

Translation

This report is a translation of excerpts from original Japanese Flash Report and for reference purpose only. In case of discrepancy between this report and original Japanese Flash Report, the latter shall prevail.

Flash Report on the Consolidated Results for the First Quarter Ended June 30, 2025 [JGAAP]

August 7, 2025

Company Name: **DAIICHIKOSHO CO., LTD.**
 Stock Exchange Listing: Tokyo Stock Exchange
 Code Number: 7458
 URL: <https://www.dkkaraoke.co.jp/>
 Representative: Tadahiro Hoshi, President
 Contact: Yasuhisa Nishihara, General Manager, Accounting Department
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 Scheduled date of commencing dividend payments: —
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Amounts below one million yen are truncated.)

1. Consolidated Performance for the Three Months Ended June 30, 2025 (From April 1, 2025, to June 30, 2025)

(1) Consolidated operating results (Percentage figures indicate increase/decrease from a year earlier.)

| | Net sales | | Operating profit | | Ordinary profit | |
|----------------------------------|-----------------|-----|------------------|-------|-----------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Three Months Ended June 30, 2025 | 40,553 | 9.9 | 4,245 | (8.6) | 4,571 | 9.8 |
| Three Months Ended June 30, 2024 | 36,886 | 4.3 | 4,647 | (2.3) | 4,164 | (16.8) |

| | Profit attributable to owners of parent | | Basic earnings per share | Diluted earnings per share |
|----------------------------------|---|-------|--------------------------|----------------------------|
| | Millions of yen | % | Yen | Yen |
| Three Months Ended June 30, 2025 | 3,520 | 3.3 | 33.78 | 33.67 |
| Three Months Ended June 30, 2024 | 3,407 | (1.0) | 31.95 | 31.87 |

(Note) Comprehensive income:

Three Months Ended June 30, 2025: 3,270 million yen [(12.4)%]

Three Months Ended June 30, 2024: 3,734 million yen [(1.6)%]

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|----------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of June 30, 2025 | 198,071 | 116,542 | 58.1 |
| As of March 31, 2025 | 209,316 | 117,862 | 55.6 |

(Reference) Shareholders' equity:

As of June 30, 2025: 115,091 million yen

As of March 31, 2025: 116,333 million yen

2. Dividend

| | Annual dividend | | | | |
|---------------------------------------|-----------------|----------------|---------------|----------|--------|
| | First Quarter | Second Quarter | Third Quarter | Year-end | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended March 31, 2025 | — | 28.00 | — | 29.00 | 57.00 |
| Year ending March 31, 2026 | — | | | | |
| Year ending March 31, 2026 (forecast) | | 28.00 | — | 39.00 | 67.00 |

(Note) Changes in dividends forecast from most recently announced figures: Yes

Breakdown of the year-end dividend for the year ending March 31, 2026 (forecast):

- Ordinary dividend: 29.00 yen

- Commemorative dividend for the Company's 55th anniversary: 10.00 yen

For details of the changes in dividends forecast, please see the "Notice Concerning Changes in Dividends Forecast (the 55th Anniversary Commemorative Dividend)" released today, August 7, 2025.

3. Forecast of Consolidated Performance for FY2025, the Year Ending March 31, 2026 (From April 1, 2025, to March 31, 2026)

(Percentage figures indicate increase/decrease from a year earlier.)

| | Net sales | | Operating profit | | Ordinary profit | |
|--|-----------------|-----|------------------|-------|-----------------|-----|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ending September 30, 2025 | 79,600 | 7.1 | 8,800 | (2.2) | 9,200 | 2.3 |
| Year ending March 31, 2026 (full year) | 162,700 | 6.3 | 18,000 | 0.3 | 18,800 | 2.2 |

| | Profit attributable to owners of parent | | Basic earnings per share |
|--|---|--------|--------------------------|
| | Millions of yen | % | Yen |
| Six months ending September 30, 2025 | 6,800 | (29.2) | 65.65 |
| Year ending March 31, 2026 (full year) | 15,400 | (15.3) | 148.69 |

(Note) Changes in forecast of consolidated performance from most recently announced figures: Yes

For details of the changes in forecast of consolidated performance, please see the "Notice Concerning the Amendment of Forecast of Performance" released today, August 7, 2025.

