



DAIICHIKOSHO CO., LTD. (Code:7458)

Fiscal Year Ended March 2026

Materials for Financial Results

May 21, 2026



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01 Results Summary

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FY2025 Results Summary

New flagship "LIVE DAM WAO!" effect spread to main businesses, resulting in record-high sales Operating profit remained roughly flat year-on-year due to increase in SG&A expenses

- Sales increased 6.5% year-on-year (record high) due to the launch of new product (LIVE DAM WAO!) and strong performance of karaoke stores
- Operating profit remained roughly flat year-on-year due to increase in SG&A expenses (new product promotion costs, personnel costs, head office relocation expenses, etc.)
- Sales and profit items generally landed in line with forecasts

Commercial karaoke business: DAM units in operation remained stable, slightly increasing from the previous fiscal year-end

Karaoke cabin and restaurant business: Same-store sales year-on-year (karaoke cabin) +4%, (restaurants) +2%

Parking business: Year-end facilities increased steadily to 4,400 facilities with 51,000 parking spaces

- Net income decreased 12.6% year-on-year due to the absence of deferred tax asset increase recorded in the previous fiscal year
- Will relocate head office in February 2026 and sell real estate including the former head office

PERFORMANCE HIGHLIGHTS

Sales and profit line items generally landed in line with the earnings forecast

Net income decreased by 2.2 billion yen due to the absence of corporate tax adjustments recorded in the previous fiscal year

	FY2024		FY2025		
	(Unit: million yen) Actual results	Actual results	forecast of operating income	Compared to previous year (%)	Versus estimates (%)
Net sales	153,020	162,950	162,700	6.5	0.2
Gross Profit	53,757	56,179	56,100	4.5	0.1
Selling, general and administrative expenses	35,811	38,261	38,100	6.8	0.4
Income from Operations	17,945	17,917	18,000	-0.2	-0.5
Current Profit	18,396	18,265	18,800	-0.7	-2.8
Profit attributable to owners of parent	18,178	15,889	15,400	-12.6	3.2

Sales Variance Analysis

(Billions of yen)

- Increase in product sales due to new product effect (LIVE DAM WAO! launched April 2025) +1.5
- Increase in recurring revenue due to increase in equipment lease contracts and DAM units in operation +1.4

Karaoke Cabin and Restaurant Business

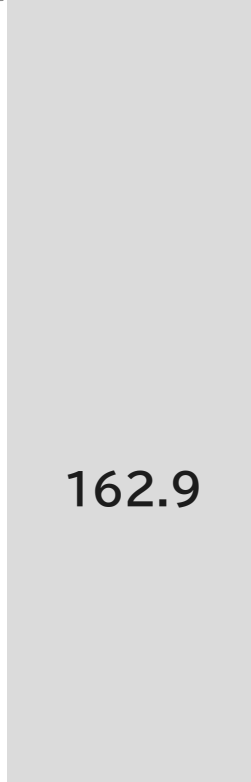
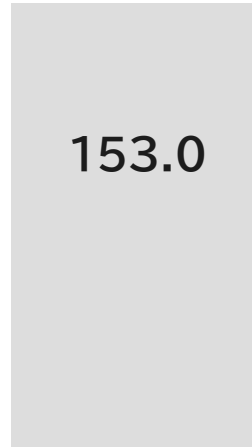
Other businesses

Music Software Business

Commercial Karaoke Business

- Parking business sales increase +2.2

- Same-store sales year-on-year: Karaoke stores +4%, Restaurant stores +2%
- Same-store sales increase +1.9

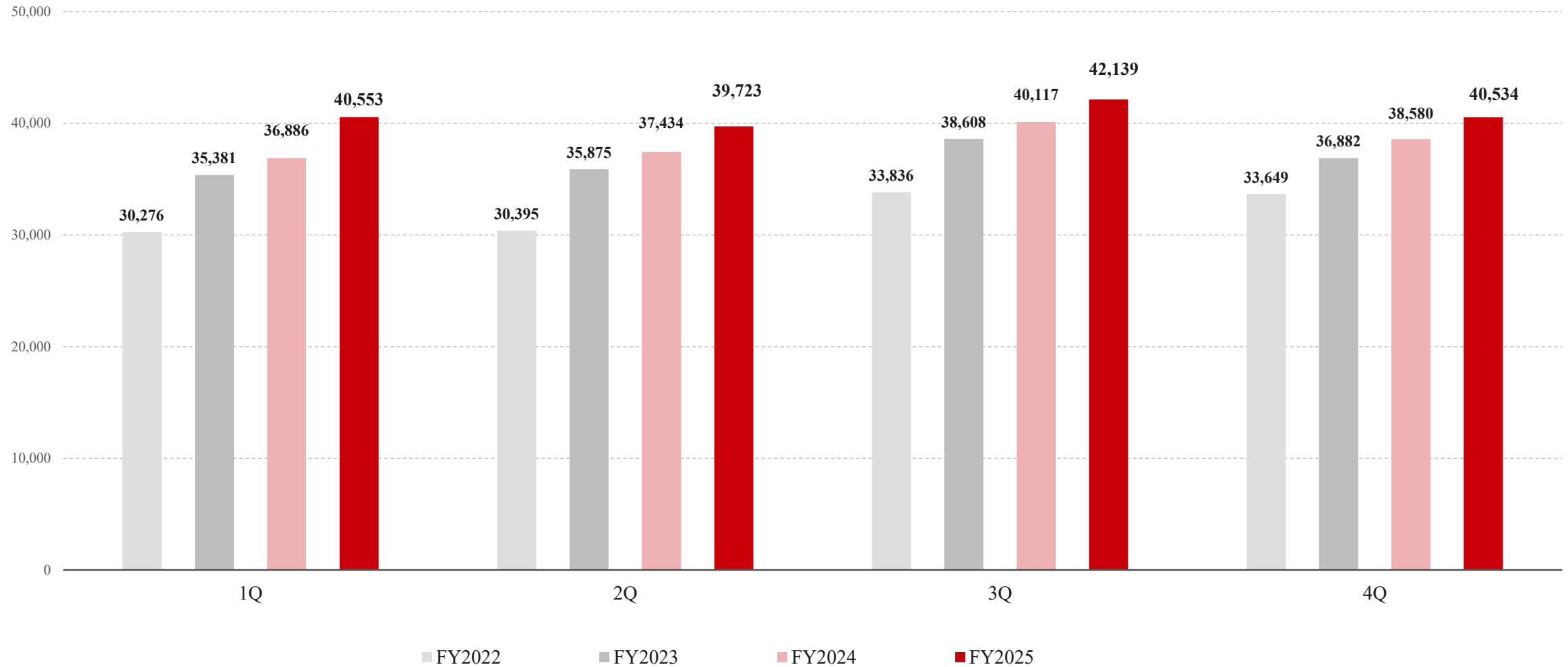


FY2024 Actual results

FY2025 Actual results

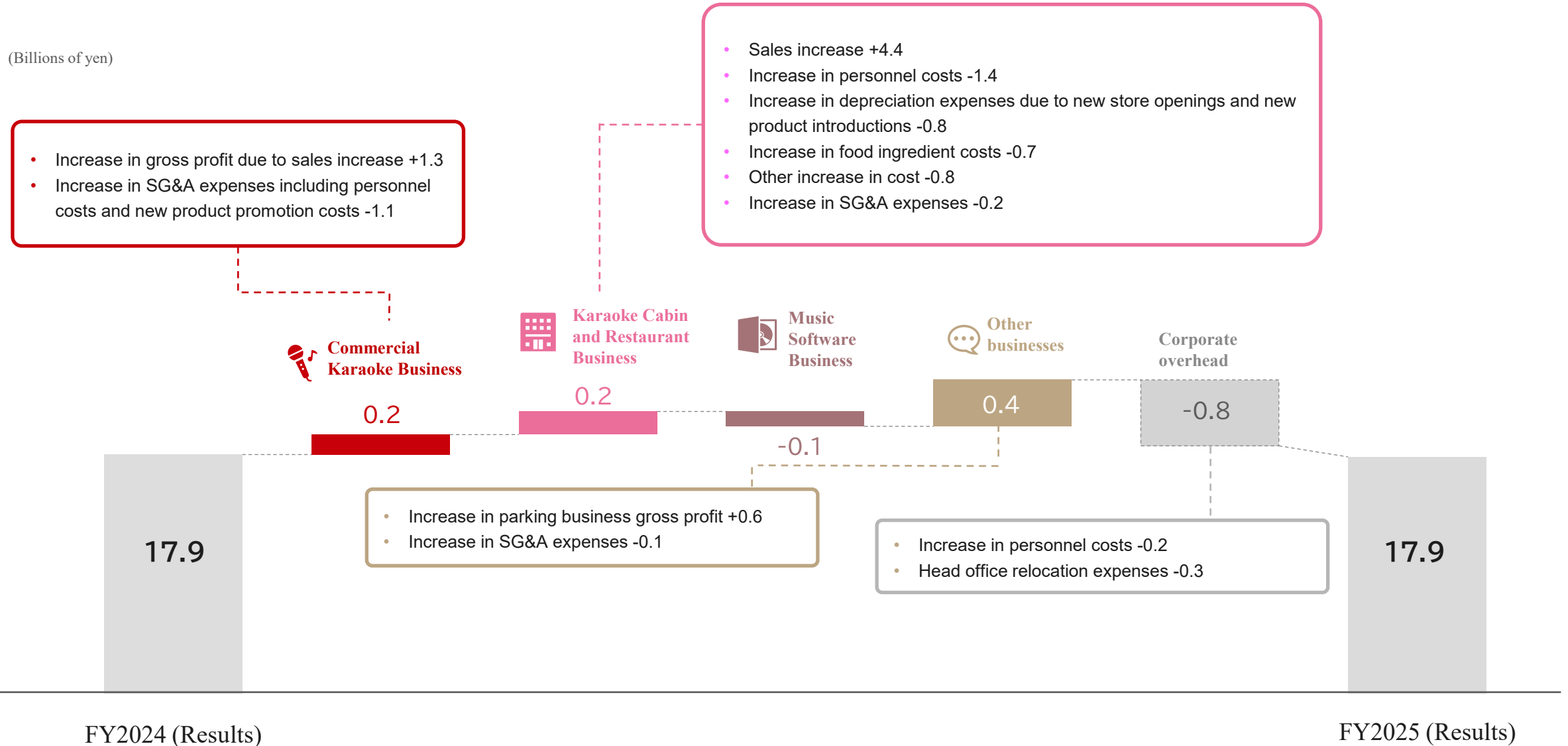
Quarterly Sales Trends

(Unit: million yen)



