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First Quarter of Fiscal Year Ended March 2027

Supplementary Materials for Financial Results

Aug 6, 2026

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FY2026 1Q Financial Results Summary

Although the sales boost from the new product (LIVE DAM WAO!) launched in Apr of the previous fiscal year has tapered off, main segments showed solid performance slightly exceeding expectations

- **Net sales increased 1.5% year-on-year (record high), and operating profit increased 17.6%,** with both sales and profit slightly exceeding expectations

  Commercial Karaoke Business: No. of DAM units in operation remained stable, with a slight increase from the end of the previous fiscal year

  Despite revenue decline due to decreased product sales, profit increased due to higher gross profit from recurring revenue and reduced SG&A expenses including promotional costs

  Karaoke and Restaurant Business: Same-store sales year-on-year (Karaoke Cabin) +2%, (Restaurants) +3%

  Revenue increased; profit decreased slightly due to higher store opening costs, etc.

  Parking Business: Number of facilities at period-end increased steadily to 4.5 thousand facilities with 52 thousand parking spaces

- Net income decreased 10.9% year-on-year due to the absence of gain on sale of fixed assets recorded in the previous period

- Reflecting the higher-than-expected profit in 1Q, the FY2026 (1H/full year) earnings forecast has been revised

PERFORMANCE HIGHLIGHTS

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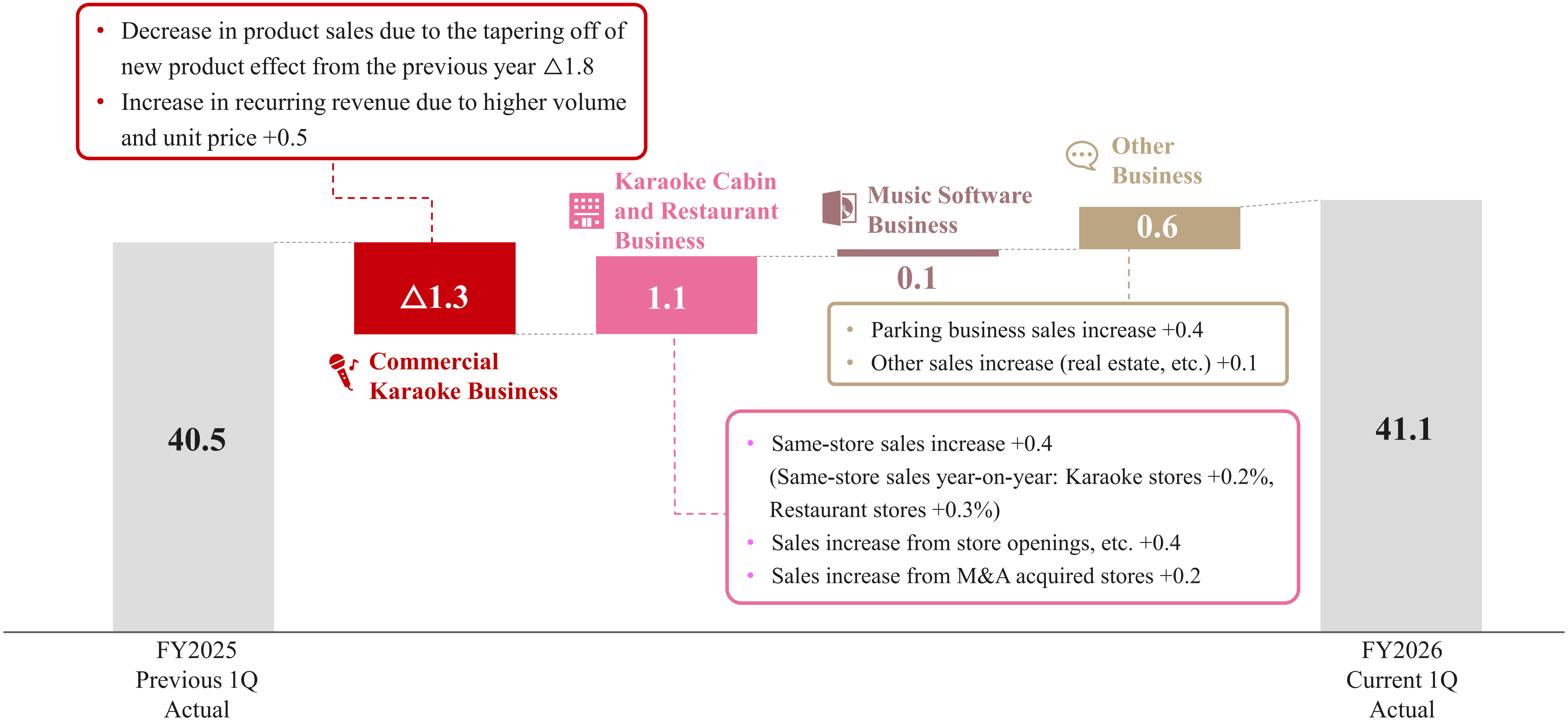
Progress slightly ahead of forecast in sales and profit items
Net sales reached a record high for a first quarter

