

Consolidated Financial Results for the Fiscal Year Ended August 31, 2026

[Japanese GAAP]

Company name: KOSHIDAKA HOLDINGS Co., LTD.

Listing: Tokyo Stock Exchange

Stock code: 2157

URL: <https://www.koshidakaholdings.co.jp/en/>

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Scheduled date of Annual General Meeting of Shareholders: November 27, 2026

Scheduled date of filing of Annual Securities Report: November 26, 2026

Scheduled date of payment of dividend: November 30, 2026

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for securities analysts and institutional investors)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended August 31, 2026 (Sep. 1, 2025 – Aug. 31, 2026)

(1) Consolidated results of operations

(Percentages are year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Aug. 31, 2026	80,401	15.9	10,771	(5.5)	11,003	(5.2)	6,346	20.7
Fiscal year ended Aug. 31, 2025	69,387	9.7	11,392	12.1	11,598	6.1	5,258	(21.9)

Note: Comprehensive income (million yen) Fiscal year ended Aug. 31, 2026: 6,373 (up 12.8%)

Fiscal year ended Aug. 31, 2025: 5,651 (down 15.3%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Aug. 31, 2026	76.31	71.64	16.4	14.9	13.4
Fiscal year ended Aug. 31, 2025	64.01	59.42	16.1	17.8	16.4

Reference: Equity in earnings of affiliates (million yen)

Fiscal year ended Aug. 31, 2026: - Fiscal year ended Aug. 31, 2025: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Aug. 31, 2026	78,982	42,506	53.8	489.08
As of Aug. 31, 2025	68,588	35,105	51.2	425.81

Reference: Shareholders' equity (million yen) As of Aug. 31, 2026: 42,485 As of Aug. 31, 2025: 35,096

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Aug. 31, 2026	10,626	(12,564)	(2,207)	6,466
Fiscal year ended Aug. 31, 2025	12,774	(8,292)	(791)	10,439

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Aug. 31, 2025	-	12.00	-	12.00	24.00	2,010	37.5	6.0
Fiscal year ended Aug. 31, 2026	-	13.00	-	15.00	28.00	2,412	36.7	6.1
Fiscal year ending Aug. 31, 2027 (forecast)	-	15.00	-	15.00	30.00		-	

3. Consolidated Earnings Forecast for the Fiscal Year Ending August 31, 2027 (Sep. 1, 2026 – Aug. 31, 2027)

(Percentages are year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	43,395	11.5	6,002	19.9	5,861	12.2	3,868	(0.4)	43.84
Full year	90,358	12.4	12,604	17.0	12,322	12.0	7,142	12.5	80.95

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly added: 2 (KOSHIDAKA MALAYSIA SDN. BHD.; Standard Corp.: renamed from Koshidaka SP Co., LTD.)

Excluded: -

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: Yes

4) Restatements: None

(3) Number of issued shares (common stock)

1) Number of shares issued at the end of the period (including treasury shares)

As of Aug. 31, 2026:	88,225,920 shares	As of Aug. 31, 2025:	83,781,480 shares
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2) Number of treasury shares at the end of the period

As of Aug. 31, 2026:	1,358,763 shares	As of Aug. 31, 2025:	1,357,908 shares
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3) Average number of shares outstanding during the period

Fiscal year ended Aug. 31, 2026:	83,164,164 shares	Fiscal year ended Aug. 31, 2025:	82,150,153 shares
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* The current financial report is not subject to audit by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the Company's management at the time the materials were prepared. These materials are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to page 4 of the attachments "1. Overview of Results of Operations, (4) Outlook" for forecast assumptions and notes of caution for usage.

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1. Overview of Results of Operations

(1) Results of Operations

In the fiscal year that ended in August 2026 (September 1, 2025 to August 31, 2026), the Japanese economy continued to recover gradually as social and economic activities returned to normal, supported by an increase in foreign tourists visiting Japan and improving employment and wage conditions. However, the outlook remains uncertain due to rising raw material prices and energy costs associated with prolonged geopolitical risks, higher personnel expenses, and the effects of trade policies in major countries.

In the karaoke industry, in which Koshidaka Holdings operates, customer needs are becoming increasingly diverse. At the same time, rising recruiting costs and personnel expenses due to intensifying competition for workers, along with higher utility costs and food purchase prices, are putting downward pressure on earnings. Revising prices and improving operating efficiency have therefore become challenges throughout the industry.

In this business environment, the Koshidaka Group continued to pursue its medium-term corporate vision, the Entertainment Infrastructure Plan (EIP), under the slogan “Entertainment as Infrastructure,” to increase corporate value over the medium to long term.

Business segment performance is as follows.