Variance Analysis on Operating Profit

(Billions of yen)



Business Environment (Commercial Karaoke)

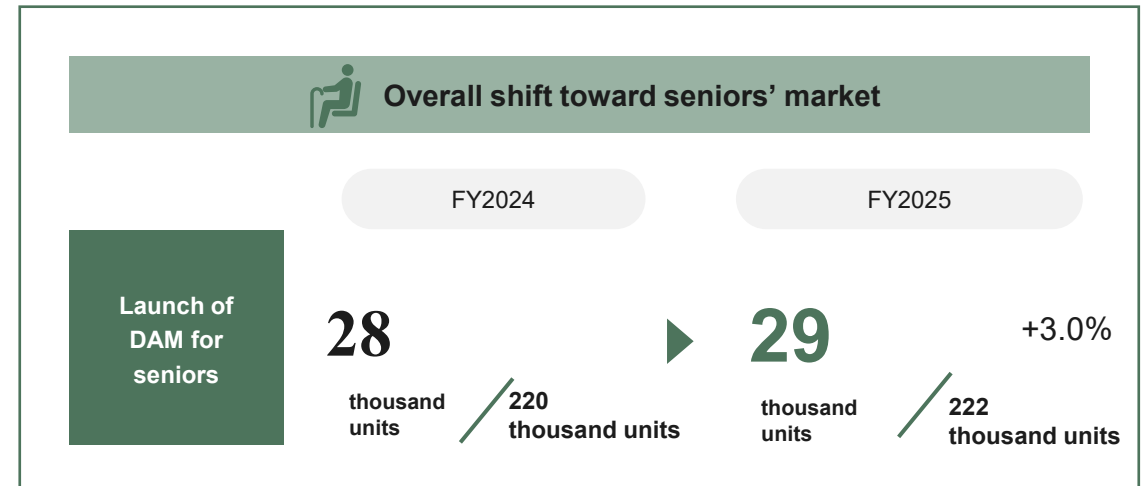
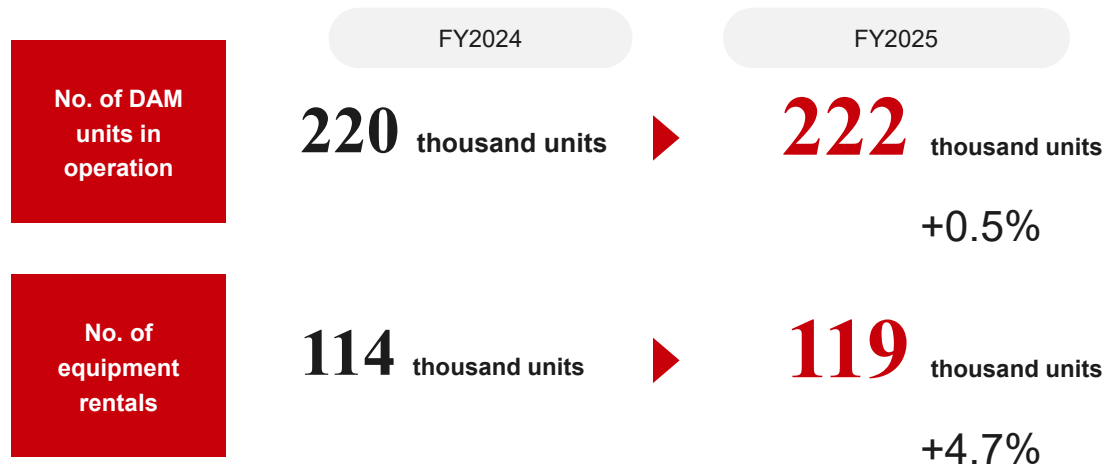
Business Environments

- Gradual improvement centered on the growing elder market, with DAM units in operation at fiscal year-end slightly increasing from the previous fiscal year-end
- Sales mainly through wholesale increased due to the effect of new product LIVE DAM WAO! (launched April 2025)
- Aiming to expand the karaoke user base through promotions related to the new product
- Shifting from the conventional sales policy focused on "volume" (product shipments, units in operation, etc.) to a policy emphasizing improved profitability per DAM unit



LIVEDAM WAO!

KPIs by Business Segment



Business Environment (Karaoke Cabin and Restaurant Business)

Business Environments

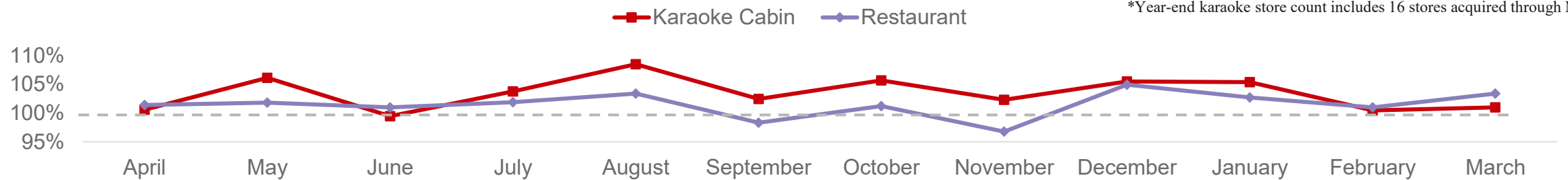
- Actively introduced LIVE DAM WAO! launched in April to company-owned stores including Big Echo
- Slightly exceeded expectations due to renovations and new product introduction effects implemented in the previous period

Strong customer traffic → Same-store sales: karaoke stores +4%, restaurant stores +2%

- New restaurant brands "Mushi to Sake Michiru" and "Charcoal Grill & BAR ROBACE "

	Stores opened	Stores closed	Year-end Number of stores
Karaoke Cabin Business	10	8	521*
Restaurant Business	20	12	167

FY2025 Same-Store Sales Trends for Karaoke Cabin and Restaurant Stores (Year-on-Year)



*Year-end karaoke store count includes 16 stores acquired through M&A

	FY2025 Results (Same-store year-on-year)											
	April	May	June	July	August	September	October	November	December	Jan.	Feb.	March
Karaoke Cabin	101%	106%	99%	104%	109%	102%	106%	102%	106%	105%	100%	101%
Restaurant	101%	102%	101%	102%	103%	98%	101%	97%	105%	103%	101%	103%

CONSOLIDATED BALANCE SHEETS

Cash and deposits increased due to the sale and disposal of owned real estate associated with the relocation of the head office

(Unit: million yen)	FY2024		FY2025		Comments
	Actual results	Actual results	Compared to previous year (%)		
Current Assets	67,543	77,209	14.3%	increase in cash and cash equivalents	
Fixed Asset	141,773	143,235	1.0%	Increase in business assets, decrease in land, etc. due to sales, increase in goodwill from acquisition of subsidiaries	
Total assets	209,316	220,445	5.3%		
Current Liabilities	35,990	27,351	-24.0%	Decrease in short-term borrowings and current portion of long-term debt	
Non-current liabilities	55,463	67,744	22.1%	increase of long-term debt	
Total Liabilities	91,454	95,096	4.0%		
Shareholders' Equity	114,481	122,263	6.8%		
Total accumulated other comprehensive income	1,851	1,376	-25.7%		
Total Net Assets	117,862	125,349	6.4%		
Total liabilities and net assets	209,316	220,445	5.3%		