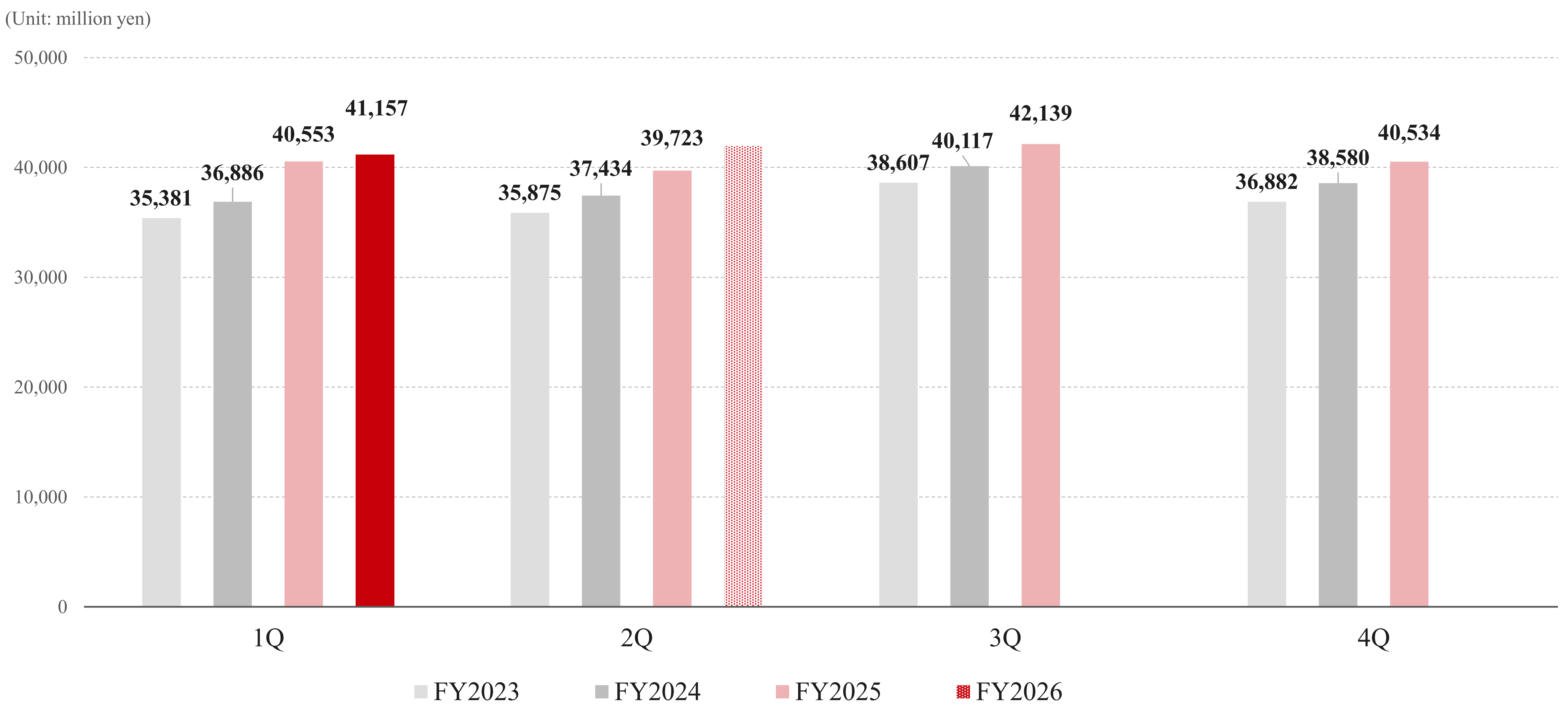
	FY2025	FY2026			
(Unit: million yen)	Previous 1Q Actual	Current 1Q Actual	Full-Year Forecast (Initial Forecast)	YoY (%)	Progress (%)
Net sales	**40,553**	**41,157**	**168,700**	**1.5**	**24.4**
Gross Profit	14,160	14,750	58,100	4.2	25.4
Selling, general and administrative expenses	9,914	9,759	39,600	△1.6	24.6
Income from Operations	**4,245**	**4,991**	**18,500**	**17.6**	**27.0**
Current Profit	**4,571**	**5,129**	**18,900**	**12.2**	**27.1**
Profit attributable to owners of parent	**3,520**	**3,137**	**12,200**	**△10.9**	**25.7**