Karaoke

The core Karaoke segment continued to actively open new stores. During the current fiscal year, there were 38 new stores. Despite efforts to use flexible pricing adjusted to the market conditions of individual stores and offer menus and pricing that match customer preferences, existing store sales were about the same as one year earlier. One reason was the absence of the substantial sales generated by major collaboration programs in the previous fiscal year. Earnings were down from one year earlier. Although we continued to optimize operating expenses to limit the impact of higher personnel and utility costs, expenses increased due to investments in upgrading existing stores, rent revisions, digital transformation investments including a new POS system and “E-bo” entertainment boxes, and new initiatives.

On November 1, 2025, consolidated subsidiary KOSHIDAKA SP Co., Ltd. (currently Standard Corp.) used an absorption-type split to acquire the karaoke stores and other operations of the former Standard Corp. As a result, 70 karaoke stores operated by this company have been added to the Karaoke segment. One of these stores was opened and four stores were closed after the absorption-type split, resulting in 67 karaoke stores operated by the current Standard Corp. at the end of August 2026.

Many activities are under way to accomplish the medium-term corporate vision of “Entertainment as Infrastructure.” Major initiatives are provision of additional forms of entertainment to meet a diverse range of needs other than for karaoke, many types of content collaboration, and measures to upgrade and expand recruiting and training activities. In addition, we have been developing and making progress in introducing digital transformation to enhance operating efficiency and offer new types of entertainment. One step is the addition of “E-bo” entertainment boxes, a new type of entertainment platform, at all stores in Japan.

Regarding our international expansion, we continued to open new stores in Southeast Asia. Four Karaoke Manekineko stores were opened in Malaysia and one was opened in Indonesia during the current fiscal year, and KOSHIDAKA MALAYSIA SDN. BHD. is newly included in the consolidated financial statements. Preparations are under way for opening stores in the U.S and the Philippines.

At the end of August 2026, the number of karaoke stores in Japan was 794, 91 more than at the end of the previous fiscal year. The number of overseas karaoke stores was 29 in four countries, consisting of three in South Korea, 19 in Malaysia, four in Thailand and three in Indonesia, five more than at the end of the previous fiscal year.

Sales in the Karaoke segment were 78,076 million yen, up 16.3% year on year, and the segment profit was 12,030 million yen, a decrease of 375 million yen, down 3.0% year on year.

Real Estate Management

The performance of existing and new properties in the Real Estate Management segment, including the major properties such as the AQERU Maebashi commerce and business complex, Shibata 2-chome Building, MANEKI

Shimbashi Building and the Fleuret Hanasaki Building, was stable. In October 2025, we sold Hotel Vista Atsugi and recorded a gain on sale of non-current assets under extraordinary income for the current fiscal year.

Sales in the Real Estate Management segment were 1,910 million yen, up 2.9% year on year, and the segment profit was 219 million yen, down 1.2% year on year.

Other

The performance of the five existing food and beverage stores (Gindaco Highball, CAFÉ ECLA) increased steadily. Two food and beverage stores (CAFÉ ECLA) were opened. Earnings were down due to an increase in expenses for opening new stores.

Sales in the Other segment were 923 million yen, up 5.1% year on year, and the segment loss was 55 million yen, a decrease of 92 million yen from the profit in the previous fiscal year.

Koshidaka Holdings wrote down the value of certain stores and facilities which had been recording consecutive losses for the fiscal years ended in August 2025 and 2026, including those opened during the fiscal year ended in August 2025. These assets were impaired because their carrying value exceeded the present value of expected future earnings. The impairment loss recorded totaled 2,973 million yen.

Overall, the Koshidaka Group (KOSHIDAKA HOLDINGS Co., LTD. and its consolidated subsidiaries) had sales of 80,401 million yen, up 15.9% year on year. The operating profit was 10,771 million yen, down 5.5% year on year, the ordinary profit was 11,003 million yen, down 5.1% year on year, and the profit attributable to owners of parent was 6,346 million yen, up 20.7% year on year.

(2) Financial Position

Financial position at the end of the current fiscal year is as follows.

Assets

Total assets at the end of the current fiscal year increased 10,393 million yen (15.2%) from the end of the previous fiscal year to 78,982 million yen.

Current assets decreased 2,066 million yen (13.1%) to 13,724 million yen. This was mainly due to a decrease of 3,949 million yen in cash and deposits.

Property, plant and equipment increased 4,065 million yen (11.8%) to 38,658 million yen. This was mainly due to increases of 2,159 million yen in buildings and structures, net, and 1,678 million yen in vehicles, tools, furniture and fixtures, net.

Intangible assets increased 2,720 million yen (221.7%) to 3,948 million yen. This was mainly due to an increase of 2,692 million yen in goodwill.

Investments and other assets increased 5,674 million yen (33.4%) to 22,650 million yen. This was mainly due to increases of 4,148 million yen in deferred tax assets and 1,975 million yen in lease and guarantee deposits, while there was a decrease of 619 million yen in long-term loans receivable.