CONSOLIDATED STATEMENTS OF CASH FLOWS

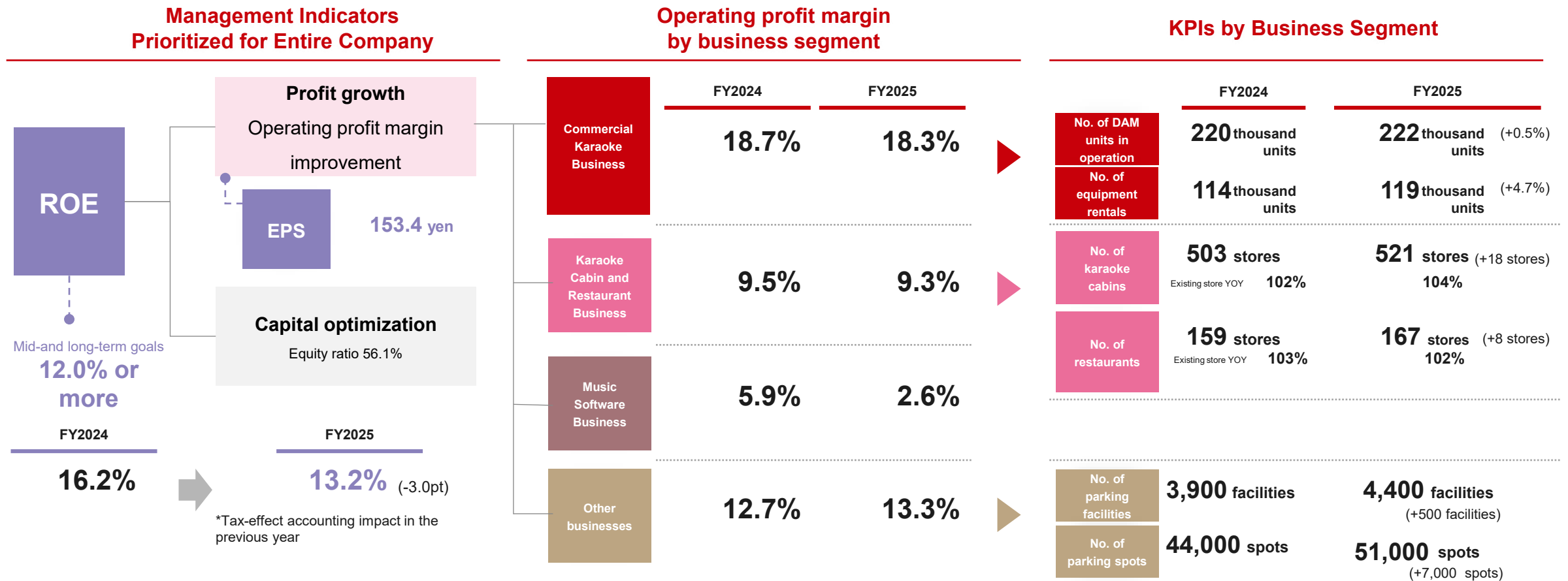
Real estate sales in both previous and current fiscal years; increase in cash and cash equivalents due to decreased expenditures from financing activities

Free cash flow improved due in part to improved EBITDA

(Unit: million yen)	FY2024	FY2025	
	Actual results	Actual results	from the previous year
Cash Flow from Operating Activities	24,656	25,096	439
Cash Flow from Investment Activities	-11,445	-11,041	404
Cash Flow from Financing Activities	-20,901	-7,196	13,705
Cash and cash equivalents at the beginning of the year	49,306	41,584	-7,721
Cash and cash equivalents at the end of the year	41,584	48,475	6,891
free cash flow	13,210	14,055	844

Consolidated Financial Highlights

In the commercial karaoke business and karaoke/restaurant business, costs related to new product launches and While profit margins decreased due to increased personnel costs and other factors, the parking business expanded



01 Results Summary



02 Outlook for FY2026

03 Business Overview and Growth

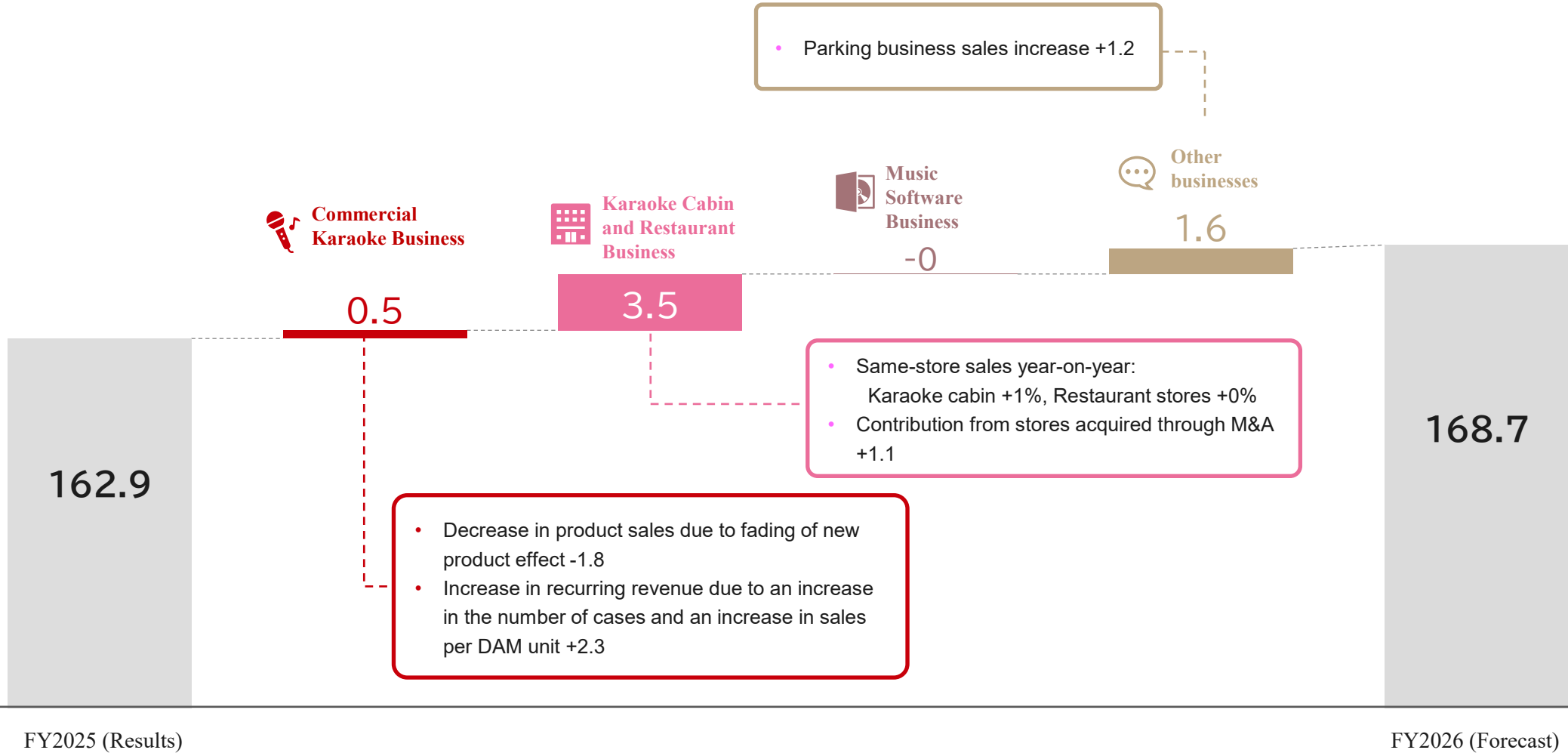
FY2026 Results Outlook

While product sales from new product effect fall off, we expect increased revenue and profit in each main business
 Net income expected to decrease due to absence of extraordinary gains such as gain on sale of fixed assets

(Unit: million yen)	FY2025	FY2026		
	Actual results	forecast	Compared to previous year (%)	Compared to previous year (amount)
Net sales	162,950	168,700	3.5%	5,749
Operating profit	17,917	18,500	3.3%	582
Operating profit margin (%)	11.0%	11.0%	—	—
Current Profit	18,265	18,900	3.5%	634
Profit attributable to owners of parent	15,889	12,200	-23.2%	-3,689

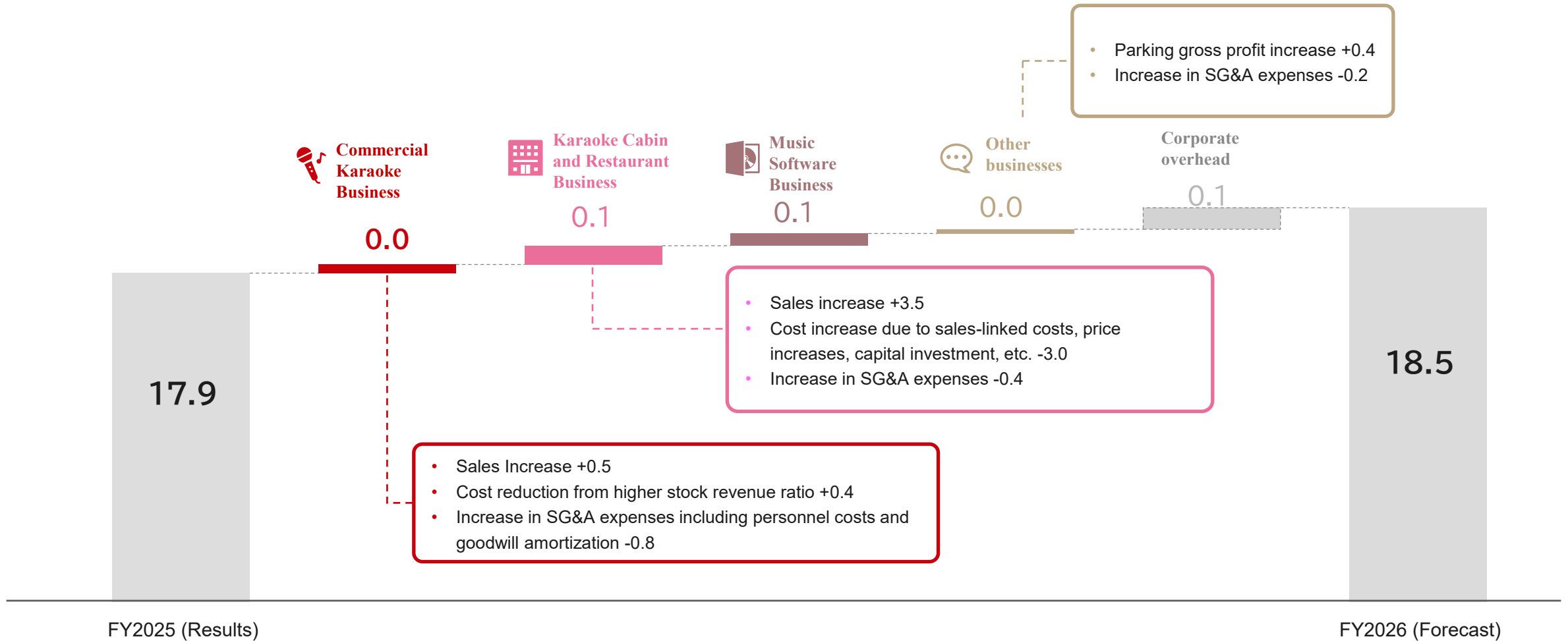
Sales Forecast Variance Analysis

(Billions of yen)