***Notes**

- (1) Significant changes in scope of consolidation during the period: None
- (2) Adoption of special accounting policies for quarterly financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Retrospective restatement: None
- (4) Number of common shares issued

| | | | | |
|---|-------------------------------------|-----------------------|-------------------------------------|-----------------------|
| 1) Number of shares issued (including treasury shares) | As of June 30, 2025 | 109,468,400 shares | As of March 31, 2025 | 109,468,400 shares |
| 2) Number of treasury shares | As of June 30, 2025 | 5,896,107 shares | As of March 31, 2025 | 4,980,507 shares |
| 3) Average number of shares during the period | Three months ended June 30, 2025 | 104,244,797 shares | Three months ended June 30, 2024 | 106,673,919 shares |

- * Review of the Japanese-language originals of the attached quarterly financial statements by certified public accountants or an audit firm: None

- * Explanation for the appropriate use of performance forecasts and other special notes:

The statements regarding forecast of financial results in this report are based on the information that is available, as well as estimates, assumptions and projections that are believed to be reasonable at the time of publication. Therefore, there might be cases in which actual results greatly differ from forecast values. For the conditions underlying the assumptions made for financial results forecasts and their use, please see “Explanation of Forecast of Consolidated Performance and Other Forward-looking Information” on page 7 of the Attachments.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Period under Review

In the three months ended June 30, 2025 (the “three months under review”), Japan’s economy trended toward a moderate recovery, with improvement in the employment and wages environment. Its outlook, however, remains unclear, mainly due to a decline in consumer sentiment resulting from rising commodity prices and concerns about the impact of US policy trends on the economy.

In the karaoke industry, where DAIICHIKOSHO CO., LTD. (the “Company,” together with its subsidiaries, the “Group”) operates, amid a moderate improvement in demand as a whole, mainly in the night business and the karaoke cabin markets, the Company’s mainstay markets, competition among businesses intensified in central areas of each trading area.

As a result of taking a series of measures in our businesses amid such a situation, in the three months under review, net sales amounted to 40,553 million yen (up 9.9% year on year), a record first-quarter high. In terms of profits, operating profit was 4,245 million yen (down 8.6% year on year), mainly due to an increase in selling, general and administrative expenses such as equipment replacement expenses and promotion expenses associated with the launch of a new flagship model of DAM. Ordinary profit was 4,571 million yen (up 9.8% year on year), mainly due to a decrease in non-operating expenses compared with the corresponding period of the previous fiscal year. Profit attributable to owners of parent amounted to 3,520 million yen (up 3.3% year on year).

(Millions of yen)

| | Three Months Ended June 30, 2024 | Three Months Ended June 30, 2025 | Year-on-year change | % change |
|---|-------------------------------------|-------------------------------------|------------------------|----------|
| Net sales | 36,886 | 40,553 | 3,666 | 9.9% |
| Operating profit | 4,647 | 4,245 | (401) | (8.6)% |
| Ordinary profit | 4,164 | 4,571 | 406 | 9.8% |
| Profit attributable to owners of parent | 3,407 | 3,520 | 113 | 3.3% |

Operating results by segment are as follows.

(Commercial karaoke business)

In the commercial karaoke business, with the ongoing overall moderate recovery, mainly in the seniors’ market, which is a growth market for the Company, the number of DAM units in operation increased by 1% year on year.

In such an environment, we launched in April 2025 a new flagship model of DAM, “LIVE DAM WAO!,” for the first time in five and a half years. This device is based on the concept of “The more you sing, the newer the ‘Wow’,” and features a new playing method that delivers higher sound quality and a richer sound, as well as a large number of new videos of the original artists. In addition, the new “Voice Magic” feature and “Quartet Harmony Microphone,” which makes it possible to use four microphones simultaneously, were introduced to update the singing experience and offer a wide range of functions that will appeal to both hardcore karaoke fans and karaoke beginners. In the three months under review, we strived to expand the user base of karaoke and increase the number of DAM units in operation by doing promotions that lead to expanded sales of this device through diverse media, including TV commercials and social media. We also worked to increase per-unit DAM revenue by promoting the replacement of previous models with the new model.

In the seniors’ market, to further spread the awareness that “Singing is good for one’s health,” we expanded sales of FREE DAM LIFE, a model developed exclusively for the senior’s market, through door-to-door sales activities targeting nursing facilities, holding online concerts, and others, while also promoting the features that lessen the burden on nursing facility staff.