PERFORMANCE HIGHLIGHTS

(Billions of yen)

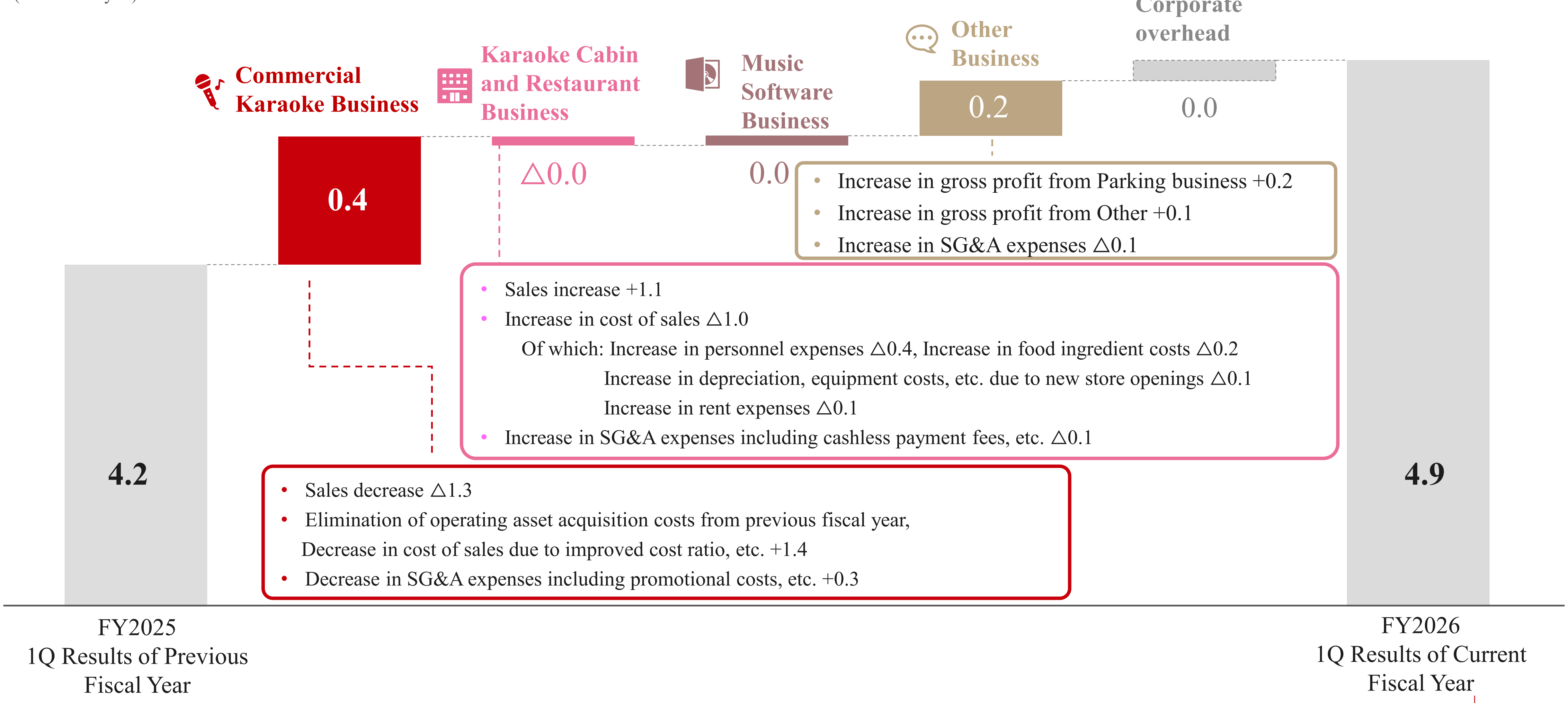


Quarterly Sales Trends