Operating Profit Forecast Variance Analysis

(Billions of yen)



FY2026 Forecasts by Business Segments



Commercial Karaoke Business

- For night business market
- For seniors' market
- Karaoke Box Market

Net Sales by Business Segments

65,800 million yen +0.8%

Operating Income by Segment

12,000 million yen +0.6%



Music Software Business

Net Sales by Business Segments

5,400 million yen -1.1%

Operating Income by Segment

250 million yen +78.1%



Karaoke Cabin and Restaurant Business

Net Sales by Business Segments

74,600 million yen +5.1%

Operating Income by Segment

6,800 million yen +2.5%



Other businesses

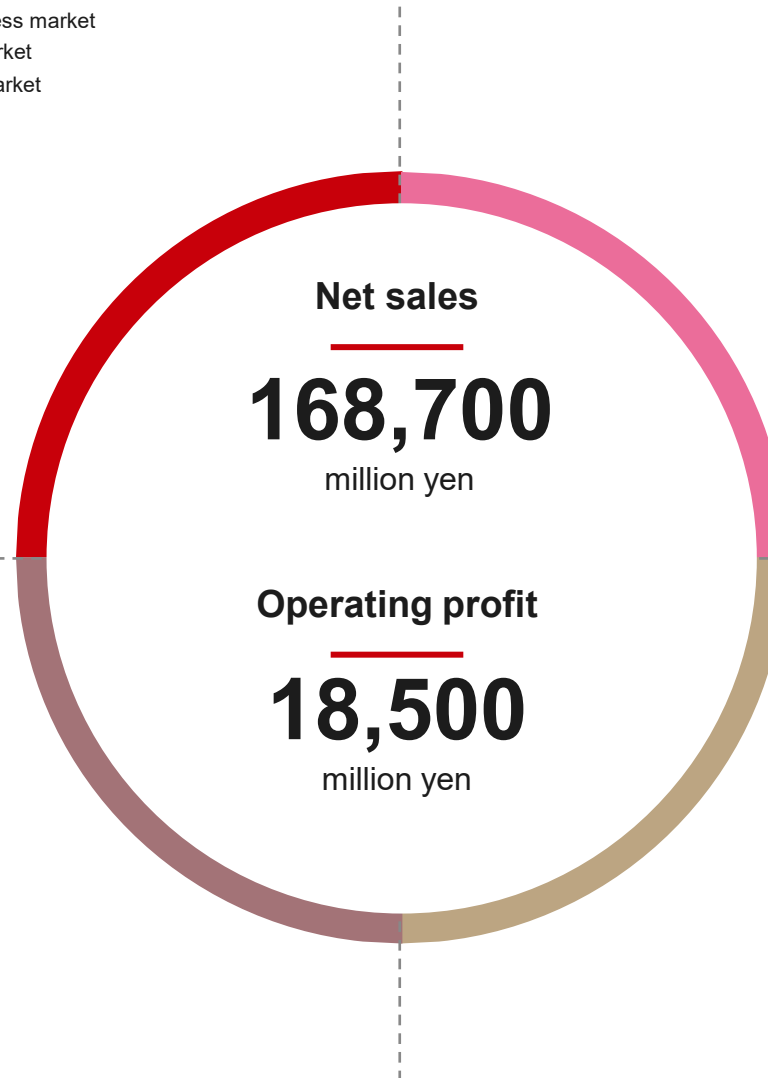
- Parking Business
- Real estate rental
- BGM Broadcasting Business, etc.

Net Sales by Business Segments

22,900 million yen +8.0%

Operating Income by Segment

2,850 million yen +1.3%



FY2026 Key Initiatives by Segment



Commercial Karaoke Business

Common

- Promote the features and content of LIVE DAM WAO! to improve revenue per DAM unit, expand the base of karaoke users, and increase singing frequency
- Building a stable earnings base

Seniors' market

- Contribute to extending healthy life expectancy and reducing workload for nursing care facility staff by expanding sales of the elder market-dedicated model "FREE DAM LIFE" and promoting its new features
- Increase the number of units in operation as a growth market

Night business market

- Aim for further market share growth in central areas
- Promote replacement from older models

Karaoke Box Market

- Expand sales of LIVE DAM WAO!
- Promote replacement from older models

rest of market

- Create "new singing venues" through collaboration with other industries such as supermarkets



Music Software Business

key initiatives

- Build a solid profit model by discovering new artists and creating hit songs, while also focusing on the music publishing business



Karaoke Cabin and Restaurant Business

Common

- Further promote prime location strategy and strengthen profitability by opening stores in densely populated areas

Karaoke cabins

- As manufacturer-operated stores, enhance both facilities and services to improve customer satisfaction
- Attract casual customers through collaboration projects with artists, anime, etc.

Restaurants

- Focus on developing new brands that meet customer needs
- Develop a wide range of customer segments including private dining as our main format, as well as amusement options such as karaoke and darts



Other businesses

- Parking Business
- Real estate rental
- BGM Broadcasting Business, etc.

Parking Business

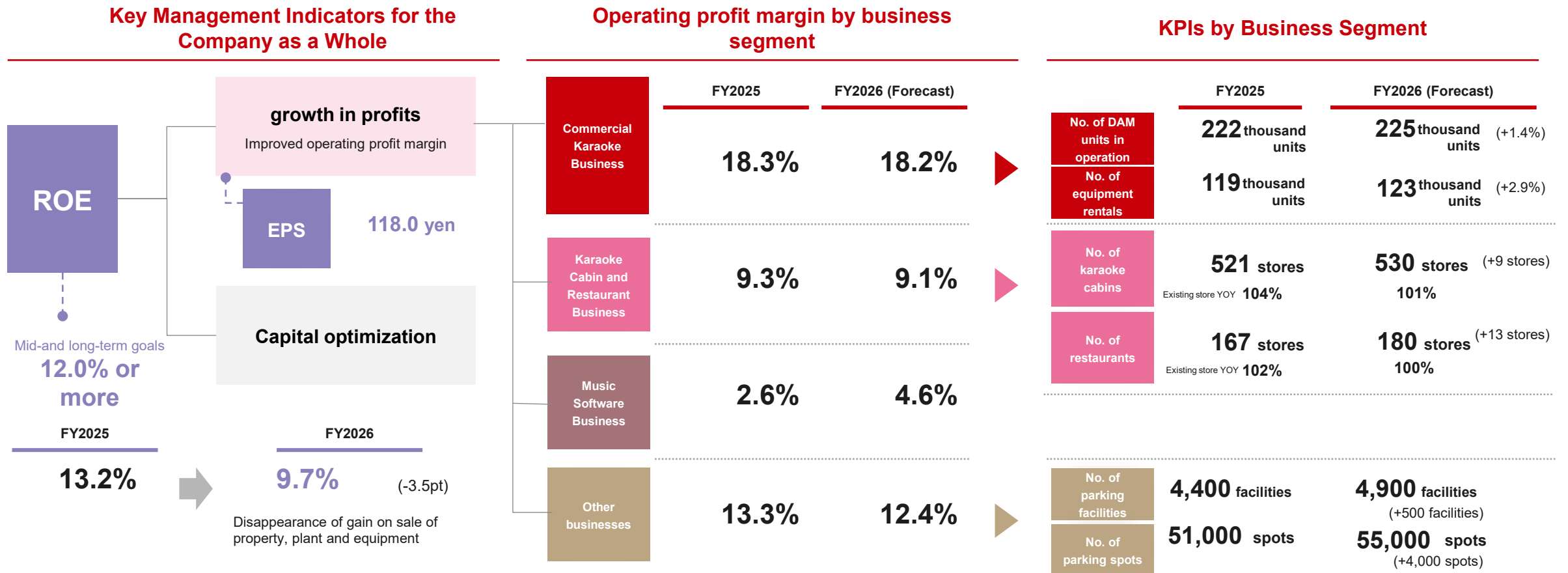
- Promote development of new facilities including M&A to achieve further business growth
- Improve profitability through improvement and reorganization of unprofitable facilities

Entire company

- By consolidating the headquarters, which was previously dispersed across three locations, into one location, we aim to enhance inter-departmental communication, improve productivity, and create new innovations

