MDAIICHIKOSHO

Fiscal Year Ending March 2026 First Half (Interim)

Materials for Financial Results

November 19, 2025







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Overview of Financial Results

02 Forecast for Fiscal Year Ending March 2026

03 Topics



Fiscal Year Ending March 2026 First Half (Interim): Financial Results Summary

Sales of new products trended steadily, and net sales achieved a record high for the first half

- Net sales increased 8.0% year-on-year (record high), as each core business contributed to revenue growth, led by sales of the new DAM product, LIVE DAM WAO!
- Profits decreased due to an increase in SG&A expenses, including costs related to the introduction of new products and promotional expenses

Commercial Karaoke Business: Product sales increased significantly, and the number of DAM units in

operation grew steadily, rising +1% year-on-year

Karaoke Cabin and Restaurant Business: Year-on-year change in existing stores: +4% for karaoke cabins, +1% for

restaurants

Parking Business: Steady growth in the number of facilities at year-end: 4,200 facilities and 48,000

parking spots

- In conjunction with the head office relocation, a 4.0 billion yen gain on the sale of the current head office building is
 expected to be recorded at the end of the current fiscal year
 - → Year-end dividend forecast increased by 10 yen (commemorative dividend)
- First-half net sales were slightly above forecast due to factors such as strong performance in karaoke cabins (Big Echo), but profits were slightly below forecast due to the impact of increased SG&A expenses
 - → Progress is generally in line with the plan, and the full-year earnings forecast remains unchanged



Fiscal Year Ending March 2026 First Half (Interim): Earnings Highlights

	FY ended March 2025 First Half	FY ending March 2026 First Half			
(Unit: million yen)	Actual	Actual	Year-on-Year Change (%)	Earnings Forecast	Vs. Forecast (%)
Net sales	74,321	80,276	8.0	79,600	0.8
Gross operating profit	26,349	27,685	5.1	-	-
Selling, general, and administrative expenses	17,353	19,254	11.0	-	-
Operating profit	8,996	8,430	-6.3	8,800	-4.2
Ordinary profit	8,991	8,606	-4.3	9,200	-6.5
Net income attributable to parent company shareholders	9,598	6,117	-36.3	6,800	-10.0



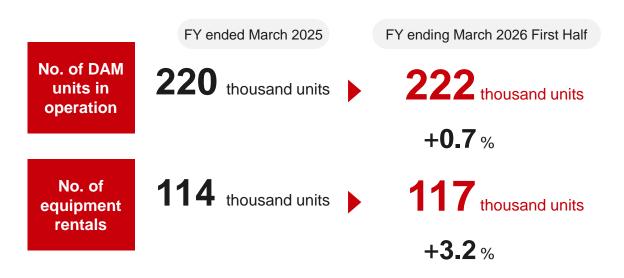
Business Environment (Commercial Karaoke)

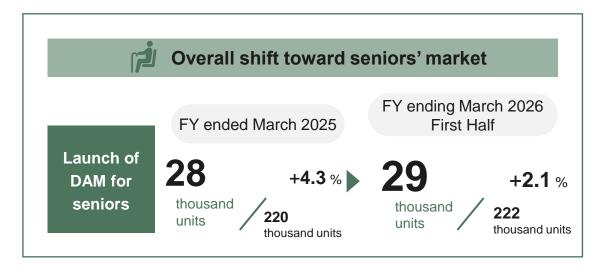


Business environment

- The market environment improved moderately, mainly in the growing seniors' market, and the number of DAM units in operation at the end of the period increased 1% year-on-year
- Launched the new flagship product "LIVE DAM WAO!" in April, the first in five and a half years, increasing product sales, mainly wholesale
- Deployed promotions related to the new product across diverse media, including TV commercials and SNS → Aiming to expand the karaoke user base
- Striving to increase revenue per DAM unit through replacement of old models with new models, etc.

KPIs by Business Segment







Business Environment (Commercial Karaoke)

Sales of our new flagship product, LIVE DAM WAO!, to external parties and its introduction at our own stores are both progressing at a strong pace.

We are promoting new ways to enjoy karaoke and stimulating demand.







"Fried egg yolk strategy"

Across all businesses, we will steadily secure locations in the centers of various cities (shopping districts near stations).



