



Fiscal Year Ended March 2025

Supplementary Materials for Financial Results

May 12, 2025





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Fiscal Year Ended March 2025: Overview of Financial Results

02

Forecast for Fiscal Year Ending
March 2026

Fiscal Year Ended March 2025: Financial Results Summary

Achieved record net sales and net income, and solid growth of operating base

- The market environment improved moderately and **net sales increased 4.3% year-on-year (record high)**
- While operating profit decreased due to raising the base pay as well as pursuing proactive investment in each business, EBITDA increased 3.3% year-on-year

Commercial Karaoke Business:

The number of DAM units in operation increased steadily, growing +1% vs. the end of the previous year

Karaoke Cabin and Restaurant Business: Year-on-year change in existing stores: +2% for karaoke cabins, +3% for restaurants

Parking Business:

Steady growth in the number of facilities at year-end: 3,900 facilities and 44,000 parking spots

- Net income **increased by 44.6% year-on-year (record high)** due to an increase in extraordinary profit and increase in deferred tax assets in conjunction with business recovery

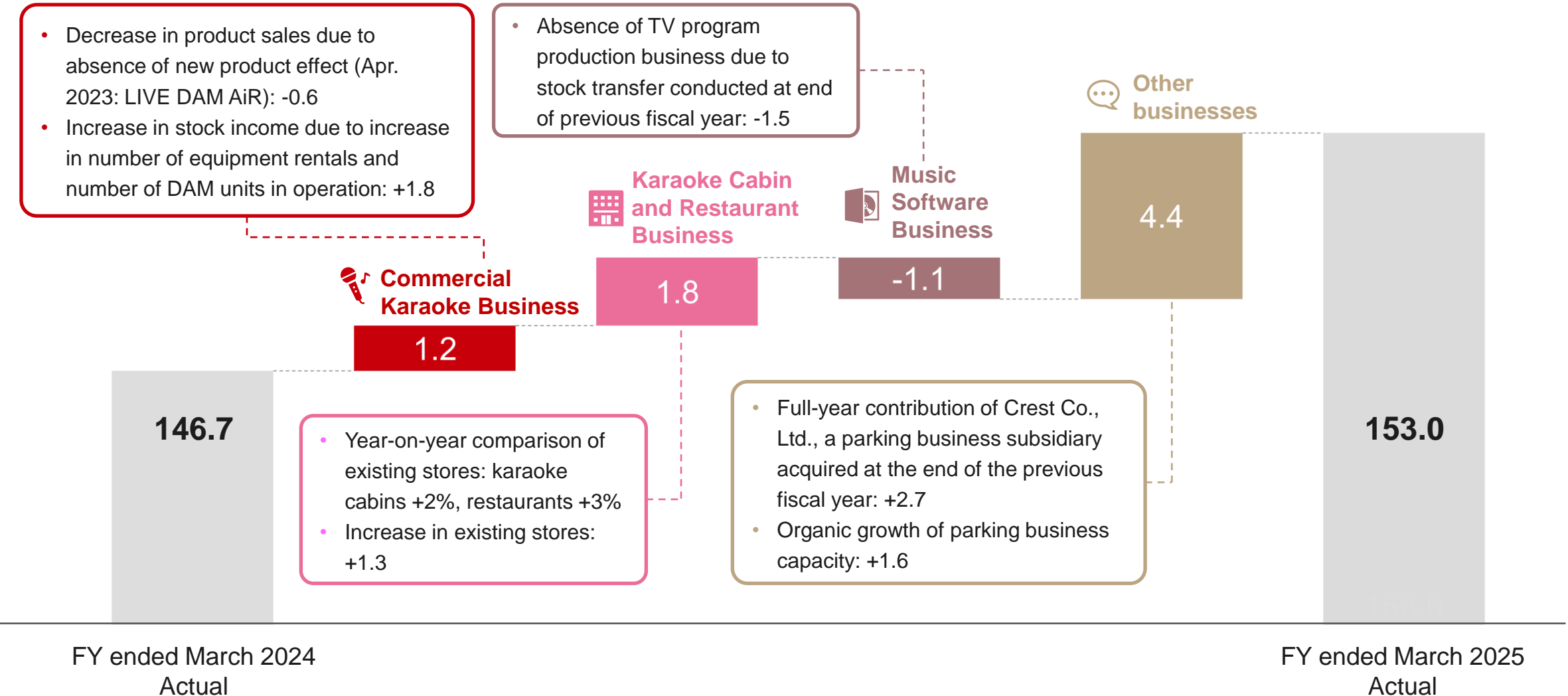
Fiscal Year Ended March 2025: Earnings Highlights

