

KOSHIDAKA HOLDINGS Co., LTD.
Integrated Report 2025

(Fiscal year ended August 31, 2025)



*Entertainment
as Infrastructure*

Corporate Mission and Vision

Koshidaka Holdings' Corporate Mission

Our mission is to contribute to the realization of lifestyles full of leisure and to the establishment of a peaceful world filled with hope by continuing to create, offer and provide the world with new and meaningful products and services.

Koshidaka's Corporate Mission

Our mission:

- To bring joy to our customers
- To bring happiness to ourselves and those around us
- To energize local communities and the world
- To contribute to the preservation of the global environment
- Each to lead a fulfilling and satisfying life

Action Objectives

- Creating new services
- Polishing up mindset of hospitality
- Eliminating customer inconvenience

Medium-term Corporate Vision

EIP

(Entertainment Infrastructure Plan)

Vision for "Entertainment as Infrastructure"

- Operate "Karaoke Manekineko" throughout Japan
- Make entertainment a vital part of everyone's life
- Offer an outstanding entertainment experience for people worldwide

The Origin and Thought of the Logo

The Koshidaka logo is a symbolization of "hands" representing the bond between people. It represents the spirit in which we value our staff, staff working together to help one another and the bond between our staff and our customers. The bond between people, something that we cherish most, is symbolized by this logo. It is our hope that into the future, the hands of the Koshidaka Group will grow into large, warm hands that give birth to happiness. Hand in hand, we will continue to strive to make great steps into the future.



CONTENTS

Koshidaka's Value Creation

- Corporate Mission and Vision 1
- Message from the President 3
- Koshidaka Holdings' History 7
- Koshidaka Holdings' Strengths 9
- Koshidaka Holdings in Numbers 11
- Koshidaka Holdings' Businesses 13

Value Creation and Strategies

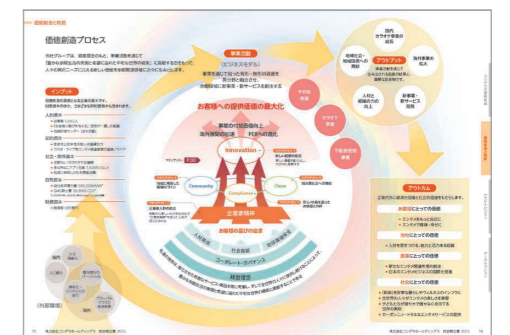
- Value Creation Process 15
- Materiality 17
- Progress and Initiatives of the Medium-term Corporate Vision 19
- Financial Strategies 23

Sustainability

- Koshidaka's Sustainability 25
- Human Resource Initiatives 26
- Social Contribution Activities 29
- Environmental Initiatives 30
- Corporate Governance 31
- Officers 35
- Messages from Outside Directors 36

Data Section

- 11-year Financial Highlights (Consolidated) 37
- Corporate Overview 39



Editorial Policy

This report provides information on the Company's business performance for the period covered and our initiatives to achieve our medium-term corporate vision. It also explains our approach to sustainability and links financial and non-financial information. By doing so, it is intended to serve as a tool to help a wide range of stakeholders, including shareholders and investors, understand the Company and deepen our dialogue with them.

Reporting Period

Fiscal year ended August 31, 2025 (September 1, 2024 to August 31, 2025)
*Reports on activities conducted outside the reporting period are also partially included.

Scope of Reporting

KOSHIDAKA HOLDINGS Co., LTD. and Group companies

Date of Publication

January 2026 (annual)

Message from the President



We will steadily complete the Final Stage and continue moving forward, looking to what lies beyond

Hiroshi Koshidaka
Representative Director and President

Embracing change, overcoming challenges, and expanding our value propositions

With KOSHIDAKA Co., LTD. as its core operating company, the Koshidaka Group provides entertainment services that are necessary to people's lives, through the development of a chain of karaoke stores. As we seek to fulfill Koshidaka Holdings' corporate mission of "contributing to the realization of lifestyles full of leisure and to the establishment of a peaceful world filled with hope," by providing value that functions as places to relieve stress, opportunities to communicate, and spaces for promoting health, we hope to expand the joy of those spaces widely to society as a whole. It is our hope that our efforts in this regard will bring vitality to society and lead to the realization of a world that is full of contentment and hope.

In the 35 years since we opened our first karaoke box in 1990, the Koshidaka Group has followed a path of business expansion. In doing so, we have established a leading position in Japan in terms of the number of stores opened and advanced our

expansion into overseas markets. In that time, the social and market environments surrounding the Group have continued to change with the times. In recent years in particular, the pace of that change has accelerated, affecting people's daily lives and consumer behavior in various ways.

Although Japan's karaoke market in its current state is showing a recovery from the downturn caused by the COVID-19 pandemic, over the long term, patron numbers are falling due to the declining birthrate and aging population. Due to these factors, competition among karaoke stores to attract customers has intensified across the industry. While karaoke operators with deteriorating business performance are leaving the market, market consolidation is proceeding, driven by those operators that have remained competitive.

Under these circumstances, the Group's karaoke business is responding to changing customer needs by refining its daily operations based on the concepts of "safe and secure," "reasonable," and "friendly," in its aim to remain a competitive presence in the market. Today, as more operators leave the market and strategic alliances increase, the market appears to have entered the final stage of consolidation. Over

the next two to three years, the competitive landscape will become clearer, and we believe that market competition is likely to stabilize.

In the future, as already mentioned, the declining birthrate and aging population are also expected to lead to a decline in karaoke patrons among the younger generation. Given that approximately 70% of customers of the Group's karaoke business are in their 20s or younger, this decline will become a major challenge in terms of maintaining growth. While competitive success in the battle for patrons against our rivals will also help us to capture those younger age groups, as the decline in the birthrate and aging of the population progress, there is likely to be a gradual decline in demand for karaoke. From these perspectives, we are working on the creation of new content and services to evolve our karaoke rooms into "private entertainment rooms (PERs)" in our efforts to develop our customer base.

Another initiative in response to the future contraction of the Japanese market is our expansion into overseas markets. The Group has expanded its karaoke business into South Korea, Thailand, Malaysia, and Indonesia. We have built local models for each region, and we now operate a total of 25 stores across these four nations. We have also established a local subsidiary in the Philippines with the goal of expanding into that market, and preparations are underway for the opening of our first US store in Los Angeles in our bid to develop the US market.

In Japan, the average size of groups using karaoke rooms is declining every year. In particular, the prevalence of "single-use karaoke" has become increasingly evident. Overseas, however, demand for group usage is robust, with many customers enjoying karaoke in groups such as family, relatives, and close friends. In the Southeast Asian countries in particular, although average sales per customer is lower than in Japan, these countries have larger populations of young people, and income levels continue to rise due to economic growth. As such, we can expect to see steady expansion of these markets. In the US market, which we will develop going forward, advance market research has revealed brisk consumer demand in the leisure industry, and we are projecting average per-customer sales at a level from 2.5 to 3 times that of Japan.

From now on, while extending the provision of value that brings joy to customers and vitality to society beyond Japan to overseas markets, to further expand into the future, we will increase our management efficiency, respond to change, and establish the foundations for sustainable growth.

Progress and outcomes in the first year of the EIP Final Stage

In 2019, the Group launched a medium-term corporate vision outlining its Entertainment Infrastructure Plan (EIP), with the goal of offering entertainment as infrastructure. Under this vision, we are working on the conversion of karaoke rooms into PERs, full-scale expansion outside Japan as mentioned earlier, as well as the improvement of profitability by increasing productivity and the creation of new pillars of earnings. We have designated the three years starting in the fiscal year ended August 31, 2025 as the EIP Final Stage and launched growth strategies aimed at achieving net sales of 100.0 billion yen and operating profit of 15.0 billion yen by the final year of this stage (fiscal year ending August 31, 2027).

In the fiscal year ended August 31, 2025, the first year of the Final Stage, the ongoing strategy of opening many new stores in the karaoke business produced results, and the favorable performance of existing stores also helped us to achieve record high net sales of 69,387 million yen, a year-on-year increase of 9.7%. In terms of profit as well, through the optimization of management of business operations to offset increases in expenses caused by rising personnel and utility expenses, we secured operating profit of 11,392 million yen (up 12.1% year on year) and ordinary profit of 11,598 million yen (up 6.1% year on year), both of these figures being all-time highs. However, due to the calculation of impairment losses of 3,389 million yen from stores and facilities that recorded losses for the last two fiscal years, profit attributable to owners of parent fell by 21.9% to 5,258 million yen.

Nevertheless, in terms of our financial performance as a whole, we were able to grow net sales steadily through growth in customer numbers and the maintenance of average per-customer sales at existing stores, which allowed us to secure operating profit that was generally on par with the plan. We view this result as the outcome of the tremendous efforts of the employees serving on the frontlines, for which they deserve to be commended.

Meanwhile, in qualitative terms, we made definite progress in all of our goals for the completion of the EIP initiatives, namely doubling the pace of store openings, the expansion of PER conversion, profitability improvement through increased productivity, full-scale expansion outside Japan, and creation of new pillars of earnings.

In our efforts to double the pace of store openings, during the fiscal year under review, we opened 50 new stores as planned. As a result, the total number of stores in Japan as of the end of the fiscal year stood at 703 (up 39), and the number of rooms was

Message from the President

19,052 (up 1,399). We are also continuing to increase the size of stores with the aim of improving operational efficiency and to open stores near stations and in commercial areas.

In addition, from about three years ago, we have adopted a "relocation" approach to new store openings. This approach involves temporarily closing existing suburban roadside Manekineko stores whose performance has declined due to detrimental factors such as aging facilities, small numbers of rooms, and poor locations, and re-opening them in new roadside locations with better conditions in the same trading area, in a bid to create new demand.

Regarding the expansion of PER conversion, we have developed the next-generation entertainment platform, E-bo, and in the first phase of its introduction, installed it in 500 rooms at 193 stores in the Tokyo metropolitan area in the fiscal year under review. In June 2025, as an additional feature for E-bo, in an industry first, we launched a new "Artists' Original Recording Versions" service, which allows customers to experience karaoke using master recordings, including the original artist's vocal tracks. Our hope is that, going forward, this new feature will become a major draw card for customers as a high value-added service that is unique to the Koshidaka Group.

In our efforts to improve profitability by increasing productivity, from the second half of the fiscal year, we optimized store employee shifts, which allowed us to curb increases in personnel expenses. In a year of active promotion of productivity increases through the use of digital technologies, other initiatives included the installation of new POS registers to reduce operational workload at stores, systems for automated shift management, and a "self check-in/through check-out" system to streamline the karaoke experience by having customers operate the check-in and payment screens themselves.

In our overseas expansion efforts, we expanded our new store openings in Southeast Asia. From October to November 2024, we opened our 14th and 15th stores in Malaysia and our fourth store in Thailand. As I mentioned earlier, in February 2025, we established a local subsidiary in the Philippines in preparation for our entry into that market, and we are also preparing to open our first US store in Los Angeles.

In terms of new pillars of earnings, the development of collaborations between anime content and karaoke stores is on track and starting to contribute to earnings. Going forward, as well as recreating anime content and offering it in our stores, we hope to market this content widely overseas in the form of e-commerce sales.

Toward our next leap after the EIP Final Stage

In the fiscal year ending August 31, 2026, the second year of the Final Stage, we expect to see results from the continued strategy of opening many stores and the profitability improvement strategy at existing stores in the karaoke business. Further, we envisage increases in net sales and profit with the added contribution to financial results from the absorption-type split of the karaoke business of Standard Corp., which we acquired in November 2025. In terms of financial results forecasts, we project net sales of 82,544 million yen (up 19.0% year on year), operating profit of 12,966 million yen (up 13.8% year on year), ordinary profit of 12,911 million yen (up 11.3% year on year), and profit attributable to owners of parent of 7,500 million yen to 9,493 million yen (up 42.6% to 80.5% year on year). We have presented the forecast for profit attributable to owners of parent as a range in light of the possibility that extraordinary losses resulting from impairment losses and other factors will be recorded.

Through the absorption-type split mentioned above, the Group has taken over approximately 70 JOYSOUND branded stores from Standard Corp. We also have a target of 100 new store openings in the fiscal year ending August 31, 2026, separate from these approximately 70 stores. For the smooth succession of the JOYSOUND brand and the creation of synergies, after the steady execution of the integration and assimilation process following the split, we will strive for store development that takes advantage of our mutual strengths and characteristics.

Meanwhile, regarding overseas stores, we opened two new stores in Malaysia in September 2025, and we plan to proceed with further store openings in other regions, including the much anticipated first US store in Los Angeles.

Regarding E-bo, in the second phase of its introduction, the platform will be installed in 2,500 rooms at 505 stores. Added to the previous year's installations, this will bring the total to 3,000 rooms at 698 stores. In terms of content expansion, in addition to launching the provision of sport content streamed by WOWOW Inc. in September 2025, through an alliance with Konami Digital Entertainment Co., Ltd., a feature has been added that allows users to play the company's popular game, Momotaro Dentetsu. Making use of these kinds of tie-ups with external content holders, we intend to continue refining E-bo's function as an entertainment platform.

The achievement of our targets of 100.0 billion in net sales and 15.0 billion yen in operating profit for the final year of the Final Stage two years from now

(fiscal year ending August 31, 2027) is now in sight. Going forward, alongside the culmination of the EIP through the Final Stage, in anticipation of a further leap forward after the completion of the current medium-term corporate vision, we will start working on the formulation of the next medium-term corporate vision, positioning it as our "Post-EIP" plan. Although deliberation of the concrete details of the new vision is yet to start, in terms of the sense of scale for business expansion, we are considering setting a target for net sales of 300.0 billion yen, comprising 150.0 billion yen in the Japanese karaoke business, 50.0 billion yen in net sales from PER development, and 100.0 billion yen in the overseas business. We hope to achieve these goals in a timeframe of about 10 years.

Key themes for the formulation of materiality

Regarding sustainability-related themes, until now, the Sustainability Promotion Committee, which I chair, has played the central role in the Group's promotion of environmental and social action initiatives. To integrate these initiatives into a management strategy, link them to business activities in a clearer form, and connect them to the enhancement of corporate value and sustainable growth, we have recently established our materiality (key issues).

Instead of relying on a top-down style, we adopted a bottom-up approach to this formulation process, with project team members taking center stage. However, I did tell them that I wanted them to place importance on securing and nurturing talent with a sense of entrepreneurship. Our single most important objective is the provision of services to our customers. This requires a willingness to constantly create and deliver new and better things. To this end, we need to entrench that sense of entrepreneurship throughout our organization and cultivate a corporate culture that will serve as the foundation of innovation.

From this perspective, going forward, our intention is to place even greater focus on the practice of "human capital management," with the aim of maximizing the value of our people. As part of those efforts, we will enhance the training content offered at our in-house training center, Maneki Juku, and expand the target of human resources development to include all employees. On that basis, we have introduced a system whereby all employees return to Maneki Juku for educational programs once a year. We will continue to enhance our various tiered training programs and, while refining our evaluation systems, promote the growth and active participation

of each individual employee, to strengthen our organizational foundations. From the fiscal year ending August 31, 2026, we have been implementing a succession plan for the development of future executive management talent.

In addition, within these identified material issues, alongside human capital-related themes, we will advance our responses to environmental protection and decarbonization with a high priority. The Group has effectively achieved a rate of 100% renewable energy in its electric power consumption in its business activities through the purchase of non-fossil certificates. To further advance this initiative, we entered into an off-site corporate power purchase agreement (PPA) to introduce renewable energy with additionality, implementing it at 69 stores in the Tokyo area from October 2025. Our target going forward will be to transition to renewable energy with additionality for 30% of the renewable energy used by the Group by 2030.

Toward new possibilities in entertainment services

Our initiatives in "Entertainment as Infrastructure" have made remarkable progress in the six years since 2019, greatly broadening the scope of the value that we provide. Through the culminating efforts that we will undertake over the remaining two years, in addition to realizing a scale of net sales of 100.0 billion yen, we will stand on a higher place and take a broad perspective of the world as we embrace new challenges for the creation of a future of greater abundance. That sense of entrepreneurship will be essential to this goal. We will cultivate that spirit within the organization and instill it throughout the entire Group as we pursue further evolution.