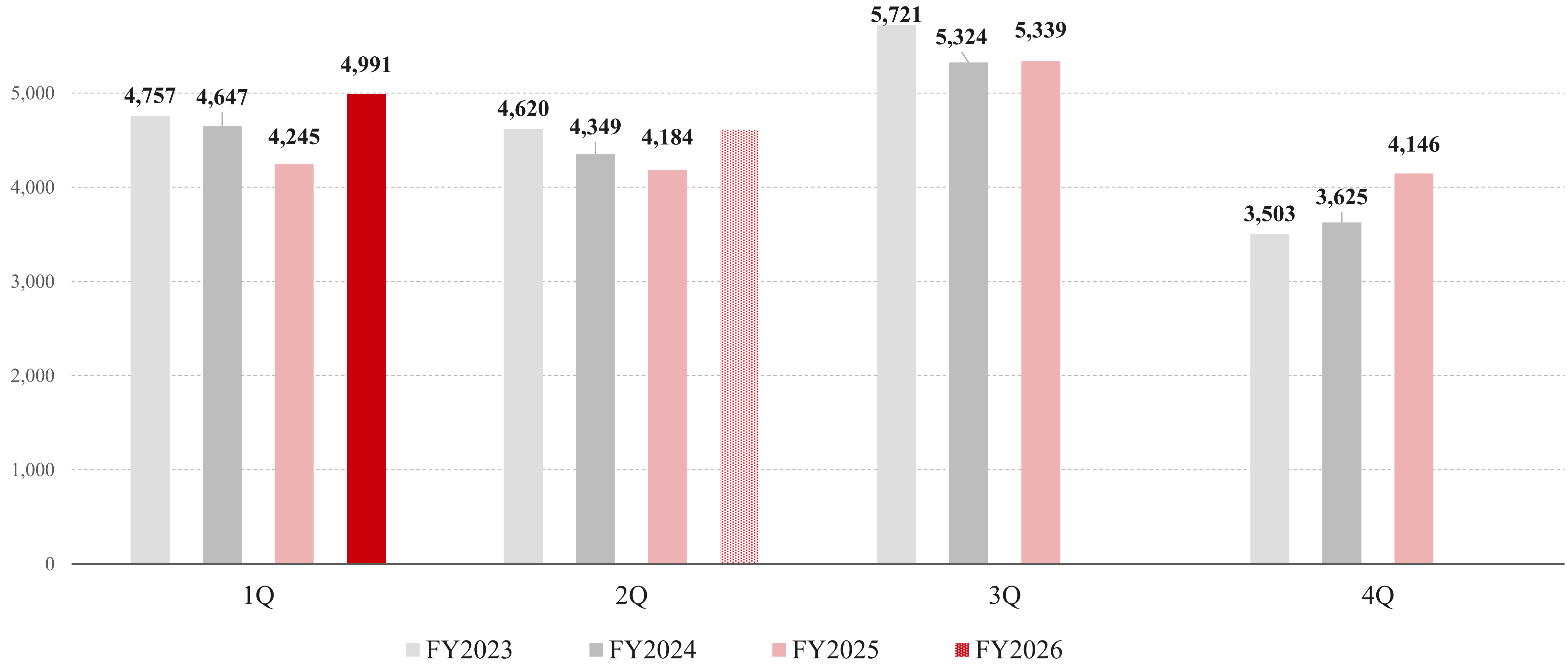
Variance Analysis on Operating Profit

(Billions of yen)