Karaoke Cabin
and Restaurant
Business

Measures

Concentrate
management resources
in the center of each
trade area using LIVE
DAM WAO! as a product
to differentiate us from
the competition

KPI

- Improvement of DAM market share
- Improvement of revenue per unit

Number of DAM units installed

FY ending March 2026 (First Half)

13 thousand units

(out of which 4 thousand units were installed in our own stores)

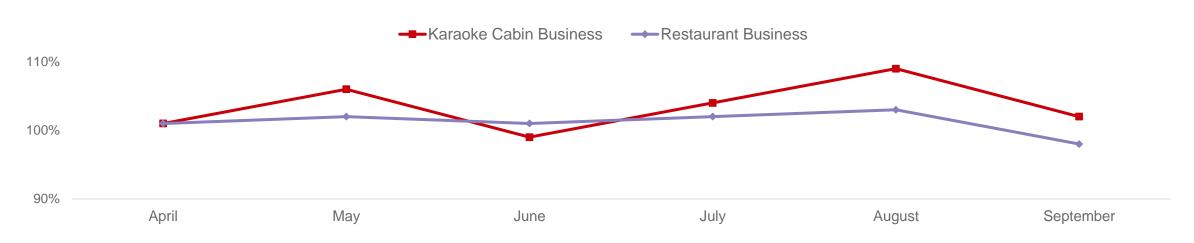


Business Environment (Karaoke Cabin and Restaurant Business)



- Store renovations implemented in the previous fiscal year
- Effect of introducing LIVE DAM WAO!
- Customer traffic has been strong due to increased demand for indoor leisure caused by the intense heat, etc.

FY ending March 2026: Changes in net sales at existing stores of Karaoke Cabin and Restaurant Business (year-on-year)



Store Type	FY Ending March 2026: Actual (Year-on-Year Comparison)							
Store Type	April	May	June	July	August	September		
Karaoke cabins	101%	106%	99%	104%	109%	102%		
Restaurants	101%	102%	101%	102%	103%	98%		



Business Environment (Karaoke Cabin and Restaurant Business)

Renovating Stores

Opening New Stores

We have been actively maintaining and improving the appearance of store facilities since the previous fiscal year





Key Hardware-related Initiatives

Typical microphone up till now



Enhance stylishness with pink and white microphones





You can enjoy karaoke at the bar. In the amusement area, you can have fun with darts and air hockey.

VoLTE TOKYO is a "playground for grown-ups" based on the concept of a space fusing sound, light, and play.



KARAOKE&AMUSEMENT BAR VoLTE TOKYO https://volte-tokyo.jp/en/

Chef's Cuisine and

Jibundoki,

A Japanese dining establishment where you can enjoy eclectic and creative Japanese-Western cuisine that combines Kyoto-style Japanese food with Western ingredients, as well as select shochu and sake from various regions





Business Environment (Parking)