I hope our stakeholders will pay close attention to the new possibilities for entertainment services that the Group will open up and honor us with their support over the long term.



Koshidaka Holdings' History

In 1967, Zenji Koshidaka founded Shinseiken Co., Ltd. (Chinese restaurant) in Maebashi-shi, Gunma Prefecture. He started chain development under the name of Joshu Ramen, six stores at its peak. His passion for developing cutting-edge new menu items and commitment to consistently providing the best service to our customers continue to live on in our business development today.

- Developments in the expansion of karaoke business in Japan
- Developments in business other than karaoke in Japan
- Developments in the expansion of karaoke business overseas
- Development of Koshidaka Holdings' overall businesses

1990s

Birth of "Karaoke Manekineko" Expanded the number of stores through reactivating existing store properties

When karaoke was beginning to gain popularity, we launched the first karaoke box. Our second store, "Karaoke Honpo Manekineko," became very popular among customers with the nickname "Maneki." We established distinctive services that captured customer needs and a highly efficient store management model, and steadily increased the number of stores by the method of reactivating existing store properties.

- 1990 ● Hiroshi Koshidaka, current Representative Director, opened the first karaoke box in Maebashi-shi, Gunma
- 1993 ● Opened the second karaoke box (first Karaoke Manekineko store)

Unusual for a karaoke store at the time, "Manekineko" (lucky cat) was a simple, approachable Japanese name. The official mascot, "Manekkie," symbolizes a smile of "Karaoke Manekineko," and is active throughout Japan and even overseas.



2000s

"Manekineko" brand nationwide expansion Laid a solid organizational structure for a stock listing

We established a vision and strategy for the nationwide expansion of "Karaoke Manekineko," rapidly expanding the areas we opened stores in and the number of stores. In pursuit of providing more ideal services and store operations, we resumed constructing new stores. We also established a training center called "Maneki Juku" to develop the human resources to support our growth. Alongside business expansion, we also established a corporate management structure and became listed on the stock exchange.

- 2000 ● Changed the organizational structure and the trade name to KOSHIDAKA Co., LTD.
- 2006 ● Began operating the Curves business as a franchisee
 - Resumed constructing new stores; opened the 200th Karaoke Manekineko store
- 2007 ● Listed on JASDAQ
- 2008 ● Acquired all shares of Curves Japan Co., Ltd.

2010s

Reorganized businesses to form a holding company Challenged overseas expansion and new businesses

Transitioned to a holding company structure with the aim of becoming a Comprehensive Leisure Service Provider. The Curves business grew rapidly in Japan, and we also expanded to overseas markets. As the scale of the Company grew, we further strengthened our governance and compliance, and moved our listing to the First Section of the Tokyo Stock Exchange.

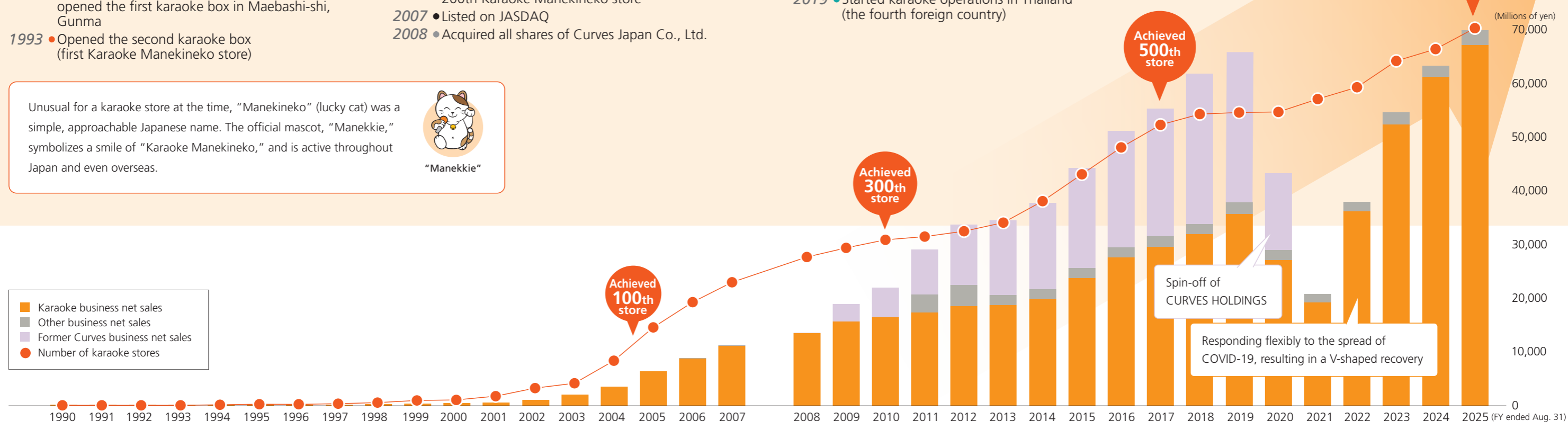
- 2010 ● Changed the organizational structure and the trade name to KOSHIDAKA HOLDINGS Co., LTD.
- 2011 ● Opened the first overseas Karaoke Manekineko store in South Korea
 - Started One Kara, a karaoke box solely for people who sing alone
- 2014 ● Started karaoke operations in Singapore (the second foreign country)
- 2016 ● Listed on the First Section of the Tokyo Stock Exchange
- 2018 ● Started karaoke operations in Malaysia (the third foreign country)
- 2019 ● Started karaoke operations in Thailand (the fourth foreign country)

2020s

Aggressively opened new stores during the pandemic Challenged for further business development

Despite being affected by closures due to the COVID-19 pandemic, our aggressive strategy of opening stores near stations and in commercial areas proved successful, resulting in a rapid recovery in customer numbers and earnings performance. Aiming for further advancement, we continue to pursue new business possibilities such as by utilizing digital transformation and alliances, developing ways to enjoy karaoke that go beyond its boundaries, and fusing entertainment with wellness.

- 2020 ● Spin-off of CURVES HOLDINGS Co., Ltd.
 - Started karaoke operations in Indonesia (the fifth foreign country)
 - Opened AQERU Maebashi, a complex facility, in front of JR Maebashi Station
- 2022 ● To TSE prime market
 - "Welltainment Canop" at Maebashi city
- 2025 ● Acquired the karaoke stores and other businesses of Standard Corp.



Koshidaka Holdings' Strengths

The Company's business activities are supported by our many customers and society, and continue to expand on the back of the unique strengths we have cultivated through our businesses. By leveraging these strengths, we have created a corporate culture brimming with the spirit of challenge and are able to constantly create new value in the entertainment field.

Strength

1

Largest business infrastructure of any domestic karaoke chain and high growth potential

With the largest store network and app membership network in Japan, achieving extensive customer contact and high recognition

Number of stores in Japan

703 stores

Store opening area

45 of 47 prefectures

Number of app members

Over **15 million**

More about future store opening strategy:

P.19

Efficiently attracting a diverse range of new and repeat customers to stores by establishing plans that are tailored to customer segments

ZEROカラ

No room charge for high school students in groups of two or more

まねきの家族割

Targeting of family segment by making the karaoke fee completely free for elementary and middle school students

まふ

Discounted free-time plans for university, junior college, and vocational school students

朝うた

Fees of from 10 yen for 30 minutes from opening time until noon to meet the needs of seniors

Continuously improving store appeal in terms of both tangible and intangible aspects

Intangible aspects

Provision of an entertainment experience that meets new needs and goes beyond the conventional notion of karaoke, including various content collaborations, live viewing and archive viewing services, and introduction of rooms specifically for singing videos

Tangible aspects

Investment in the renewal of store facilities, including at existing stores, to maintain and improve the environment in which our customers can spend their time comfortably

Highly productive and efficient operational know-how

The unique store design and management know-how we have cultivated through our origins of opening suburban roadside stores in regional areas has enabled us to establish operations that steadily secure profit even in harsh market environments. In recent years, we have also been streamlining operations through digital transformation, as well as improving profitability by opening stores in commercial areas and increasing the number of large stores.

More about productivity improvements: P.20

Strength

2

Our ability to develop new businesses and services supported by being highly customer-oriented

Unique industry-leading measures and services

We have launched a number of measures that exceeded industry norms, such as allowing customers to bring in food and drinks, introducing single-use room karaoke, and having all non-smoking rooms. These experiences live on in a culture that values unprecedented challenges.

Private Entertainment Rooms (PERs)

We released the "E-bo (Entertainment Box)," an entertainment platform that provides various experiences in Private Entertainment Rooms (PERs), in November 2024. We will continue to pursue the possibilities of entertainment that go beyond karaoke.

More about PER expansion strategies: P.20

Integration of digital and real life

Through a business collaboration with the dating app, "Pairs," we provide our stores as a safe and secure space for meeting new people. By working to attract new customers in younger age groups and diversifying usage scenarios, we will create new value in our store spaces.

More about the state of progress of new businesses and services: P.22



"One Kara" single-use room karaoke



Strength

3

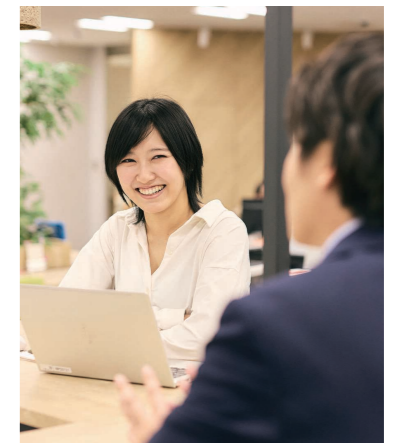
Ability to develop human resources based on our philosophy and vision

Enhancement of training center "Maneki Juku"

Since we first began our nationwide expansion, we have been committed to carrying out human resource development at our training center, "Maneki Juku." In recent years, we have advanced our training system by further enhancing programs tailored to specific careers and job positions. We operate our own unique training programs that allow employees to grow through means such as cultivating a hospitality mindset based on our corporate mission and acquiring leadership skills. We are also constantly working to improve the content of these programs.

Work-style reform initiatives to increase engagement and operational efficiency

We pressed ahead with personnel reforms under the Koshidaka Workstyle Innovation Plan (WIP) and substantially raised the average annual salary of our employees over the last two fiscal years. In addition, we expanded the existing leave program, which provided two periods of five consecutive days of leave annually, to allow all employees to take vacations of seven consecutive leave days twice a year. We will continue to be engaged in work-style reforms to create an environment where they can work more comfortably and feel growth on a daily basis.



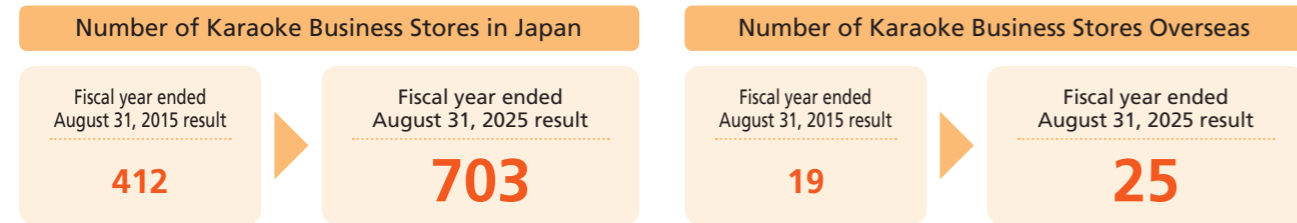
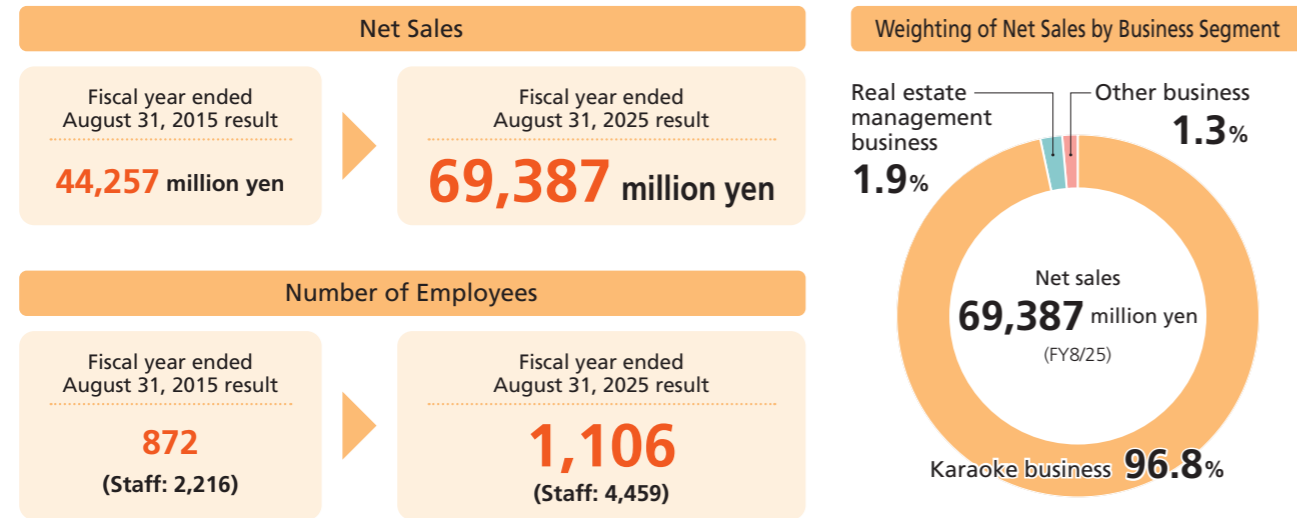
More about human resource initiatives:

P.26 to 28

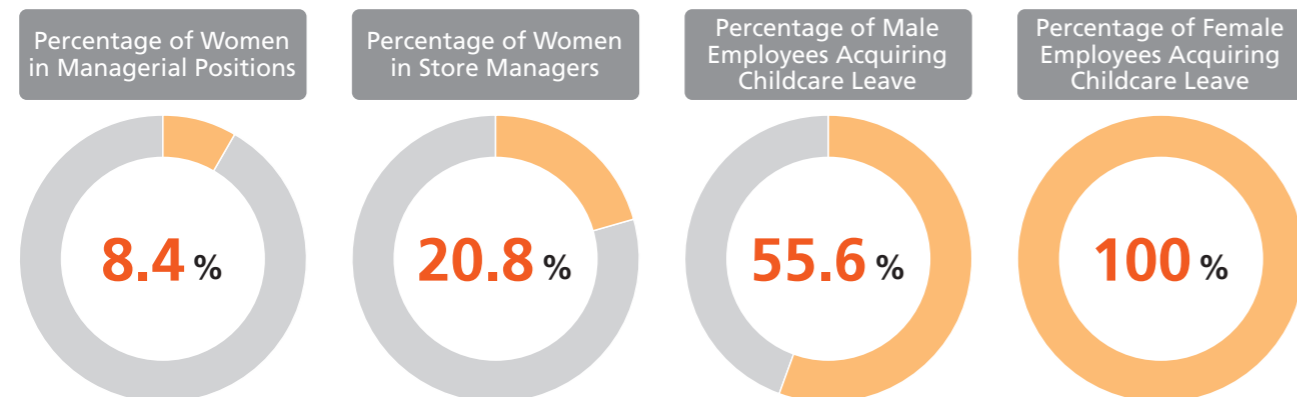
Koshidaka Holdings in Numbers

At a Glance

Metrics Related to Business



Metrics Related to Human Resource

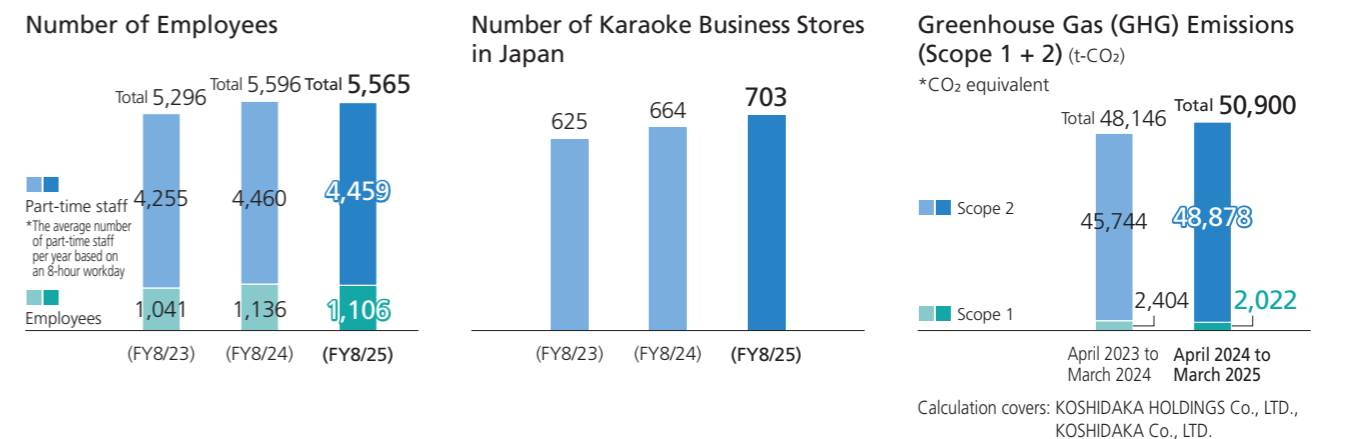


Financial and Non-financial Highlights (Consolidated)

Financial Highlights



Non-financial Highlights



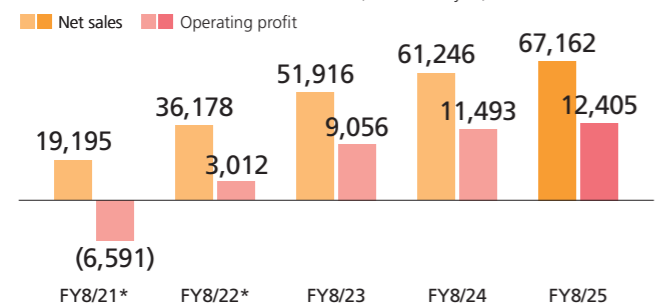
Koshidaka Holdings' Businesses

With the karaoke business as its core, for which we boast the largest store network in Japan, the Group provides multifaceted entertainment services through real estate management business and new peripheral businesses. By leveraging our management know-how and unique strengths we have cultivated through each business and flexibly responding to changing market needs, we are striving to grow sustainably and improving our corporate value.