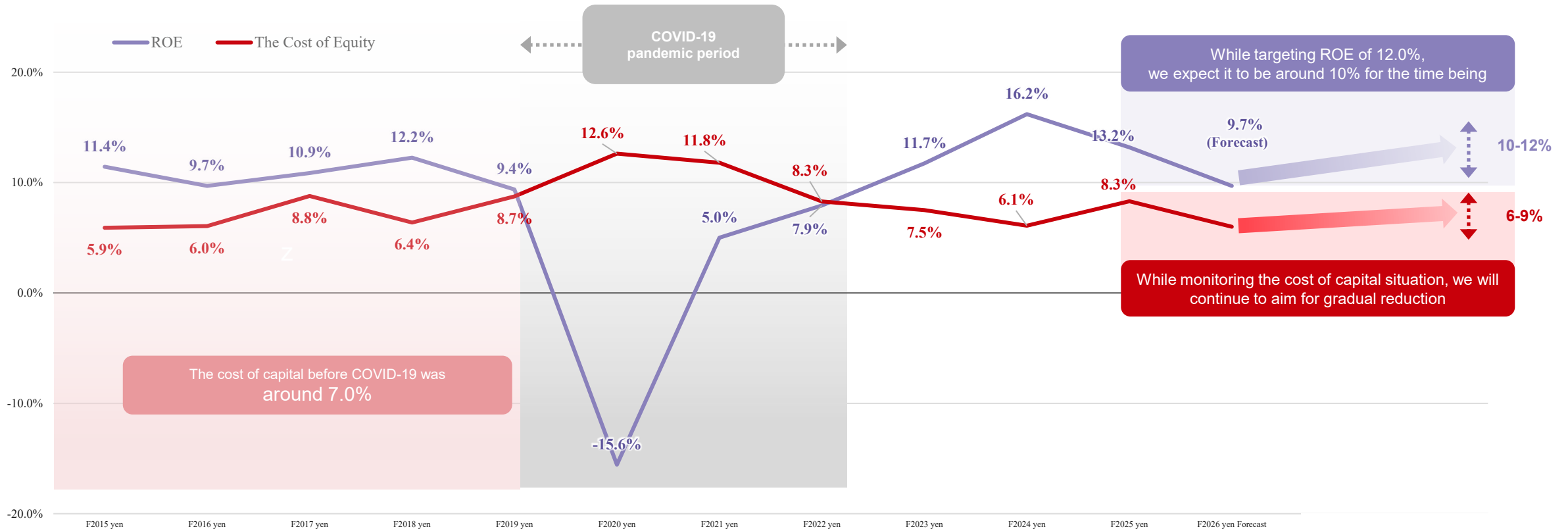
FY2026 Consolidated Financial Indicators Plan

While business foundations are expanding across each segment, we anticipate a slight decrease in operating profit margin due to upfront investments



Current Analysis for Improving Corporate Value (ROE and Cost of Capital)

Against the mid- to long-term ROE target of 12.0%, we expect it to remain around 10% for the time being
 We will strive to balance capital efficiency with stable business growth



01 Results Summary

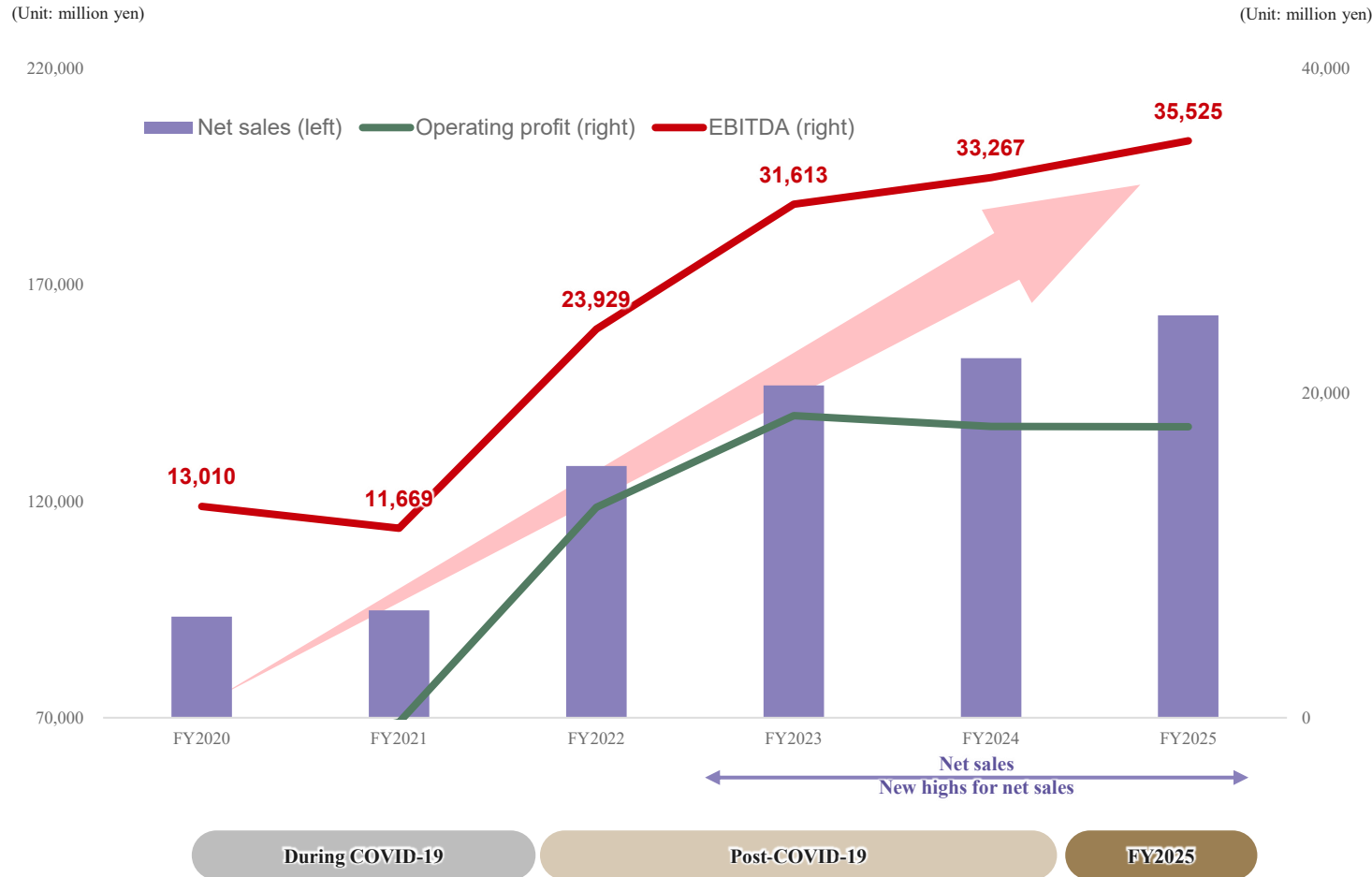
02 Outlook for FY2026



03 Business Overview and Growth Strategy

Recovery from COVID-19 and Current Stage

Since 2023, when the impact of COVID-19 was eliminated
 In addition to core business recovery, proactive investments were made, and EBITDA remained solid



During the COVID-19 crisis

- **COVID-19 Pandemic (2021-2022)**
Store closures, decrease in No. of DAM units in operation
Secured profits by curbing investment

Post-COVID-19

- **Post-COVID-19 (2023-2024)**
While sales recovered (reaching record highs every year since FY2023), investment resumed, rental equipment was replaced, stores were renovated, and parking business expanded including M&A

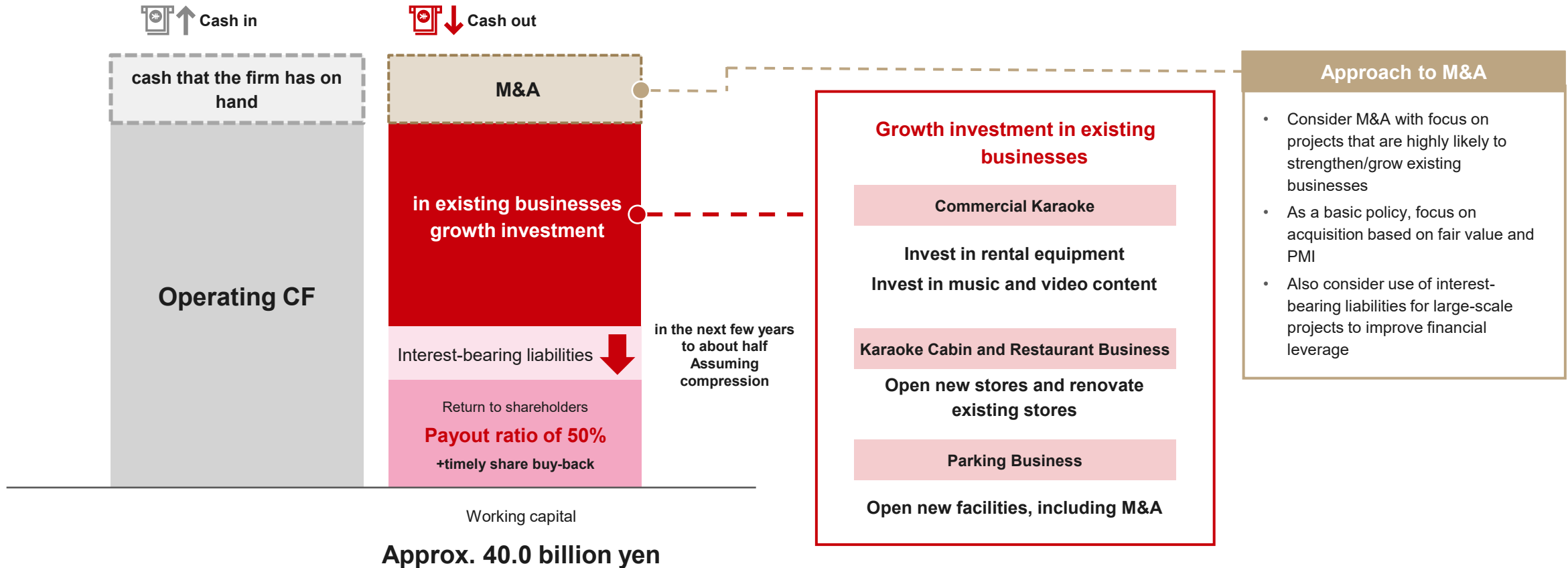
FY2025

- **Present (2025-2026)**
Costs increased for promotions, equipment replacement (rental equipment, company-owned stores), and head office relocation

