

KOSHIDAKA HOLDINGS Co., LTD.

(TSE Prime Market 2157)

Results of Operations

**for the First Half of the
Fiscal Year Ending August 2026
(1H FY8/2026)**

April 10, 2026

Agenda

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2 FY8/2026 Consolidated Forecast

1. 1H FY8/2026 Financial Summary

Executive Summary

- **Record-high** first half sales but earnings decreased because of strong collaboration program sales one year earlier, higher expenses for new equipment and other reasons. **Bottom-line profit increased due to a gain on the sale of non-current assets.**

Karaoke: Continuing to open many stores. Existing store sales unchanged due to the major collaboration program in FY8/2025. Sales were up 1.5% after eliminating the collaboration contribution.

The personnel and utility expense ratios decreased because of the optimized management of expenses; there was no change in earnings due to expenses for installing the new POS system and E-bo entertainment boxes and other new services.

Real Estate Management:

Sales remained unchanged and earnings up despite the sales of properties because of the stable performance of existing properties and contribution from new properties. Gains on real estate sales contributed to an increase in consolidated profit after tax.

Other: Remaining bath houses facilities were closed. Opened two CAFÉ ECLAs. Strong sales at existing food and beverage stores.

- **Dividend per share:**

Interim 13 yen, Year-end 13 yen, Annual 26 yen (planned increase of 2 yen)

Dividend increased for the fifth consecutive year to a new all-time high, adjusted for stock splits

1H FY8/2026 Consolidated Results of Operations

- Record-high first half sales but existing karaoke store sales were up only 0.3% YoY because of strong collaboration program sales one year earlier.

Earnings down because of higher fixed expenses, including installations of the new POS system and E-bo entertainment boxes. Profit after tax increased because of a gain on the sale of non-current assets.

- Collaboration sales down more than 600 million yen YoY after the big contribution of collaboration sales in 1Q FY8/2025. Existing store sales up 1.5% YoY after excluding collaboration sales.
- Continuing measures for the optimized management of personnel and utility expenses, but earnings decreased because of higher other fixed expenses for installations of new equipment and services as sales were less than planned.
- Profit increased due to the gain on the sale of the Hotel Vista Atsugi.

(Million yen)

Item	1H FY8/2025	1H FY8/2026	YoY change		Vs. 1H forecast	
			Amount	Ratio	Forecast	Achievement ratio
Net sales	34,004	38,932	+4,928	+14.5%	39,431	98.7%
Gross profit	8,594	9,324	+730	+8.5%	-	-
SG&A expenses	3,480	4,320	+840	+24.1%	-	-
Operating profit	5,114	5,004	-110	-2.1%	6,139	81.5%
(Operating profit to net sales)	15.0%	12.9%				
Ordinary profit	5,300	5,224	-76	-1.4%	6,105	85.6%
(Ordinary profit to net sales)	15.6%	13.4%				
Profit attributable to owners of parent	3,192	3,884	+692	+21.7%	4,933	78.7%
(Profit to net sales)	9.4%	10.0%				
Net income per share (Yen)	38.97	47.13	+8.16	+20.9%	59.86	78.7%

Consolidated Results of Operations by Segment (YoY Change)

Karaoke: Continuing to open many stores but existing store sales were down due to the major collaboration program in FY8/2025. Sales were up 1.5% after eliminating the collaboration contribution.

Although the expense ratio declined in personnel and utility expenses because of the optimized management, earnings were up only slightly due to higher other fixed expenses, including installations of the new POS system and E-bo entertainment boxes and other services.

Real Estate Management:

Sales remained the same level and earnings up despite the sales of properties, because of the stable performance of existing properties and contribution from new properties.

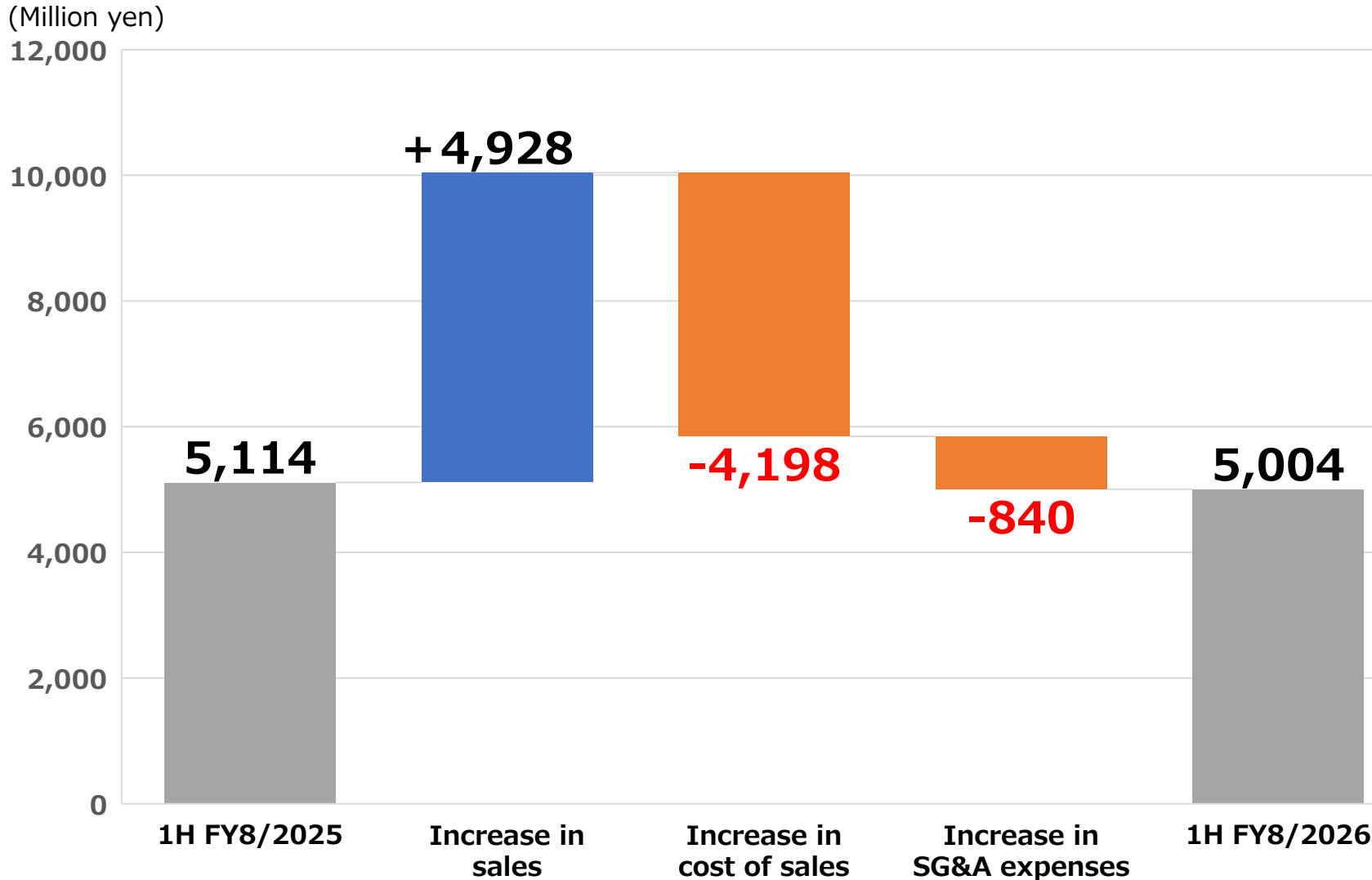
Other: Strong sales at existing food and beverage stores but an operating loss caused by closure of remaining bath houses and opening of new CAFÉ ECLA store.
(Million yen)