Karaoke Business

Operating directly-owned karaoke box stores in Japan and overseas

Net Sales and Operating Profit by Business Segment (Millions of yen) *Former classification



Review of fiscal year ended August 31, 2025

More about future strategy: **P.19 to 21**

In our core karaoke business, which operates chain stores under the Karaoke Manekineko and One Kara brands, we continued to open stores aggressively during the current consolidated fiscal year and opened 50 stores. We worked to implement flexible pricing in accordance with the market conditions at each store and successfully maintained the momentum of increasing customer numbers at existing stores.

We developed and made progress in introducing digital transformation measures to offer new types of entertainment and enhance various operational efficiencies, and newly rolled out E-bo entertainment boxes to all stores.

To E-bo, in addition to adding Artists' Original Recording Versions tracks introduced this fiscal year, we have sequentially added features as an entertainment box, including mirroring functionality, sports content viewing capabilities, and game implementation. We will continue to enhance its features and content. Net sales in karaoke business were 67,162 million yen, up 9.7% year on year, and operating profit was 12,405 million yen, up 7.9% year on year.

Network (As of August 31, 2025)

Number of Karaoke Stores in Japan

703 stores in total

Fiscal year ended August 31, 2025
Opened 39 stores

Okinawa region: 15 stores

Shikoku region: 21 stores

Kinki (Kansai) region: 65 stores

Tokai region: 22 stores

Kyushu region: 44 stores

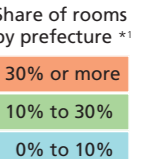
Chugoku region: 32 stores

Chubu region: 90 stores

Tohoku region: 40 stores

Kanto region: 331 stores

Number of Stores Overseas



Store openings in the fiscal year ended August 31, 2025

More about future store opening strategy: **P.19**

The number of stores in Japan in the karaoke business for the fiscal year ended August 31, 2025 increased by 39 stores compared to the previous year to 703 stores. The number of stores overseas increased by 3 stores compared to the previous year to 25 stores across four countries: 4 stores in South Korea, 15 stores in Malaysia, 4 stores in Thailand, and 2 stores in Indonesia.

We plan to continue opening stores near stations and in commercial areas in the Tokyo metropolitan area, where high utilization is expected. In addition, while focusing on store opening in the Kinki (Kansai) and Chukyo regions, we plan to open stores in regions where there is high potential for new openings and increase store size and enhance operational efficiency by implementing relocations of existing stores, thereby accelerating the pace of store openings.

*Number of rooms as of fiscal year ended August 31, 2025 (the Company). Calculated based on the Karaoke White Paper as of March 31, 2025. Assuming the total number of rooms in the market (102,712 rooms nationwide) remains unchanged at the time of achieving the EIP.

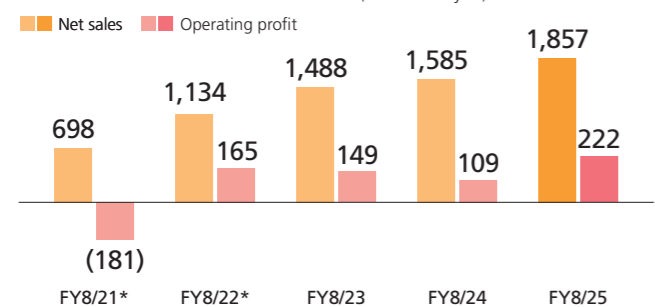
Contributing to regional revitalization by leveraging our know-how and network we have cultivated through ownership, operation, and management of the Group's real estate

Providing cutting-edge technology and various types of entertainment rooted in local culture through hospitality we have cultivated through our karaoke business

Real Estate Management Business

Ownership, operation, and management of real estate rental buildings we own in Gunma Prefecture, Kanagawa Prefecture, and other locations

Net Sales and Operating Profit by Business Segment (Millions of yen) *Former classification



Review of fiscal year ended August 31, 2025

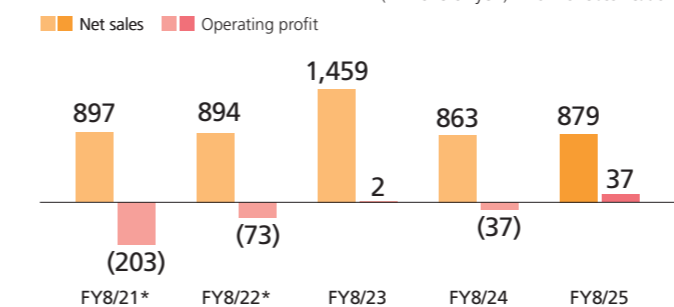
The performance of the AQERU Maebashi, MANEKI Shimbashi Building, and the Fleuret Hanasaki Building, the major properties, and other existing and new properties was stable.

Net sales in real estate management business segment were 1,857 million yen, up 17.1% year on year, and segment profit was 222 million yen, up 102.8% year on year.

Other Business

Operation of Gindaco Highball, CAFÉ ECLA

Net Sales and Operating Profit by Business Segment (Millions of yen) *Former classification



Review of fiscal year ended August 31, 2025

In order to create new earnings pillars, we commenced full-scale entry into the food and beverage business.

Our cafe business CAFÉ ECLA has achieved stable and expanding profits at its first store in Tokyo, and we made progress in opening the third stores. We have also launched a new darts business and opened DARTS & COMMUNICATION YORIBA Beppu Ekimae Store in Oita Prefecture.

Value Creation Process

Based on our corporate mission, the Group is committed to contributing to the realization of lifestyles full of leisure and to the establishment of a peaceful world filled with hope through our business activities. In keeping with this, we will endeavor to continuously create new value in leisure-related fields that meet the true needs of people.

Inputs

It is a company's capital that serves as the source of value creation. In addition to financial capital, this also includes various forms of non-financial capital.

Human capital

- 5,565 employees
- An organization that has a consistent philosophy of bringing joy to our customers
- "Maneki Juku" employee training center

Intellectual capital

- Highly productive and efficient store operations
- Accumulated know-how in entertainment-related businesses such as collaborations and live performances

Social capital

- Biggest karaoke store network in Japan
- Manekineko app with over 15 million members
- Social contribution activities rooted in local communities

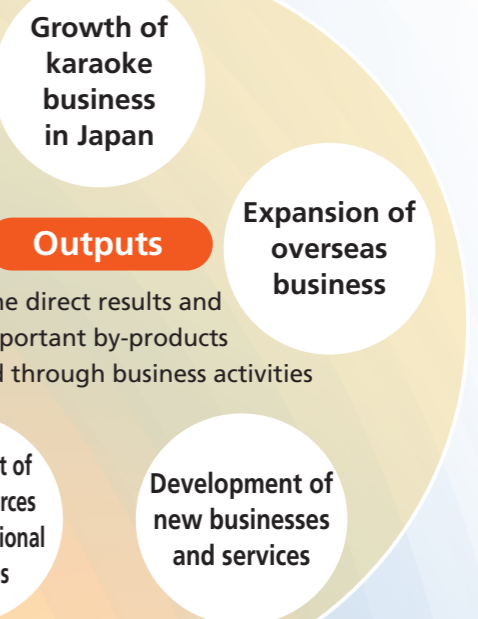
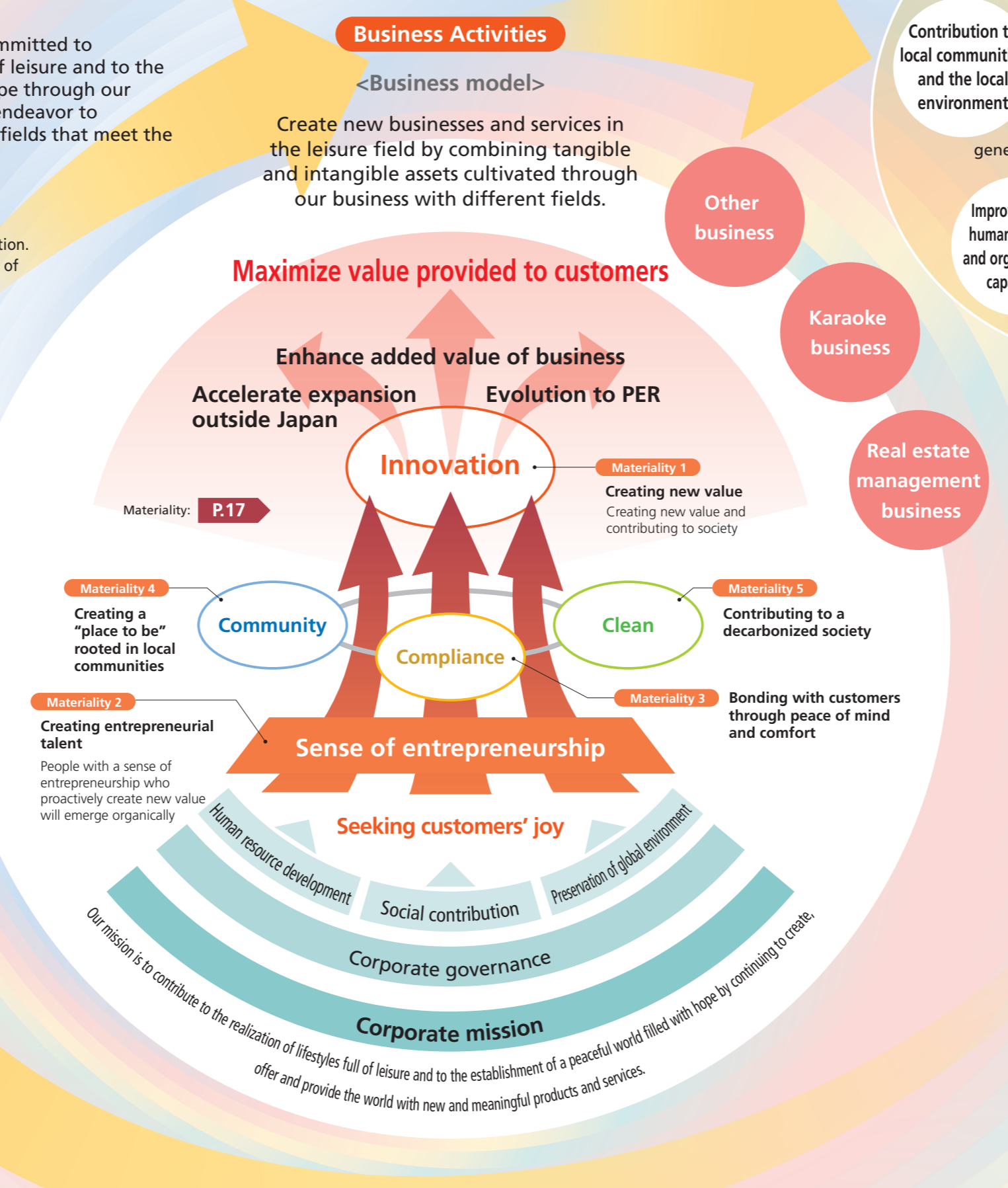
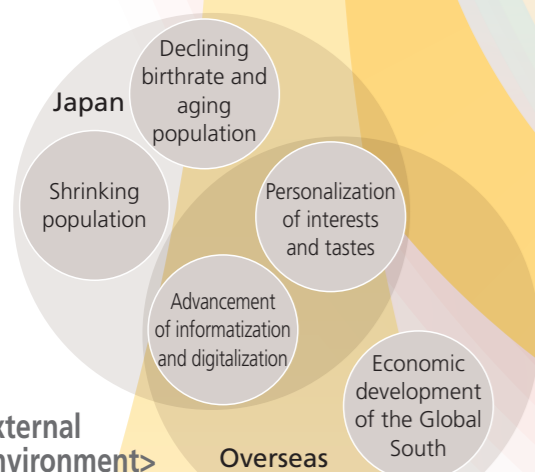
Natural capital

- Inhouse electric power consumption of 114,065 MWh*
 - GHG emissions of 50,900 t-CO₂*
- *Scope 1 and 2 results for April 2024 to March 2025

Financial capital

- Total assets 68.5 billion yen

<External environment>



Materiality

Our Approach to Sustainability

The Group will advance sustainability-related initiatives based on our corporate mission.