Operating profit and ordinary profit were slightly less than forecast, but net income performed better than expected due to factors such as the impact of increased deferred tax assets

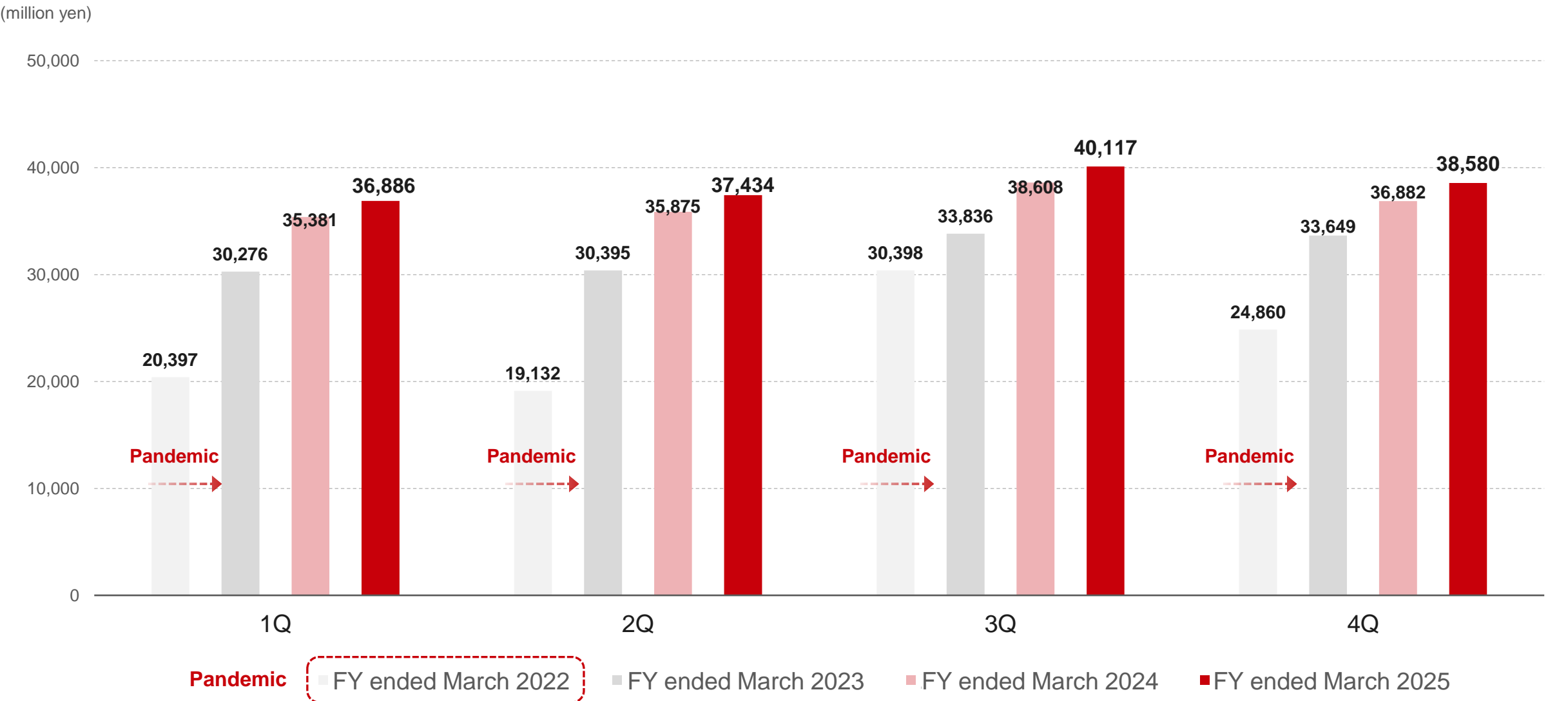
(Unit: million yen)	FY Ended March 2024	FY Ended March 2025			
	Actual	Actual	Earnings Forecast	Year-on-Year Change (%)	Vs. Forecast (%)
Net sales	146,746	153,020	152,700	4.3	0.2
Gross operating profit	52,602	53,757	54,470	2.2	-1.3
Selling, general, and administrative expenses	34,000	35,811	35,670	5.3	0.4
Operating profit	18,601	17,945	18,800	-3.5	-4.5
Ordinary profit	19,561	18,396	18,900	-6.0	-2.7
Net income attributable to parent company shareholders	12,568	18,178	16,200	44.6	12.2