Steady increase in new parking facilities

Changes in the Number of Parking Business Facilities



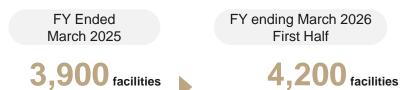


Commercial for brand awareness

KPIs by Business Segment

No. of parking facilities

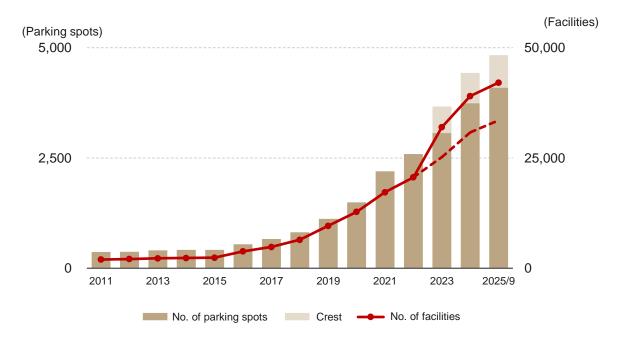
No. of parking spots



+7.8%

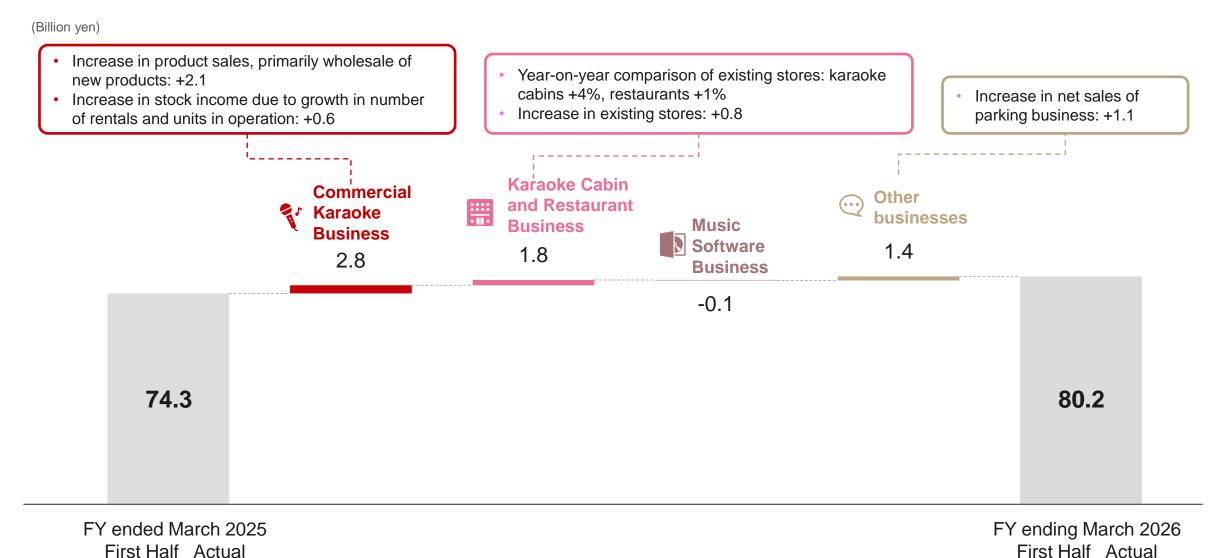
44,000 spots 48,000 spots

+9.1 %





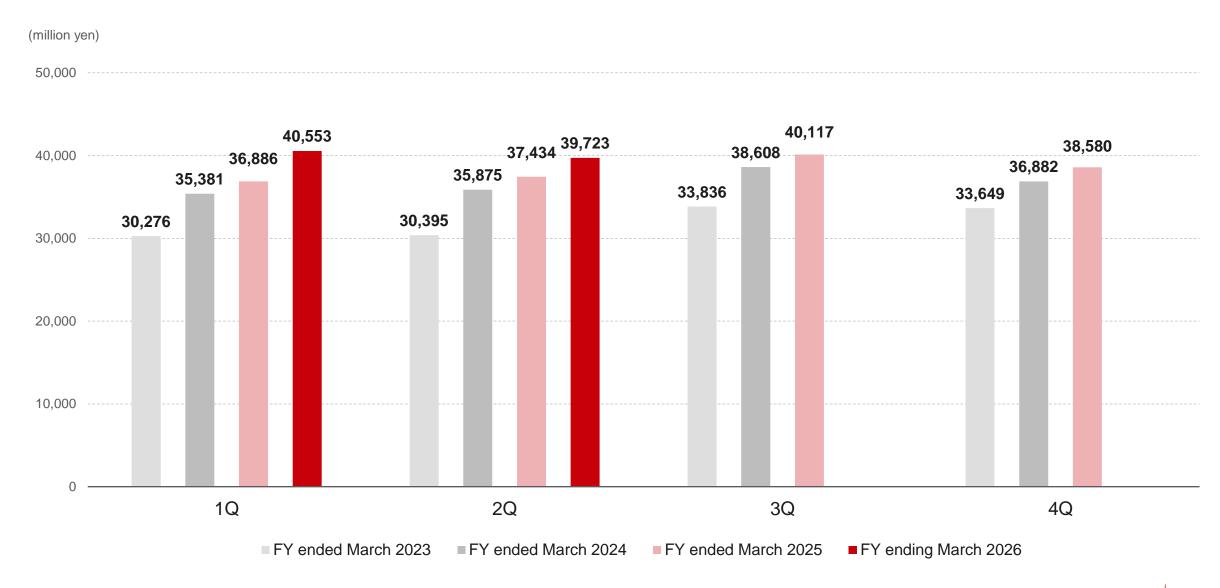
Factor Analysis of Change in Net Sales





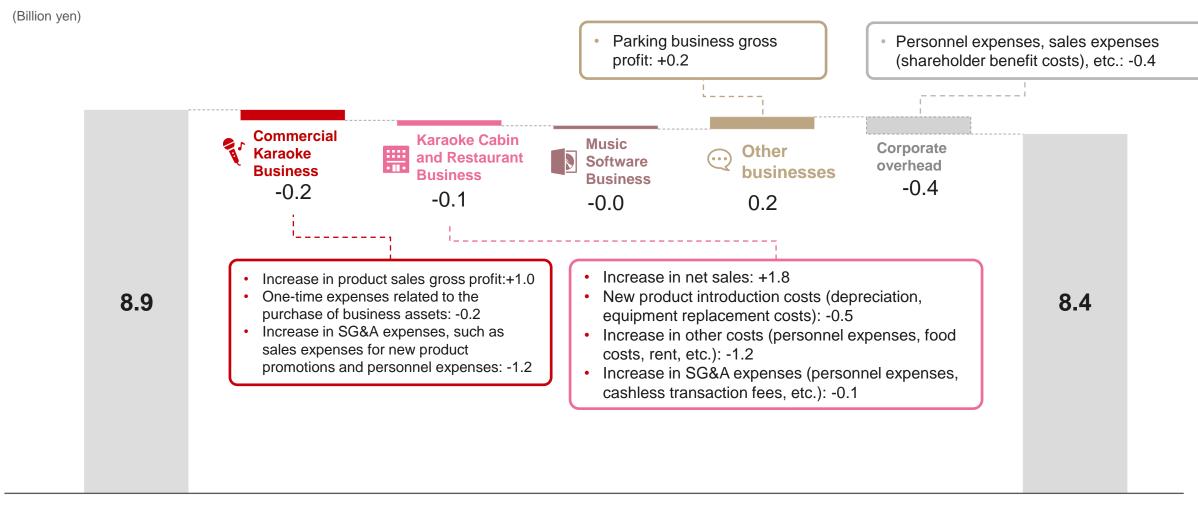
Changes in Net Sales by Quarter







Factor Analysis of Change in Operating Profit



FY ended March 2025 First Half Actual FY ending March 2026 First Half Actual



Consolidated Balance Sheet

Current assets and current liabilities both decreased due to factors such as investment in new DAM product rental equipment and proprietary karaoke store equipment, repayment of borrowings, and payment of dividends

	FY Ended March 2025	FY ending March 2026 First Half		
(Unit: million yen)	Actual	Actual	Vs. End of Previous FY (%)	Comments