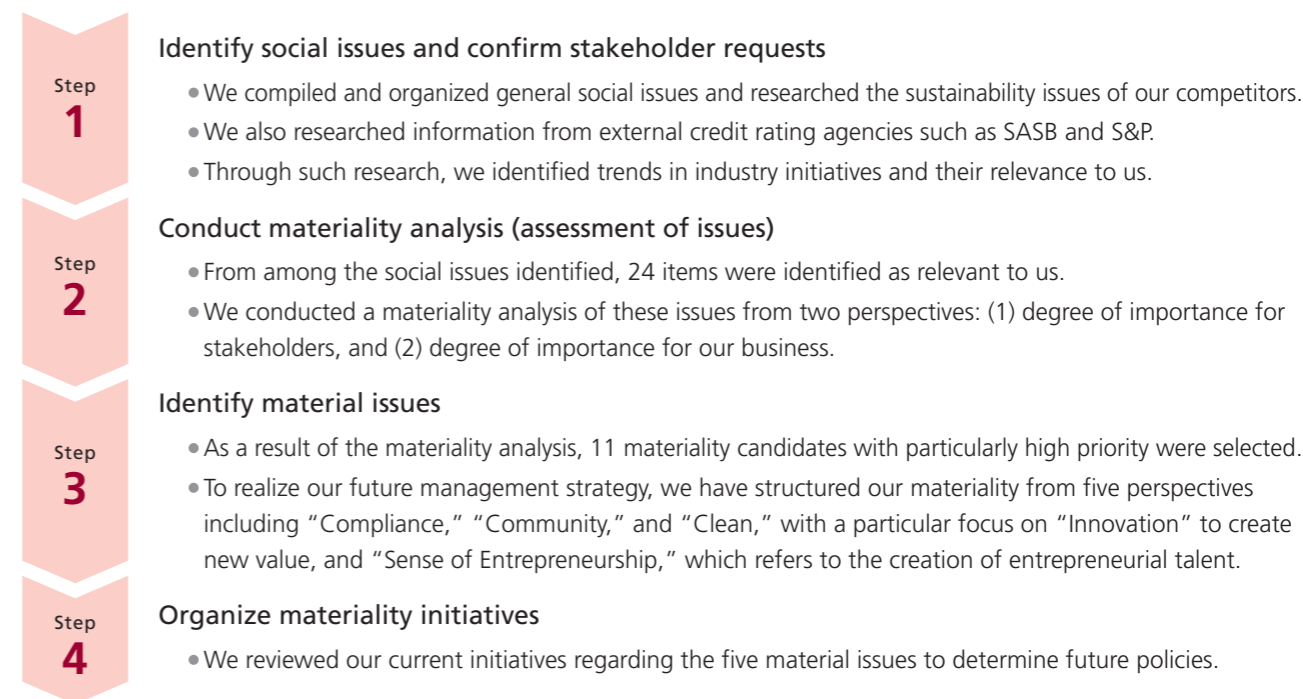


More about sustainability: **P.25**

Materiality	Positioning of materiality	Major initiatives/KPIs
1 Creating new value – Innovation – 	<ul style="list-style-type: none"> We will continue to offer new entertainment services that customers have never experienced before, without being bound by precedents. 	<ul style="list-style-type: none"> Advance initiatives to gather ideas for innovation from our frontline staff, who engage directly with customers Continue to create opportunities for interaction, including with other industries, to promote combinations of internal and external knowledge
2 Creating entrepreneurial talent – Sense of entrepreneurship – 	<ul style="list-style-type: none"> People with a sense of entrepreneurship who proactively create new value will continue to emerge, leading to a company that grows sustainably. 	<ul style="list-style-type: none"> Continue to provide opportunities for the President to communicate messages to all employees twice a year, as a way of further promoting the President's intentions Expand grade-based training programs to create an environment that will foster entrepreneurial talent
3 Bonding with customers through peace of mind and comfort – Compliance – 	<ul style="list-style-type: none"> We will continue to provide “experiences with peace of mind and comfort” in Japan and overseas, instead of “just a place for having fun.” 	<ul style="list-style-type: none"> Continue to hold “All-store Cleanup Days” where all employees join in a deep clean of the stores 10 times a year Continue to participate in sanitation management seminars sponsored by manufacturers Continue to conduct store inspections by external health inspection organizations at least twice a year Continue to conduct fire drills at all stores at least twice a year
4 Creating a “place to be” rooted in local communities – Community – 	<ul style="list-style-type: none"> We will provide a place where students, families, and seniors can gather with peace of mind throughout Japan and the world and that serve as a hub for local cultural and community activities. 	<ul style="list-style-type: none"> Expand the “Maneki Smile Pass” initiative to invite single-parent families to karaoke nationwide: Currently available at five prefectures Continue to implement the “Let’s Sing!” donation initiative through the karaoke business: Donated a total of 749,170 yen to local communities this fiscal year Continue to promote community contribution activities, such as “Children’s Emergency Call 110 Shop” Enhance facilities for inbound tourists and practice cross-cultural communication among employees through service to inbound tourists
5 Contributing to a decarbonized society – Clean – 	<ul style="list-style-type: none"> We will aim for entertainment that is fun and environmentally friendly by improving the efficiency of store operations and promoting the use of renewable energy. 	<ul style="list-style-type: none"> Maintain 100% inhouse electric power consumption from renewable energy sources: 100% achieved this fiscal year Procure 30% or more of the electricity we use from renewable energy with additionality by fiscal 2030: 0.05% achieved this fiscal year Extend off-site power purchase agreement (PPA) to all areas nationwide Establish environmentally friendly stores for the creation of sustainable communities (energy conservation/energy creation)

Materiality Identification Process

The Group identified priority issues from two perspectives, namely the degree of importance for stakeholders and the degree of importance for the Group’s business, resulting in the setting of five material issues.



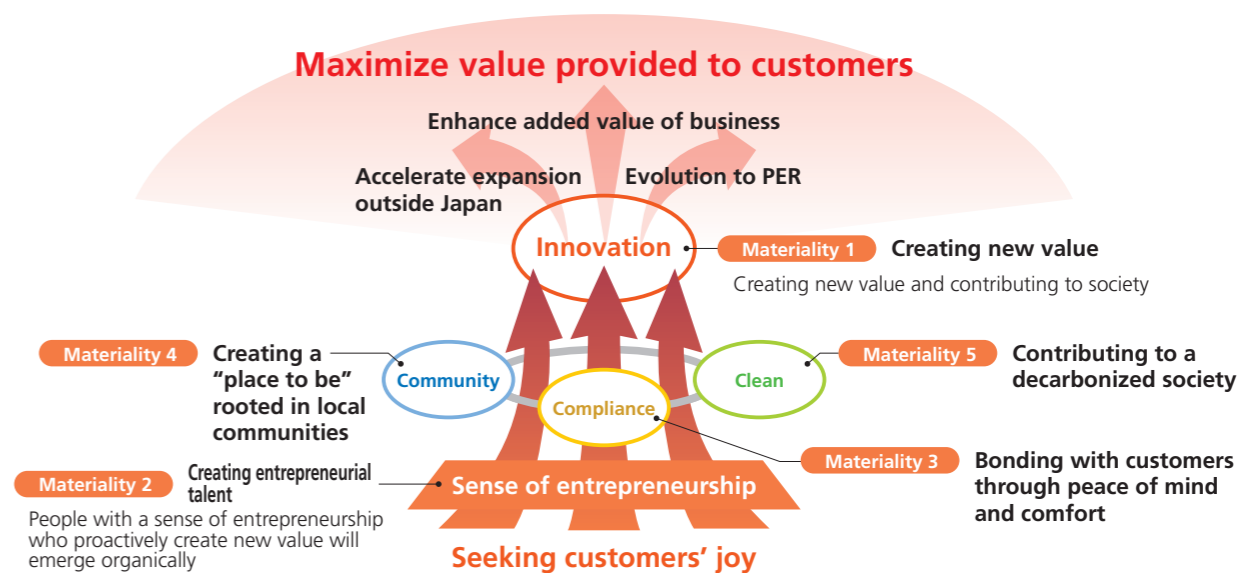
Our Approach and Efforts toward Materiality

We have positioned “seeking customers’ joy” as our starting point and as the most important value of the Group.

We believe that the creation of new value by entrepreneurial talent is key to the maximization of the value that we provide to customers.

In addition, as a premise of the above, we will focus on compliance, local communities, and contributions to decarbonization.

The goal of our sustainable management is to maximize the value provided to customers by linking these sustainability initiatives to our business plans.



Progress and Initiatives of the Medium-term Corporate Vision

From the fiscal year ended August 31, 2020, we set our medium-term corporate vision of Entertainment as Infrastructure (EIP: Entertainment Infrastructure Plan **P.1**), as a goal that all employees should work toward together. Since then, we have been implementing growth strategies aimed at achieving our quantitative targets for the fiscal year ending August 31, 2027.

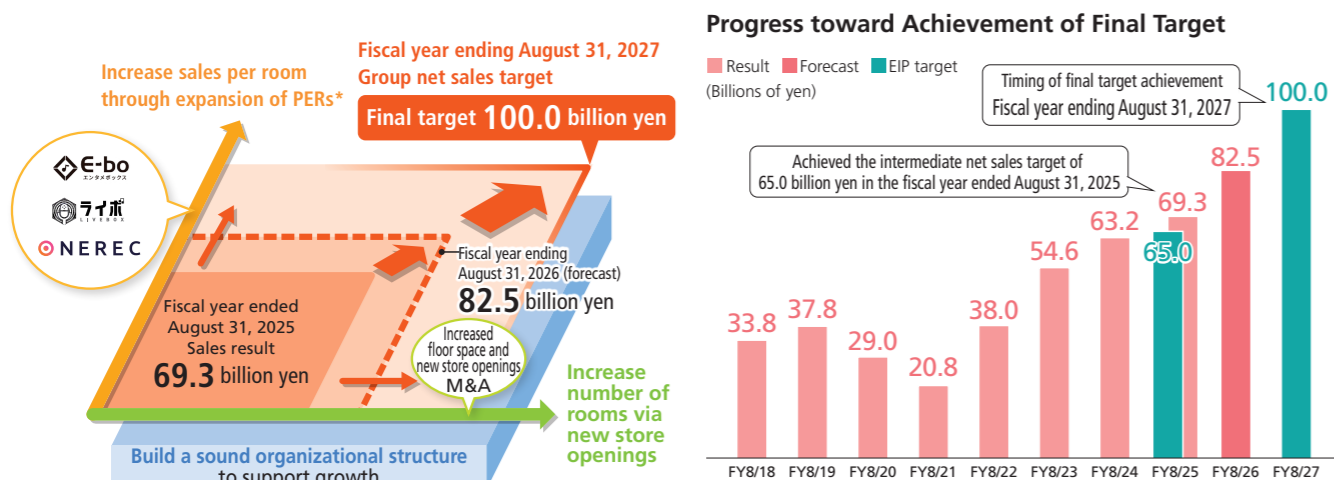
Four Initiatives

- 1 Final Stage of EIP
- 2 Improve profitability by increasing productivity
- 3 Launch of expansion outside Japan
- 4 Create new pillars of earnings

Initiative 1 Final stage of EIP

We have set the fiscal year ending August 31, 2027 as the achievement date for the EIP's final numerical target, and will work to wrap up our strategy over the three years starting from the fiscal year ending August 31, 2025.

We achieved the intermediate net sales target of 65.0 billion yen in the fiscal year ended August 31, 2025. Aiming to achieve the final numerical net sales target of 100.0 billion yen by the fiscal year August 31, 2027, we are advancing our efforts in line with the four initiatives.



*PER: Short for Private Entertainment Room. These rooms offer a wide range of entertainment options that go beyond just karaoke under the Group's medium-term corporate vision of "Entertainment as Infrastructure."

Theme 1 Double the pace of store openings

- Improve productivity through new store openings in the Tokyo metropolitan area and relocations/renewals in existing markets
- Open new stores in regions with high potential for new openings, e.g., Kinki (Kansai) and Chukyo regions to increase area recognition

Future store opening strategy

- Continue opening many stores near stations and in commercial areas, mainly in the Tokyo Metropolitan area
 - Rapidly increase the number of locations in the Kinki (Kansai) region
Open stores in regions where there is high potential for new openings
 - Relocate aging stores in existing trading areas to more favorable locations as large-scale stores
- Opening of 100 stores per year

In addition to opening many new stores near stations in the Tokyo Metropolitan area and in commercial areas where higher room utilization can be expected and increasing the size of existing stores, we will strive to increase recognition even further in the three major metropolitan areas by focusing our store opening strategy on the Kinki (Kansai) and Chukyo regions. At the same time, with the aim of expanding our market share nationwide by opening stores in all 47 prefectures, we will also actively work on store openings in untapped areas where we have less than a 10% share of karaoke rooms by prefecture.

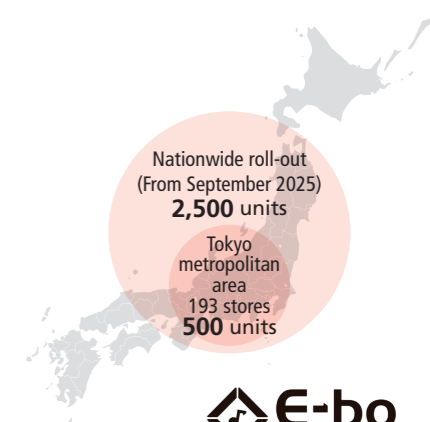
Theme 2 PER enhancement

- Convert karaoke rooms into Private Entertainment Rooms (PERs) by providing services that go beyond just karaoke. From karaoke boxes to entertainment boxes.
- Our proprietary entertainment platform "E-bo" has evolved into an open platform for hands-on experiences

Our vision of an "Entertainment Box" seeks to create multi-purpose entertainment boxes that take advantage of karaoke assets, such as sound-proof boxes, large screens, and premium sound speakers, to satisfy diverse preferences and maximize the value of the hands-on experience. "E-bo," which lies at the heart of this vision, has evolved into an open platform for co-creation with external content holders. As the first step in content enhancement, we launched WOWOW On-Demand sports streaming in September 2025, followed by Momotaro Dentetsu before the end of the year. We will continue to nurture partnerships with other companies to create new earnings opportunities and contribute to the revitalization of the entertainment industry as a whole.

Launched "Artists' Original Recording Versions" feature, the first of its kind in the industry and in Japan, with E-bo

With the addition of "RecoChoku play" (RecoChoku Co.,Ltd.) to E-bo, the original recordings, including the artist's vocal tracks, are used on the karaoke tracks. Superior audio quality not found in MIDI sound sources, the most familiar sound source used in karaoke, and Kakeai Mode, a function that takes full advantage of the master vocal volume adjustment technology developed by Koshidaka, dramatically enhance the customer experience value. This feature goes beyond mere improvements in sound quality to enhance the added value of karaoke itself.



Theme 3 Strengthen organizational structure

More about strengthening of organizational structure: **P.25**

- To realize the EIP, we are continuing to strengthen our organizational capabilities that form the basis for business expansion.

Initiative 2 Improve profitability by increasing productivity

We will increase labor productivity in order to both raise salaries for employees and lower expense ratio.

- Increase labor productivity to both raise salaries for employees and lower expense ratio
- Accelerate digital transformation in store operations and the head office alongside PER development

Promote store digital transformation such as introduction of "self check-in/through check-out" system

Measures that we are implementing as part of our store operation streamlining efforts include the introduction of a self check-in/through check-out system and the expansion of payment methods available on the automatic fee adjustment machines. These measures enable customers to do everything from booking online to entering and leaving the rooms and completing payment. This greatly reduces employee work-hours needed for reception and payment, as well as reducing waiting times at checkout, contributing to the enhancement of customer satisfaction. The time saved by streamlining operations is used for sales activities, such as making suggestions to customers. This will help boost the top line and contribute to sustainable growth by increasing average spend per customer and encouraging repeat visits.



Progress and Initiatives of the Medium-term Corporate Vision

Initiative 3 Full-scale expansion outside Japan
 We will expand the “Family Karaoke” culture we have established as part of our business in Japan to promising markets around the world, including the rapidly growing Southeast Asian market.

- Accelerate store openings in Southeast Asia with high potential, expand into the United States

Growth strategy in karaoke markets outside Japan

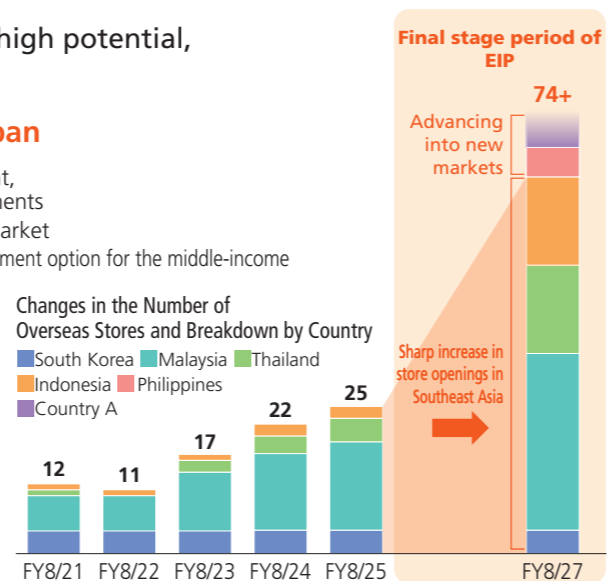
Southeast Asia

- While karaoke culture has penetrated to a certain extent, it coexists with adult-entertainment-oriented establishments
- Karaoke boxes are also primarily a nighttime-focused market
- Aim to promote and establish true family karaoke as an entertainment option for the middle-income population as it rapidly expands due to economic development

United States

- Adoption of karaoke culture is still low
- Propose family karaoke with “Cool Japan” content as a novel entertainment option in the maturing economy. Aim to shape and entrench the market

	Number of new stores opened (as of fiscal year end)					
	FY8/21	FY8/22	FY8/23	FY8/24	FY8/25	FY8/27
Overseas total	12	11	17	22	25	74+
South Korea	4	4	4	4	4	4
Malaysia	6	6	10	13	15	30+
Thailand	1	0	2	3	4	15+
Indonesia	1	1	1	2	2	15+
Philippines	-	-	-	-	-	5+
Country A	-	-	-	-	-	-
United States	-	-	-	-	-	5+



FY8/27 Aim to open 100 stores in Southeast Asia

Policy to consolidate store operations enterprises in each country

Aim for 100 stores in North America in about five years

Initiative 4 Create new pillars of earnings
 We are creating new businesses and services by utilizing assets such as the content-related know-how and membership base we have cultivated through our karaoke business in new ways.