Factor Analysis of Change in Net Sales

(Billion yen)

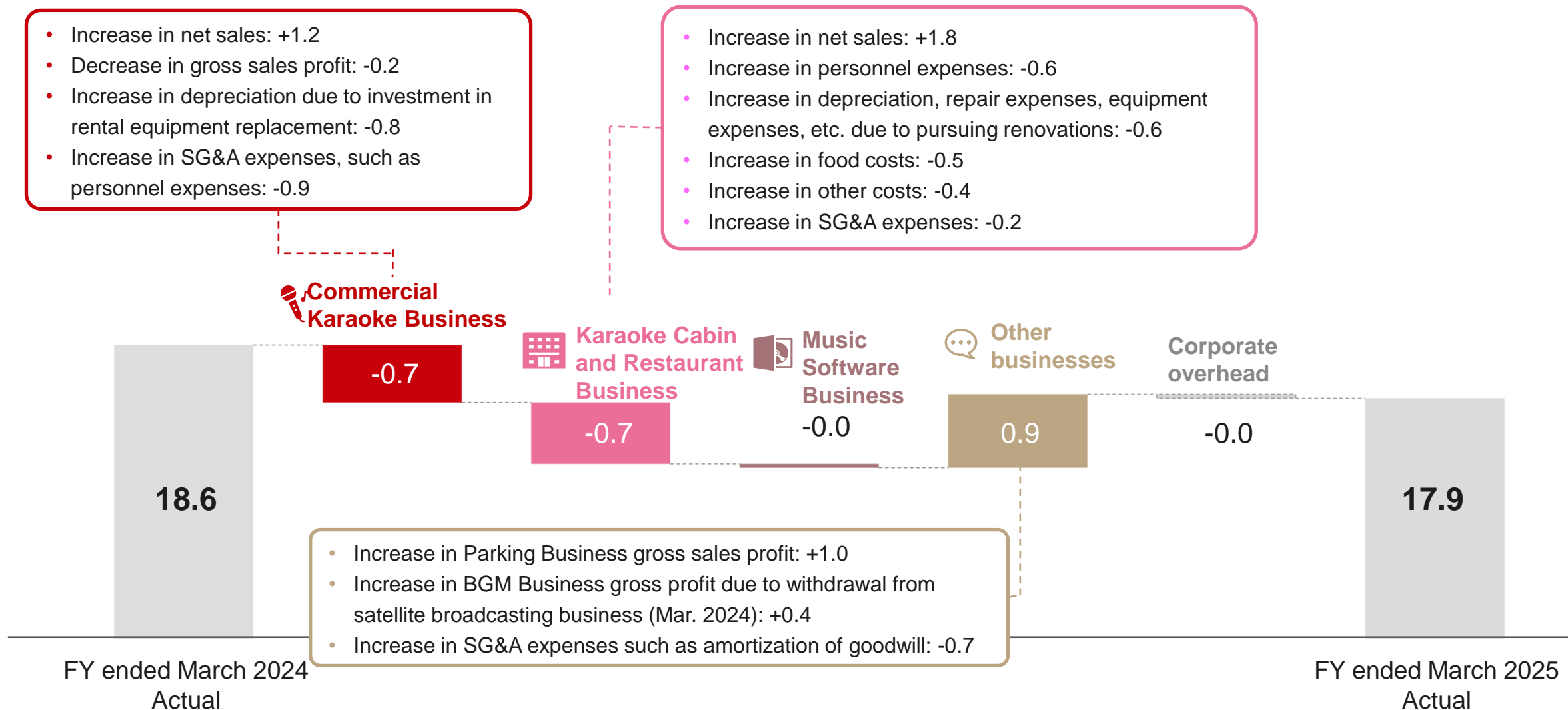


Changes in Net Sales by Quarter