Current assets	67,543	54,614	-19.1%	Decrease in cash and deposits, and increase in prepaid expenses and inventories
Non-current assets	141,773	147,008	3.7%	Increase in rental karaoke equipment and karaoke cabin/restaurant equipment
Total assets	209,316	201,623	-3.7%	
Current liabilities	35,990	26,411	-26.6%	Decrease in short-term borrowings (including long-term borrowings due within one year)
Non-current liabilities	55,463	56,109	1.2%	
Total liabilities	91,454	82,521	-9.8%	
Shareholders' equity	114,481	115,385	0.8%	
Accumulated other comprehensive income	1,851	2,233	20.6%	
Total net assets	117,862	119,101	1.1%	
Total liabilities/net assets	209,316	201,623	-3.7%	



Consolidated Cash Flow Statement

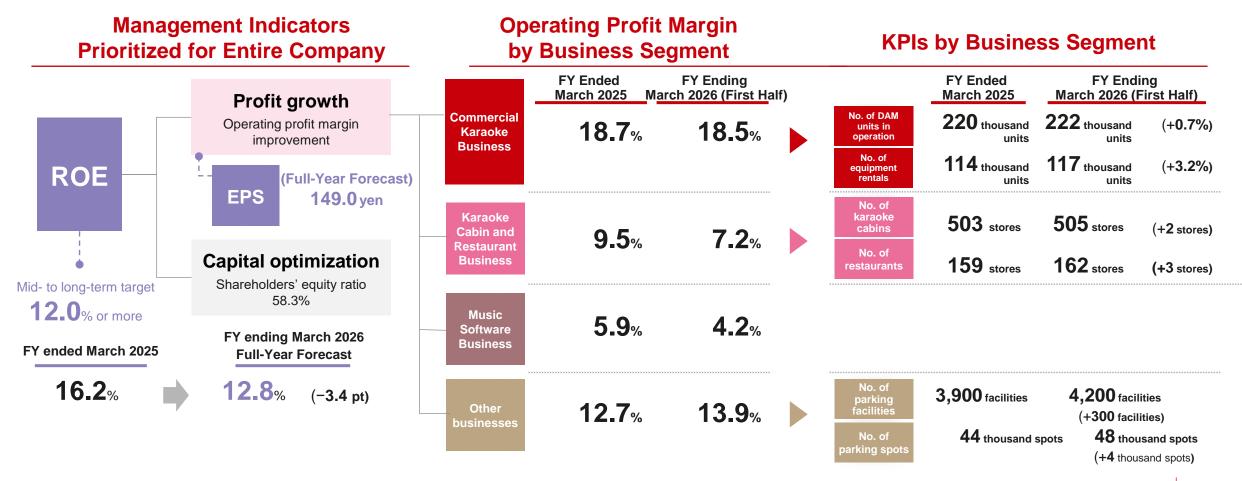
Cash and deposits decreased due to factors such as the absence of income from the sale of fixed assets (land) that took place in the previous period, as well as an increase in the acquisition of fixed assets such as karaoke equipment and store equipment, and expenditures for the repayment of borrowings