- Steady progress in businesses started in and before the fiscal year ended August 31, 2024

Content business

202X Rapid growth in net sales

FY8/25 Grow into a third pillar
 Expand general overseas distribution and cross-border e-commerce sales
 Collab goods/Drinks
 Sales results: 1,800 million yen (including 200 million yen from e-commerce roll-out)
 Collab goods/Cross-border e-commerce
 Sales: 100 million yen (General overseas distribution roll-out)

FY8/24 Increase content offerings and expand deployment channels
 Number of content offerings deployed 65
 Of which, deployed overseas 4 (South Korea, Malaysia, Thailand, and Indonesia)
 Collab goods/Drinks
 Sales: 900 million yen (including 100 million yen from e-commerce roll-out) (400 million yen in FY8/23)
 Collab goods/Cross-border e-commerce
 Sales: 200 million yen (General overseas distribution roll-out)

Roll out powerful Japanese content in Japan and overseas

Collaboration with “Pairs” dating app

We have formed a business alliance with Eureka, Inc. for the launch of new services.

Roll-out of joint matching events nationwide

Based on the results of a previous event held in 2024, we began holding regular in-person matching events in major cities nationwide in May 2025.

Mutual customer referrals

We conduct mutual customer referrals, primarily through both companies’ apps. Pairs members are encouraged to use our karaoke services for dates, while Eureka’s matching services are promoted to Manekineko members.



Katana know-how license

Ongoing planning and implementation of brand marketing strategies

The Company has concluded a know-how license agreement with Katana Inc., a provider of marketing support, to strengthen the brands of the Group’s businesses and achieve sustainable growth. In addition to leveraging Katana’s know-how to accelerate business growth, we will establish an organizational structure that will support autonomous growth by transferring know-how within the Group and through human resources development. In addition to strengthening brand value in Japan, with a view to global expansion, including the North American market, we will work to evolve the Group into a world-class entertainment brand.

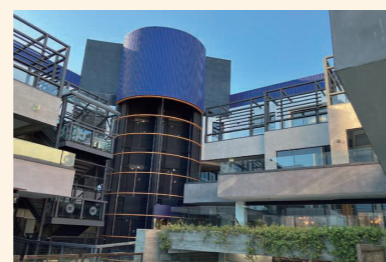
Establishment of subsidiary in the Philippines

To accelerate our growth strategy in the Southeast Asian market, we established a subsidiary in the Philippines to launch our full-scale entry into that market. As the Philippines experiences remarkable economic growth and rising entertainment demand, by taking maximum advantage of the business expertise that we have cultivated to date, we will establish a safe, secure, and reasonably priced karaoke business model that is tailored to the Philippines.

With our initial focus on the capital city of Manila, we aim to open our first store in 2026 and gradually expand the number of stores. Our aims are to create new market value in the form of the provision of karaoke spaces that people of all ages can enjoy with peace of mind and to become a brand that is deeply entrenched in the local community. We will vigorously promote global business growth to achieve the Company’s mission of spreading Japanese entertainment around the world and bringing smiles to all.

Opening of Karaoke Manekineko store in Los Angeles, US

Following the success of the trial operation for local residents in Hawaii, we have signed a property lease in preparation for a full-scale entry into the US market within 2026. Based on the concept of “Karaoke for ALL” optimized for the US market, rather than for Japanese tourists or as nightlife entertainment for adults, which is currently the mainstream target of the US karaoke market, we will provide a new karaoke experience that everyone from children to seniors can enjoy safely and with peace of mind. We will accelerate our global growth with the aim of opening 100 stores across the United States in five years.



Financial Strategies

Our basic strategy is to conduct management that upholds steadfastly to a financial policy based on the balance between three factors: shareholder returns, investment for growth, and financial soundness.

Review of Fiscal Year Ended August 31, 2025

In the fiscal year ended August 31, 2025, amid record-high levels of net sales, operating profit, and ordinary profit, to build the foundations for sustainable growth, we actively allocated management resources to investment for growth and the strengthening of our management foundation. We also worked to enhance shareholder returns while maintaining financial soundness.

1 Consolidated Financial Results

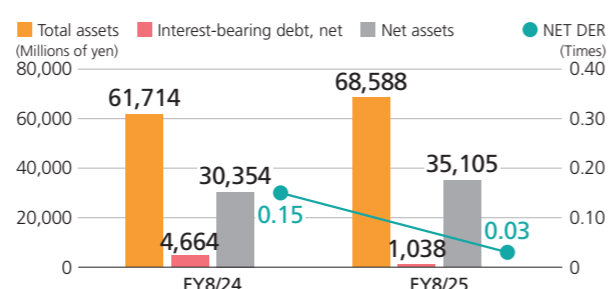
Item	FY8/24 full year	FY8/25 full year	Year-on-year change		Compared to full-year plan	
			Change amount	Percentage change	Plan amount	Achievement rate
Net sales	63,263	69,387	+6,123	+9.7%	71,057	97.6%
Gross profit	16,753	18,373	+1,619	+9.7%	-	-
Selling, general and administrative expenses	6,589	6,980	+391	+5.9%	-	-
Operating profit (Operating profit margin)	10,164 16.1%	11,392 16.4%	+1,229	+12.1%	11,578	98.4%
Ordinary profit (Ordinary profit margin)	10,934 17.3%	11,598 16.7%	+664	+6.1%	11,536	100.5%
Profit attributable to owners of parent (Net profit margin)	6,735 10.6%	5,258 7.6%	-1,476	-21.9%	7,499	70.1%
Net income per share (Yen)	82.70	64.01	-18.69	-22.6%	91.97	69.6%

Although net sales fell short of the plan, sales and earnings increased due to actions to optimize productivity that started in the second half of the year, with **net sales, operating profit, and ordinary profit reaching all-time highs**.

- Continuing to open many new stores resulted in additional earnings from new stores opened in the current and previous fiscal years. Customer numbers increased at the new stores opened in the Kinki (Kansai) region as brand recognition increased.
- Customer numbers at existing stores also continued their upward trend, while average sales per customer increased year on year every month since May, following the completion of price adjustments.
- Despite rises in personnel and utility expenses, profitability has been improving due to measures to optimize management of operations implemented since the third quarter.
- Ordinary profit also reached a record high, absorbing the reactionary decline from one-off non-operating profit (decreases of 405 million yen in cancellation fee income and 262 million yen in foreign exchange gains).
- Impairment losses of 3,389 million yen were recorded for stores and facilities that were unprofitable for the past two fiscal years, including stores opened during the fiscal year ended August 31, 2024. This resulted in a decrease in profit attributable to owners of parent.

2 Financial Position

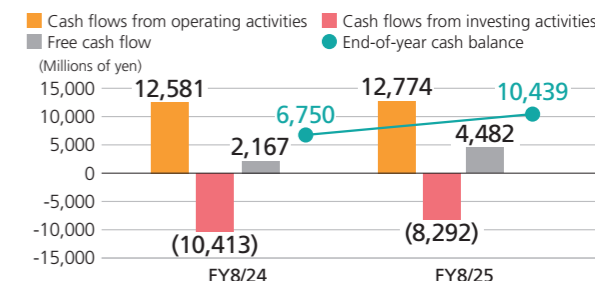
	FY8/24	FY8/25	Change amount
Current assets	11,903	15,791	+3,888
Non-current assets	49,811	52,797	+2,985
Total assets	61,714	68,588	+6,874
Current liabilities	13,975	14,923	+948
Non-current liabilities	17,384	18,559	+1,175
Net assets	30,354	35,105	+4,751
Interest-bearing debt, net	4,664	1,038	(3,627)
Equity ratio	49.2%	51.2%	Up 2.0 % points
NET DER (Times)	0.15	0.03	0.12 improvement
ROE	24.2%	16.1%	Down 8.1 % points



- The continued aggressive new-store opening strategy resulted in an increase in total assets, primarily non-current assets.
- Meanwhile, net assets increased due to net earnings and the exercise of stock acquisition rights, and net interest-bearing debt decreased due to a decrease in convertible bonds.
- Debt-equity ratio declined further due to the increase in net assets and the decrease in interest-bearing debt.
- Although ROE declined temporarily due to the recognition of impairment losses, the processing of this loss enabled the proper assessment of each store's asset value, allowing profit and loss in future fiscal years to be understood based on actual conditions (i.e., strengthening the financial foundation).

3 Cash Flows

	FY8/24	FY8/25	Change amount
Cash flows from operating activities	12,581	12,774	+193
Cash flows from investing activities	(10,413)	(8,292)	+2,121
(Free cash flow)	+2,167	+4,482	+2,314
Cash flows from financing activities	(3,123)	(791)	+2,332
Cash and cash equivalents at end of period	6,750	10,439	+3,689



- Continued strategy of active investment in opening new stores, funded by operating cash flows. In the fiscal year ended August 31, 2025, cash flow was calculated taking into account the payment for the split-type absorption of a subsidiary scheduled for the following fiscal year, resulting in a temporary increase in the fiscal-year-end balance of cash and cash equivalents.

Investment Policy in the Medium-term Business Plan – Realizing the post-EIP plan after the achievement of the EIP Final Stage –

The development of the karaoke business outside Japan is picking up pace, functions for creating new business are being strengthened, and initiatives for open innovation and alliance projects are becoming more active. Meanwhile, capabilities for the execution of M&A are being enhanced, and frameworks are being established. With the achievement of the EIP Final Stage's net sales target of 100.0 billion yen in sight, we will proceed with strategic investment to build the foundations for our post-EIP plan of 300.0 billion yen in net sales.

1 Target Management Indicators on Achievement of Final Targets for the EIP Final Stage, FY8/27

	FY8/19	FY8/24	FY8/25	FY8/26 (forecast)	FY8/27 (final target)	(Reference) TSE Prime non-manufacturing sector FY2024
Net sales (Billions of yen)	37.80	63.26	69.39	82.54	100.00	-
Operating profit (Billions of yen)	9.51	10.16	11.39	12.97	15.0 or more	-
(Operating profit margin) (%)	(10.1)	(16.1)	(16.4)	(15.7)	(15.0 or more)	(6.6)
Payout ratio %	15.7	21.8	37.5	22.6~28.6	35.0 or more	32.6
DOE %	3.3	5.2	6.0	5.7~5.8	6.0 or more	3.1
ROE %	21.3	24.1	16.1	18.4~22.7	16.5 (estimated)*	9.5

*Estimated value assuming the conversion of unconverted convertible bonds and the exercise of stock acquisition rights in FY8/26

2 Three Pillars of Strategic Investment

Aiming to realize our post-EIP plan and to become a 100-year company, we will invest in the creation of new value in leisure-related fields that meet the true needs of people, focusing on the following three pillars.

- Investment in business expansion and new business creation**
 - Investment in new store openings outside Japan (open 100 new stores each in Southeast Asia and North America)
 - Investment in entertainment-related businesses in and outside Japan
- Upfront investment in open innovation**
 - Investment in commercialization, including leading-edge technologies and information and the establishment of business models through alliances with startups
- Strengthening of investment process**
 - Visualization of cost of capital and profitability
 - Clarification of control indicators (setting of internal rates of return, hurdle rates, etc.) and rebuilding of frameworks for verifying appropriateness of investments

Shareholder Return Policy

We recognize the return of profits to our shareholders as a key management issue. By accomplishing the EIP and creating our next core drivers of growth, we will work to further grow our businesses and improve capital efficiency for the medium- to long-term growth of share value, while paying dividends consistently.

We will decide on specific dividend levels each year, based on the need to reinvest funds in existing and new businesses, with the aim of achieving a steady increase in the dividend payout ratio over the medium term.

For the fiscal year ending August 31, 2026, we plan to issue interim and year-end dividends of 13 yen each, an increase per half-year of 1 yen from the previous fiscal year's year-end dividend, for a full-year dividend of 26 yen.

Koshidaka's Sustainability

Sustainability Basic Policy

We (the Koshidaka Group) will implement initiatives aimed at the development of a sustainable society through realizing our corporate mission of contributing to the realization of lifestyles full of leisure and the establishment of a peaceful world filled with hope.

Environmental initiatives

- Initiatives aimed at addressing environmental issues such as carbon neutrality in order to contribute to the preservation of the global environment

Social activity initiatives

- Initiatives aimed at creating a society in which children around the world can grow up with a calm and enriched spirit
- Initiatives aimed at ensuring employment opportunities and creating a more comfortable working environment to help employees lead prosperous lives

System for Sustainability Promotion

We established the Sustainability Promotion Committee, chaired by the Representative Director, as an organization to examine and deliberate on basic policies, important matters, risks and opportunities, and other matters related to sustainability. The committee convenes six times a year. Matters related to sustainability examined by the Sustainability Promotion Committee are presented and reported to the Board of Directors, which then provides oversight and instructions. The proposals deliberated and decided on at Board of Director meetings are distributed to each division and reflected in management plans and business operations. (P.31 Corporate governance system)

Strengthening Organizational Structure

To realize the EIP, we continue to promote strengthening our organizational strength which supports business expansion. In particular, we are working on personnel system reform measures, workforce diversity, advancement of Maneki Juku, increase in the percentage of female directors, and promotion of SDGs activities as five key initiatives, aiming for sustainable growth and the creation of social value.

1 Personnel System Reform Measures P.26

- Promotion of Workstyle Innovation Plan (WIP)
 - Reconstruction of salary levels, evaluation system
Personnel system: Introduced in the previous term
Among the best in the industry
- Salary levels: Significantly increased the average salary of employees in the two previous terms
- Further enhancement of employee welfare and work-style reforms
Increased the number of days for the consecutive leave system

2 Workforce Diversity P.27

- Active employment of people with disabilities
 - Establishment of a new company
- Continuation of active hiring and employment of highly skilled personnel
- Strengthening of store opening development and store development personnel
- Active hiring of non-Japanese employees

3 Advancement of Maneki Juku P.28

- Introduction of tiered training, implementation of regular training for all employees
- Making videos of operational manual
- Expanding training programs

4 Increase in the Percentage of Female Directors P.31

- Achieving our target of 30% in fiscal year ending August 31, 2030 ahead of schedule at the 56th General Meeting of Shareholders

5 Promotion of SDGs Activities P.29

- Under the Sustainability Promotion Committee we established, promote social contribution activities and measures to address environmental issues
- "Maneki Smile Pass" to support single-parent families
 - "Let's Sing!" project (contribution to children's homes, etc.)
 - Promoting carbon neutrality
 - Achieved virtually 100% renewable energy (March 2025)

Human Resource Initiatives

Basic Approach

The Group views securing employment opportunities and creating a more comfortable work environment as its corporate responsibility, and we are actively working to achieve a richer life for all based on our corporate mission.

Metrics and Targets Related to Human Capital	Result (Fiscal year ended August 31, 2025)	Target (Fiscal year ending August 31, 2030)
Percentage of women in managerial positions	8.4%	20%
Percentage of male workers acquiring childcare leave	55.6%	30%

Human Resource Development

In order to realize our medium-term corporate vision, the Entertainment Infrastructure Plan (EIP), it is essential to hire and train the human resources that will serve as the cornerstone of the plan. We position individuals who resonate with the Group's corporate mission and actively pursue its realization as key personnel. We aim to develop individuals that demonstrate leadership in our main karaoke business or enhance management efficiency in business divisions.

Specific initiatives include enhancing our training center, Maneki Juku, introducing tiered training, expanding training programs, and promoting the digital distribution of operational manual videos.

In addition, as part of the Koshidaka Workstyle Innovation Plan (WIP), a personnel system reform measures, we have established an evaluation and grading system and linked it to a training system. We are creating a system where employees can identify their own strengths and challenges and independently shape their careers.