Quarterly Operating Profit Trends

(Unit: million yen)



Business Environment (Commercial Karaoke)

Business Environment

- Remained solid, particularly in the growing seniors' market; No. of DAM units in operation at the end of 1Q slightly increased year-on-year
- Further expanded "original artist videos" for the top model LIVE DAM WAO! (launched in Apr 2025)
- Strengthened tie-ups with TV programs and events → Stimulated karaoke demand and promoted new features/content
- Nightlife market/Karaoke box market: Effective equipment replacement → Increased revenue per DAM unit
- Seniors' market : Collaborative research with universities and other institutions

  to increase awareness of the link between singing and health

LIVEDAM WAO!

KPIs by Business Segment

	End of Jun 2025	End of Jun 2026
No. of DAM units in operation	222 thousand units	223 thousand units +0.4%
No. of equipment rentals	116 thousand units	122 thousand units +4.8%

Overall shift toward seniors' market

	End of Jun 2025	End of Jun 2026
Launch of DAM for seniors	29 thousand units / 222 thousand units	30 thousand units / 222 thousand units +2.6%

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Business Environment (Karaoke Cabin and Restaurant Business)

Business Environment

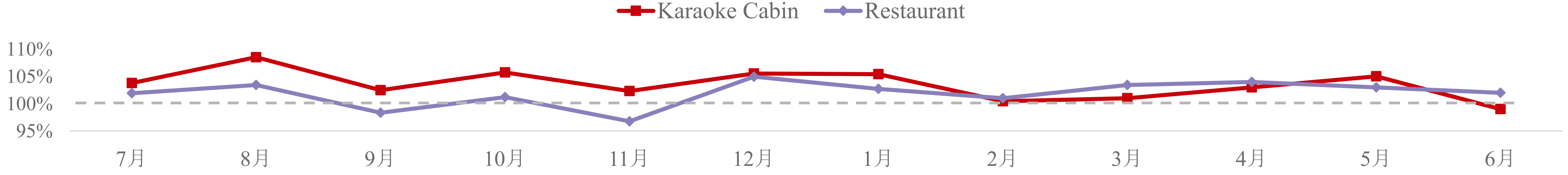
- Despite the impact of typhoons in Jun, customer traffic remained solid, slightly exceeding expectations

  → Same-store sales: Karaoke stores +2%, Restaurant stores +3%
- Karaoke stores: Improved customer satisfaction through enhanced equipment, sound quality, and aesthetics; Developed collaboration projects

  Initiatives leveraging prime locations, such as dart bar additions and luggage storage services
- Restaurant stores: Food/amusement complex stores such as "MARUNOUCHI BASE" contributed to revenue

	Stores opened	Stores closed	End of 1Q Number of stores
Karaoke Cabin	3	3	521
Restaurant	6	2	171

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



	FY2025									FY2026		
	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Karaoke Cabin	104%	109%	102%	106%	102%	106%	105%	100%	101%	103%	105%	99%
Restaurant	102%	103%	98%	101%	97%	105%	103%	101%	103%	104%	103%	102%

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CONSOLIDATED BALANCE SHEETS

Cash and deposits decreased due to year-end dividend payments and corporate tax payments
Equity ratio increased 0.9 percentage points from the end of the previous period