	FY ended March 2025 First Half	FY ending March 2026 First Half		
(Unit: million yen)	Actual	Actual	Year-on-Year Change	
Cash flows from operating activities	10,006	11,798	+1,792	
Cash flows from investing activities	-1,222	-13,617	-12,394	
Cash flows from financing activities	-16,575	-13,383	3,191	
Cash and cash equivalents at start of period	49,306	41,584	-7,721	
Cash and cash equivalents at end of period	41,530	26,387	-15,142	
Free cash flows	8,784	-1,818	-10,602	



Consolidated Management Indicators

In the Commercial Karaoke Business and the Karaoke Cabin and Restaurant Business, profit margins decreased due to factors such as increased depreciation and promotional expenses related to new DAM products, while the Parking Business expanded



01 Overview of Financial Results



03 Topics



Status of the Second Half of the Fiscal Year Ending March 2026

Business activities and the reputation of our new products are doing well We aim to improve profits in the second half through cost control and other measures

- New DAM product LIVE DAM WAO!
 - → Has a good reputation in the market
- Early introduction of the new product at Big Echo and all other karaoke stores
 - → Specific model requests from core karaoke fans, etc.
 - → Growth in customer traffic early in the day → Existing stores performing well
- Opening of new parking facilities is doing well

- In the first half, profits decreased slightly compared to the previous year and the forecast due to promotional expenses, introduction costs for our own stores, etc.
- In the second half, we will recover the shortfall from the first half through cost control and improved profitability in each business



Earnings Forecast for Fiscal Year Ending 2026

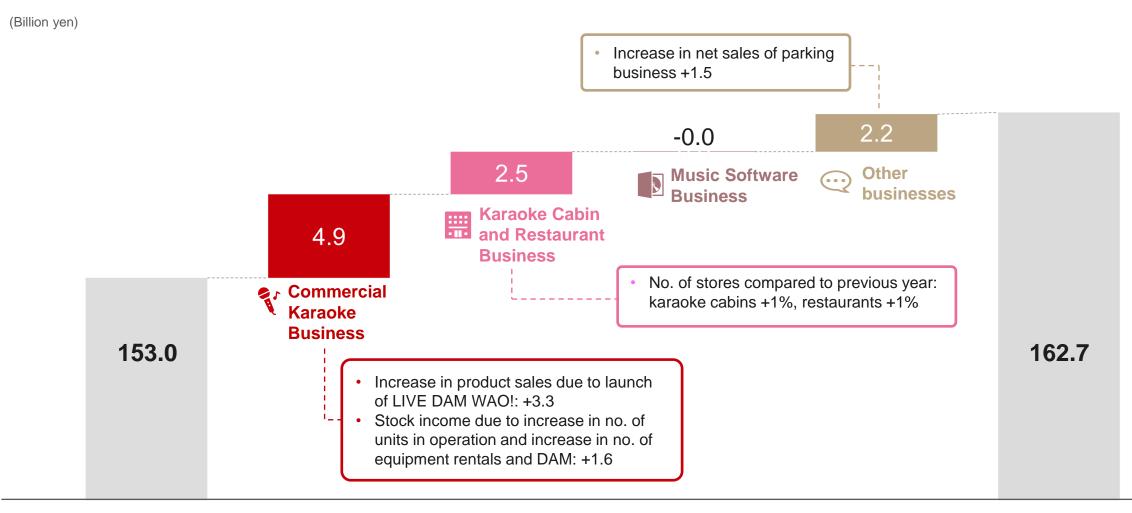
FY ended

The launch of the new product LIVE DAM WAO! is expected to increase net sales, however, due to capital investment and promotional expenses, operating profit is forecasted to remain flat

	March 2025	FY Ending March 2026					
	First Half	First Half			Full Year		
(Unit: million yen)	Actual	Actual	Year-on-Year Change (%)	Initial Forecast	Vs. Forecast (%)	Forecast	Progress Rate (%)
Net sales	74,321	80,276	8.0%	79,600	0.8%	162,700	49.3%
Operating profit	8,996	8,430	-6.3%	8,800	-4.2%	18,000	46.8%
Operating profit margin (%)	12.1	10.5	_	11.1	-0.6%pt	11.1%	_
Net income attributable to parent company shareholders	9,598	6,117	-36.3%	6,800	-10.0%	15,400	39.7%