1 Personnel System Reform Measures

As measures to further strengthen hiring and training of human resources which are the foundation for realizing our medium-term corporate vision, we have advanced the Koshidaka Workstyle Innovation Plan (WIP) and significantly raised the average annual salary of employees in the two previous terms. We will continue to be engaged in work-style reforms to create an environment where they can work more comfortably and feel growth on a daily basis.

● Koshidaka Workstyle Innovation Plan

Review of remuneration system	We aimed to gradually increase the average annual salary of employees by 25% over a two-year period starting from September 2023. The average annual salary increased by 13% by implementing a base salary increase in November 2023. The second base salary increase was implemented in November 2024.
Establishment of a new career path system	From September 2023, we established a grading system for each position, which provides clear and straightforward salary increases and promotions based on personnel evaluation results, thereby boosting employee motivation.
Revision of the personnel evaluation system	By clearly outlining the key points of personnel evaluation for each grade and the criteria for salary increase and promotion, the revised system allows employees to better understand the performance they need to achieve and deepen their understanding of evaluation results, motivating them to achieve subsequent goals.
Enhancement of training system for part-time staff	We have revamped our training system for all part-time staff by providing timely training opportunities tailored to their level of proficiency to further improve customer service skills. In addition, we revised the trainer system for part-time staff.
Expansion of the consecutive leave system	We have expanded our previously introduced system of taking five consecutive days of leave twice a year, and allowed all employees to take seven consecutive days of leave twice a year under our Refresh 7 program. We are creating an environment where employees working in the service industry can take proper rest.
Introduction of a limited-hour employee system	To support employees through temporary life changes, such as childcare, and enable them to continue working, we have introduced a new system that limits their working hours for a set period.
Establishment of a childcare bonus system	To support childcare, we have established a new system to provide 100,000 yen per child for each employee's child reaching a certain age over five times until the child reaches age 18.
Other	We have newly introduced a relocation allowance and revised the company housing system.
Point reward through the stock provision trust (J-ESOP)	We reward performance-linked points to employees through a stock provision trust. This is an employee welfare initiative that also acts as an incentive for the employees to be more aware of corporate performance and stock value.

Human Resource Initiatives

2 Workforce Diversity

The Group believes that in order to accurately respond to rapidly changing external environments and achieve its medium-term corporate vision, it is essential to promote women, non-Japanese employees, and mid-career hires to managerial and key positions, leveraging their diverse perspectives and values to drive the growth of the Group.

● **Promotion of active participation of women**

The Koshidaka Group promotes the creation of an environment where both male and female employees can take active roles. As of November 30, 2025, there are three female Directors (37.5%) out of eight Directors. Nearly equal numbers of male and female employees are employed, with many women holding store manager positions. We will continue to aim to become an organization where women can further demonstrate their capabilities through work-style reforms and human resource development.

● **Ensuring diversity**

For non-Japanese employees, overseas group companies are advancing local recruitment and development of personnel. We plan to further increase their appointment to managerial positions and key personnel positions across the entire Group. No specific target has been set for the percentage of mid-career hires in managerial positions, as it has already exceeded 80%.

● **Employment of people with disabilities**

We established a special subsidiary, KOSHIDAKA MAINTENANCE Co., LTD. in 2024 to create a more inclusive working environment for employees with disabilities. This subsidiary is responsible for facility maintenance such as store cleaning, equipment repairs including microphone maintenance, and the production of licensed character goods, and supports various businesses within the Group. We plan to further expand the scale of this business going forward.

Establishment of KOSHIDAKA MAINTENANCE, a new company

KOSHIDAKA MAINTENANCE is a special subsidiary, established to provide stable employment of people with disabilities. We have developed a safe working environment and specialized support systems, also contributing to the improvement of the employment rate of people with disabilities across the Group companies.

● **Continuation of active hiring and employment of highly skilled personnel**

We are actively hiring human resources with advanced skills and specialized knowledge. We have developed an environment where they can utilize their experience and achievements in their specialized fields, with the aim of advancing our business and creating new value. We are promoting the creation of a system where talented personnel can maximize their potential, leading to the growth of the entire organization.

● **Strengthening of store opening development and store development personnel**

In order to accommodate the accelerated pace of store openings, we are strengthening store opening development and store development personnel. We are working to enhance capabilities in market analysis and location selection to promote strategic store openings tailored to regional characteristics. Through the recruitment and development of experienced personnel, we build a system to achieve sustained business expansion and brand value enhancement.

● **Non-Japanese employees**

We are actively hiring non-Japanese personnel toward our global business expansion. We will incorporate diverse cultures and perspectives to drive business innovation and enhance competitiveness. Currently, we plan to open stores in the United States and the Philippines. We will accelerate our overseas growth while strengthening collaboration with local talent.

● **Recruitment incorporating entertainment elements**

Based on the belief that diverse personalities gathered together lead to organizational growth, we have implemented recruitment incorporating entertainment elements. We have created multiple courses that evaluate matters such as love for Karaoke Manekineko, presentation skills, global competence, and hospitality skills. By replacing part of the standard interview process with these courses, we select applicants in a way that draws out their personalities.

3 Advancement of Maneki Juku

We are enhancing our training center, Maneki Juku, introducing tiered training, and expanding training programs. In addition, we conduct the digital distribution of operational manual videos, promoting efficient and effective human resource development.

● **Maneki Juku employee training center**

Maneki Juku was established in Maebashi-shi, Gunma in 2005 as the Company's group training center. Our top management has served as instructors, creating time for employees to focus on training at a dedicated facility and instilling business operations and leadership based on the corporate mission throughout the Company, from new hires to the managers.



Since then, our store network expanded throughout Japan and the number of employees grew significantly. We therefore relocated and expanded the training center to Tokyo in 2021, and we are continuing to expand our training offerings.

Our training system includes startup training for newcomers, certification training for store manager promotions, annual training after promotion, and various training programs for employees in managerial positions to progress to the next level.

In line with the accelerated pace of store openings in the final stage of the EIP, increasing the number of area managers, who are managerial personnel in the Operation Division, is an important issue. For this reason, we established a new training program in 2024 that is conducted annually for all store managers. We have developed a human resource training strategy in line with our management plan to support the growth of each employee.

Results

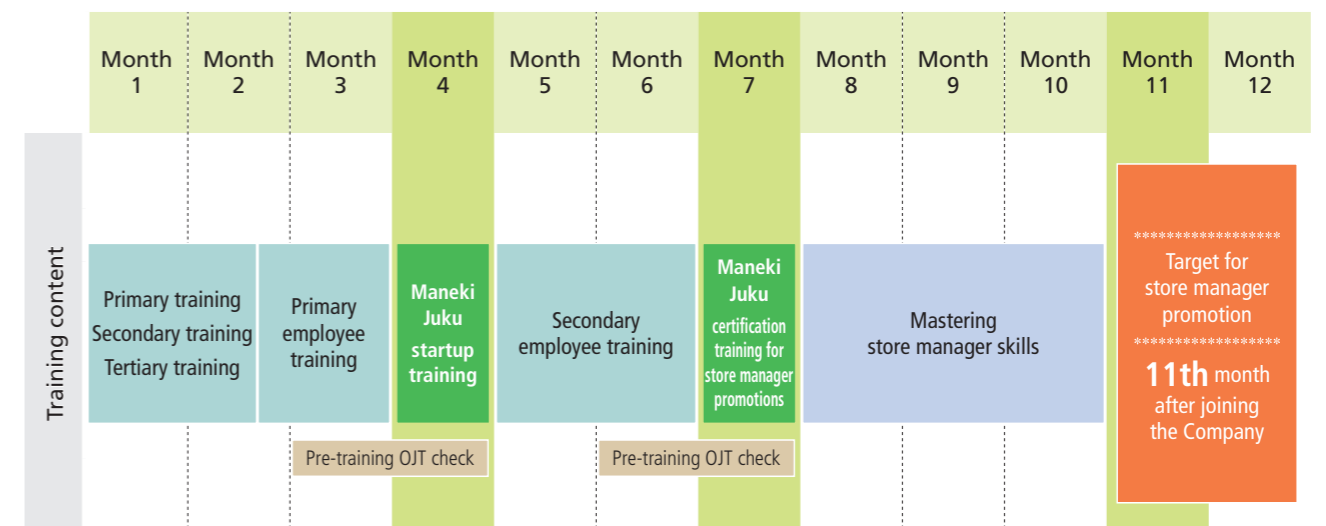
Number of training sessions (annual)	Total number of training participants (annual)	Number of training courses
Total 50 sessions	Total 1,039 employees	11 types

- Main training programs**
- Basic store management training
 - Team building training
 - Area manager development training

● **Introduction of tiered training**

We have introduced tiered training for sales managers, area managers, and store managers, creating an environment where they can systematically acquire skills and knowledge required for each position. Through the expansion of training programs, we aim to enhance their practical skills and organizational strength.

Flowchart for Manekineko Contract Employees to Full-time Employees



Social Contribution Activities

5 Promotion of SDGs Activities

The Group will continue to actively implement initiatives for realizing sustainable society, thereby contributing to the realization of lifestyles full of leisure and to the establishment of a peaceful world filled with hope, as stated in our corporate mission.

● “Maneki Smile Pass” to support single-parent families



To give single-parent families raising children time to go out, spend time together, and have fun, we distribute free tickets to “Karaoke Manekineko” through local support groups. By November 2024, we expanded the number of participating stores to more than 100 stores across five prefectures. We plan to continue expanding the areas in which we implement this program.



● “Children’s Emergency Call 110 Shop” activities at all Manekineko stores



If a child feels in danger and calls for help, the store will be used as an emergency evacuation site to provide temporary protection and will work with the police and other authorities. To protect the safety of children, we are implementing this as our own unique activity in accordance with the “Children’s Emergency Call 110 House” manual established and promoted by the police and other local organizations across the country.



● “Let’s Sing!” project



Every time Karaoke Manekineko’s original SDGs theme song “Let’s Sing!” is sung, 10 yen will be donated to activities and organizations that help solve children’s issues. To date, we have made four donations to support the operation of children’s cafeterias nationwide and to provide authentic musical performances to children with serious illnesses or severe disabilities.



Environmental Initiatives

We are promoting initiatives for achieving carbon neutrality across the entire supply chain by 2050 throughout the entire Koshidaka Group.

● Promoting the introduction of renewable energy

We will promote carbon neutrality in order to reduce greenhouse gas emissions, including Scope 3 emissions, across the entire supply chain to net zero by 2050. We achieved virtually 100% renewable energy for the approximately 1,140.65 million kWh of electricity used in our business activities from April 2024 to March 2025 through the use of non-fossil fuel certificates. This is expected to reduce our CO₂ emissions by approximately 50,900 tons. Furthermore, in March 2025, our own solar power plant utilizing an off-site PPA* commenced operations in Yamanashi Prefecture and has supplied electricity from renewable energy sources to Karaoke Manekineko stores. This is expected to reduce our CO₂ emissions by approximately 254 tons per year. We will work to procure renewable energy with additionality and contribute to the realization of a decarbonized society.



*A service to purchase electricity generated from solar power generation facilities installed outside the premises via the existing power grid equipment

Information Disclosure in Accordance with TCFD Recommendations

We have declared our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and disclose information in accordance with these guidelines.

▶ Governance

We established the Sustainability Promotion Committee as an organization to examine and deliberate on sustainability issues, including climate change. (P.31 Corporate governance system)

▶ Strategy

We regard climate change as a medium- to long-term risk. In order to consider strategies and our organizational resilience based on related risks and opportunities, we have considered the long-term impact on the Company through 2050. We have conducted a scenario analysis for our domestic karaoke business by referring to the climate change scenarios (1.5°C and 4°C scenarios) set out by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC). We extracted risks and opportunities from two perspectives: the degree of impact on the Company and the likelihood of occurrence. We then evaluated their importance, narrowed down the items to focus on, and set forth the measures to address them. We will continue to enhance our resilience as a part of our strategy while contributing to the realization of a decarbonized society by linking it with our business plans, etc.

*1.5°C scenario: IEA-NZE, etc. *4°C scenario: IPCC-Sixth Assessment Report (AR6), SSP5-8.5, etc.

▶ Risk management

We established a working group on climate change risks and conducted a scenario analysis. In prioritizing climate change risks, we will focus on items of high importance in terms of likelihood and impact. As part of the climate change risk management process, we will analyze climate change risks, plan and implement countermeasures, and manage this progress through the Sustainability Promotion Committee. Based on the results of its analysis and review, the Sustainability Promotion Committee will cooperate with the Risk Control Committee to manage risks in a centralized manner in conjunction with other management risks, and will report to the Board of Directors as necessary.

	Factor	Change	Importance	Impact on the Company	The Company’s countermeasures
1.5°C scenario	Introduction of carbon pricing	Increased procurement and operating costs	High	With the introduction of carbon pricing, procurement costs will increase as prices are passed onto purchase prices The introduction of carbon pricing will cause operating costs to increase Even when switching to low-carbon energy, switching costs will be incurred	Request suppliers to reduce their GHG emissions Search for products with low GHG emissions Thorough energy conservation (establish rules for energy conservation and thoroughly implement them, introduce highly efficient equipment) Switch to renewable energy plans
	Growing stakeholder interest in climate change	Improved evaluations due to steady efforts to address climate change	Medium	With growing interest in climate change responses, steadily implementing initiatives will improve evaluations of the Company (e.g., make it easier to raise funds, retain talent, etc.)	Enhance disclosure of climate change responses Steadily reduce our GHG emissions
		Increase in the number of customers using environmentally-friendly stores	Medium	As customers become more environmentally conscious, appealing to such customers by implementing environmentally-conscious initiatives will result in an increase in people choosing to patronize our stores	Appeal to customers of our existing initiatives such as the abolition of plastic straws Further promote environmentally-conscious initiatives such as food waste reduction and going paperless
4°C scenario	Natural disasters	Supply chain disruption	Low	Supply chains are disrupted when suppliers or our stores are affected by natural disasters such as heavy rains or typhoons	Establish a system for flexible inventory allocation through cooperation between nearby stores Enhance our planned restoration flow for the early recovery of operations Prepare disaster prevention supplies at stores at high risk of disaster
	Changes in climate patterns	Sales decrease due to the outbreak of new infectious diseases	Medium	A higher risk of a variety of infectious diseases, such as mosquito-borne infections and water-related diarrhea, increases the likelihood of a decline in sales	Maintain a hygienic environment for customers and employees Promote mechanization and labor saving
		Increased need for comfortable spaces	Medium	Rising temperatures increases the need for people to use our cool stores	Advertise to customers the comfortable spaces we offer Promote the sales of cold products, such as food and beverages suited to the hot season

For importance, ■ : risk and ■ : opportunity

▶ Metrics and targets

To achieve carbon neutrality by 2050, we will work to reduce our greenhouse gas (GHG) emissions by promoting energy-saving measures such as power saving and introducing highly efficient equipment, and procuring renewable energy.

Actual GHG emissions (Scope 1 + Scope 2)
*April 2024 to March 2025

Scope 1:	2,022 t-CO ₂
Scope 2:	48,878 t-CO ₂
Total:	50,900 t-CO₂

Calculation covers: KOSHIDAKA HOLDINGS Co., LTD., KOSHIDAKA Co., LTD.