Total non-current assets increased 12,460 million yen (23.6%) to 65,257 million yen.

Liabilities

Current liabilities increased 1,637 million yen (11.0%) to 16,561 million yen. This was mainly due to increases of 622 million yen in contract liabilities and 402 million yen in income taxes payable.

Non-current liabilities increased 1,354 million yen (7.3%) to 19,913 million yen. This was mainly due to increases of 1,003 million yen in lease liabilities, 2,488 million yen in asset retirement obligations, and 380 million yen in retirement benefit liability, while there was a decrease of 3,000 million yen in convertible-bond-type bonds with share acquisition rights.

Total liabilities increased 2,992 million yen (8.9%) to 36,475 million yen.

Net assets

Net assets increased 7,401 million yen (21.1%) to 42,506 million yen. This was mainly due to an increase of 4,370 million yen in retained earnings and an increase of 1,500 million yen each in share capital and capital surplus following conversion of bonds with share acquisition rights.

(3) Cash Flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the current fiscal year decreased 3,973 million yen from the end of the previous fiscal year to 6,466 million yen.

The cash flow components during the current fiscal year and the main reasons for changes are as described below.

Cash flows from operating activities

Net cash provided by operating activities totaled 10,626 million yen, compared with 12,774 million yen provided in the previous fiscal year. Main factors include profit before income taxes of 8,759 million yen, depreciation of 5,451 million yen, impairment losses of 2,973 million yen, income taxes paid of 3,800 million yen and a gain on sales of property, plant and equipment of 1,007 million yen.

Cash flows from investing activities

Net cash used in investing activities totaled 12,564 million yen, compared with 8,292 million yen used in the previous fiscal year. Main factors include proceeds from sale of property, plant and equipment of 2,267 million yen, purchase of property, plant and equipment of 9,039 million yen, payments for acquisition of businesses of 3,315 million yen, payments of leasehold and guarantee deposits of 1,287 million yen, and purchase of intangible assets of 741 million yen.

Cash flows from financing activities

Net cash used in financing activities totaled 2,207 million yen, compared with 791 million yen used in the previous fiscal year. Main factors include proceeds from long-term borrowings of 2,500 million yen, repayments of long-term borrowings of 2,440 million yen, and dividends paid of 2,060 million yen.

(4) Outlook

Looking ahead, we expect the global business environment to remain highly uncertain due to prolonged geopolitical risks, fluctuations in resource and raw material prices, and exchange rate movements.

In this business environment, the Koshidaka Group has been pursuing many initiatives to accomplish the final goal of its medium-term corporate vision, the Entertainment Infrastructure Plan (EIP), in the fiscal year ending in August 2027. For the period after the final stage of EIP, which began in the fiscal year ended in August 2025, we have outlined a blueprint for sales of 300 billion yen based on three pillars: further development of the domestic karaoke business (150 billion yen), substantial expansion of overseas operations (100 billion yen), and development of new private entertainment room (PER) formats and related businesses (50 billion yen). We view the fiscal year ending in August 2027 as a year to establish firm confidence in these initiatives and turn this blueprint into a concrete roadmap for our next medium-term business plan.

Overall, we forecast consolidated net sales of 90,358 million yen, up 12.4%, operating profit of 12,604 million yen, up 17.0%, ordinary profit of 12,322 million yen, up 12.0%, and profit attributable to owners of parent of 7,142 million yen, up 12.5%, for the fiscal year ending August 31, 2027.

The consolidated earnings forecast is based on information available to Koshidaka Holdings as of the date of the release of this document. Actual results may differ from these forecasts due to various future factors.

2. Basic Approach to the Selection of Accounting Standards

The Koshidaka Group will continue to prepare consolidated financial statements in accordance with generally accepted accounting principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies. We will consider the use of International Financial Reporting Standards (IFRS)

in the future based on changes in foreign ownership of our stock, the growth of our overseas operations and other factors.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

	(Thousands of yen)	
	FY8/25 (As of Aug. 31, 2025)	FY8/26 (As of Aug. 31, 2026)
Assets		
Current assets		
Cash and deposits	10,487,331	6,538,290
Notes and accounts receivable-trade	1,402,172	2,282,819
Merchandise	158,590	172,692
Raw materials and supplies	573,707	912,140
Other	3,172,526	3,835,019
Allowance for doubtful accounts	(2,574)	(16,096)
Total current assets	15,791,753	13,724,865
Non-current assets		
Property, plant and equipment		
Buildings and structures	48,319,441	54,398,722
Accumulated depreciation	(23,711,806)	(27,631,144)
Buildings and structures, net	24,607,634	26,767,578
Vehicles, tools, furniture and fixtures	18,050,994	21,524,302
Accumulated depreciation	(15,224,255)	(17,019,145)
Vehicles, tools, furniture and fixtures, net	2,826,738	4,505,157
Land	6,957,299	7,368,145
Construction in progress	201,332	17,413
Total property, plant and equipment	34,593,004	38,658,294
Intangible assets		
Goodwill	62	2,692,971
Software	944,485	872,600
Other	282,911	382,590
Total intangible assets	1,227,459	3,948,162
Investments and other assets		
Investment securities	910,306	976,246
Long-term loans receivable	2,574,932	1,955,737
Long-term prepaid expenses	603,308	601,738
Leasehold and guarantee deposits	8,686,056	10,661,845
Deferred tax assets	4,202,547	8,351,153
Other	433,911	440,673
Allowance for doubtful accounts	(434,514)	(336,683)
Total investments and other assets	16,976,548	22,650,711
Total non-current assets	52,797,011	65,257,168
Total assets	68,588,765	78,982,033