Factor Analysis of Change in Net Sales



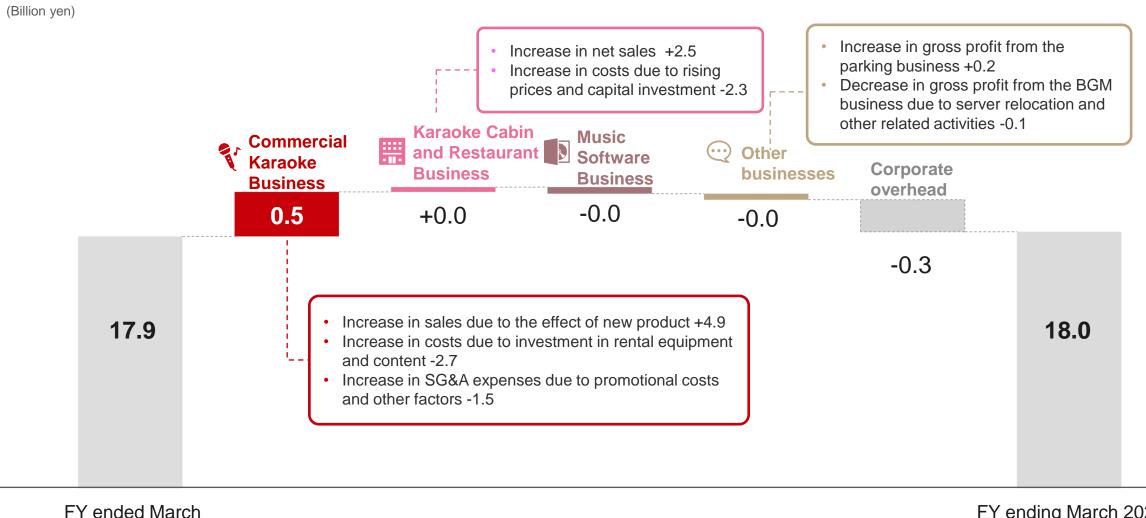
FY ended March 2025 (actual)

FY ending March 2026 (forecast)

2025 (actual)



Operating Profit Forecast for Fiscal Year Ending March 2026: Factor Analysis of Change



FY ending March 2026 (forecast)



(Released in July and August 2025) Revisions to Earnings Forecast and Dividend Forecast

Following the decision to sell the current head office building, which is expected to result in the recording of a 4.0 billion yen gain on the sale of fixed assets at the end of the current fiscal year, the earnings forecast has been revised and a 10-yen commemorative dividend has been added to the year-end dividend.

Timeline until relocation

February 2024

Acquired fixed asset for relocation of head office functions (Mita 3-chome, Minato Ward).

September 2024

Sold land (in Shinagawa Ward) that had been held until now as a candidate site for relocation.

Reference: "Notice Regarding Disposal of Fixed Assets and Recording of Extraordinary Profit," July 29, 2024

February to March 2026

Relocation

(After relocation) End of March 2026

Scheduled sale of current head office building

Reference: July 28, 2025 "Notice Regarding Disposal of Fixed Assets and Recording of Extraordinary Profit by a Consolidated Subsidiary"

Background for Earnings Forecast Revision

Recording of extraordinary profit from the sale of the current head office building

Revision of earnings forecast / Implementation of commemorative dividend

1						
	Forecast for net income attributable to parent company shareholders	Full-year dividend forecast per share	Dividend payout ratio	ROE		
Before Revision	13.0 billion yen	57 yen	45%	10.8%		
After Revision	15.4 billion yen	67 yen (Ordinary dividend 57 yen, Commemorative dividend 10 yen)	45%	12.8%		
Difference	+2.4 billion yen	+10 yen	-	+2.0%pt		

Reference: August 7, 2025 "Notice Regarding Revision of Earnings Forecast," "Notice Regarding Revision of Dividend Forecast (55th Anniversary Commemorative Dividend)"



Fiscal Year Ending March 2026: Earnings Forecast by Segment



- Night business market
- Karaoke box market
- Seniors' market

Net sales by segment

67,200 million yen

+7.9%

Operating profit by segment

12,200 million yen

+4.5%



Music Software Business

Net sales by segment

5,500 million yen -1.0%

Operating profit by segment

250 million yen -23.2%

Net sales

162,700

million yen

Operating profit

18,000

million yen



Net sales by segment

69,100 million yen

+3.8%

Operating profit by segment

6,400 million yen

+0.9%

- Other businesses
- Parking Business
- Real Estate Rental Business
- BGM Broadcasting Business, etc.