Corporate Governance

Basic Approach

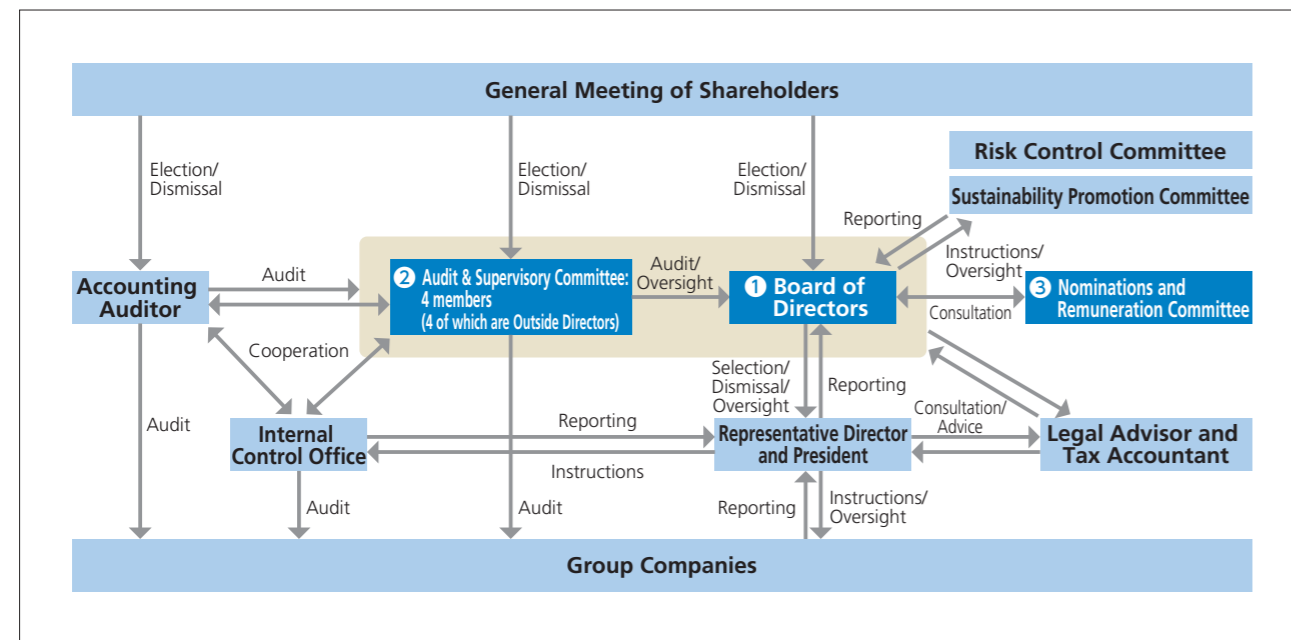
In order to maximize corporate value, the Group maintains management transparency and soundness while strengthening corporate competitiveness in a rapidly changing business environment. We aim to achieve this by establishing swift decision-making and agile organizational management as fundamental corporate governance policies, developing systems, and implementing various measures.



We have published a Corporate Governance Report (in Japanese) for more information on governance. ▶

Corporate Governance System

The Company has transitioned to a company with an Audit & Supervisory Committee in order to achieve continuous improvement of the Group's corporate value and to ensure a system to supervise management from the viewpoint of shareholder value. By appointing four Outside Directors as members of the Audit & Supervisory Committee, we are strengthening the external management oversight and corporate governance functions of the Board of Directors, which has the function of making management decisions and supervising the execution of operations by Executive Officers.

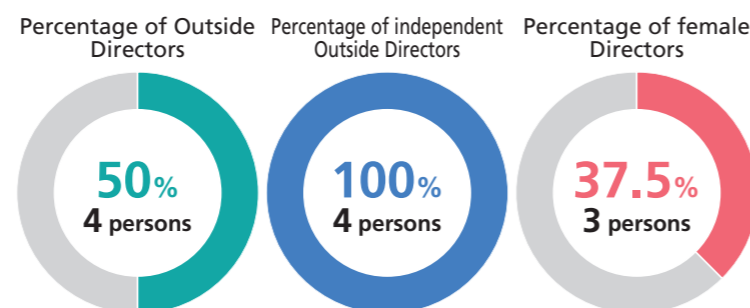


● Inside Directors ● Outside Directors

1 Board of Directors (Chairperson: Hiroshi Koshidaka)

The Board of Directors consists of eight Directors (four of which are Outside Directors). In addition to holding regular meeting of the Board of Directors once a month, extraordinary meetings of the Board of Directors are convened as needed to make decisions on the Group's management policies, business plans, annual budgets, and other important matters concerning Group companies. The Board of Directors also oversees business execution through monthly budget control, monthly business reports, and the confirmation of other significant business matters reported by Group companies.

The Company's Directors (excluding Directors who are members of the Audit & Supervisory Committee) concurrently serve as Directors at Group companies, directly supervising their business execution. At the same time, the location and schedule of meetings of the Board of Directors are aligned as much as possible to establish a system that enables accurate, consistent, and swift decision-making. The term of office is set at one year in order to strengthen corporate governance.



2 Audit & Supervisory Committee (Chairperson: Shigeyuki Moriuchi)

The Audit & Supervisory Committee consists of four Directors (all of which are Outside Directors). In addition to regular monthly meeting of the Audit & Supervisory Committee, extraordinary meetings of the Audit & Supervisory Committee are held as necessary.

3 Nominations and Remuneration Committee (Chairperson: Shigeyuki Moriuchi)

The Nominations and Remuneration Committee is a voluntary advisory body to the Board of Directors. The Committee deliberates on the election and dismissal of Directors, the election and dismissal of the Representative Director, and the remuneration of Directors in order to ensure transparency and fairness.

Reasons for the election of Outside Directors and their activities

Name	Reasons for the election	Attendance at meetings of the Board of Directors for FY8/25
Shigeyuki Moriuchi	Mr. Moriuchi has been engaged in company audit for many years in major audit firms. Based on his extensive knowledge and experience obtained in successively filling various posts, such as Senior Partner and Director, he has contributed to strengthening the corporate governance of the Koshidaka Group since his appointment as an Outside Audit & Supervisory Board member in 2012 and as an Audit & Supervisory Committee member in 2015.	13/13 (100%)
Kenichi Takai	Mr. Takai has contributed to strengthening the Koshidaka Group's corporate governance since his appointment as an Audit & Supervisory Committee member in 2019, based on his extensive experience and a wide range of knowledge as a manager of a financial institution for many years.	13/13 (100%)
Kanako Murakami	Ms. Murakami has worked as an attorney in the areas of compliance and risk management for a wide range of companies, while also serving as an outside director at other firms, where she has overseen corporate management. We have elected her as an Outside Director based on the belief that she will appropriately oversee the management of the Koshidaka Group and contribute to strengthening its corporate governance by leveraging her extensive experience and specialized expertise.	-
Kaori Ota	Ms. Ota is qualified as an attorney in both Japan and the United States and possesses extensive experience and specialized expertise, particularly in overseas business. She has also served as an in-house counsel at a corporation. We have elected her as an Outside Director based on the belief that she will contribute to strengthening the Koshidaka Group's corporate governance and appropriately oversee its management as the Group pursues growth in its overseas business.	-

Skills matrix

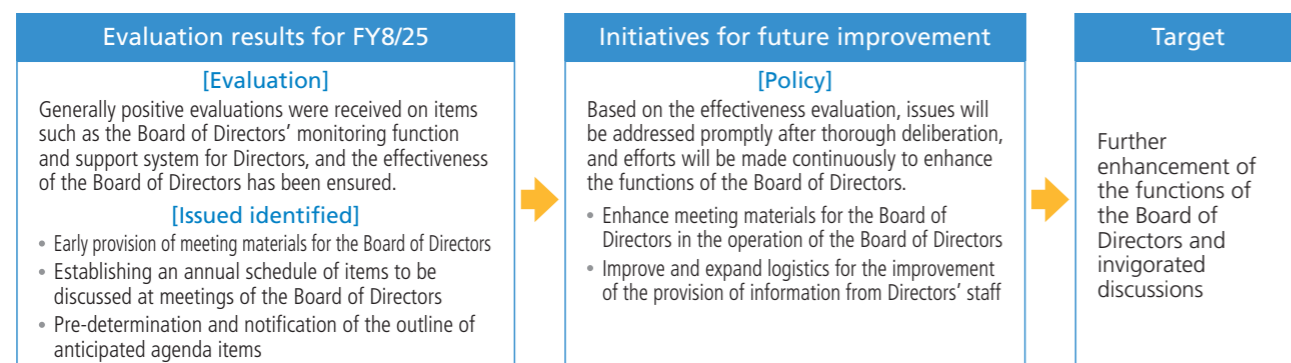
	Name	Outside/Independent	Skills									
			Corporate management	ESG/Sustainability	Marketing/Store operation	Property development	Internationality/Overseas development	New business development	Personnel and labor management/Human resources	Finance and accounting/M&A	IT/DX	Legal/Risk management/Internal control
Director	Hiroshi Koshidaka		●	●	●	●		●		●		
	Miwako Koshidaka		●	●	●				●			●
	Yoshihito Doi		●	●			●			●	●	
	Akira Zama		●		●		●			●		
Audit & Supervisory Committee members	Shigeyuki Moriuchi	Outside Independent		●							●	●
	Kenichi Takai	Outside Independent	●	●								●
	Kanako Murakami	Outside Independent		●					●			●
	Kaori Ota	Outside Independent					●			●		●

Corporate Governance

● Evaluation of the effectiveness of the Board of Directors

The Company conducts a self-assessment and analysis of the effectiveness of the Board of Directors with the aim of increasing the Board's functions and ultimately improving corporate value. We conducted self-assessment and analysis in the following method with the assistance of an external organization. We conducted a questionnaire survey of all Directors, who are members of the Board of Directors, in September 2025. Answers were submitted directly to the external organization to ensure anonymity. Based on the report of the aggregated results by the external organization, analysis, discussion, and evaluation were conducted at the regular meeting of the Board of Directors in November 2025. The summary of the results is as follows.

Effectiveness Evaluation Results and Initiatives to Improve Effectiveness



● Remuneration of officers

The Company has established a policy for determining the remuneration of individual Directors (excluding Directors who are members of the Audit & Supervisory Committee), which is linked to the Company's performance for a single fiscal year in order to continuously improve corporate value toward the realization of its Corporate Mission. This policy ensures that the level of remuneration is appropriate and reasonable, in accordance with the role and responsibilities of each Director, and that it contributes to improving the competitiveness of the Group's business.

Specifically, only a monthly fixed amount of basic remuneration is paid. This is reviewed annually based on the performance of each fiscal year and determined within the total amount of remuneration approved at the General Meeting of Shareholders. Comprehensive consideration is given to factors such as the position of each Director, performance, industry standards, and employee salary levels.

Remuneration of Directors who are members of the Audit & Supervisory Committee is also a monthly fixed amount. The amount is determined based on discussions among members of the Audit & Supervisory Committee within the total amount of remuneration approved at the General Meeting of Shareholders.

Total Amount of Remuneration, Etc. by Officer Classification, Total Amount of Remuneration, Etc. by Type, and Number of Eligible Officers

Officer classification	Total amount of remuneration, etc. (Thousands of yen)	Total amount of remuneration, etc. by type (Thousands of yen)				Number of eligible officers
		Fixed remuneration	Performance-linked remuneration, etc.	Retirement benefits	Non-monetary remuneration, etc., of the left	
Directors (excluding Audit & Supervisory Committee members)	183,600	183,600	—	—	—	4
Directors (Audit & Supervisory Committee members) (excluding Outside Directors)	—	—	—	—	—	—
Outside Directors	16,200	16,200	—	—	—	3

Internal Control System

In order to establish systems for ensuring the propriety of business activities as stipulated by the Companies Act and the Regulations for Enforcement of the Companies Act, the Company has formulated a basic policy on the development of internal control system and is implementing the necessary structures accordingly. The Internal Control Office continuously audits the operation of the internal control system and reports the results to the Directors and the Audit & Supervisory Committee as appropriate.

Risk Management and Compliance

The Company has established a code of conduct to ensure that officers and employees of the Group comply with laws and regulations and the Articles of Incorporation and respect social norms and ethics while performing their duties, and it is working to thoroughly disseminate this code. In addition, the Company has established regulations and other rules related to corporate organization and operations in order to develop a risk management system for the Company and Group companies and to ensure compliance, and it is ensuring their proper implementation. In particular, we focus on ensuring that each Group company operates in accordance with its own internal regulations and manuals to ensure that internal checks and balances function throughout the organization.

Furthermore, to establish corporate ethics and ensure compliance, we are working to raise awareness and providing education on appropriate conduct for all officers and employees through various internal meetings and training sessions within Group companies.

● Risk management system

To address risks that could have a significant impact on the Group's management, the Company has established a Risk Management Committee under the Board of Directors, which is chaired by the Representative Director and President. The Risk Management Committee is responsible for promptly identifying internal and external risks to the Company's activities, formulating preventive measures against such risks, and promptly implementing countermeasures in the event of unavoidable risks such as natural disasters. In addition, a disaster response manual has been developed to establish specific response procedures in the event of disasters or other emergencies.

● Group company management system

The Group formulates each company's corporate mission, management policies, and management plans based on the Group's corporate mission, and a Group management policy presentation meeting by Group's executive officers and employees is held at the beginning of the fiscal year. The Company's subsidiaries hold biannual meetings such as all-employee meetings and kickoff meetings attended by all officers and employees to share management plans.

In addition, the Group's Management Division identifies the financial and management conditions of the Company's subsidiaries, and reports these matters at the regular monthly meeting of the Board of Directors, as well as provides them with advice and guidance as necessary.

● Compliance system

A hotline has been established to prepare for potential compliance issues. This allows direct reporting and consultation with either the Group Human Resources Division or members of the Audit and Supervisory Committee.

In addition, to prevent transactions with antisocial forces, checks are conducted at the initiation of new transactions as a preventive measure against the risk of transactions and management interference risks.

Store Safety Management

The Koshidaka Group, which primarily operates store-based businesses, has a culture of discussing compliance and fire and disaster prevention awareness on a daily basis so as to maintain such awareness at a high level in order to ensure the safety and security of our customers. We aim for 100% participation in fire drills, including part-time staff, throughout the year, and the participation rate is increasing every year. To maintain and manage facilities in case of sudden disasters, information is closely linked to the Internal Audit Office, and a check system functions on a daily basis. We are working to create a safe and secure store environment by emphasizing safety management, including hygiene control, crime prevention and security.



Officers

Hiroshi Koshidaka Representative Director and President CEO

April 1986 Joined the Company
 August 1995 Representative Director and President
 September 2010 Representative Director, President and CEO (current)

Miwako Koshidaka Senior Managing Director

January 1980 Joined Dai-ichi Securities Co., Ltd. (current Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)
 May 1986 Joined the Company
 March 2000 Audit & Supervisory Board member
 January 2002 Director, General Manager of General Affairs Department
 September 2010 Director, in charge of General Affairs
 March 2014 Managing Director, in charge of General Affairs
 September 2023 Managing Director, in charge of Human Resources
 November 2023 Senior Managing Director, in charge of Human Resources (current)

Yoshihito Doi Senior Managing Director

April 1984 Joined KOKUSAI Securities Co., Ltd. (current Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)
 June 1999 Joined TAKASAGO ELECTRIC INDUSTRY CO., LTD. (current Konami Amusement Co., Ltd.)
 July 2009 Joined the Company as General Manager of Internal Control Promotion Office
 September 2010 Director, in charge of Group Management
 March 2015 Managing Director, in charge of Group Management
 September 2023 Managing Director, in charge of Group CF
 November 2023 Senior Managing Director, in charge of Group CF (current)

Akira Zama Director

April 1997 Joined SUNKUS & ASSOCIATES INC.
 May 2008 Joined METRO Cash & Carry Japan K.K.
 January 2014 Joined BEATRICE Co., Ltd.
 January 2015 Joined Regus Japan K.K.
 June 2015 Joined the Company
 March 2017 Operating Officer, in charge of Overseas Operations
 November 2019 Director, Operating Officer, in charge of Overseas Operations
 June 2022 Director, Operating Officer, General Manager of Overseas Operations (current)

Shigeyuki Moriuchi Outside Director Audit & Supervisory Committee member

October 1982 Joined Price Waterhouse Certified Public Accountants Office
 July 1998 Senior Partner of Aoyama Audit Corporation
 October 2005 Director of ChuoAoyama Audit Corporation
 May 2007 Senior Partner of Kasumigaseki Audit Corporation (current Grant Thornton Taiyo LLC)
 January 2010 Managing Partner of Kasumigaseki Audit Corporation
 November 2012 Outside Audit & Supervisory Board member of the Company
 October 2013 Partner of Grant Thornton Taiyo LLC
 November 2015 Outside Director (Audit & Supervisory Committee member) of the Company (current)