Item	1H FY8/2025	1H FY8/2026	YoY change		Vs. 1H forecast	
			Amount	Ratio	Forecast	Achievement ratio
Net sales	34,004	38,932	+4,928	+14.5%	39,431	98.7%
Karaoke	32,900	37,794	+4,894	+14.9%	38,538	98.1%
Real Estate Management	917	927	+10	+1.1%	892	104.0%
Other	442	456	+14	+3.1%	244	186.8%
Adjustment	(255)	(245)	+10	-	(243)	-
Operating profit	5,114	5,004	-110	-2.1%	6,139	81.5%
Karaoke	5,649	5,676	+27	+0.5%	6,749	84.1%
(Operating profit to net sales)	(17.2%)	(15.0%)			(17.5%)	
Real Estate Management	86	111	+25	+28.6%	94	117.2%
(Operating profit to net sales)	(9.4%)	(12.0%)			(10.6%)	
Other	17	(61)	-78	-	4	-
(Operating profit to net sales)	(3.9%)	(-)			(2.0%)	
Adjustment	(638)	(721)	-83	-	(709)	-

YoY Change in Operating Profit

(Million yen)

■ Increase ■ Decrease ■ Total



■ Major increase in sales

- ✓ New stores: +2,221
- ✓ Standard Corp./Koshidaka Malaysia: +3,405
- ✓ Existing stores: +132
- ✓ Store closures: -578
- ✓ Real Estate/Other: +24
- ✓ Adjustment: +10