Cash Allocation

Based on a solid financial foundation, we will pursue growth investment in existing businesses, return to shareholders, and reduce interest-bearing liabilities

Also consider use of interest-bearing liabilities for large-scale projects such as M&A



Return to shareholders

Dividend Policy

- Maintaining a solid financial foundation while achieving stable mid- to long-term profit growth to enhance corporate value, and returning profits to shareholders, are important management priorities.
- Our basic policy is to provide stable and active returns to shareholders, with a payout ratio of 50% as the yardstick.
- We will also implement timely share buy-backs to improve capital efficiency

Returns to Shareholders

- Since listing, dividends have been continuously "increased" or "maintained," including during the COVID-19 period
- Stable and high levels of dividends + timely share buy-back

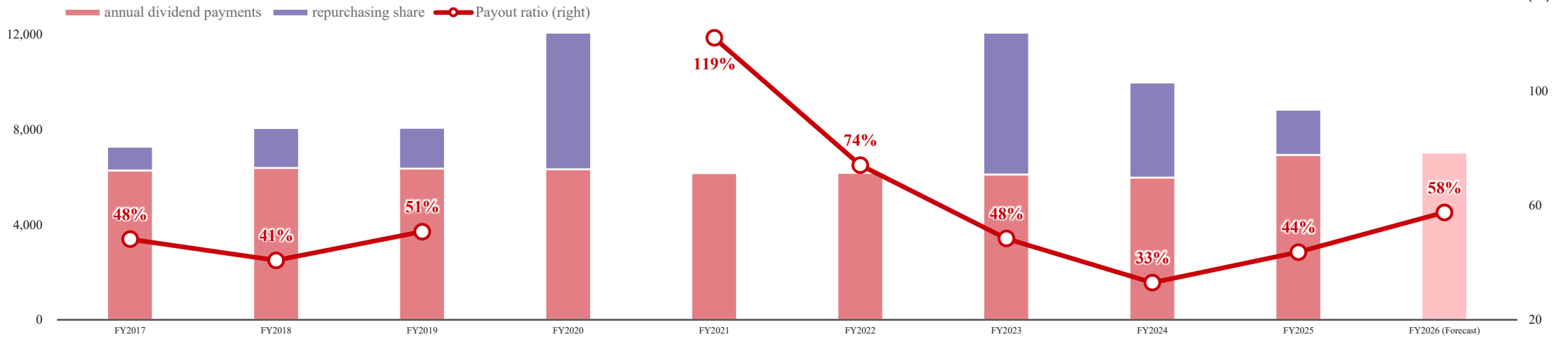
«Change in Dividend Policy»

To clarify our commitment to providing stable and active returns to shareholders, the target payout ratio has been raised

from 30% to 50%

(Notification of Change in Dividend Policy dated May 13, 2026)

(Unit: million yen)



on a per-share basis dividend	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 (Forecast)
	55.5	56.0	56.5	56.5	56.5	56.5	57.0	57.0	67.0	68.0

*Dividend amounts have been adjusted to reflect the stock split (1:2) implemented on Apr 1, 2023.

Medium- to Long-Term Trends and Strategic Orientation

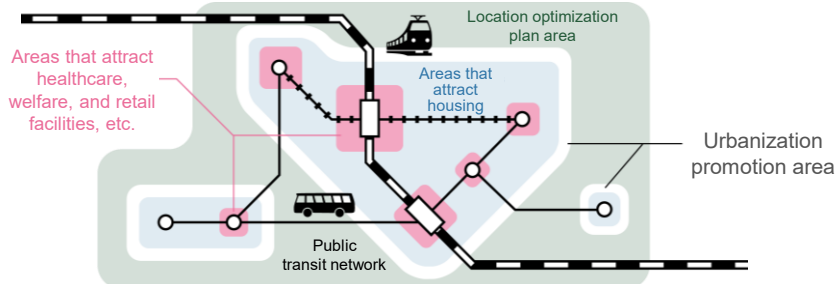
Market Trends in Japan

Concentration of demand in urban areas due to population decline

Many municipalities are expected to face difficulties in addressing aging infrastructure and maintaining comprehensive public transportation networks due to population decline and reduced tax revenues. Accordingly, the Ministry of Land, Infrastructure, Transport and Tourism is promoting "Location Optimization Plans" nationwide, with urban planning that concentrates commercial and residential areas expected to be implemented in 10-20 years.

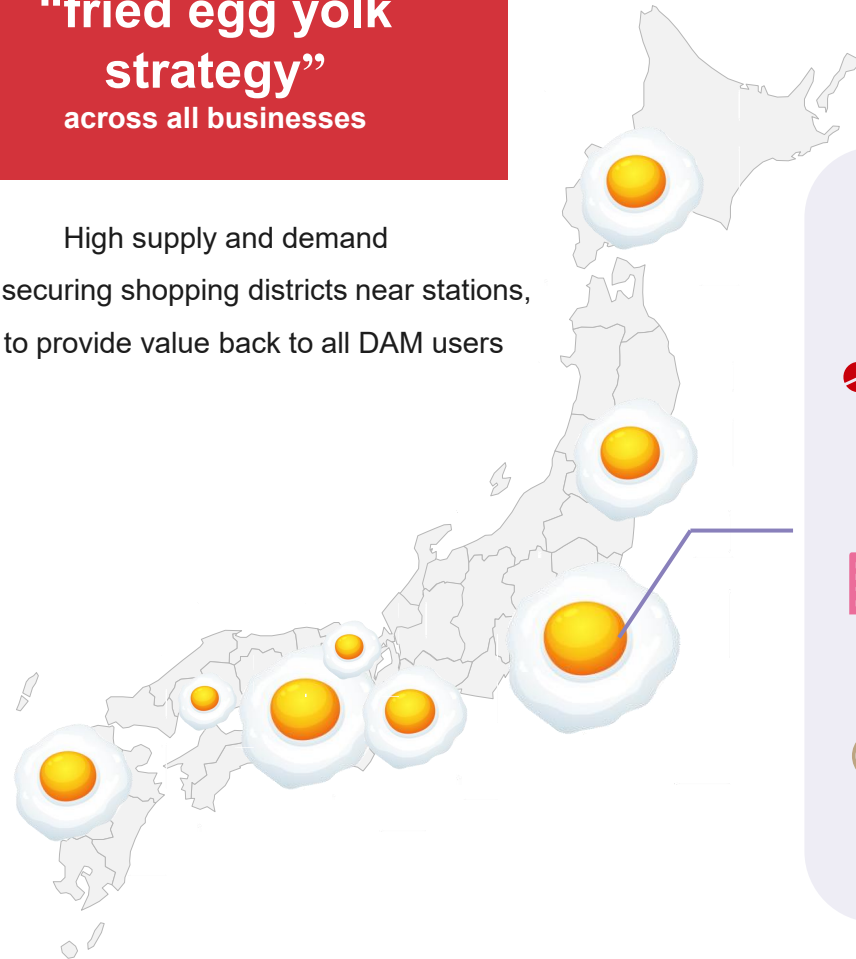
In the current market, demand is gradually improving overall, and competition among businesses in central areas is intensifying.