	(Thousands of yen)	
	FY8/25 (As of Aug. 31, 2025)	FY8/26 (As of Aug. 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	603,553	690,679
Current portion of long-term borrowings	1,336,240	1,214,876
Accounts payable-other	3,214,723	3,214,070
Accrued expenses	2,109,040	2,343,169
Income taxes payable	2,023,058	2,425,507
Provision for bonuses	438,284	449,468
Deposits received	581,627	431,712
Contract liabilities	3,739,870	4,362,019
Other	877,535	1,429,982
Total current liabilities	14,923,933	16,561,484
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	3,000,000	-
Long-term borrowings	7,188,820	7,369,779
Retirement benefit liability	-	380,025
Lease liabilities	-	1,003,023
Deferred tax liabilities	428,178	499,138
Asset retirement obligations	6,775,082	9,263,451
Other	1,167,194	1,398,372
Total non-current liabilities	18,559,275	19,913,789
Total liabilities	33,483,209	36,475,274
Net assets		
Shareholders' equity		
Share capital	2,570,257	4,070,257
Capital surplus	3,802,786	5,302,786
Retained earnings	29,407,342	33,778,235
Treasury shares	(676,177)	(677,058)
Total shareholders' equity	35,104,209	42,474,220
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	95,924	151,005
Foreign currency translation adjustment	(103,199)	(139,806)
Total accumulated other comprehensive income	(7,274)	11,199
Share acquisition rights	8,622	8,622
Non-controlling interests	-	12,716
Total net assets	35,105,556	42,506,752
Total liabilities and net assets	68,588,765	78,982,033

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

(Thousands of yen)

	FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)	FY8/26 (Sep. 1, 2025 – Aug. 31, 2026)
Net sales	69,387,151	80,401,539
Cost of sales	51,014,093	61,151,106
Gross profit	18,373,057	19,250,432
Selling, general and administrative expenses	6,980,113	8,478,960
Operating profit	11,392,944	10,771,472
Non-operating income		
Interest and dividend income	38,374	55,519
Foreign exchange gains	-	307,640
Cancellation income	100,137	65,000
Reversal of allowance for doubtful accounts	120,862	-
Other	118,079	163,980
Total non-operating income	377,453	592,140
Non-operating expenses		
Interest expenses	80,610	155,033
Commission expenses	500	515
Foreign exchange losses	18,495	-
Provision of allowance for doubtful accounts	-	59,837
Store removal costs	5,225	75,649
Other	67,446	69,415
Total non-operating expenses	172,278	360,450
Ordinary profit	11,598,119	11,003,161
Extraordinary income		
Gain on sale of non-current assets	1,715	1,007,287
Total extraordinary income	1,715	1,007,287
Extraordinary losses		
Loss on retirement of non-current assets	65,780	34,457
Impairment losses	3,389,550	2,973,845
Litigation settlement	-	185,000
Loss on valuation of investment securities	424,924	57,802
Loss on liquidation of subsidiaries	463,890	-
Total extraordinary losses	4,344,146	3,251,104
Profit before income taxes	7,255,688	8,759,345
Income taxes-current	3,626,960	4,187,513
Income taxes for prior periods	-	835,949
Income taxes-deferred	(1,630,089)	(2,619,276)
Total income taxes	1,996,871	2,404,187
Profit	5,258,817	6,355,157
Profit attributable to non-controlling interests	-	8,796
Profit attributable to owners of parent	5,258,817	6,346,361

Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	FY8/25	FY8/26
	(Sep. 1, 2024 – Aug. 31, 2025)	(Sep. 1, 2025 – Aug. 31, 2026)
Profit	5,258,817	6,355,157
Other comprehensive income		
Valuation difference on available-for-sale securities	(532)	55,081
Foreign currency translation adjustment	393,674	(36,607)
Total other comprehensive income	393,142	18,474
Comprehensive income	5,651,959	6,373,632
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,651,959	6,363,883
Comprehensive income attributable to non-controlling interests	-	9,748