■ Major increase in cost of sales

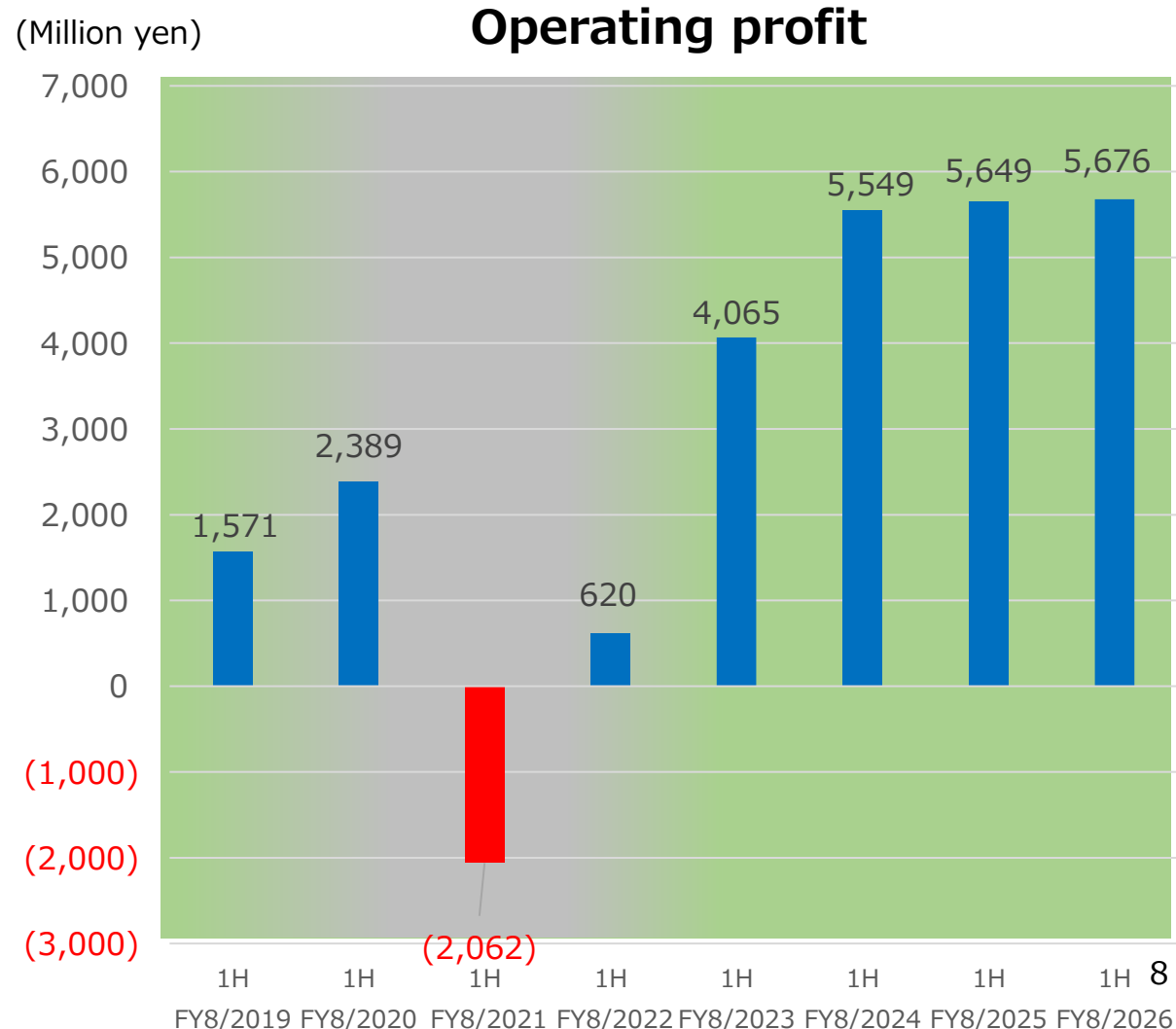
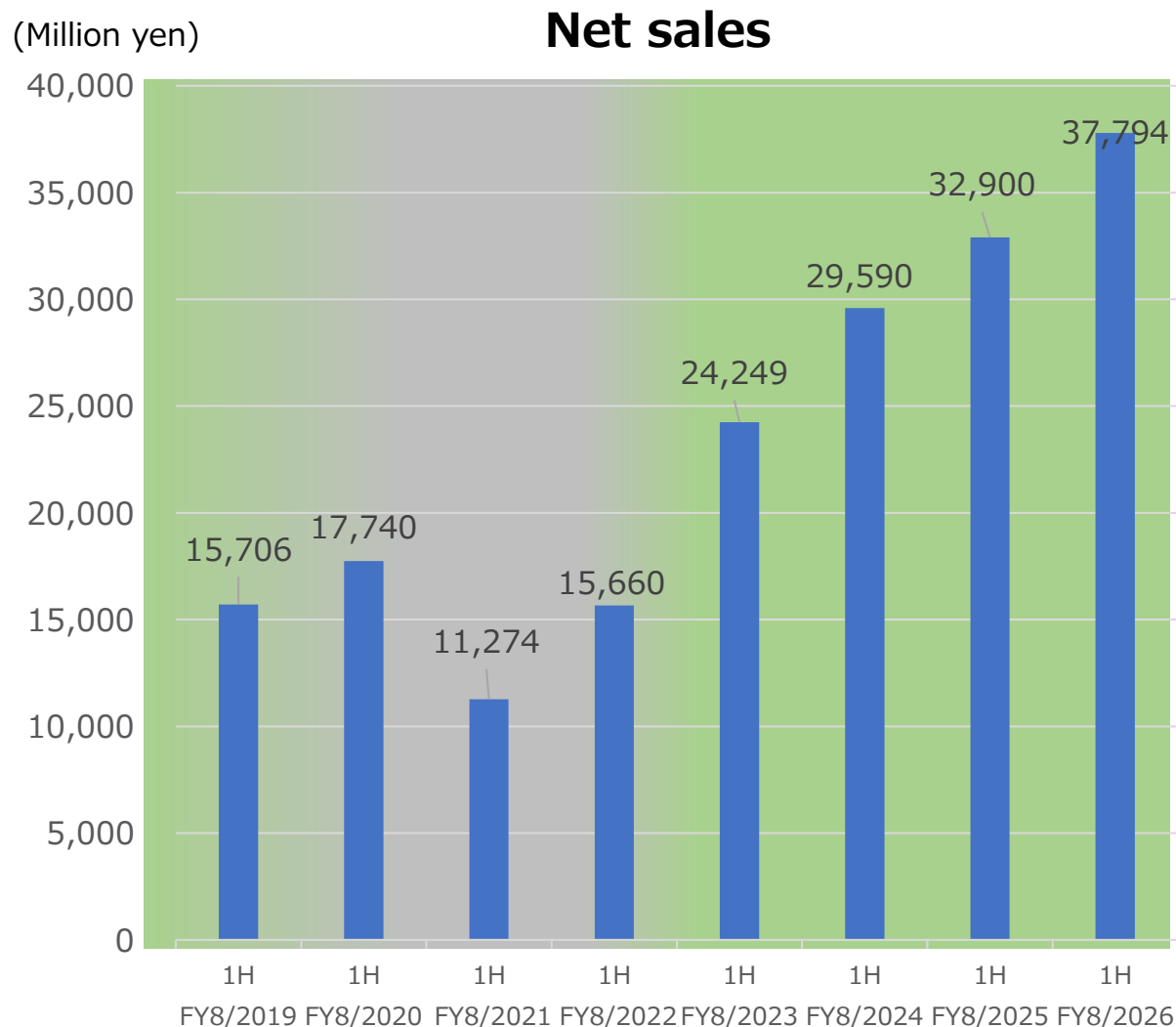
- ✓ Rents: +1,344 (+23.6%)
- ✓ Personnel: +1,132 (+13.7%)
- ✓ Cost of merchandise: +613 (+23.7%)
- ✓ Depreciation: +258 (+12.4%)
- ✓ Utilities: +192 (+10.3%)
- ✓ Equipment & consumables: +169 (+26.2%)

■ Major increase in SG&A expenses

- ✓ Fees and commissions: +482 (+188.1%)
- ✓ Personnel: +201 (+21.2%)
- ✓ Amortization of goodwill: +76 (+399 times)
- ✓ Sales promotion expenses: +63 (+2,088 times)
- ✓ Advertising expenses: -63 (-13.6%)
- ✓ Opening expenses: -51 (-11.7%)

(*Reference) Changes in 1H Net Sales and Operating Profit

- Operating losses before the pandemic in the first half, when the break-even point is high. After the recovery from the pandemic, consistent sales and profit.



