115,157)
Other, net	(20)	(89)
Net cash provided by (used in) investing activities	(10,413,981)	(8,292,873)
Cash flows from financing activities		
Proceeds from long-term borrowings	500,000	3,000,000
Repayments of long-term borrowings	(1,912,150)	(1,911,240)
Purchase of treasury shares	(569,968)	(466)
Dividends paid	(1,141,456)	(1,879,450)
Net cash provided by (used in) financing activities	(3,123,575)	(791,157)
Effect of exchange rate change on cash and cash equivalents	(147,376)	(4,542)
Net increase (decrease) in cash and cash equivalents	(1,103,610)	3,685,804
Cash and cash equivalents at beginning of period	7,854,269	6,750,659
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	2,951
Cash and cash equivalents at end of period	6,750,659	10,439,415

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Changes in the Scope of Consolidation or Application of the Equity Method

Important changes in the scope of consolidation

KOSHIDAKA Digital Co., Ltd., which was a non-consolidated subsidiary in the previous fiscal year, is included in the scope of consolidation in the current fiscal year because of the increasing significance of this company.

KOSHIDAKA SINGAPORE PTE. LTD. was excluded from the scope of consolidation in the current fiscal year due to the completion of its liquidation on December 27, 2024.

Changes in Accounting Policies

Application of Accounting Standard for Current Income Taxes, etc.

Koshidaka Holdings has applied the Accounting Standard for Current Income Taxes, etc. (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022) from the beginning of the current fiscal year.

Revisions concerning the accounting classification of income taxes (taxation of other comprehensive income) are made in accordance with the transitional treatment stipulated in the proviso of Paragraph 20-3 of this revised accounting standard and with Paragraph 65-2, Item 2 of Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022). The application of this standard has no effect on the consolidated financial statements.

For the revision concerning the change in the treatment in the consolidated financial statements of the tax deferral of gains or losses on sales of shares of subsidiaries, etc. between consolidated companies, Koshidaka Holdings has applied the Guidance on Accounting Standard for Tax Effect Accounting beginning with the current fiscal year. This change has been applied retrospectively and the fiscal year consolidated financial statements for the previous fiscal year are shown after this restatement. This change in accounting policies has no effect on the fiscal year consolidated financial statements in the previous fiscal year.

Segment and Other Information**Segment information**

1. Overview of reportable segments

(1) Method of determining the reportable segments

Segments used for financial reporting are the Koshidaka Group's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Koshidaka Group uses a holding company structure. Under Koshidaka Holdings, a holding company, each subsidiary determines comprehensive strategies for services they provide and develops business operations.

Consequently, business operations are divided into segments based on services provided by each subsidiary, resulting in the following three reportable segments.

(2) Services by each reportable segment

- 1) Karaoke is the operations of the network of karaoke facilities.
- 2) Real Estate Management is the leasing and management of real estate.
- 3) Other is the operation of bath house facilities and business activities other than karaoke that were previously included in the Karaoke segment.

2. Calculation methods for net sales, profit/loss, assets, liabilities and other items for each reportable segment

The accounting methods for reportable segments are generally the same as accounting policies used in the preparation of consolidated financial statements. Profits for reportable segments are operating profit and inter-segment sales and transfers are based on market prices.

3. Information related to net sales, profit/loss, assets, liabilities and other items for each reportable segment and breakdown of revenue

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

(Thousands of yen)

	Reportable segment			Total	Adjustment (Notes 1 and 2)	Amounts shown on consolidated financial statements (Note 3)
	Karaoke	Real Estate Management	Other			
Net sales						
Revenue from contracts with customers	61,246,757	276,050	863,090	62,385,898	-	62,385,898
Other revenue	-	878,042	-	878,042	-	878,042
External sales	61,246,757	1,154,092	863,090	63,263,940	-	63,263,940
Inter-segment sales and transfers	-	431,546	-	431,546	(431,546)	-
Total	61,246,757	1,585,638	863,090	63,695,486	(431,546)	63,263,940
Segment profit (loss)	11,493,122	109,677	(37,242)	11,565,556	(1,401,398)	10,164,157
Segment assets	42,950,572	12,384,266	274,128	55,608,968	6,105,945	61,714,913
Other items						
Depreciation	3,868,797	454,133	34,508	4,357,459	69,607	4,427,046
Amortization of goodwill	843	-	-	843	-	843
Impairment loss	1,725,034	-	59,257	1,784,292	-	1,784,292
Increase in property, plant and equipment and intangible assets	7,564,930	1,019,114	20,491	8,604,535	5,108	8,609,644

Notes: 1. The -1,401,398 thousand yen adjustment to segment profit (loss) mainly includes general and administrative expenses that cannot be attributed to reportable segments.

2. The 6,105,945 thousand yen adjustment to segment assets includes corporate assets that are not allocated to any of the reportable segments. Corporate assets mainly include excess working capital (bank deposits) and assets related to the administrative division.

3. Segment profit (loss) is adjusted to be consistent with operating profit shown on the consolidated statement of income.

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

(Thousands of yen)

	Reportable segment			Total	Adjustment (Notes 1 and 2)	Amounts shown on consolidated financial statements (Note 3)
	Karaoke	Real Estate Management	Other			
Net sales						
Revenue from contracts with customers	67,162,793	293,289	879,122	68,335,206	-	68,335,206
Other revenue	-	1,051,945	-	1,051,945	-	1,051,945
External sales	67,162,793	1,345,234	879,122	69,387,151	-	69,387,151
Inter-segment sales and transfers	-	511,929	-	511,929	(511,929)	-
Total	67,162,793	1,857,164	879,122	69,899,081	(511,929)	69,387,151
Segment profit	12,405,661	222,416	37,442	12,665,520	(1,272,576)	11,392,944
Segment assets	46,559,520	12,562,572	219,601	59,341,694	9,247,070	68,588,765
Other items						
Depreciation	4,070,940	493,545	36,121	4,600,606	65,301	4,665,908
Amortization of goodwill	383	-	-	383	-	383
Impairment loss	3,013,532	353,218	22,799	3,389,550	-	3,389,550
Increase in property, plant and equipment and intangible assets	8,550,836	45,429	12,265	8,608,532	-	8,608,532

Notes: 1. The -1,272,576 thousand yen adjustment to segment profit mainly includes general and administrative expenses that cannot be attributed to reportable segments.