Kenichi Takai Outside Director Audit & Supervisory Committee member

April 1976 Joined The Gunma Bank, Ltd.
 June 2007 Executive Officer, General Manager of Corporate Planning Department of The Gunma Bank, Ltd.
 June 2009 Director and Executive Officer, General Manager of Head Office Sales Department of The Gunma Bank, Ltd.
 June 2011 Managing Director of The Gunma Bank, Ltd.
 June 2014 Senior Managing Director of The Gunma Bank, Ltd.
 June 2016 Board Chairman of Gunma Economic Research Institute, General Incorporated Foundation
 June 2016 Outside Audit & Supervisory Board member of YAMATO Inc.
 November 2019 Outside Director (Audit & Supervisory Committee member) of the Company (current)

Kanako Murakami Outside Director Audit & Supervisory Committee member

October 2001 Registered as an attorney at law
 Joined Nozomi Sogo Attorneys at Law
 April 2021 Partner of Nozomi Sogo Attorneys at Law (current)
 April 2023 Executive Governor of Japan Federation of Bar Associations
 November 2025 Outside Director (Audit & Supervisory Committee member) of the Company (current)

Kaori Ota Outside Director Audit & Supervisory Committee member

April 2011 Registered as an attorney at law
 August 2015 Joined Rodyk & Davidson LLP (current Dentons Rodyk & Davidson LLP)
 December 2016 Joined ORIX Corporation
 December 2018 Registered as an attorney at law in State of New York
 June 2019 Joined Hibiya-Nakata Law Office
 July 2023 Partner of Hibiya-Nakata Law Office (current)
 November 2025 Outside Director (Audit & Supervisory Committee member) of the Company (current)

Messages from Outside Directors

Leveraging my external perspective and my expertise to help improve the effectiveness of corporate governance

Shigeyuki Moriuchi Outside Director, Audit & Supervisory Committee member
Chairperson of Nominations and Remuneration Committee



Over the past year, the Board of Directors and the Audit & Supervisory Committee have actively discussed growth strategies during the expansion phase, such as expansion of business in Japan and overseas and the creation of new services using digital technologies. Under these circumstances, based on the knowledge that I had cultivated as a certified public accountant, I actively asked questions and made suggestions from various perspectives, such as the recoverability of investments, capital efficiency, and the adequacy of risk management. I also made various efforts to ensure that any management decisions made were in line with actual conditions. These efforts included visiting stores to hear the views of frontline workers and customer reactions, as well as expressing my opinions based on such feedback. Backed by a stable shareholder structure centered on the founding family, the Company's management framework reflects a long-term perspective, and certain directions are shared within the Company. For this reason, I intend to consider succession planning as the necessity

arises. On the other hand, I recognize the importance of a complementary approach to governance for rapid decision-making. To this end, I have proposed the creation of mechanisms that will earn the trust of stakeholders, such as ensuring transparency and rationality in compensation systems and strengthening accountability. In the future, the Group will require governance that supports strong leadership and leads to sustainable growth, while accurately identifying and managing risks. While the speed of business is our greatest strength, it is essential to have a multifaceted perspective and to enhance internal controls to maintain and sustain it. In the medium to long term, our challenges will be to foster the next generation of leaders and ensure diversity on the Board of Directors. I will continue to do my part to improve the effectiveness of corporate governance by leveraging my experience as an auditing specialist and my external perspective.

Supporting the communication of strategies in ways that are easy to understand for the enhancement of corporate value

Kenichi Takai Outside Director, Audit & Supervisory Committee member



I became an Outside Director in 2019. From the following year, we were struck by the unprecedented disaster of the COVID-19 pandemic, and at the board meetings every month, we were presented with harsh business reports. Over the past six years, I have witnessed how the management team overcame adversity through precise responses, foresight, and outstanding leadership. They achieved this by maintaining on-site employment and uniting employees, while steadily restoring performance, and simultaneously laying the groundwork for further growth. Most recently, the Company has been executing M&As that will lead to the restructuring of the industry and taking on the challenge of reforms such as the introduction of Artists' Original Recording Versions, while also promoting digital transformation across the whole of management. As such, we are now in the final stages of a growth strategy that will transform the entertainment of karaoke into infrastructure for everyday life. Going forward, the challenge for the Company will be to maintain its leading market share in Japan, while

enhancing its growth potential through the creation of new services that will generate earnings, and advancing overseas expansion and new businesses. The key to this will be the formulation of strategies and the enhancement of human resources. In addition to overseeing management and execution, which is my role as an Outside Director and Audit & Supervisory Committee member, I hope to discuss strategies for enhancing corporate value with the executive and management team from my external perspectives and to support efforts to communicate these strategies to shareholders and investors in ways that are easy to understand. In my previous job at a financial institution, I came into contact with many companies and their executive management. By leveraging this experience and providing various inputs, focusing on areas that are difficult to see from the executive side and areas where information is scarce, I will assist with the further revitalization of the Board of Directors and work to strengthen governance that contributes to corporate value.

11-year Financial Highlights (Consolidated)

		FY8/15	FY8/16	FY8/17	FY8/18 ^{*1}	FY8/19	FY8/20 ^{*2}	FY8/21	FY8/22	FY8/23	FY8/24	FY8/25
Business Performance												
Net sales	(Millions of yen)	44,257	51,170	55,283	61,771	65,840	43,303	20,791	37,995	54,629	63,263	69,387
Operating profit	(Millions of yen)	4,394	4,810	6,146	7,858	9,507	1,147	(7,628)	2,205	7,667	10,164	11,392
Ordinary profit	(Millions of yen)	4,492	4,699	6,354	8,207	9,562	1,699	(3,092)	5,331	7,767	10,934	11,598
Profit attributable to owners of parent	(Millions of yen)	2,098	1,900	3,255	4,426	6,226	(231)	(4,144)	3,643	7,104	6,735	5,258
Per Share Information												
Net income per share	(Yen)	112.79	104.71	174.50	54.44	76.57	(2.84)	(50.84)	44.68	87.14	82.70	64.01
Net assets per share	(Yen)	725.99	755.09	1,065.46	315.51	391.24	281.01	222.96	239.17	311.36	374.91	425.81
Dividend per share	(Yen)	30.00	32.00	36.00	—	12.00	12.00	4.00	8.00	12.00	18.00	24.00
Payout ratio	(%)	26.6	30.6	20.6	18.4	15.7	—	—	17.9	13.8	21.8	37.5
Financial Position												
Total assets	(Millions of yen)	30,663	33,517	43,690	68,357	72,087	44,555	41,973	47,273	57,007	61,714	68,588
Net assets	(Millions of yen)	14,052	14,272	22,663	26,697	31,815	22,911	18,178	19,508	25,394	30,354	35,105
Major Management Indicators												
Equity ratio	(%)	43.7	40.4	49.6	37.5	44.1	51.4	43.3	41.2	44.5	49.2	51.2
Return on assets	(%)	15.9	14.6	16.5	14.7	13.6	2.9	(7.1)	11.9	14.9	18.4	17.8
Operating profit margin	(%)	9.9	9.4	11.1	12.7	14.4	2.7	(36.7)	5.8	14.0	16.1	16.4
Return on equity	(%)	16.2	14.1	18.5	18.7	21.7	(0.8)	(20.2)	19.3	31.7	24.2	16.1
Price-to-earnings ratio	(Times)	22.38	17.11	18.65	21.51	23.12	—	—	19.54	15.34	11.56	21.56
Cash Flows												
Cash flows from operating activities	(Millions of yen)	4,649	5,737	9,209	8,327	12,577	4,378	(1,942)	11,607	13,385	12,581	12,774
Cash flows from investing activities	(Millions of yen)	(4,276)	(6,122)	(6,317)	(23,405)	(8,732)	(9,124)	(4,474)	(7,887)	(9,227)	(10,413)	(8,292)
Cash flows from financing activities	(Millions of yen)	445	532	4,659	13,276	(3,193)	5,784	2,285	(2,327)	(2,744)	(3,123)	(791)
Cash and cash equivalents at end of period	(Millions of yen)	6,142	6,249	13,754	11,889	12,530	9,297	5,171	6,379	7,854	6,750	10,439
Major Non-financial Information												
Number of employees (excluding average number of temporary employees)	(Persons)	872	1,107	1,142	1,185	1,322	833	768	859	1,041	1,136	1,106
Average number of temporary employees ^{*3}	(Persons)	2,216	2,693	2,781	3,059	3,369	2,462	1,928	3,228	4,255	4,460	4,459
Number of Karaoke business stores in Japan	(Stores)	412	457	499	520	525	525	559	582	625	664	703
Number of rooms in Japan	(Rooms)	—	—	—	—	11,705	12,201	13,273	14,327	16,186	17,653	19,052
Number of stores overseas	(Stores)	19	24	24	23	21	22	12	11	17	22	25

*1 The Company conducted a 4-for-1 stock split of shares of common stock on June 1, 2018. For FY8/18, a dividend of 20 yen per share was recorded at the end of the interim period (before the split), and 5 yen per share at the fiscal year-end (after the split).

*2 The Company paid a dividend in kind (a stock distribution spinoff) of shares of CURVES HOLDINGS Co., Ltd. on March 1, 2020.

*3 The number of employees represents the number of persons in employment. The number of temporary employees is the average number of temporary employees per year based on an 8-hour workday.

Corporate Overview

Corporate Information (As of August 31, 2025)

Company name KOSHIDAKA HOLDINGS Co., LTD.
 Date of establishment March 31, 1967
 Tokyo Head Office Dogenzaka-dori 10F, 2-25-12 Dogenzaka, Shibuya-ku, Tokyo, Japan
 Maebashi Head Office (Registered Head Office) 1-5-1 Ododomachi, Maebashi-shi, Gunma, Japan
 Share capital 2,570,257,500 yen
 Group's business segments Karaoke business (Number of stores: 703 stores in Japan and 25 stores overseas)
 Real estate management business
 Other business
 Number of employees Employees in the Group: 5,565 (Full-time employees: 1,106, Part-time staff: 4,459*)
 *The number of part-time staff is determined by calculating the average number of part-time staff per year based on an 8-hour workday.



Tokyo Head Office

Officers (As of November 27, 2025)

Representative Director and President	Hiroshi Koshidaka	Outside Director (Audit & Supervisory Committee member)	Shigeyuki Moriuchi
Senior Managing Director	Miwako Koshidaka	Outside Director (Audit & Supervisory Committee member)	Kenichi Takai
Senior Managing Director	Yoshihito Doi	Outside Director (Audit & Supervisory Committee member)	Kanako Murakami
Director	Akira Zama	Outside Director (Audit & Supervisory Committee member)	Kaori Ota

Group Companies

Domestic

KOSHIDAKA Co., LTD.	Operation of karaoke business
KOSHIDAKA PRODUCTS Co., LTD.	Ownership, operation and management of the Group's real estate
KOSHIDAKA Business Support Co., LTD.	Management operations common to the Group
KOSHIDAKA AMUSEMENT Co., LTD.	Operation of live event/viewing business and alliance business
KOSHIDAKA DIGITAL Co., LTD.	System development operations, digital marketing operations, IT support operations
KOSHIDAKA MAINTENANCE Co., LTD.	Facility maintenance and equipment repairs work, character goods production
Standard Corp.	Operation of karaoke business, complex café business, restaurant business

Overseas

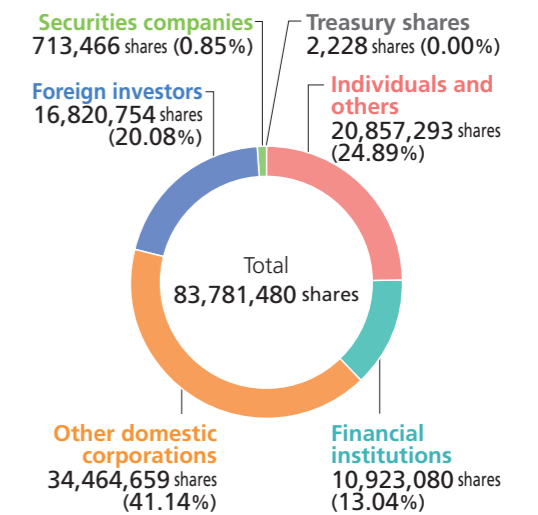
KOSHIDAKA KOREA Co., Ltd.	Operation of karaoke business in South Korea
KOSHIDAKA MALAYSIA SDN. BHD.	Operation of karaoke business in Malaysia
KOSHIDAKA THAILAND CO., LTD.	Operation of karaoke business in Thailand
PT KOSHIDAKA INTERNATIONAL INDONESIA	Operation of karaoke business in Indonesia
KOSHIDAKA INTERNATIONAL KL. SDN. BHD.	Management of karaoke business in Southeast Asia
KOSHIDAKA R&C Co., LTD.	Market research on the US market and test marketing of karaoke business in the United States

Stock Information (As of August 31, 2025)

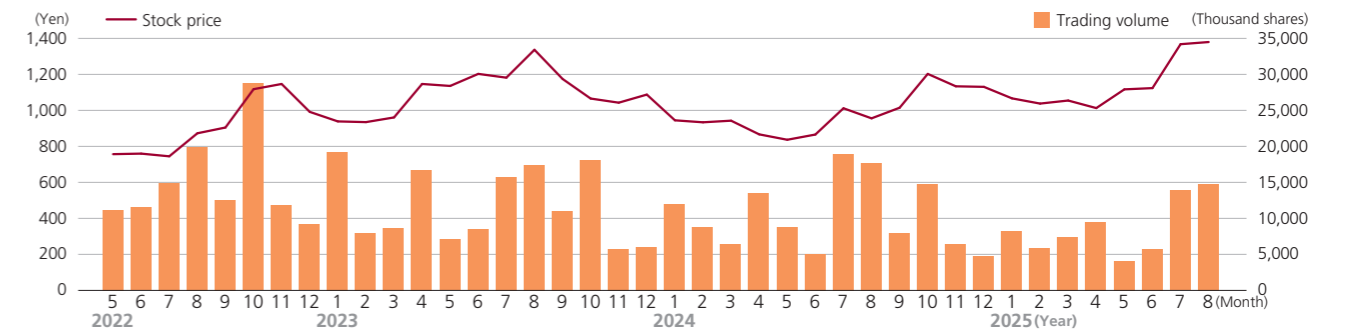
Number of shares authorized 307,200,000
 Number of shares issued 83,781,480
 Number of shareholders 56,556
 Major Shareholders (Top 5)

Shareholders	Number of shares held	Percentage of shares held
Yozan Co., Ltd.	22,578,000	26.94
Fukuru Co., Ltd.	8,368,000	9.98
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,675,700	6.77
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	5,093,834	6.08
Custody Bank of Japan, Ltd. (Trust Account)	2,352,600	2.80

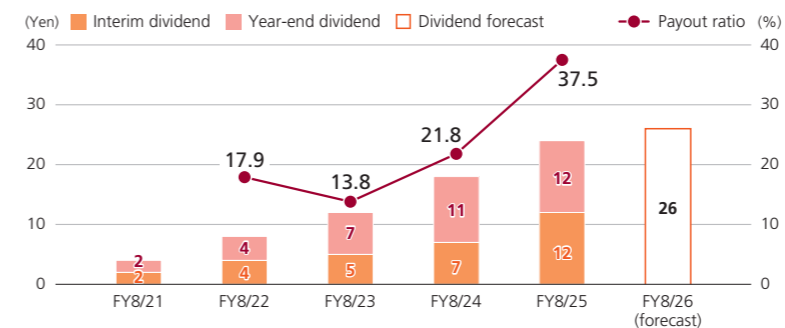
Share Distribution by Shareholder Type



Changes in Stock Price



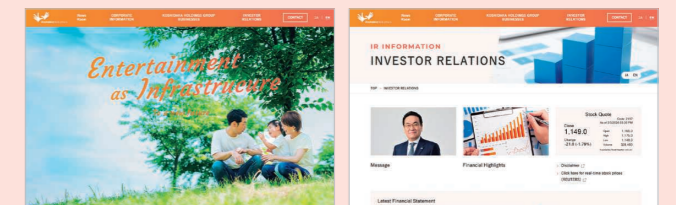
Changes in Dividends



Koshidaka's corporate website

For more information, please refer to the Company's website.

<https://www.koshidakaholdings.co.jp/en/index.html>





KOSHIDAKA HOLDINGS Co., LTD.

Dogenzaka-dori 10F, 2-25-12 Dogenzaka, Shibuya-ku,
Tokyo 150-0043, Japan