September 12, 2025

To All Concerned,

Company:	BROTHER INDUSTRIES, LTD.	
Representative:	Representative Director & President	Kazufumi Ikeda
(Code: 6448 TSE Prime/NSE Premier)		
Contact:	Senior Managing Executive Officer	Toshihiro Itou
		(TEL. 052-824-2075)

Transfer of the Karaoke Club Business

The Company hereby announces that, on this date, it has executed an agreement (the "Final Agreement") concerning the business succession by absorption-type company split (the "Absorption-type Company Split"). Under this Final Agreement, all businesses (the "Businesses") operated by STANDARD Corp. ("STANDARD"), a company wholly owned by XING INC. ("XING"), which is itself a wholly owned subsidiary of the Company, will be succeeded by KOSHIDAKA SP Co., Ltd., a company wholly owned by KOSHIDAKA Co., LTD., which in turn is a wholly owned subsidiary of KOSHIDAKA HOLDINGS Co., LTD. The details are as follows.

Although this matter does not fall under the category of matters subject to timely disclosure, the Company has determined this information as relevant and will make voluntary disclosure thereof.

1. Reasons for the Absorption-type Company Split

The Brother Group, under its mid-term strategy "CS B2027" covering the three-year period from the fiscal year 2025 to 2027, aims to reinforce its profit-generating capabilities by accelerating the transformation of its business portfolio to increase long-term corporate value. "CS B2027" clarifies the roles and investment policies for each business. The Network & Contents business (the "N&C Business"), which involves the development and manufacturing of the commercial online karaoke system "JOYSOUND" as well as the operation of karaoke venues, has been positioned as a "Profitability transformation business" necessitating a major reform in its profitability. The Company is therefore striving to generate stable profits and cash flow by reviewing the business' earnings structure.

Against this backdrop, with regard to all businesses operated by STANDARD, which mainly engages in the Karaoke Club Business within the N&C Business, the Company has reached the agreement at this time based on its management's decision that transferring these businesses to the KOSHIDAKA HOLDINGS Group and proceeding with business operations under their management, will further improve customer satisfaction and greatly contribute to future business growth, in light of the business environment and future business development.

2. Outline of the Absorption-type Company Split

(1) Schedule for the Absorption-type Company Split

(i)	Date of Board of Directors' Resolution (Note 1):	September 1, 2025
(ii)	Execution Date of the Final Agreement:	September 12, 2025
(iii)	Effective Date of the Absorption-type Company Split (Note 2):	November 1, 2025 (tentative)

Note 1: At the meeting of the Board of Directors held on September 1, 2025, it was resolved to delegate the execution of the Final Agreement to the Representative Director and President.

Note 2: The effective date may be subject to change depending on filings to relevant regulatory authorities and other necessary approvals.

(2) Method of the Absorption-type Company Split

This absorption-type company split will be conducted with STANDARD Corp. as the splitting company and KOSHIDAKA SP Co., Ltd. as the successor company.

(3) Details of Allocation of Consideration for the Absorption-type Company Split

The splitting company is set to receive monetary consideration of JPY 3.5 billion from the successor company for the Absorption-type Company Split.

(4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in Connection with the Absorption-type Company Split

Not applicable.

(5) Changes in Capital Stock due to the Absorption-type Company Split

There will be no change to the capital stock of the splitting company as a result of the Absorption-type Company Split.

(6) Rights and Obligations to be Succeeded by the Successor Company

The successor company shall assume, among the assets, liabilities, contractual status, and other rights and obligations related to the Businesses, those specifically defined in the agreement for the Absorption-type Company Split.

(7) Prospect of Performance of Obligations

The Company believes that there will be no issues concerning the prospect of the successor company performing the obligations it is to assume after the effective date of the Absorption-type Company Split.

3. Rationale for the Consideration of the Absorption-type Company Split

The amount of monetary consideration to be received by the splitting company in the Absorption-type Company Split was determined through earnest discussions between the parties, taking into comprehensive consideration the status of earnings and outlook of the Businesses.

4. Overview of the Parties Involved in the Absorption-type Company Split

(1) Overview of the Splitting Company

(i)	Name	STANDARD Corp.	
(ii)	Location	2-4-1 Shibakoen, Minato-ku, Tokyo	
(iii)	Name and Title of Representative	Katsuaki Kobayashi, Representative Director and President	
(iv)	Business	Operation of karaoke boxes, multi-purpose cafés, and food & beverage outlets	
(v)	Capital Stock	JPY 90 million	
(vi)	Date of Incorporation	December 13, 1993	
(vii)	Number of Issued Shares	2,400	
(viii)	Major Shareholder(s) and Shareholding Ratio	XING INC.	100.0%
(ix)	Relationship between the Listed Company and the Relevant Company	Capital Relationship	XING INC. (the Company's consolidated subsidiary) owns 100% of the issued shares of the company.
		Personnel Relationship	Two directors of XING INC. (the Company's consolidated subsidiary) serve concurrently as directors of the company.
		Business Relationship	In addition to monetary lending transactions by XING INC. (the Company's consolidated subsidiary) conducted with the company, ordinary business transactions such as sales of karaoke equipment are also conducted.
(x)	Financial Condition and Results of Operations for the Most Recent Fiscal Year (Fiscal Year Ended March 2025)	Total Assets	JPY 3,172 million
		Net Assets	JPY (8,612 million)
		Net Sales	JPY 8,693 million
		Operating Profit	JPY 42 million
		Current Income	JPY (22 million)

(2) Overview of the Successor Company

(i)	Name	KOSHIDAKA SP Co., Ltd.
(ii)	Location	2-25-12 Dogenzaka, Shibuya-ku, Tokyo
(iii)	Name and Title of Representative	Ryo Miura, Representative Director
(iv)	Business	Operation of karaoke boxes, food & beverage outlets, and internet café businesses
(v)	Capital Stock	JPY 100 million
(vi)	Date of Incorporation	September 1, 2025

(vii)	Number of Issued Shares	100	
(viii)	Major Shareholder(s) and Shareholding Ratio	KOSHIDAKA Co., LTD.	100.0%
(ix)	Relationship between the Listed Company and the Relevant Company	Capital Relationship	Not applicable.
		Personnel Relationship	Not applicable.
		Business Relationship	Not applicable.
(x)	Financial Condition and Results of Operations for the Most Recent Fiscal Year	Total Assets	
		Net Assets	
		Net Assets per Share	
		Net Sales	
		Operating Profit	
		Ordinary Profit	
		Current Net Income	
		Current Net Income per Share	

5. Overview of the Businesses to be Split

(1) Overview of the Businesses to be Split

Operation of karaoke boxes, multi-purpose cafés, and food & beverage outlets.

(2) Operating Results of the Businesses to be Split (for the fiscal year ended March 2025)

Net Sales: JPY 8,693 million

Operating Profit: JPY 42 million

Ordinary Profit: JPY (51 million)

(3) Items and Amounts of Assets and Liabilities to be Split

Assets		Liabilities	
Item	Book Value (JPY)	Item	Book Value (JPY)
Current Assets	991 million	Current Liabilities	1,260 million
Fixed Assets	2,050 million	Non-Current Liabilities	2.031 million
Total	3,042 million	Total	3,291 million

6. Outlook

The Absorption-type Company Split is expected to have only a minor impact on the Company’s consolidated business results for the current fiscal year. However, if any matters requiring public disclosure arise in the future, the Company will promptly make the necessary disclosures.

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