Net sales by segment

20,900 million yen +12.2%

.

Operating profit by segment

2,300 million yen

-3.1%



Fiscal Year Ending March 2026: Measures to Be Implemented by Segment



Commercial Karaoke Business

Night business market

- Aiming to further improve our share
- Aiming to improve profitability per unit through replacement of old models, etc.

Karaoke box market

- Expanding sales of new flagship DAM system, "LIVE DAM WAO!"
- Pursuing replacement of old equipment models

Seniors' market

 Contributing to longer healthy lifespans and reducing the workload of nursing-care facility staff by expanding sales of the "FREE DAM LIFE" system dedicated to the seniors' market and leveraging the appeal of new functions

Shared measures

 Aiming to make the entire karaoke industry more dynamic and expand the karaoke user base through enhancing sales of new products and conducting promotional activities

Other markets

 Creating new places to sing through collaboration with other sectors (e.g., supermarkets) and use of "COCOKARA" box-type karaoke system



Music Software Business

Key measures

 We will establish a solid revenue model by striving to discover new artists and create hit songs, as well as devoting effort to the music publishing business



Karaoke Cabin and Restaurant Business

Karaoke cabins

- So that customers can experience "LIVE DAM WAO!"'s new functions right away, we will rapidly introduce it at all stores
- As a chain directly operated by a karaoke manufacturer, we aim to improve customer satisfaction by enhancing both facilities and services

Restaurants

- Devoting effort to developing a new brand that addresses customers' needs
- Along with private dining, which is our core business, we will develop a wide customer base, including amusement facilities such as karaoke, darts, etc.



- Parking Business
- Real Estate Rental Business
- BGM Broadcasting Business, etc.

Parking business

- We will pursue the opening of new facilities, including M&A, and further grow the size of the business
- We will enhance "The Park" brand awareness via TV commercials, etc.
- We will streamline some unprofitable facilities to improve profitability

Entire company

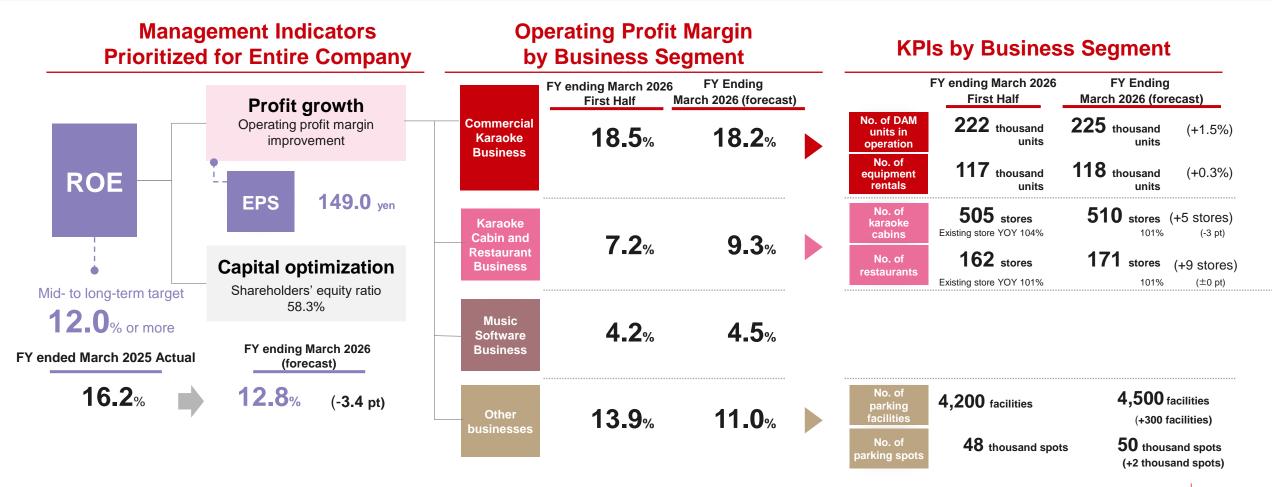
 We plan to relocate our head office functions around February 2026.
 The head office, which is currently distributed across 3 locations, will be consolidated in 1 location with the aim of making the company more dynamic through interdepartmental communication, improving productivity, and creating innovation



Fiscal Year Ending March 2026: Consolidated Management Indicators Plan

Due to the increase in sales from the launch of new products and the increase in costs from capital investments, operating profit is expected to remain flat.