(3) Consolidated Statement of Changes in Equity

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,070,257	3,302,786	26,049,100	(675,710)	30,746,433
Changes during period					
Issuance of shares due to conversion of convertible-bond-type bonds with share acquisition rights	500,000	500,000			1,000,000
Dividends of surplus			(1,879,450)		(1,879,450)
Profit attributable to owners of parent			5,258,817		5,258,817
Purchase of treasury shares				(466)	(466)
Change in scope of consolidation			(21,124)		(21,124)
Net changes in items other than shareholders' equity					
Total changes during period	500,000	500,000	3,358,242	(466)	4,357,775
Balance at end of period	2,570,257	3,802,786	29,407,342	(676,177)	35,104,209

(Thousands of yen)

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	96,456	(496,873)	(400,416)	8,622	-	30,354,638
Changes during period						
Issuance of shares due to conversion of convertible-bond-type bonds with share acquisition rights						1,000,000
Dividends of surplus						(1,879,450)
Profit attributable to owners of parent						5,258,817
Purchase of treasury shares						(466)
Change in scope of consolidation						(21,124)
Net changes in items other than shareholders' equity	(532)	393,674	393,142	-	-	393,142
Total changes during period	(532)	393,674	393,142	-	-	4,750,917
Balance at end of period	95,924	(103,199)	(7,274)	8,622	-	35,105,556

FY8/26 (Sep. 1, 2025 – Aug. 31, 2026)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,570,257	3,802,786	29,407,342	(676,177)	35,104,209
Changes during period					
Issuance of shares due to conversion of convertible-bond-type bonds with share acquisition rights	1,500,000	1,500,000			3,000,000
Dividends of surplus			(2,060,589)		(2,060,589)
Profit attributable to owners of parent			6,346,361		6,346,361
Purchase of treasury shares				(880)	(880)
Change in scope of consolidation			85,120		85,120
Net changes in items other than shareholders' equity					
Total changes during period	1,500,000	1,500,000	4,370,892	(880)	7,370,011
Balance at end of period	4,070,257	5,302,786	33,778,235	(677,058)	42,474,220

(Thousands of yen)

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	95,924	(103,199)	(7,274)	8,622	-	35,105,556
Changes during period						
Issuance of shares due to conversion of convertible-bond-type bonds with share acquisition rights						3,000,000
Dividends of surplus						(2,060,589)
Profit attributable to owners of parent						6,346,361
Purchase of treasury shares						(880)
Change in scope of consolidation						85,120
Net changes in items other than shareholders' equity	55,081	(36,607)	18,474	-	12,716	31,190
Total changes during period	55,081	(36,607)	18,474	-	12,716	7,401,202
Balance at end of period	151,005	(139,806)	11,199	8,622	12,716	42,506,758

(4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	FY8/25	FY8/26
	(Sep. 1, 2024 – Aug. 31, 2025)	(Sep. 1, 2025 – Aug. 31, 2026)
Cash flows from operating activities		
Profit before income taxes	7,255,688	8,759,345
Depreciation	4,665,908	5,451,847
Impairment losses	3,389,550	2,973,845
Amortization of goodwill	383	184,512
Increase (decrease) in provision for bonuses	82,488	(85,031)
Increase (decrease) in allowance for doubtful accounts	(150,843)	31,218
Interest and dividend income	(38,374)	(55,519)
Interest expenses	80,610	155,033
Loss (gain) on sale of property, plant and equipment	(1,715)	(1,007,287)
Decrease (increase) in trade receivables	(254,620)	(641,414)
Decrease (increase) in inventories	(199,990)	(287,410)
Decrease (increase) in accounts receivable-other	67,526	(155,059)
Increase (decrease) in trade payables	55,958	(7,580)
Litigation settlement	-	185,000
Increase (decrease) in accounts payable-other, and accrued expenses	422,337	46,908
Other, net	1,191,963	(10,708)
Subtotal	16,566,872	15,537,697
Interest and dividends received	38,374	55,519
Interest paid	(70,098)	(145,453)
Litigation settlement paid	-	(185,000)
Income taxes refund (paid)	(3,760,771)	(3,800,600)
Income taxes refund (paid) for prior periods	-	(835,949)
Net cash provided by (used in) operating activities	12,774,376	10,626,214
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,304,579)	(9,039,683)
Proceeds from sale of property, plant and equipment	1,344	2,267,377
Purchase of intangible assets	(589,819)	(741,384)
Purchase of investment securities	(444,124)	(70,955)
Proceeds from sale of investment securities	13,000	19,460
Payments of leasehold and guarantee deposits	(729,210)	(1,287,874)
Proceeds from refund of leasehold and guarantee deposits	238,866	193,969
Loan advances	(411,568)	(614,108)
Proceeds from collection of loans receivable	48,465	24,732
Payments for acquisition of businesses	-	(3,315,975)
Purchase of shares of non-consolidated subsidiaries	(115,157)	-
Other, net	(89)	(10)
Net cash provided by (used in) investing activities	(8,292,873)	(12,564,451)
Cash flows from financing activities		
Proceeds from long-term borrowings	3,000,000	2,500,000
Repayments of long-term borrowings	(1,911,240)	(2,440,405)
Repayments of lease liabilities	-	(205,297)
Purchase of treasury shares	(466)	(880)
Dividends paid	(1,879,450)	(2,060,589)
Net cash provided by (used in) financing activities	(791,157)	(2,207,172)
Effect of exchange rate change on cash and cash equivalents	(4,542)	78,420
Net increase (decrease) in cash and cash equivalents	3,685,804	(4,066,989)
Cash and cash equivalents at beginning of period	6,750,659	10,439,415
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	2,951	93,611
Cash and cash equivalents at end of period	10,439,415	6,466,037