2. The 9,247,070 thousand yen adjustment to segment assets includes corporate assets that are not allocated to any of the reportable segments. Corporate assets mainly include excess working capital (bank deposits) and assets related to the administrative division.

3. Segment profit is adjusted to be consistent with operating profit shown on the consolidated statement of income.

Related information

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

This information is omitted because external sales in Japan exceeded 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client

This information is omitted because no specific external client accounts for 10% or more of net sales on the consolidated statement of income.

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

This information is omitted because external sales in Japan exceeded 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client

This information is omitted because no specific external client accounts for 10% or more of net sales on the consolidated statement of income.

Information related to impairment losses on non-current assets for each reportable segment

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

This information is omitted because the same information is presented in segment information.

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

This information is omitted because the same information is presented in segment information.

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

(Thousands of yen)

	Karaoke	Real Estate Management	Other	Elimination or corporate	Total
Goodwill amortization	843	-	-	-	843
Balance at end of period	446	-	-	-	446

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

(Thousands of yen)

	Karaoke	Real Estate Management	Other	Elimination or corporate	Total
Goodwill amortization	383	-	-	-	383
Balance at end of period	62	-	-	-	62

Information related to gain on bargain purchase for each reportable segment

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

Not applicable.

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

Not applicable.

Revenue Recognition

Information related to disaggregation of revenue from contracts with customers is described in the Segment and Other Information section.

Per-share Information

(Yen)

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)		FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)	
Net assets per share	374.91	Net assets per share	425.81
Net income per share	82.70	Net income per share	64.01
Diluted net income per share	75.86	Diluted net income per share	59.42

Notes: 1. The Company's stock held by the employee stock ownership plan (J-ESOP) is included in treasury shares and is thus deducted from the number of shares issued at the end of each fiscal year that was used to calculate net assets per share (1,355,680 shares as of August 31, 2024 and 1,355,680 shares as of August 31, 2025).

In addition, the average number of treasury shares outstanding during the period, which was deducted from the calculation of net income per share, was 856,364 shares for FY8/24 and 1,355,680 shares for FY8/25.

2. The basis for calculating net income per share and diluted net income per share is as follows:

(Thousands of yen)

	FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)	FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)
Net income per share		
Profit attributable to owners of parent	6,735,312	5,258,817
Amounts not available to common shareholders	-	-
Profit attributable to owners of parent available to common stock	6,735,312	5,258,817
Average number of common shares outstanding during the period (Shares)	81,441,834	82,150,153
Diluted net income per share		
Adjustment to profit attributable to owners of parent	2,767	2,107
[of which, interest expenses (after deducting amount equivalent to tax)]	[2,767]	[2,107]
Increase in the number of common shares (shares)	7,386,168	6,389,891
[of which convertible-bond-type bonds with share acquisition rights (shares)]	[5,925,900]	[4,616,515]
[of which share acquisition rights (shares)]	[1,460,268]	[1,773,376]
Summary of dilutive shares not included in the calculation of diluted net income per share since there was no dilutive effect		-

Material Subsequent Events

(Business acquisition by using an absorption-type split)

The Board of Directors of Koshidaka Holdings and consolidated subsidiary KOSHIDAKA SP Co., LTD. approved resolutions on September 12, 2025 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 on September 12, 2025 for the absorption-type split.

1. Summary of business combination

(1) Company and business activities

Name: Standard Corp.

Businesses to be acquired: Karaoke stores, complex cafés and restaurants (approximately 70 locations)

(2) Main reasons for acquisition

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. Koshidaka Holdings is currently in the final stage of the Entertainment as Infrastructure Plan, which has the goal of sales of 100 billion yen in the fiscal year ending in August 2027 as the speed of adding new stores increases. The acquisition of the approximately 70 JOYSOUND and other stores of Standard by using an absorption-type split is expected to further increase the effectiveness of measures by the Koshidaka Group for sales growth. Expected benefits include the ability to combine expertise of Koshidaka Holdings acquired since its inception with the knowhow of Standard, more efficient analysis and business operations based on the characteristics of customers, and the ability to use differentiated brands and combine services. In addition to the larger scale of operations, this acquisition is expected to create a stronger infrastructure for business operations and raise the speed of strategies for growth. Due to these expected benefits, we believe this acquisition will contribute to the consistent growth of corporate value.

(3) Date of the absorption-type split

November 1, 2025 (tentative)

(4) Method used for the absorption-type split

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

(5) 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.

2. 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.

3. Details of major acquisition-related costs

Not yet determined.

4. Goodwill resulting from the acquisition

Not yet determined.

5. Breakdown of assets acquired and liabilities assumed on the acquisition date

Not yet determined.

4. Others

(1) Changes in Directors

1) Change in Representative Director

Not applicable.

2) Changes in other Directors

- Candidates for Director

Outside Director Kanako Murakami (attorney)

Outside Director Kaori Ota (attorney)

- Resigning Directors

Independent Outside Director Tomohiko Nishi

Outside Director Kenji Kobayashi

3) Scheduled date of appointment and retirement

November 27, 2025

This summary report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.