We aim to expand the business foundation, starting with the rollout of new products





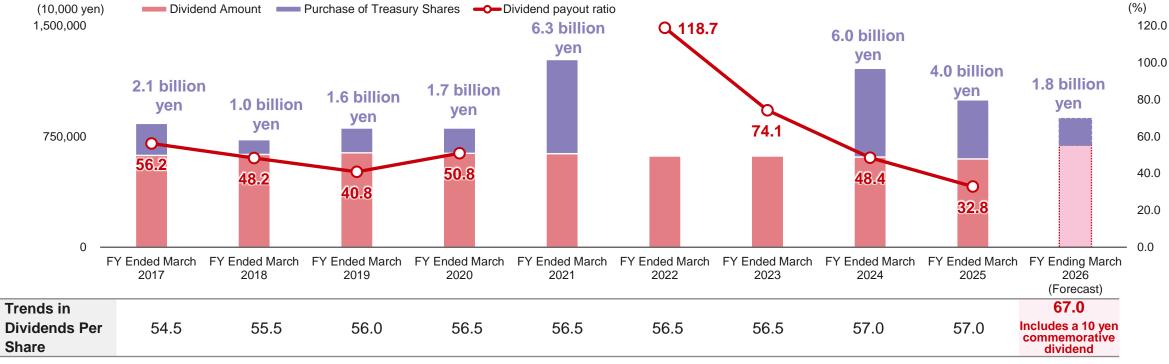
Return to shareholders

Dividend Policy

- We regard the return of profits to shareholders while enhancing corporate value over the medium to long term as an important management issue.
- Our basic policy is to implement stable and active profit returns with a target consolidated dividend payout ratio of 30% or more.
- We also purchase treasury shares in a timely manner to improve capital efficiency.

Track Record of Shareholder Returns

- Since listing, including during the COVID-19 pandemic, we have continued to "increase dividends" or "maintain dividends"
- Stable and high-level dividends + timely purchase of treasury shares
- To commemorate the 55th anniversary of our founding, we implemented a dividend of 67 yen, including a commemorative dividend of 10 yen per share
- We have also already repurchased 1.8 billion yen of treasury shares from May to July of this fiscal year



^{*} Dividend amounts have been adjusted to take into account the stock split (1:2) implemented on April 1, 2023.

01 Overview of Financial Results

O2 Forecast for Fiscal Year Ending March 2026





Sustainability Management

Our group aims to provide enjoyment and entertainment through the medium of karaoke while also contributing to people's health and enriching their lives

Participation in Fry to Fly Project

On October 1, the Company joined the Fry to Fly Project, which aims to continuously supply the used cooking oil generated at karaoke and restaurant stores operated by the Company as a raw material for domestic sustainable aviation fuel (SAF). First, 224 Big Echo stores and 143 restaurants directly operated by Daiichikosho will sequentially provide waste cooking oil as a raw material for SAF.



Related page

JGC HOLDINGS CORPORATION Official Site Fry to Fly Project page: https://www.jgc.com/jp/esg-hsse/ initiative/fry-to-fly/



Participation in "Japan Health Master Certification" and Initiatives for Health Promotion Through Singing and Music

In April 2025, we joined the "Japan Health Master Certification" (Ken-Ken), which started in 2017 with the aim of improving health literacy in society, as a partner company.

In addition, a new article, "The Health Benefits of Singing," was published in the "Japan Health Master Certification Official Text" supervised by the Japan Medical Association, the Ministry of Health, Labour and Welfare, and the Ministry of Economy, Trade and Industry. We will widely publicize the effects of karaoke singing on maintaining health, will support health promotion for the elderly, and aim for further development of our elderly-oriented business.



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IR Activities

To deepen interest in and understanding of our business, we are working to expand our disclosure of information by participating in IR events and conducting sponsored research

Exhibiting at the Nomura IR Asset Management Fair

We will be exhibiting at the "Nomura IR Asset Management Fair 2026," an IR event for individual investors.

At our digital booth, we will explain our business strengths and business model. We hope this opportunity will deepen the interest and understanding of our company among individual investors. We look forward to your visit.

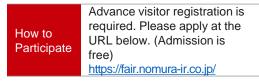


Event Nomura IR Asset
Management Fair 2026

Event Period

Nomura IR Asset
Management Fair 2026

20 days from Thursday,
January 8, 2026 to Tuesday,
January 27, 2026





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