Diagram Showing Location Optimization Plan



Developing a "fried egg yolk strategy" across all businesses

High supply and demand
While securing shopping districts near stations, aim to provide value back to all DAM users



Centers of various cities (shopping districts near stations)
Steadily secure locations



Commercial Karaoke
Per DAM unit
to reinforce earning power



Karaoke Cabin and Restaurant Business
Assessing store locations



Other Businesses (Parking Business)
Improve profitability

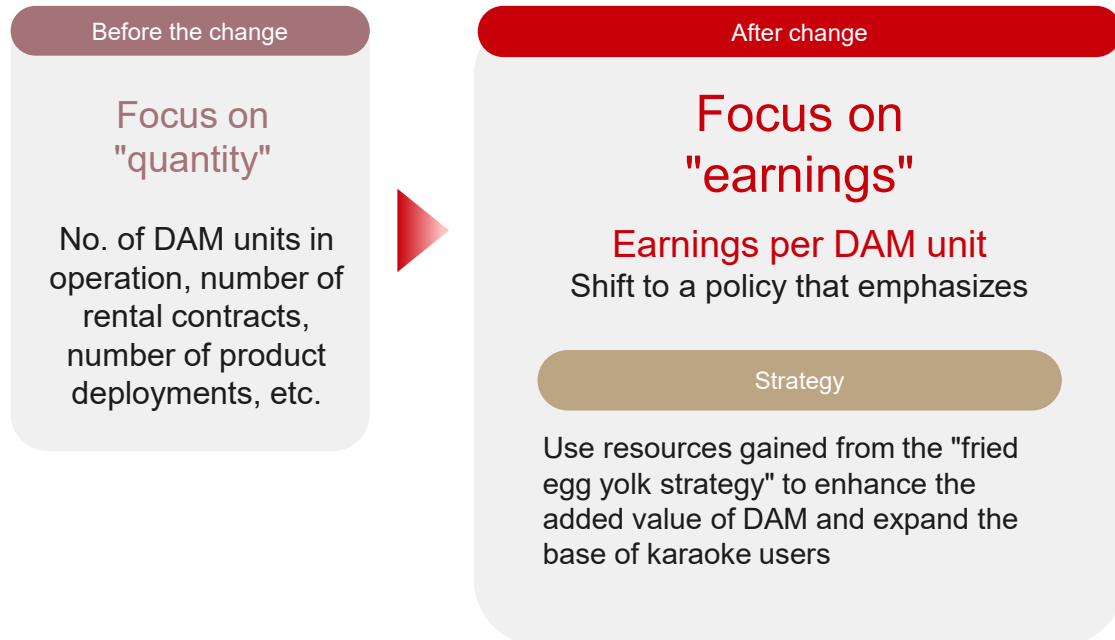


Commercial Karaoke Business (Shift in Sales Policy)

Shift from a sales policy focused on "volume" to one that emphasizes earnings per DAM unit to improve operating profit margin

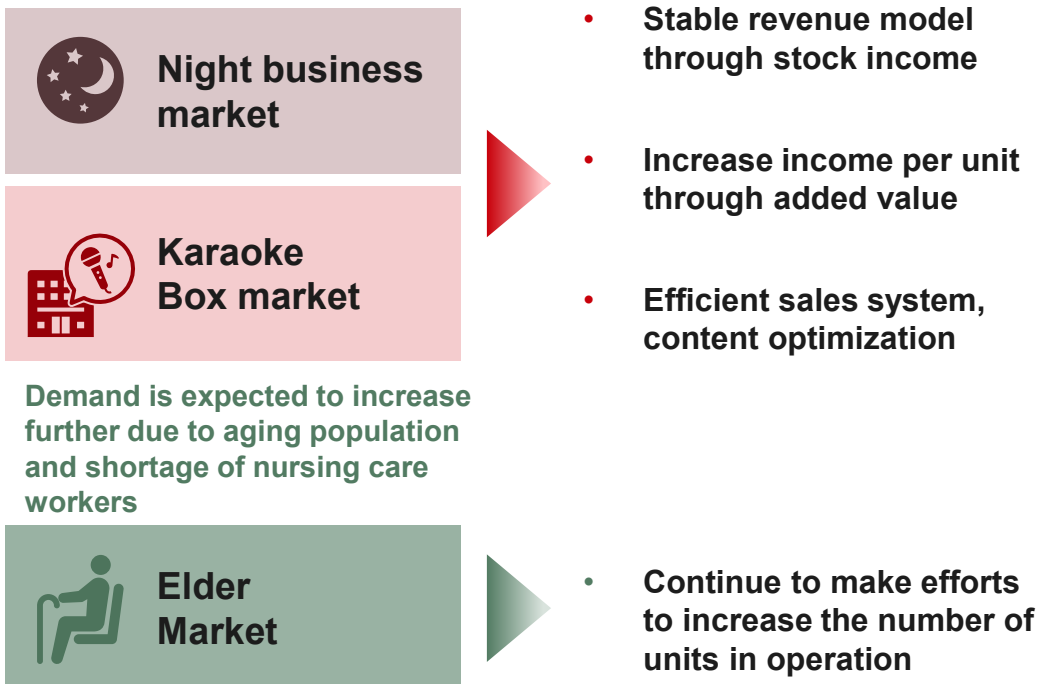
Shift in sales policy

Implemented changes to sales policy in light of current changes in the business environment



Sales strategies by market

Expected to remain generally stable

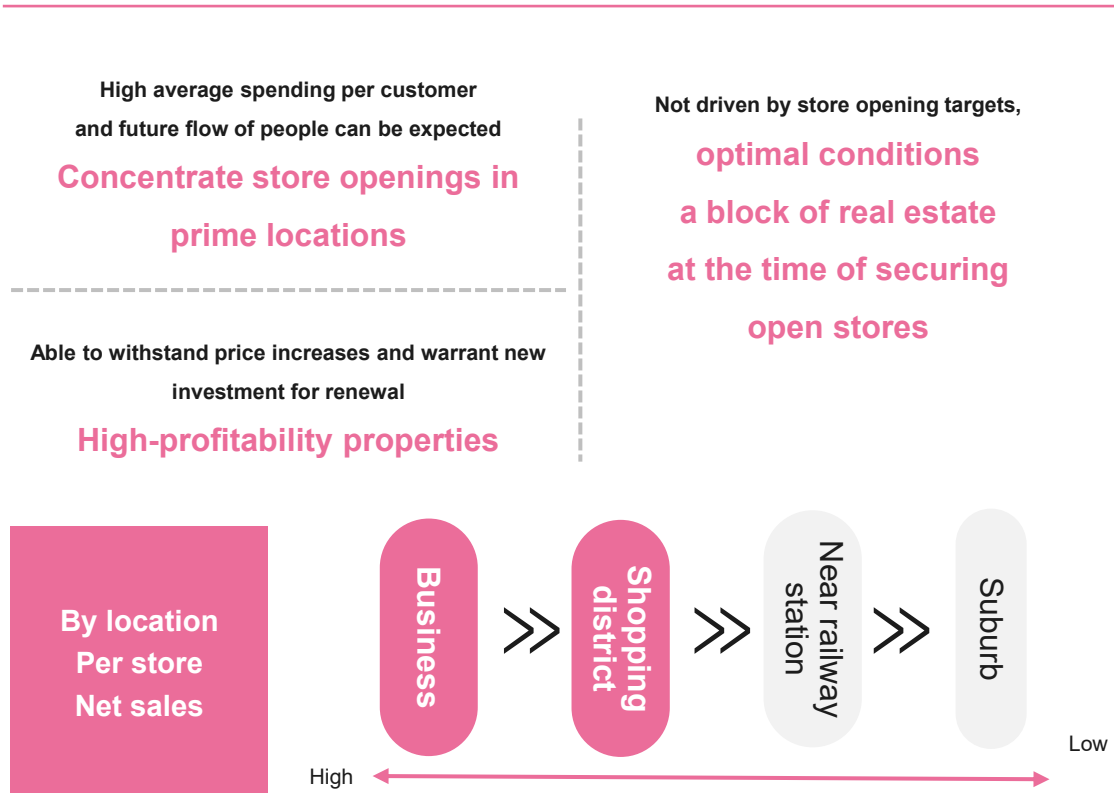




Karaoke Cabin and Restaurant Business (Store Opening Strategy)

Open both karaoke stores (BIG ECHO) and restaurants in prime locations, and increase share in highly populated areas

Basic Policy for Opening Stores



Key Hardware-related Initiatives



Services with high affinity with karaoke stores





Karaoke Cabin and Restaurant Business (Store Opening Strategy)

Open both karaoke stores (BIG ECHO) and restaurants in prime locations,
and increase share in highly populated areas

Private room dining

Representative brands



Dining × Karaoke × Amusement



MARUNOUCHI BASE



SHINAGAWA PIVOT

High contribution to performance

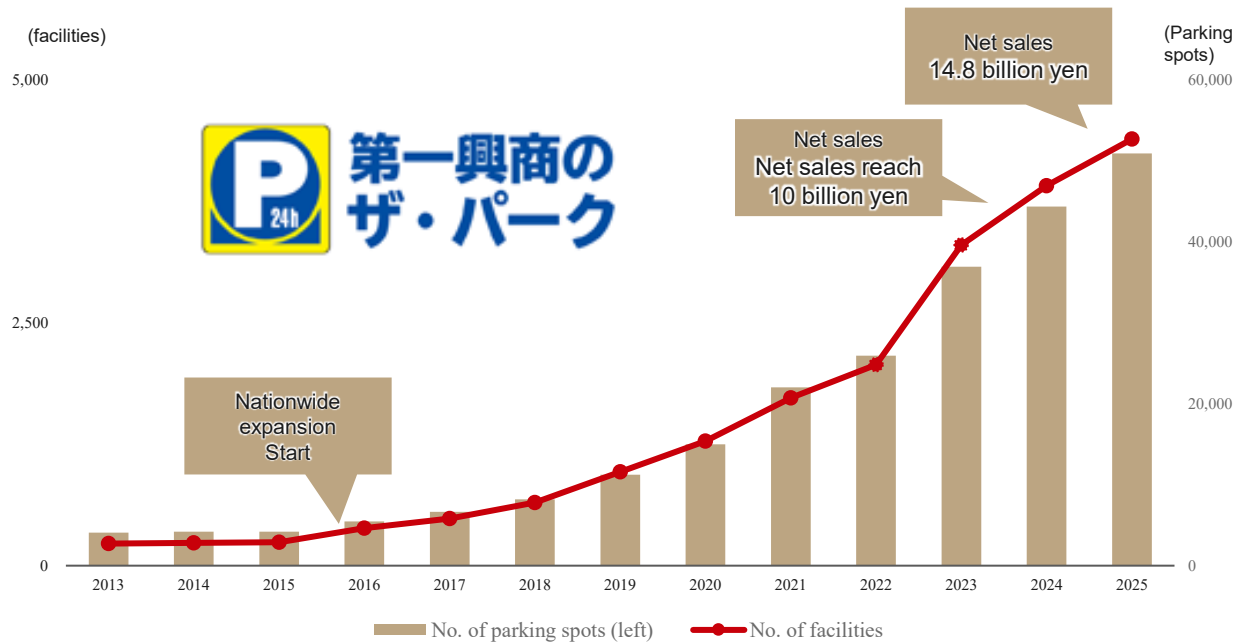
Continue to explore store openings as a business format unique to our company