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Due to the issuance of new shares following the conversion of convertible-bond-type bonds with share acquisition rights, share capital and legal capital surplus increased 1,500,000 thousand yen each during the fiscal year ended August 31, 2026.

As a result, share capital and capital surplus were 4,070,257 thousand yen and 5,302,786 thousand yen, respectively, as of August 31, 2026.

Changes in the Scope of Consolidation or Application of the Equity Method

Important changes in the scope of consolidation

KOSHIDAKA MALAYSIA SDN.BHD., which was a non-consolidated subsidiary in the previous fiscal year, was included in the scope of consolidation in the first quarter of the current fiscal year because of the increased significance of this company.

In the first quarter of the current fiscal year, newly established KOSHIDAKA SP Co., Ltd. was included in the scope of consolidation. This new company received the karaoke store and other operations of former Standard Corp. on November 1, 2025 by using an absorption-type split and was subsequently renamed as the new Standard Corp.

Changes in Accounting-Based Estimates

Change in estimates of asset retirement obligations

At the end of the current fiscal year, changes were made to estimates for costs related to the restoration of real estate to its original state under asset retirement obligations associated with real estate lease agreements, based on new information obtained, including recent actual restoration costs.

As a result of these changes in estimates, the balance of asset retirement obligations increased by 1,487,135 thousand yen from the amount before the changes.

These changes in estimates increased gross profit, operating profit, ordinary profit and profit before income taxes for the current fiscal year by 498,556 thousand yen each.

Segment and Other Information

Segment information

1. Overview of reportable segments

(1) Method of determining the reportable segments

Segments used for financial reporting are the Koshidaka Group's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Koshidaka Group uses a holding company structure. Under Koshidaka Holdings, a holding company, each subsidiary determines comprehensive strategies for services they provide and develops business operations.

Consequently, business operations are divided into segments based on services provided by each subsidiary, resulting in the following three reportable segments.

(2) Services by each reportable segment

- 1) Karaoke is the operations of the network of karaoke facilities.
- 2) Real Estate Management is the leasing and management of real estate.
- 3) Other is the operations of food and beverage stores and other format stores.

2. Calculation methods for net sales, profit/loss, assets, liabilities and other items for each reportable segment

The accounting methods for reportable segments are generally the same as accounting policies used in the preparation of consolidated financial statements. Profits for reportable segments are operating profit and inter-segment sales and transfers are based on market prices.

3. Information related to net sales, profit/loss, assets, liabilities and other items for each reportable segment and breakdown of revenue

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

(Thousands of yen)

	Reportable segment			Total	Adjustment (Notes 1 and 2)	Amounts shown on consolidated financial statements (Note 3)
	Karaoke	Real Estate Management	Other			
Net sales						
Revenue from contracts with customers	67,162,793	293,289	879,122	68,335,206	-	68,335,206
Other revenue	-	1,051,945	-	1,051,945	-	1,051,945
External sales	67,162,793	1,345,234	879,122	69,387,151	-	69,387,151
Inter-segment sales and transfers	-	511,929	-	511,929	(511,929)	-
Total	67,162,793	1,857,164	879,122	69,899,081	(511,929)	69,387,151
Segment profit	12,405,661	222,416	37,442	12,665,520	(1,272,576)	11,392,944
Segment assets	46,559,520	12,562,572	219,601	59,341,694	9,247,070	68,588,765
Other items						
Depreciation	4,070,940	493,545	36,121	4,600,606	65,301	4,665,908
Amortization of goodwill	383	-	-	383	-	383
Impairment losses	3,013,532	353,218	22,799	3,389,550	-	3,389,550
Increase in property, plant and equipment and intangible assets	8,550,836	45,429	12,265	8,608,532	-	8,608,532

Notes: 1. The -1,272,576 thousand yen adjustment to segment profit mainly includes general and administrative expenses that cannot be attributed to reportable segments.