As a result, due to, among others, increased revenue from product sales, mainly in wholesale, owing to the impact of new product launch, net sales increased by 14.9% year on year. In terms of profit, operating profit decreased by 3.3% year on year, mainly due to one-time expenses incurred by purchase of operating assets, as well as expenses for the replacement of previous models with newer ones in equipment rentals and the impact of an increase in selling, general and administrative expenses.

(Millions of yen)

| | Three Months Ended June 30, 2024 | Three Months Ended June 30, 2025 | Year-on-year change | % change |
|------------------|-------------------------------------|-------------------------------------|---------------------|----------|
| Net sales | 15,418 | 17,714 | 2,296 | 14.9% |
| Operating profit | 3,370 | 3,259 | (110) | (3.3)% |

(Karaoke cabin and restaurant business)

In the karaoke cabin and restaurant business, we opened four karaoke cabins and three restaurants and closed three karaoke cabins, and we operated 504 karaoke cabins and 162 restaurants as of the end of the three months under review.

The flow of customers remained solid, and sales increased by 2% at existing karaoke cabins and by 1% at existing restaurants year on year during the three months under review.

Under such circumstances, for BIG ECHO karaoke cabins, under the slogan “BIG SMILE, BIG ECHO. Let’s sing, laugh, and do more with everyone,” we worked to improve the quality of karaoke equipment and acoustic facilities as a chain directly operated by a karaoke system manufacturer. We also strived to create a variety of joy and fun through karaoke by actively pursuing collaborations with diverse artists and animation works in our “Big Smile Campaign.”

In addition, regarding “LIVE DAM WAO!” launched in April 2025, we rolled it out to all BIG ECHO stores to enable customers to experience the new features as soon as possible and thereby strived to enhance customer attraction, while also reinforcing the core value of karaoke as a way to gather, sing, and enjoy together.

For restaurants, reservations and orders remained as strong as in the previous fiscal year, and we worked to improve the quality of the restaurants’ environment, customer service, and food by utilizing customer surveys. We also strived to attract a wide range of customers, including by opening two “REGALO” darts halls.

As a result, net sales increased by 4.4% year on year mainly due to an increase in revenue from existing stores as well as an increase in revenue from restaurants opened in the previous fiscal year. In terms of profit, operating profit decreased by 7.3% year on year mainly due to the impact of increased new model introduction costs at karaoke cabins.

(Millions of yen)

| | Three Months Ended June 30, 2024 | Three Months Ended June 30, 2025 | Year-on-year change | % change |
|------------------|-------------------------------------|-------------------------------------|---------------------|----------|
| Net sales | 15,779 | 16,474 | 695 | 4.4% |
| Operating profit | 1,394 | 1,292 | (102) | (7.3)% |

(Music software business)

In the music software business, in addition to our efforts to discover new artists and create hit songs, we strived to build a steady earnings model by concentrating our efforts on the music publishing business leveraging our own media, mainly karaoke.

As a result, net sales decreased by 0.5% year on year, and operating profit decreased by 15.0% year on year.

(Millions of yen)

| | Three Months Ended June 30, 2024 | Three Months Ended June 30, 2025 | Year-on-year change | % change |
|------------------|-------------------------------------|-------------------------------------|---------------------|----------|
| Net sales | 1,333 | 1,326 | (6) | (0.5)% |
| Operating profit | 104 | 89 | (15) | (15.0)% |

(Other businesses)

In the other businesses, progress was made in the expansion of the parking business operating “The Park” brand as its new pillar of revenue, and the business scale expanded to approximately 4,100 parking facilities and 47,000 parking spots as of the end of the three months under review. The BGM business, which operates “Stardigio Air,” and the home-use karaoke service, “Karaoke@DAM,” also performed strongly.

As a result, net sales increased by 15.7% year on year owing to factors such as an increase in revenue from the parking business, and operating profit increased by 27.4% year on year.

(Millions of yen)

| | Three Months Ended June 30, 2024 | Three Months Ended June 30, 2025 | Year-on-year change | % change |
|------------------|-------------------------------------|-------------------------------------|---------------------|----------|
| Net sales | 4,356 | 5,038 | 681 | 15.7% |
| Operating profit | 566 | 721 | 155 | 27.4% |

(2) Overview of Financial Position for the Period under Review

Total assets at the end of the three months under review decreased by 11,245 million yen from the end of the previous fiscal year to 198,071 million yen.