Karaoke Business

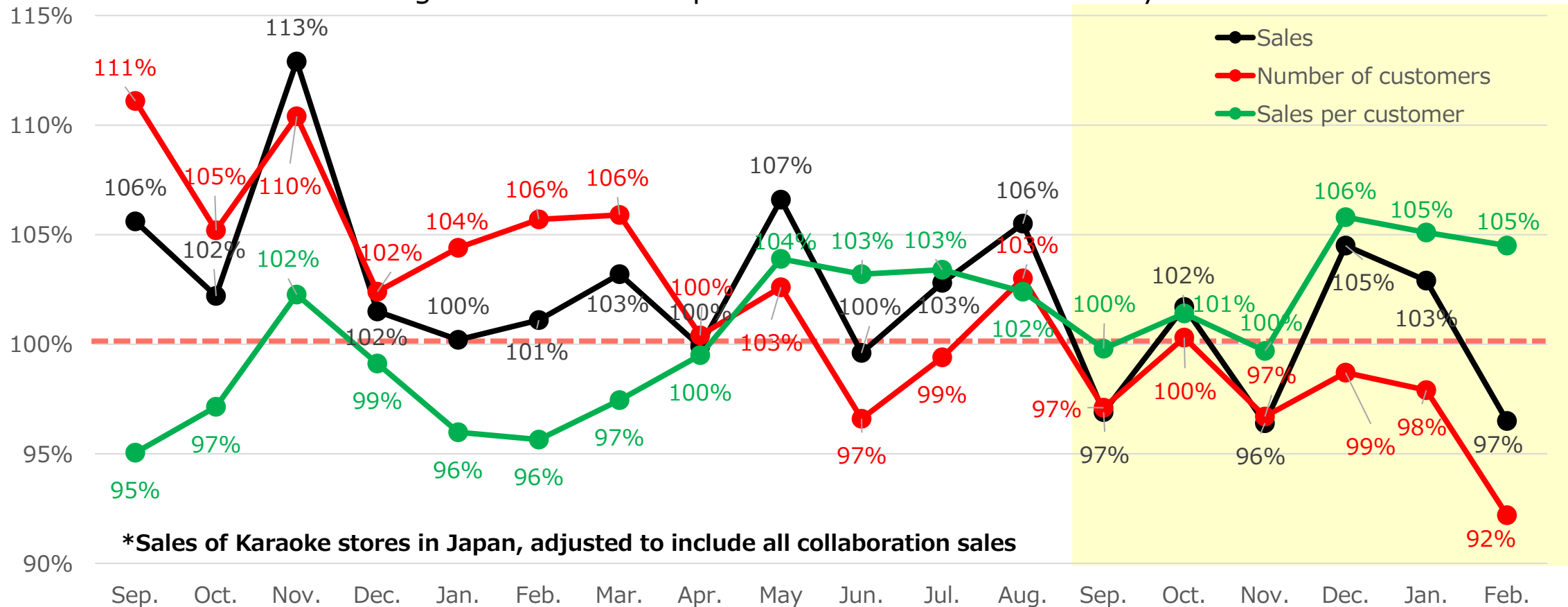
(Million yen)

	1H FY8/2022 Previous classification		1H FY8/2023		1H FY8/2024		1H FY8/2025		1H FY8/2026	
	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.
Net sales	15,660	-	24,249	-	29,590	-	32,900	-	37,794	-
Cost of sales	13,578	86.7%	18,320	75.5%	21,540	72.8%	24,453	74.3%	28,598	75.7%
Gross profit	2,082	13.3%	5,928	24.4%	8,049	27.2%	8,447	25.7%	9,196	24.3%
SG&A expenses	1,461	9.3%	1,863	7.7%	2,500	8.4%	2,798	8.5%	3,520	9.3%
Operating profit	620	4.0%	4,065	16.8%	5,549	18.8%	5,649	17.2%	5,676	15.0%

Existing Store Sales/Number of Customers/Sales Per Customer

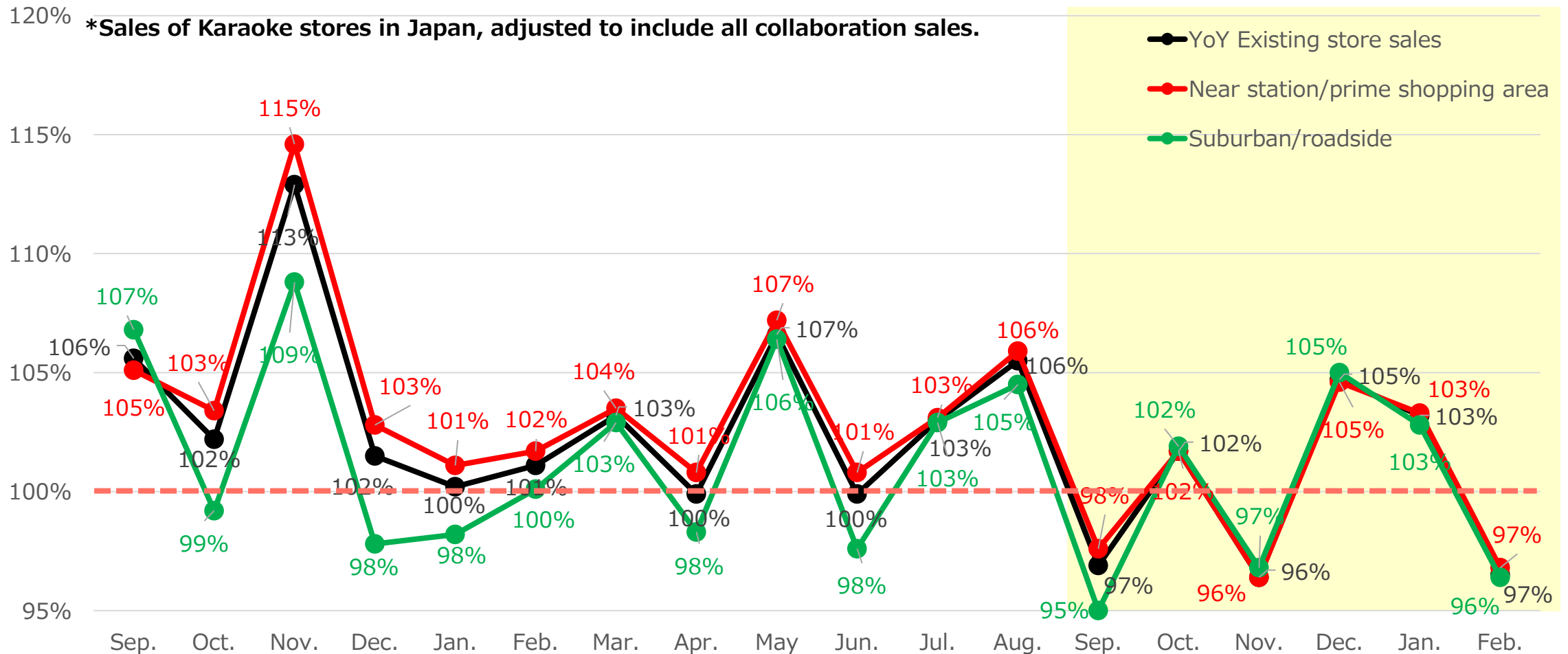
- Existing store sales increased 0.3%, number of customers decreased 2.8%, and sales per customer increased 3.2% compared with the same period of FY8/2025.
- Increased during the year-end/New Year holiday season but decreased in February because of the general election, winter Olympics and heavy snowfall.
- Collaboration sales down (including a more than 300 million yen decline in these sales at existing stores) following a big contribution to sales in Nov. 2024. Existing store sales increased 1.5% after excluding collaboration.