Factor Analysis of Change in Operating Profit

(Billion yen)

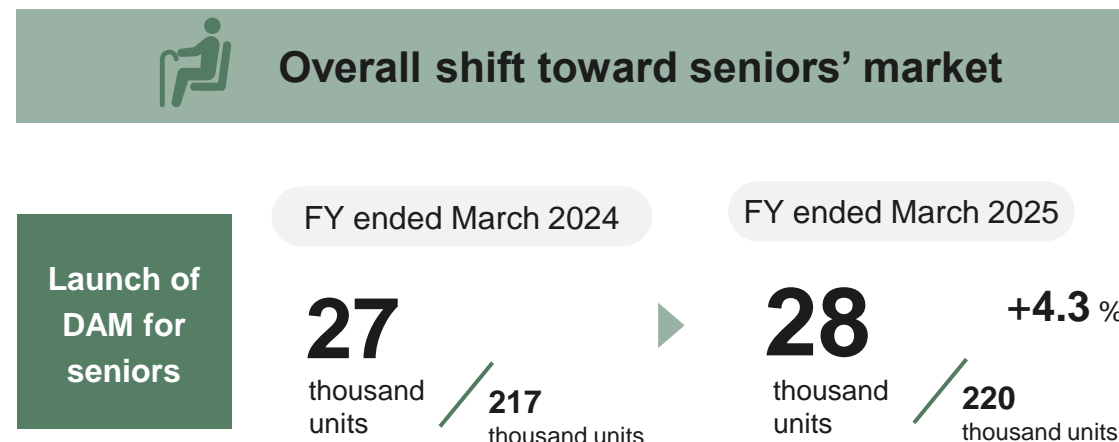
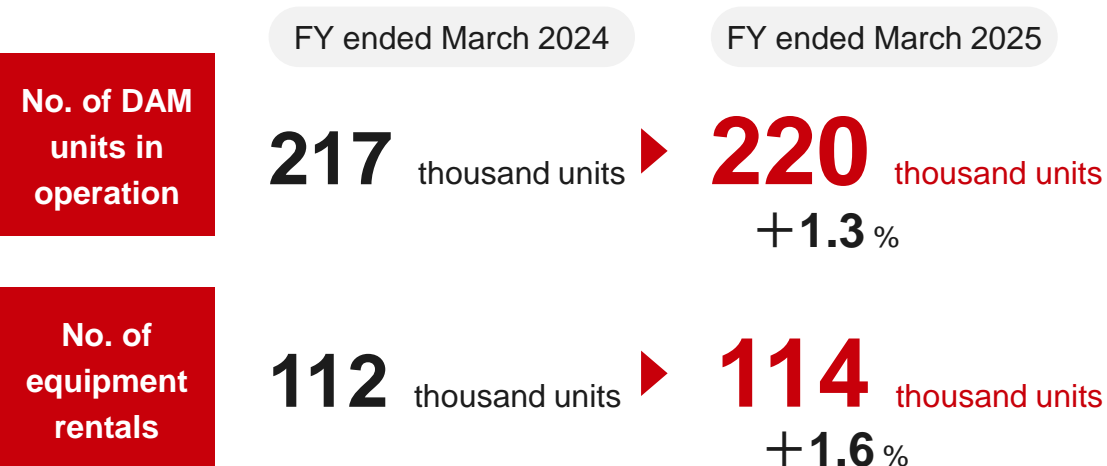