Major changes from the previous fiscal year were, in current assets, a decrease of 17,825 million yen in cash and deposits and an increase of 2,628 million yen in pre-paid expenses included in other.

In non-current assets, karaoke equipment for rental, net and karaoke cabin and restaurant facilities, net increased by 1,299 million yen and 1,415 million yen, respectively.

Liabilities decreased by 9,925 million yen from the end of the previous fiscal year to 81,528 million yen.

This was mainly due to a decrease of 9,310 million yen in short-term borrowings under current liabilities.

Net assets decreased by 1,320 million yen from the end of the previous fiscal year to 116,542 million yen.

This is primarily attributable to an increase in retained earnings of 3,520 million yen due to profit attributable to owners of parent, a decrease in retained earnings of 3,030 million yen due to the dividends of surplus, and a decrease of 1,571 million yen due to purchase of treasury shares.

(3) Explanation of Forecast of Consolidated Performance and Other Forward-looking Information

For details of the forecast of performance for the six months ending September 30, 2025 and the fiscal year ending March 31, 2026, please see the “Notice Concerning the Amendment of Forecast of Performance” released today, August 7, 2025.

The forecast was prepared based on information available on the date this report was released, and actual results may vary from forecast values due to various factors in the future.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

| | (Millions of yen) | |
|--|----------------------------------|--|
| | FY2024 (As of March 31, 2025) | Current First quarter (As of June 30, 2025) |
| Assets | | |
| Current assets | | |
| Cash and deposits | 41,949 | 24,124 |
| Notes and accounts receivable - trade | 5,988 | 6,512 |
| Inventories | 13,769 | 13,534 |
| Other | 5,989 | 8,493 |
| Allowance for doubtful accounts | (153) | (147) |
| Total current assets | 67,543 | 52,516 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Karaoke equipment for rental, net | 9,610 | 10,910 |
| Karaoke cabin and restaurant facilities, net | 13,896 | 15,312 |
| Land | 34,940 | 34,863 |
| Construction in progress | 32,316 | 32,757 |
| Other, net | 8,193 | 8,492 |
| Total property, plant and equipment | 98,958 | 102,335 |
| Intangible assets | | |
| Goodwill | 5,094 | 4,959 |
| Other | 5,887 | 6,027 |
| Total intangible assets | 10,982 | 10,986 |
| Investments and other assets | | |
| Investment securities | 7,044 | 6,676 |
| Leasehold and guarantee deposits | 14,684 | 14,795 |
| Other | 10,219 | 10,869 |
| Allowance for doubtful accounts | (115) | (109) |
| Total investments and other assets | 31,833 | 32,231 |
| Total non-current assets | 141,773 | 145,554 |
| Total assets | 209,316 | 198,071 |

| | (Millions of yen) | |
|--|----------------------------------|--|
| | FY2024 (As of March 31, 2025) | Current First quarter (As of June 30, 2025) |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 3,885 | 4,675 |
| Short-term borrowings | 12,443 | 3,132 |
| Income taxes payable | 4,752 | 2,367 |
| Provision for bonuses | 1,272 | 689 |
| Other | 13,636 | 15,062 |
| Total current liabilities | 35,990 | 25,927 |
| Non-current liabilities | | |
| Long-term borrowings | 41,128 | 41,253 |
| Provision for retirement benefits for directors (and other officers) | 635 | 505 |
| Retirement benefit liability | 8,169 | 8,152 |
| Asset retirement obligations | 1,873 | 1,918 |
| Other | 3,657 | 3,771 |
| Total non-current liabilities | 55,463 | 55,601 |
| Total liabilities | 91,454 | 81,528 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 12,350 | 12,350 |
| Capital surplus | 4,211 | 4,211 |
| Retained earnings | 108,490 | 108,791 |
| Treasury shares | (10,571) | (12,002) |
| Total shareholders' equity | 114,481 | 113,351 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,867 | 1,600 |
| Revaluation reserve for land | (558) | (408) |
| Foreign currency translation adjustment | 148 | 160 |
| Remeasurements of defined benefit plans | 394 | 386 |
| Total accumulated other comprehensive income | 1,851 | 1,739 |
| Share acquisition rights | 464 | 384 |
| Non-controlling interests | 1,065 | 1,066 |
| Total net assets | 117,862 | 116,542 |
| Total liabilities and net assets | 209,316 | 198,071 |