Existing store results compared with same month in the year before



Existing Store Sales on the Same Month in the Year Before

- Existing store sales (monthly basis) were down 1.8% in 1Q and up 1.9% in 2Q, resulting in a 0.3% increase in the first half of the fiscal year.
- Similar changes in sales in both the near station/prime shopping area and suburban/roadside stores.



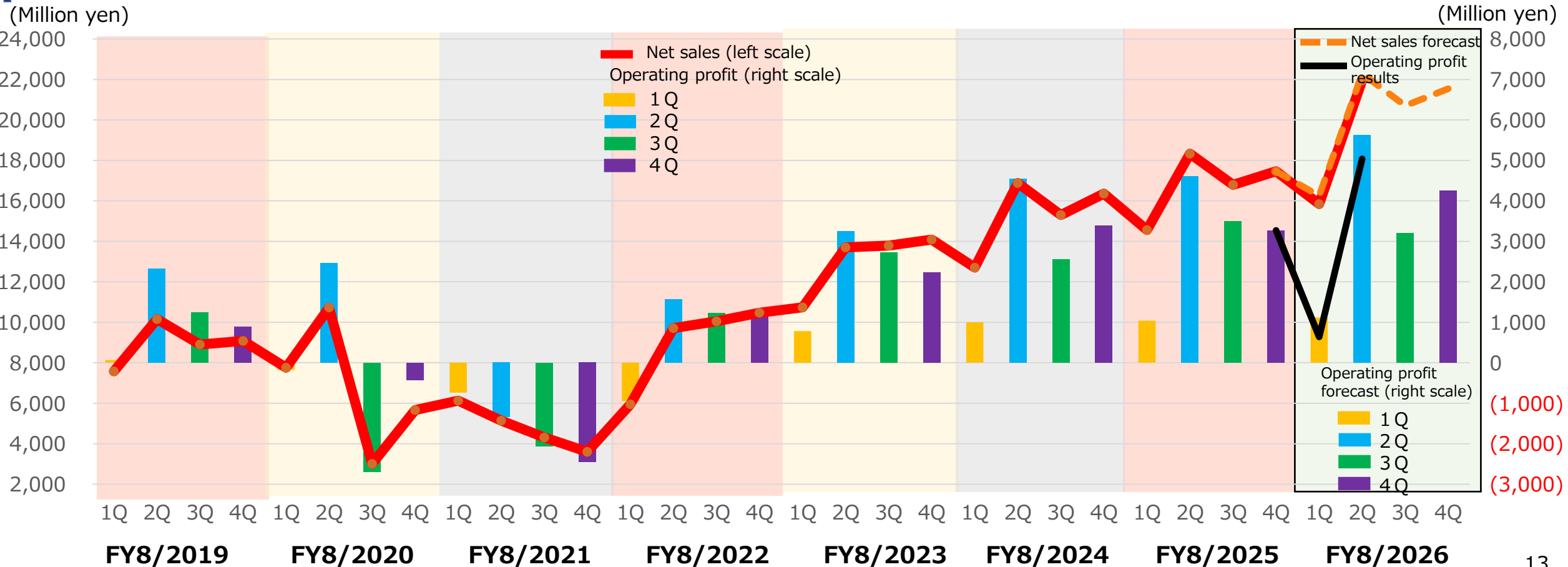
About 70 Karaoke JOYSOUND Join the KOSHIDAKA Group

- On November 1, using an absorption type split, the new Standard Corp., a Koshidaka subsidiary, received about 70 JOYSOUND karaoke and other stores operated by the former Standard Corp., which was a subsidiary of XING Inc.
- These stores, consolidated starting in November, are expected to increase consolidated sales by about 7,000 million yen and earnings by 200 million yen.
- In the first half of FY8/2026, Standard is included in the consolidated financial statements beginning with November (total of four months). Standard's non-consolidated sales were 2.7 billion yen during this four-month period.
- Operated directly by the manufacturer of Commander, (karaoke equipment), JOYSOUND stores earn high sales per customers and have large F&B menus. While maintaining this high-end position of the JOYSOUND brand, KOSHIDAKA plans to use the JOYSOUND and Manekineko brands for different market categories. Brands will be mutually reexamined in some areas.
- For higher earnings, consolidated purchasing of food, beverages and other supplies, lease negotiations, productivity improvements for all activities, and other cost reduction measures are planned.
- For back office operations, there will be upgrades of new store development and other functions and the integration of tasks for higher efficiency.
- FY3/2025 financial highlights and assets/liabilities acquired
 - Negative net assets at the end of March 2025 was covered by related company loans. These loans will not be transferred to KOSHIDAKA.