Parking Business

As a new revenue stream (non-microphone business) that supports karaoke business, continue to aim for expansion of business scale and improvement of profitability

Advantages of Parking Business

- Leverage nationwide sales network (approx. 130 sites) and pool of customers with whom relationships have been developed in the Commercial Karaoke Business to offer land use solutions to landowners



Business Strategy

- Specify land that has hitherto been difficult to use—such as narrow or irregularly shaped sites in shopping districts near stations—as the main target
- By utilizing complimentary tickets that can be used at our stores for sales promotion, acquire new customers and achieve a low churn rate

Can be operated as a parking lot for a long period

From the above

Expanding scale through sales offices and sales staff throughout the country

Near future

Aim for growth in scale while improving profitability through improvement and consolidation of unprofitable facilities

Main KPIs: No. of parking facilities and parking spots

No. of parking facilities

4,400 facilities

No. of parking spots

51,000 spots

 Other Topics

Aim to drive innovation by consolidating dispersed head office functions at a single location

Relocation to new head office completed

Head office functions that had been dispersed across three locations
Consolidation of head office functions into the new headquarters building is
scheduled to be completed in March 2026



Shared free space for employees



Entrance lounge with karaoke history exhibition

New location

3-9-6 Mita, Minato-ku, Tokyo

Asset sale associated with head office relocation

March 2026

Head office relocation completed

During FY2025

Sold multiple properties of former buildings including the former head office building

[Amounts recorded from asset sale]

Total proceeds from sale of property, plant and equipment: 16.0 billion yen

// Gain on sale of 7.4 billion yen

Topics

At Toyota Woven City in Susono City, Shizuoka Prefecture Joining as a New Inventor

Case Studies of Collaboration with Other Companies

Launching a pilot project to explore the potential of song and music in various forms



Phase 1: 'Selection-less Karaoke'

Enjoy singing intuitively with the flexible concept of 'Selection-less'
Aiming to realize a new form of karaoke



To make singing even more accessible, the company is also preparing a pilot program using mobility platforms to explore the future of karaoke within in-vehicle spaces



Toyota Woven City is a "mobility test course" where Inventors who share the spirit of "for someone other than yourself" come together to create and demonstrate their own products and services. Inventors include like-minded corporations and individuals such as companies, startups, and entrepreneurs.

By receiving real feedback from Weavers (residents, employees, and visitors who participate in various pilot projects and testing initiatives at Toyota Woven City) and through collaboration with various Inventors, we will create innovations that lead to the future.

Human Resource Initiatives

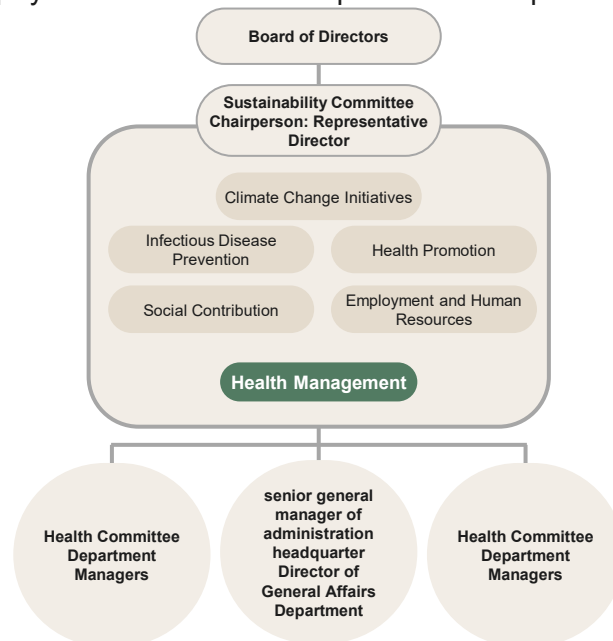
Announced "Health Management Declaration" on our website

Implementation of training and development programs according to each career stage for employee retention

Health Management Initiatives

We have positioned the physical and mental health of our employees as an important management issue and announced our Health Management Declaration. Under a structure chaired by the Representative Director, we collaborate with occupational physicians and each department to optimize working hours and work-life

The priority goals set include improving balance and preventing the progression of lifestyle-related diseases to severe stages. We aim for sustainable corporate growth by creating a workplace environment where employees can demonstrate their abilities safely and securely and continue working.



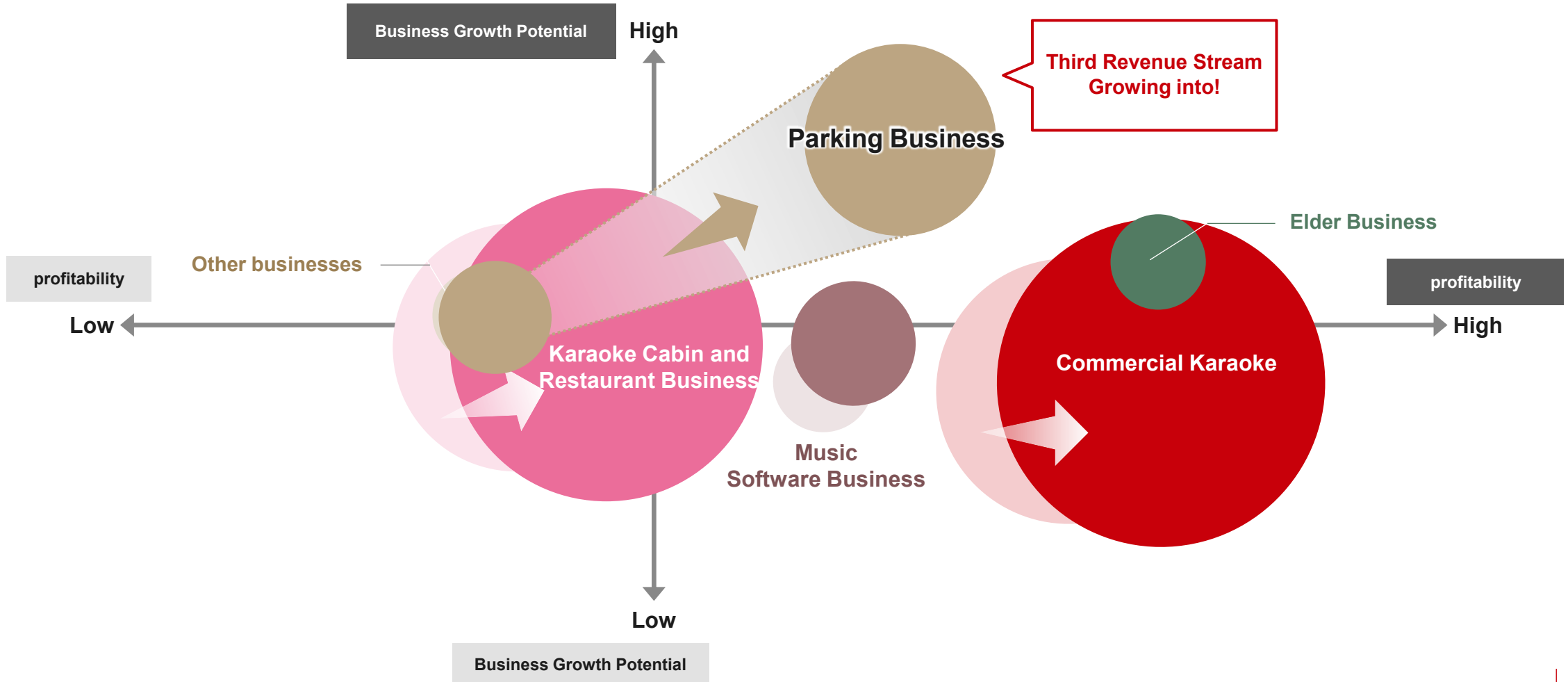
Human Capital (Training Initiatives)

In addition to new employee training, we promote human resource development and improved retention rates through training programs by level and function. For sales positions, we identified the perception gap in job understanding due to early assignment as a challenge, established the "Career Support Section" to support sales fundamentals and career development, and conduct approximately 3 months of "New Graduate Basic Training" after joining the company. Furthermore, we have introduced mid-level employee training to ensure consistency in employee education, raising sales standards, knowledge. We are raising the overall levels of knowledge and awareness, as well as professional competency. For store positions, we have adopted a mentor system in addition to training, and through these initiatives, we aim to improve employee retention rates and strengthen organizational capabilities over the medium to long term.



Conclusion

Strive to expand scale and improve profitability of existing businesses while growing parking business into a third revenue stream





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Furthermore, the forward looking forecasts included in this presentation and related materials contain highly uncertain elements. Therefore, please note that actual earnings, etc. may differ from these forecasts due to changes in various factors.