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

| | (Millions of yen) | |
|--|--|--|
| | Three Months Ended June 30, 2024 (From April 1, 2024, to June 30, 2024) | Three Months Ended June 30, 2025 (From April 1, 2025, to June 30, 2025) |
| Net sales | 36,886 | 40,553 |
| Cost of sales | 23,549 | 26,393 |
| Gross profit | 13,337 | 14,160 |
| Selling, general and administrative expenses | 8,690 | 9,914 |
| Operating profit | 4,647 | 4,245 |
| Non-operating income | | |
| Interest income | 3 | 6 |
| Dividend income | 83 | 110 |
| Insurance claim income | 43 | 16 |
| Cooperative monetary aid received | 52 | 189 |
| Other | 195 | 170 |
| Total non-operating income | 377 | 493 |
| Non-operating expenses | | |
| Interest expenses | 109 | 104 |
| Foreign exchange losses | 13 | 17 |
| Cancellation penalty | 1 | 15 |
| Loss on refund of subsidy | 653 | - |
| Other | 82 | 31 |
| Total non-operating expenses | 860 | 168 |
| Ordinary profit | 4,164 | 4,571 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 3 | 866 |
| Gain on sale of investment securities | 891 | 0 |
| Total extraordinary income | 895 | 866 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 30 | 37 |
| Impairment losses | 20 | 13 |
| Total extraordinary losses | 51 | 50 |
| Profit before income taxes | 5,008 | 5,387 |
| Income taxes - current | 2,000 | 2,099 |
| Income taxes - deferred | (409) | (244) |
| Total income taxes | 1,590 | 1,854 |
| Profit | 3,417 | 3,532 |
| Profit attributable to non-controlling interests | 9 | 11 |
| Profit attributable to owners of parent | 3,407 | 3,520 |

(Quarterly Consolidated Statement of Comprehensive Income)

| | (Millions of yen) | |
|--|--|--|
| | Three Months Ended June 30, 2024 (From April 1, 2024, to June 30, 2024) | Three Months Ended June 30, 2025 (From April 1, 2025, to June 30, 2025) |
| Profit | 3,417 | 3,532 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 275 | (266) |
| Foreign currency translation adjustment | 47 | 12 |
| Remeasurements of defined benefit plans, net of tax | (5) | (8) |
| Total other comprehensive income | 316 | (262) |
| Comprehensive income | 3,734 | 3,270 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 3,724 | 3,258 |
| Comprehensive income attributable to non-controlling interests | 9 | 11 |

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes in Case of Significant Changes in Shareholders' Equity)

Not applicable.

(Segment Information)

[Segment information]

Three Months Ended June 30, 2024 (From April 1, 2024, to June 30, 2024)**1. Information on the amounts of net sales and profit or loss by reportable segment**

(Millions of yen)

| | Reportable segments | | | | Other (Note 1) | Total | Adjusted amount (Note 2) | Posted amount to the consolidated quarterly statements of income |
|--------------------------------------|-----------------------|------------------------------------|-------------------|----------|-------------------|--------|--------------------------------|---|
| | Commercial karaoke | Karaoke cabin and restaurant | Music software | Subtotal | | | | |
| Net sales | 15,418 | 15,779 | 1,333 | 32,530 | 4,356 | 36,886 | - | 36,886 |
| Segment profit (Operating profit) | 3,370 | 1,394 | 104 | 4,869 | 566 | 5,435 | (788) | 4,647 |

- Notes:
1. The category "Other" comprises a business segment not attributable to reportable segments, including parking, real estate leasing and BGM broadcasting businesses.
 2. The (788) million yen adjustment posted to segment profit is primarily composed of general and administrative expenses incurred by the administrative department at the head office that are not attributable to any particular reportable segment.

2. Information on impairment loss of non-current assets or goodwill, etc. by reportable segment

The statements are omitted due to little significance.