Karaoke Segment Quarterly Net Sales and Operating Profit

- Sales and earnings are lowest in the 1Q and highest in the 2Q, which includes the year-end/New Year holiday, followed by the 4Q, which includes Obon holiday and summer vacation, and the 3Q, which includes spring break and Golden Week.
- Before the pandemic, there was a loss in the 1Q every year but the 1Q was profitable for the fourth consecutive year from FY8/2023.

Karaoke Segment Quarterly Net Sales and Operating Profit



Number of Karaoke Stores and Rooms

Number of Stores/Rooms		FY8/2025		1H FY8/2026		Change	
		No. of stores	No. of rooms	No. of stores	No. of rooms	No. of stores	No. of rooms
Manekineko	Near railway stations/ prime shopping areas	409	11,660	419	11,919	+10	+259
	Suburban/roadside locations	288	7,185	293	7,405	+5	+220
	Total	697	18,845	712	19,324	+15	+479
One Kara		6	207	6	191	0	-16
JOYSOUND Standard Corp.	Near railway stations/ prime shopping areas	-	-	63	1,779	+63	+1,779
	Suburban/roadside locations	-	-	6	170	+6	+170
	Total	-	-	69	1,949	+69	+1,949
Total		703	19,052	787	21,464	+84	+2,412

Number of Stores opened/closed		1Q FY8/2025	2Q FY8/2025	3Q FY8/2025	4Q FY8/2025	FY8/2025	1Q FY8/2026	2Q FY8/2026	1H FY8/2026
No. of stores opened	Near railway stations/ prime shopping areas	10	6	5	12	33	8	3	11
	Suburban/roadside locations	6	1	3	7	17	6	3	9
	Total	16	7	8	19	50	14	6	20
No. of stores closed		3	2	2	4	11	3	2	5

Overseas Performance

- Continued rapid store openings in Southeast Asia:
Opened three stores in Malaysia and one store in Indonesia in the first half.
- The new flagship stores raised brand recognition and the larger size of stores is improving profitability.
- In the U.S., preparations under way for opening the first store. (construction, applications)
- Established a subsidiary in the Philippines, and seeking suitable locations for stores.



Alamanda, Malaysia

Selayang, Malaysia



Bintaro X-change Mall, Indonesia

(Million yen)

	FY8/2025			FY8/2025			FY8/2026		
	Full year			1H			1H		
	Net sales	Operating profit	No. of locations	Net sales	Operating profit	No. of locations	Net sales	Operating profit	No. of locations
Overseas	1,451	63	25	723	55	25	852	(4)	29
South Korea	94	(30)	4	53	(11)	4	45	(23)	4
Malaysia	926	108	15	456	62	15	553	40	18
Thailand	312	(10)	4	153	6	4	184	(14)	4
Indonesia	119	(5)	2	61	(2)	2	70	(7)	3

*Sales and operating profit in Thailand and Indonesia are not consolidated.

Real Estate Management/ Other Businesses

Real Estate Management Business

- Occupancy was almost 100% at major properties
→ AQERU Maebashi, MANEKI Shimbashi Building, Fleuret Sakuragicho
- Higher sales and earnings and an increase in expenses of newly acquired properties
- Hotel Vista Atsugi has been sold and a gain on sale was recorded under extraordinary income for 1Q FY8/2026. Related revenue decreased.

(Million yen)

	1H FY8/2022		1H FY8/2023		1H FY8/2024		1H FY8/2025		1H FY8/2026	
	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.
Net sales	536	-	753	-	749	-	917	-	927	-
Cost of sales	460	85.8%	610	81.0%	697	93.1%	809	88.2%	797	85.9%
Gross profit	76	14.2%	143	19.0%	53	7.1%	108	11.8%	131	14.1%
SG&A expenses	7	1.3%	14	1.9%	12	1.6%	22	2.4%	20	2.1%
Operating profit	68	12.7%	129	17.1%	40	5.3%	86	9.4%	111	12.0%

Other Businesses

- Sales and earnings at existing food and beverage stores such as “Gindaco Highball” and “CAFÉ ECLA” were increasing.
- The loss is attributable to one-time expenses for closure of two bath houses and opening of two new CAFÉ ECLA stores.

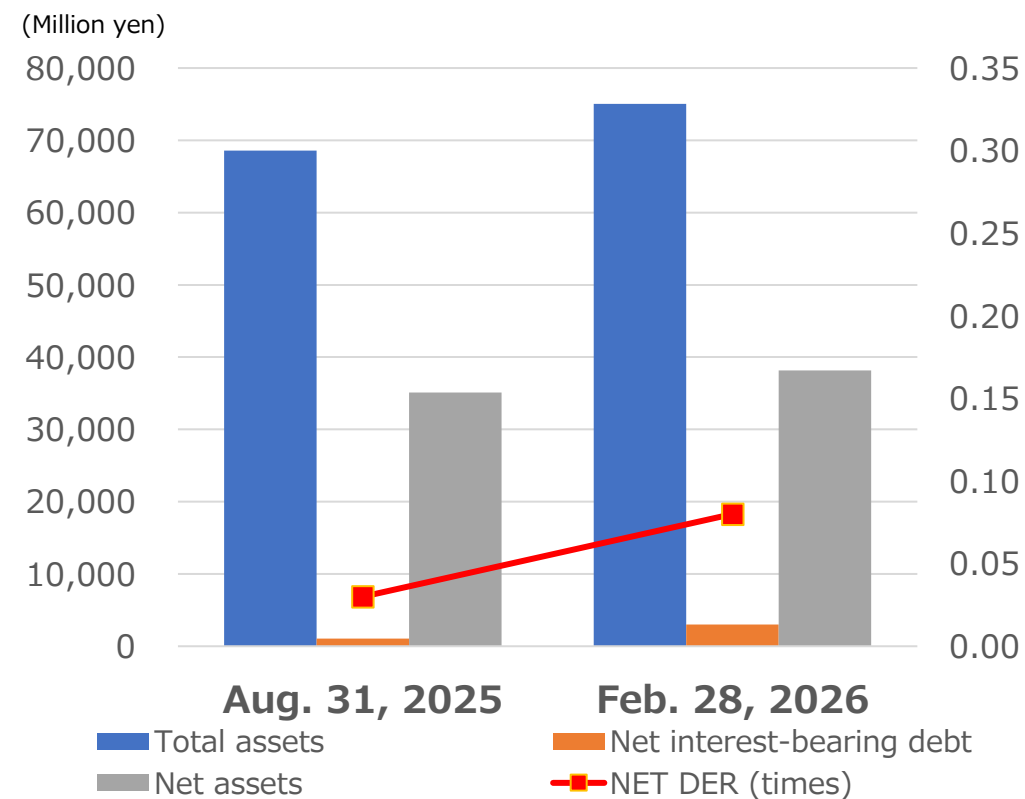
(Million yen)