(Unit: million yen)	FY2025 End of previous period	FY2026 End of current 1Q	FY2026 vs. End of previous period (%)	Comments
Current Assets	77,209	70,861	△8.2%	Decrease in cash and deposits
Fixed Assets	143,235	145,099	1.3%	Increase in business assets and investment securities
Total assets	**220,445**	**215,961**	**△2.0%**	
Current Liabilities	27,351	23,398	△14.5%	Decrease in other payables and income taxes payable
Non-current liabilities	67,744	67,737	0.0%	
Total Liabilities	**95,096**	**91,136**	**△4.2%**	
Shareholders' Equity	122,263	121,369	△0.7%	
Total accumulated other comprehensive income	1,376	1,722	25.1%	
Total Net Assets	**125,349**	**124,824**	**△0.4%**	
Total liabilities and net assets	**220,445**	**215,961**	**△2.0%**	

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Revision of FY2026 Results Outlook

Reflecting 1Q results slightly exceeding expectations, the forecast has been revised upward

(Unit: million yen)	FY2026 1H			FY2026 Full Year		
	Initial Forecast	Revised Forecast	Variance (%)	Initial Forecast	Revised Forecast	Variance (%)
Net sales	82,800	83,100	0.4%	168,700	169,000	0.2%
Operating profit	8,800	9,600	9.1%	18,500	19,300	4.3%
Operating profit margin (%)	10.6%	11.6%	+1.0pt	110%	114%	+0.4pt
Current Profit	9,000	9,800	8.9%	18,900	19,700	4.2%
Attributable to owners of parent Net Income	5,800	6,200	6.9%	12,200	12,600	3.3%

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FY2026 Forecasts by Business Segments

*After revision dated Aug 6, 2026

Commercial Karaoke Business

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

Net Sales by Business Segments

65,750 million yen +0.7%

Operating Income by Segment

12,700 million yen +6.5%

Karaoke Cabin and Restaurant Business

Net Sales by Business Segments

74,750 million yen +5.3%

Operating Income by Segment

6,700 million yen +1.0%

Net sales

169,000 million yen

Operating profit

19,300 million yen

Music Software Business

Net Sales by Business Segments

5,500 million yen +0.7%

Operating Income by Segment

300 million yen +135.1%

Other businesses

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

Net Sales by Business Segments

23,000 million yen +8.4%

Operating Income by Segment

3,000 million yen +6.7%

FY2026 Key Initiatives by Segment

*No significant changes from the beginning of the fiscal year

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

- 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

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Topics

LIVE DAM WAO! new content
"Oshi-Came Live" makes supporting your “oshi” even more enjoyable!

"Oshi-Came Live" is new content that allows users to freely switch between footage that continuously follows a specific member (“oshi”) and footage showing the entire stage while watching artists' live video playing in the background during karaoke singing. As if you are switching the cameras yourself, you can follow only the member you want to watch from the beginning to the end of the song, fully enjoying your oshi's performance while thoroughly enjoying karaoke.

1st Phase 「FRUITS ZIPPER」 → **2nd Phase 「CANDY TUNE」**

Furthermore, in the future, we plan to expand to dance vocal groups, rock bands, and other artists,aiming for a wide lineup that meets more diverse needs by considering the expansion of songs from various artists.

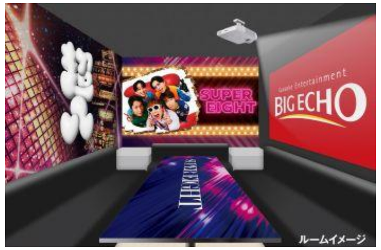
To continue meeting user needs, our company will continue to collaborate on attractive works and with artists through collaborations with attractive works and artists, we will provide new karaoke experiences.

LIVEDAM WAO!

Topics

Various collaboration projects are underway at BIG ECHO!

SUPER EIGHT Collaboration Room



MONAKI Collaboration Room

Sada Masashi Song Stamp Rally

At our karaoke locations, including BIG ECHO, we are developing various collaboration projects in partnership with artists and content such as anime and games, including collaboration rooms, collaboration drinks, and designated song singing campaigns. We will continue to create attractive services that are sensitive to customer needs and support fan interactions and community revitalization through karaoke experiences dedicated to "oshi."

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