2. The 9,247,070 thousand yen adjustment to segment assets includes corporate assets that are not allocated to any of the reportable segments. Corporate assets mainly include excess working capital (bank deposits) and assets related to the administrative division.

3. Segment profit is adjusted to be consistent with operating profit shown on the consolidated statement of income.

FY8/26 (Sep. 1, 2025 – Aug. 31, 2026)

(Thousands of yen)

	Reportable segment			Total	Adjustment (Notes 1 and 2)	Amounts shown on consolidated financial statements (Note 3)
	Karaoke	Real Estate Management	Other			
Net sales						
Revenue from contracts with customers	78,076,887	286,887	923,773	79,287,548	-	79,287,548
Other revenue	-	1,113,990	-	1,113,990	-	1,113,990
External sales	78,076,887	1,400,878	923,773	80,401,539	-	80,401,539
Inter-segment sales and transfers	-	509,753	-	509,753	(509,753)	-
Total	78,076,887	1,910,631	923,773	80,911,292	(509,753)	80,401,539
Segment profit (loss)	12,030,297	219,706	(55,529)	12,194,474	(1,423,002)	10,771,472
Segment assets	60,020,198	11,037,519	348,427	71,406,144	7,575,888	78,982,033
Other items						
Depreciation	4,921,004	421,119	48,106	5,390,230	61,616	5,451,847
Amortization of goodwill	184,512	-	-	184,512	-	184,512
Impairment losses	2,944,185	-	29,659	2,973,845	-	2,973,845
Increase in property, plant and equipment and intangible assets	12,229,016	1,263,235	222,527	13,714,778	21,181	13,735,960

Notes: 1. The -1,423,002 thousand yen adjustment to segment profit (loss) mainly includes general and administrative expenses that cannot be attributed to reportable segments.

2. The 7,575,888 thousand yen adjustment to segment assets includes corporate assets that are not allocated to any of the reportable segments. Corporate assets mainly include excess working capital (bank deposits) and assets related to the administrative division.

3. Segment profit (loss) is adjusted to be consistent with operating profit shown on the consolidated statement of income.

Related information

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

This information is omitted because external sales in Japan exceeded 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client

This information is omitted because no specific external client accounts for 10% or more of net sales on the consolidated statement of income.

FY8/26 (Sep. 1, 2025 – Aug. 31, 2026)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

This information is omitted because external sales in Japan exceeded 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client

This information is omitted because no specific external client accounts for 10% or more of net sales on the consolidated statement of income.

Information related to impairment losses on non-current assets for each reportable segment

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

This information is omitted because the same information is presented in segment information.

FY8/26 (Sep. 1, 2025 – Aug. 31, 2026)

This information is omitted because the same information is presented in segment information.

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

(Thousands of yen)

	Karaoke	Real Estate Management	Other	Elimination or corporate	Total
Goodwill amortization	383	-	-	-	383
Balance at end of period	62	-	-	-	62

FY8/26 (Sep. 1, 2025 – Aug. 31, 2026)

(Thousands of yen)

	Karaoke	Real Estate Management	Other	Elimination or corporate	Total
Goodwill amortization	184,512	-	-	-	184,512
Balance at end of period	2,692,971	-	-	-	2,692,971

Information related to gain on bargain purchase for each reportable segment

FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)

Not applicable.

FY8/26 (Sep. 1, 2025 – Aug. 31, 2026)

Not applicable.

Business Combinations

Business acquisition by using an absorption-type split

The Board of Directors of Koshidaka Holdings and consolidated subsidiary KOSHIDAKA SP Co., LTD. approved resolutions on September 12, 2025 to use an absorption-type split for the acquisition of the karaoke stores and other businesses of Standard Corp. The acquisition took place on November 1, 2025. KOSHIDAKA SP signed a contract with Standard on September 12, 2025 for the absorption-type split.

1. Summary of business combination

(1) Company and business activities

Name: Standard Corp.

Acquired businesses: Karaoke stores, complex cafés and restaurants (73 stores)

(2) Main reasons for acquisition

The medium-term corporate vision of Koshidaka Holdings is “Entertainment as Infrastructure,” which has the goal of positioning entertainment as part of the social infrastructure with the goal of being a source of enjoyment and well-being in the lives of people worldwide. Key initiatives for accomplishing this goal include the operation and expansion of a nationwide network of Karaoke Manekineko stores. There were 50 new stores during the previous fiscal year, raising the total in Japan to 703. Koshidaka Holdings is currently in the final stage of the Entertainment as Infrastructure Plan, which has the goal of sales of 100 billion yen in the fiscal year ending in August 31, 2027 as the speed of adding new stores increases. The acquisition of the JOYSOUND brand of Standard by using an

absorption-type split is expected to further increase the effectiveness of measures by the Koshidaka Group for sales growth. Expected benefits include the ability to combine expertise of Koshidaka Holdings acquired since its inception with the knowhow of Standard, more efficient analysis and business operations based on the characteristics of customers, and the ability to use differentiated brands and combine services. In addition to the larger scale of operations, this acquisition is expected to create a stronger infrastructure for business operations and raise the speed of strategies for growth. Due to these expected benefits, we believe this acquisition will contribute to the consistent growth of corporate value.