	1H FY8/2022 Previous classification		1H FY8/2023		1H FY8/2024		1H FY8/2025		1H FY8/2026	
	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.
Net sales	437	-	717	-	434	-	442	-	456	-
Cost of sales	470	107.6%	710	99.0%	451	103.9%	402	90.8%	459	100.5%
Gross profit	(32)	-	7	1.0%	(16)	-	41	9.2%	(2)	-
SG&A expenses	13	3.0%	23	3.2%	23	5.3%	24	5.4%	59	12.9%
Operating profit	(46)	-	(15)	-	(39)	-	17	3.9%	(61)	-

Balance Sheet and Cash Flows

Balance Sheet

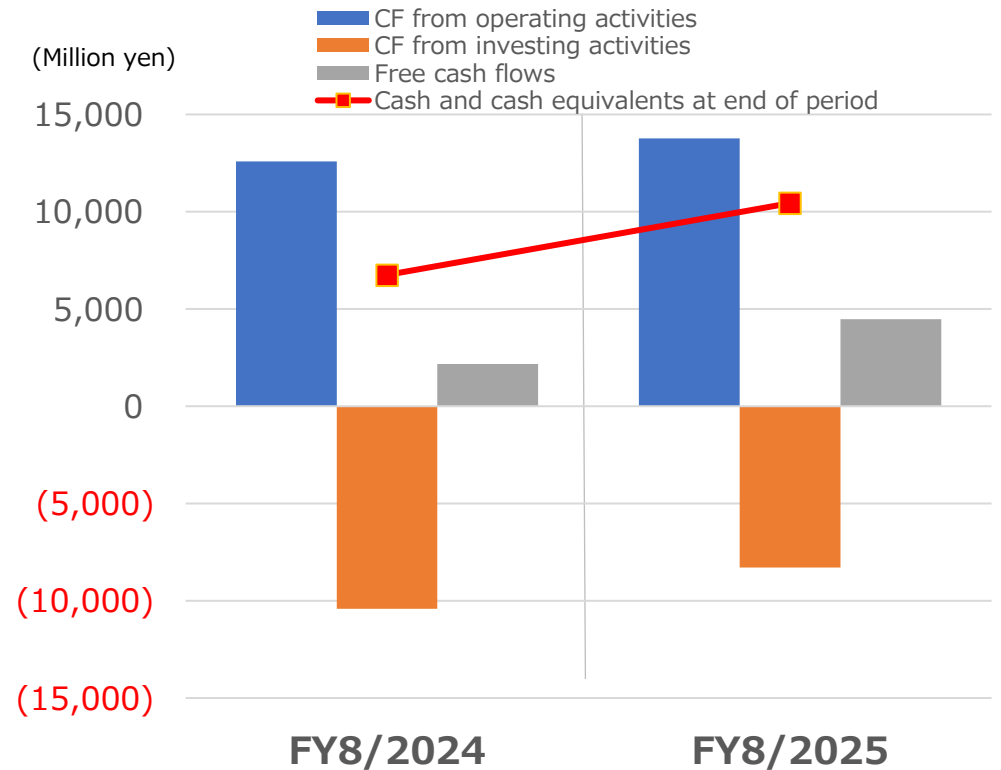
	(Million yen)		
	August 31, 2025	February 28, 2026	Change
Current assets	15,791	13,447	-2,345
Non-current assets	52,797	61,630	+8,833
Total assets	68,588	75,077	+6,488
Current liabilities	14,923	16,406	+1,483
Non-current liabilities	18,559	20,485	+1,926
Net assets	35,105	38,185	+3,080
Net interest-bearing debt	1,038	2,992	+1,955
Equity ratio	51.2%	50.9%	Down 0.3%pt
Net DER (times)	0.03	0.08	Improvement 0.05
ROE* (Vs. 1H FY8/2025)	*9.9%	10.6%	Up 0.7%pt



Assets increased mainly because of many new stores and additional non-current assets due to the acquisition of Standard. Goodwill was 2.9 billion yen at the end of February 2026. Current assets decreased and net interest-bearing debt increased because funds were transferred from year-end cash balances to cover the absorption-type split and the fiscal year-end dividend. The debt-equity ratio increased due to the large volume of cash and deposits at the end of FY8/2025 but remains significantly low. The ROE was up by 0.7 points because of increases in net assets and net profit.

Cash Flows

	(Million yen)		
	1H FY8/2025	1H FY8/2026	Change
Cash flows from operating activities	+5,315	+6,643	+1,327
Cash flows from investing activities	(4,035)	(7,692)	-3,657
(Free cash flows)	+1,280	(1,049)	-2,330
Cash flows from financing activities	+54	(1,752)	-1,807
Cash and cash equivalents at end of period	8,050	7,792	-258



No change in using operating cash flows for the addition of many new stores. Free cash flow was negative due to expenditures related to the business acquisition. Funds set aside in the second half of FY8/2025 were used, resulting in a slight decrease in cash and cash equivalents as of the end of the first half of FY8/2026.