Three Months Ended June 30, 2025 (From April 1, 2025, to June 30, 2025)**1. Information on the amounts of net sales and profit or loss by reportable segment**

(Millions of yen)

| | Reportable segments | | | | Other (Note 1) | Total | Adjusted amount (Note 2) | Posted amount to the consolidated quarterly statements of income |
|--------------------------------------|-----------------------|------------------------------------|-------------------|----------|-------------------|--------|--------------------------------|---|
| | Commercial karaoke | Karaoke cabin and restaurant | Music software | Subtotal | | | | |
| Net sales | 17,714 | 16,474 | 1,326 | 35,515 | 5,038 | 40,553 | - | 40,553 |
| Segment profit (Operating profit) | 3,259 | 1,292 | 89 | 4,641 | 721 | 5,362 | (1,116) | 4,245 |

- Notes:
1. The category "Other" comprises a business segment not attributable to reportable segments, including parking, real estate leasing and BGM broadcasting businesses.
 2. The (1,116) million yen adjustment posted to segment profit is primarily composed of general and administrative expenses incurred by the administrative department at the head office that are not attributable to any particular reportable segment.

2. Information on impairment loss of non-current assets or goodwill, etc. by reportable segment

The statements are omitted due to little significance.

(Statement of Cash Flows)

The Company has not prepared quarterly consolidated statement of cash flows for the three months ended June 30, 2025. Depreciation (including amortization of intangible assets excluding goodwill), amortization of goodwill, and amortization of negative goodwill for the three months ended June 30, 2025 are as follows.

| | (Millions of yen) | |
|-----------------------------------|--|--|
| | Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024) | Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025) |
| Depreciation | 3,282 | 3,718 |
| Amortization of goodwill | 134 | 133 |
| Amortization of negative goodwill | 0 | - |

(Significant Events after Reporting Period)**(Transfer of non-current assets of a consolidated subsidiary)**

At the meeting of its Board of Directors held on July 28, 2025, the Company resolved to transfer (dispose of) non-current assets owned by D.K. FINANCE, Ltd., which is one of the Company's consolidated subsidiaries, and a purchase and sales agreement with the said consolidated subsidiary was concluded as of the same date.

(1) Reason for transfer

The Company will transfer the following non-current assets owned by D.K. FINANCE, Ltd., a consolidated subsidiary, in order to improve the efficiency of its assets through more efficient use of its management resources.

(2) Description of the transfer**(i) Outline of purchaser of the assets to be transferred**

| | |
|---|---|
| Name | MITSUBISHI ESTATE CO., LTD. |
| Address | Otemachi Park Building, 1-1, Otemachi 1-chome, Chiyoda-ku, Tokyo |
| Title and name of representative | Representative Corporate Executive Officer, President & Chief Executive Officer, Atsushi Nakajima |
| Description of business | Development and leasing of office buildings, retail, hotels, logistics, and other facilities, and other activities |
| Capital | 142,414 million yen |
| Date of establishment | May 7, 1937 |
| Relationships between the Company and the purchaser | There are no capital relationships, personal relationships, business relationships, or any other matters pertaining to related parties between the purchaser and the Company and between the purchaser and D.K. FINANCE, Ltd. that require special mention. |

(ii) Description of the assets to be transferred

| | |
|-------------------|--|
| Address | 5-5-26 Kitashinagawa, Shinagawa-ku, Tokyo |
| Type of assets | Land (1,190.39 m ²) Building (4,174.13 m ²) |
| Current situation | Head office building |
| Date of transfer | March 31, 2026 (scheduled) |
| Disposition price | 5,054 million yen |

(3) Impact on the Company's consolidated profits and losses

In line with the said transfer (disposal) of non-current assets, the Company plans to record 4,055 million yen in gain on sale of non-current assets under extraordinary income in the fourth quarter of the fiscal year ending March 31, 2026.

(Cancellation of treasury shares)

At the meeting of its Board of Directors held on August 7, 2025, the Company resolved to cancel its treasury shares pursuant to the provisions of Article 178 of the Companies Act.

(1) Reason for the cancellation of treasury shares

The Company will cancel those of its treasury shares whose use is not determined, in order to enhance shareholder returns and improve capital efficiency.

- (2) Class of the shares to be cancelled
The Company's common stock
- (3) Total number of the shares to be cancelled
5,500,000 shares (5.02% of the total number of the issued shares before the cancellation)
- (4) Total number of the issued shares after the cancellation
103,968,400 shares
- (5) Scheduled cancellation date
August 18, 2025