(3) Date of the absorption-type split

November 1, 2025

(4) Method used for the absorption-type split

Business operations divested by Standard were absorbed by KOSHIDAKA SP.

(5) Status after the absorption-type split

There was no change in business activities, capital and fiscal year of KOSHIDAKA SP due to this absorption-type split. However, change was made in this company's name, location and representative on November 1, 2025 as follows.

(Details after the change)

Name: Standard Corp.

Location: 2-5-12, Konan, Minato-ku, Tokyo

Representative: Katsuaki Kobayashi

2. Period of the acquired company's performance included in the consolidated statements of income

From November 1, 2025 to August 31, 2026

3. Acquisition cost of the acquired company and breakdown by type of consideration

Payment for the acquisition: Cash 3,500 million yen

Acquisition cost: 3,500 million yen

4. Detail and amount of major expenses related to the acquisition

Advisory fee and other expenses: 74,072 thousand yen

5. Goodwill resulting from the acquisition

(1) Value of goodwill

2,877,421 thousand yen

The value of goodwill was calculated tentatively because the allocation of the acquisition cost had not been finalized at the end of the first six months of FY8/26. However, the allocation of the acquisition cost was finalized at the end of the current consolidated fiscal year. As a result of the finalization of the tentatively calculated value of goodwill, compared to the end of the first six months of FY8/26, the recognized amount of goodwill decreased by 104,256 thousand yen, the "Other" item under intangible assets increased by 159,000 thousand yen, and deferred tax assets decreased by 54,743 thousand yen.

(2) Source of goodwill

The source is primarily the expectation of excess earnings power resulting from business growth.

(3) Amortization method and amortization period of goodwill

Goodwill is amortized using the straight-line method over 13 years.

6. Detail and amount of acquired assets and liabilities as of the date of acquisition

Current assets: 777,526 thousand yen

Non-current assets: 2,904,819 thousand yen

Total assets: 3,682,345 thousand yen

Current liabilities: 1,181,203 thousand yen

Non-current liabilities: 1,982,819 thousand yen

Total liabilities: 3,164,023 thousand yen

Revenue Recognition

Information related to breakdown of revenue from contracts with customers is described in the Segment and Other Information section.

Per-Share Information

		(Yen)	
FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)		FY8/26 (Sep. 1, 2025 – Aug. 31, 2026)	
Net assets per share	425.81	Net assets per share	489.08
Net income per share	64.01	Net income per share	76.31
Diluted net income per share	59.42	Diluted net income per share	71.64

Notes: 1. The Company's stock held by the employee stock ownership plan (J-ESOP) is included in treasury shares and is thus deducted from the number of shares issued at the end of each fiscal year that was used to calculate net assets per share (1,355,680 shares as of August 31, 2025 and 1,355,680 shares as of August 31, 2026).

In addition, the average number of treasury shares outstanding during the period, which was deducted from the calculation of net income per share, was 1,355,680 shares for FY8/25 and 1,355,680 shares for FY8/26.

2. The basis for calculating net income per share and diluted net income per share is as follows:

(Thousands of yen)		
	FY8/25 (Sep. 1, 2024 – Aug. 31, 2025)	FY8/26 (Sep. 1, 2025 – Aug. 31, 2026)
Net income per share		
Profit attributable to owners of parent	5,258,817	6,346,361
Amounts not available to common shareholders	-	-
Profit attributable to owners of parent available to common stock	5,258,817	6,346,361
Average number of common shares outstanding during the period (Shares)	82,150,153	83,164,164
Diluted net income per share		
Adjustment to profit attributable to owners of parent	2,107	1,017
[of which, interest expenses (after deducting amount equivalent to tax)]	[2,107]	[1,017]
Increase in the number of common shares (shares)	6,389,891	5,442,395
[of which convertible-bond-type bonds with share acquisition rights (shares)]	[4,616,515]	[3,631,858]
[of which share acquisition rights (shares)]	[1,773,376]	[1,810,537]
Summary of dilutive shares not included in the calculation of diluted net income per share since there was no dilutive effect		-

Material Subsequent Events

Not applicable.

4. Others

(1) Changes in Directors

1) Change in Representative Director

Not applicable.

2) Changes in other Directors

- Candidates for Director

Director and Operating Officer of Group CF Hiromichi Kikuchi

Director and Operating Officer of Group HR Ryo Miura

Director and Operating Officer of Group Business Strategy Satoshi Koshidaka

3) Scheduled date of appointment

November 27, 2026

This summary report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.