2. FY8/2026 Consolidated Forecast

FY8/2026 Forecast

Consolidated Forecast

(Million yen)

Items	FY8/2025 Result	FY8/2026 Forecast	Vs. FY8/2025	
			Change	Ratio
Net sales	69,387	82,046	+12,659	+18.2%
Operating profit	11,392	11,831	+438	+3.8%
(Operating profit to net sales)	(16.4%)	(14.4%)		
Ordinary profit	11,598	12,030	+432	+3.7%
(Ordinary profit to net sales)	(16.7%)	(14.7%)		
Profit attributable to owners of parent	5,258	6,451 to 8,444	+1,192 to +3,185	+22.7% to +60.6%
(Profit to net sales)	(7.6%)	(7.9%) to (10.3%)		
Net income per share (Yen)	64.01	78.27 to 102.45	+14.25 to +38.43	+22.3% to +60.0%

■ Karaoke Business

- Forecast no change in existing store sales in Japan.
- Sales forecast includes the first full FY contribution of the 50 stores added in FY8/2025 and sales from new stores to be added in FY8/2026.
- Forecast includes sales of 7,000 million yen and operating profit of 200 million yen for newly consolidated Standard Corp. (Nov. 2025 to Aug. 2026).
- Expect first half benefits from continuing profitability enhancing measures, including actions for optimizing labor productivity and rigorous electricity reduction measures. Forecast higher FY8/2026 earnings as the initial 2H forecast remains unchanged.
- Forecast sales of 1,000 million yen and operating profit of 100 million yen at Koshidaka Malaysia, newly consolidated in FY8/2026.
- 994 million yen in gain on sale of non-current assets as extraordinary income 1Q. (Hotel Vista Atsugi, etc.)
- The lower limit forecast anticipates an extraordinary loss equivalent to impairment loss in FY8/2025 at the end of period.

[Reference]

Common stock equivalents for the stock acquisition rights and convertible bonds held by Advantage Partners are 8,889 thousand shares at 675 yen per share.

FY8/2026 Forecast by Segment

Forecast by Segment

(Million yen)

Items	FY8/2025 Result	FY8/2026 Forecast	YoY
			Change
Net sales	69,387	82,046	+12,659
Karaoke	67,162	80,037	+12,874
Real Estate Management	1,857	1,818	-39
Other	879	699	-180
Adjustment	(511)	(489)	23
Operating profit	11,392	11,831	+438
(Operating profit to net sales)	(16.4%)	(14.4%)	
Karaoke	12,405	13,121	+715
(Operating profit to net sales)	(18.5%)	(16.4%)	
Real Estate Management	222	208	-14
(Operating profit to net sales)	(12.0%)	(11.4%)	
Other	37	(67)	-104
(Operating profit to net sales)	(4.3%)	(-)	
Adjustment	(1,272)	(1,431)	-158

■ Real Estate Management

- Hotel Vista Atsugi was sold as of October 24. Corresponding revenue decreased thereafter. The related gain on sale is as stated on the previous page.

■ Other Business

- Termination of the bath house business by closing “Koriyama Yudokoro Maneki-no-Yu” and “Misato Onsen Maneki-no-Yu” is expected to reduce sales by about 500 million yen.
- Forecast sales growth of 100 million yen due to higher sales at existing food and beverage stores and to opening new F&B locations.

FY8/2026 Dividend Policy

Distributing earnings to shareholders is one of the highest priorities of Koshidaka Holdings. Our policy is to pay dividends consistently while taking steps for the medium/long-term growth of the value of our stock. By accomplishing the Entertainment Infrastructure Plan*¹ and creating the next core drivers of growth, we are aiming for more growth of our businesses and the even more efficient use of capital.

The specific dividend amount will be determined year to year based on the need to reinvest funds in current and new businesses and for other purposes and plan for a medium-term steady increase in the dividend payout ratio.

- Plans to pay an interim dividend of 13 yen, which is an increase of 1 yen from the FY8/2025 year-end dividend, and a year-end dividend of 13 yen, for a total full-year dividend of 26 yen per share.

Dividend per share/Payout ratio

(Yen)

	FY8/2020	FY8/2021	FY8/2022	FY8/2023	FY8/2024	FY8/2025	FY8/2026 (forecast)
Interim	8.0	2.0	4.0	5.0	7.0	12.0	13.0
Year-end	4.0	2.0	4.0	7.0	11.0	12.0	13.0
Annual	12.0	4.0	8.0	12.0	18.0	24.0	26.0
Payout ratio	-	-	17.9%	13.8%	21.8%	37.5%	33.2% to 25.4%

*1. The Entertainment Infrastructure Plan has the goal of accomplishing the medium-term corporate vision of "entertainment as infrastructure."

Shareholder Benefit Program (Record Date: August 31)

Shares held	Length of shareholding	Gift
At least 100	Under three years	2 coupons (2,000 yen)
	Three years or more	4 coupons (4,000 yen)
At least 400	Under three years	5 coupons (5,000 yen)
	Three years or more	10 coupons (10,000 yen)
1,000 or more	Under three years	10 coupons (10,000 yen)
	Three years or more	20 coupons (20,000 yen)

*Shareholder gift coupons can be used at Karaoke Manekineko, Karaoke Kin-no Manekineko and One Kara (single-use room karaoke) in Japan. (These coupons are not valid at Gindako-High Ball Sakaba, CAFÉ ECLA and other KOSHIDAKA Group stores.)

Up to five coupons can be used for a single visit and coupons can be used with other coupons.

KOSHIDAKA HOLDINGS Co., LTD.

(TSE Prime Market 2157)

The purpose of this presentation is to provide information about the Koshidaka Group based on results of operations for the first half of the fiscal year ending August 31, 2026. This is not a solicitation to purchase securities issued by Koshidaka Holdings.

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