Business Environment (Commercial Karaoke)

Business environment

- Moderately Improved mainly in the night business market (core market) and seniors' market (growth market) and increased the number of DAM units in operation, growing +1% vs. the end of the previous year
- Strengthened stable profit base due to promotion of replacing rental equipment with new models following the previous year
- strengthened brand power of karaoke DAM systems by further enhancing video content

KPIs by Business Segment

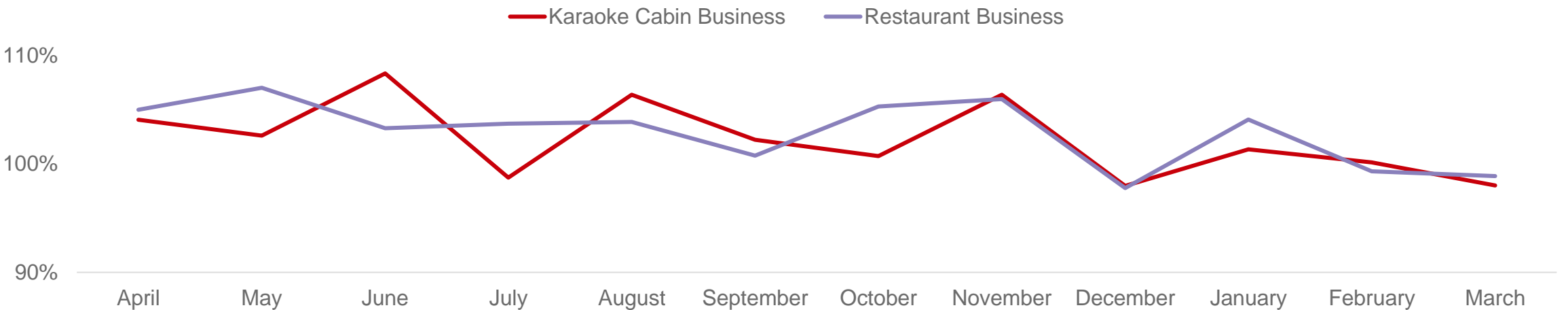


Business Environment (Karaoke Cabin and Restaurant Business)

Business environment

- The flow of customers to stores trended upward from the previous fiscal year but the increase became more moderate in the second half of the year
- Net sales at existing stores: +2% for karaoke cabins, +3% for restaurants

FY ended March 2025: Changes in net sales at existing stores of Karaoke Cabin and Restaurant Business (year-on-year)



Business	FY Ended March 2025: Actual (Year-on-Year Comparison)											
	April	May	June	July	August	September	October	November	December	January	February	March
Karaoke Cabin Business	104%	103%	108%	99%	106%	102%	101%	106%	98%	101%	100%	98%
Restaurant Business	105%	107%	103%	104%	104%	101%	105%	106%	98%	104%	99%	99%

Consolidated Balance Sheet

Shareholders' equity ratio increased by 4.6% compared to the end of the previous year,
to 55.6% due to repayment progress of borrowings

(Unit: million yen)	FY Ended March 2024		FY Ended March 2025	
	Actual	Actual	Year-on-Year Change (%)	Comments
Current assets	73,479	67,543	-8.1%	Decrease in cash and deposits
Non-current assets	137,906	141,773	2.8%	Decrease in land due to selling Increase in rental karaoke equipment, store equipment, etc.
Total assets	211,386	209,316	-1.0%	
Current liabilities	36,914	35,990	-2.5%	
Non-current liabilities	65,480	55,463	-15.3%	Decrease in long-term borrowings
Total liabilities	102,394	91,454	-10.7%	
Shareholders' equity	106,340	114,481	7.7%	
Accumulated other comprehensive income	1,240	1,851	49.2%	
Total net assets	108,991	117,862	8.1%	
Total liabilities/net assets	211,386	209,316	-1.0%	

Consolidated Cash Flow Statement

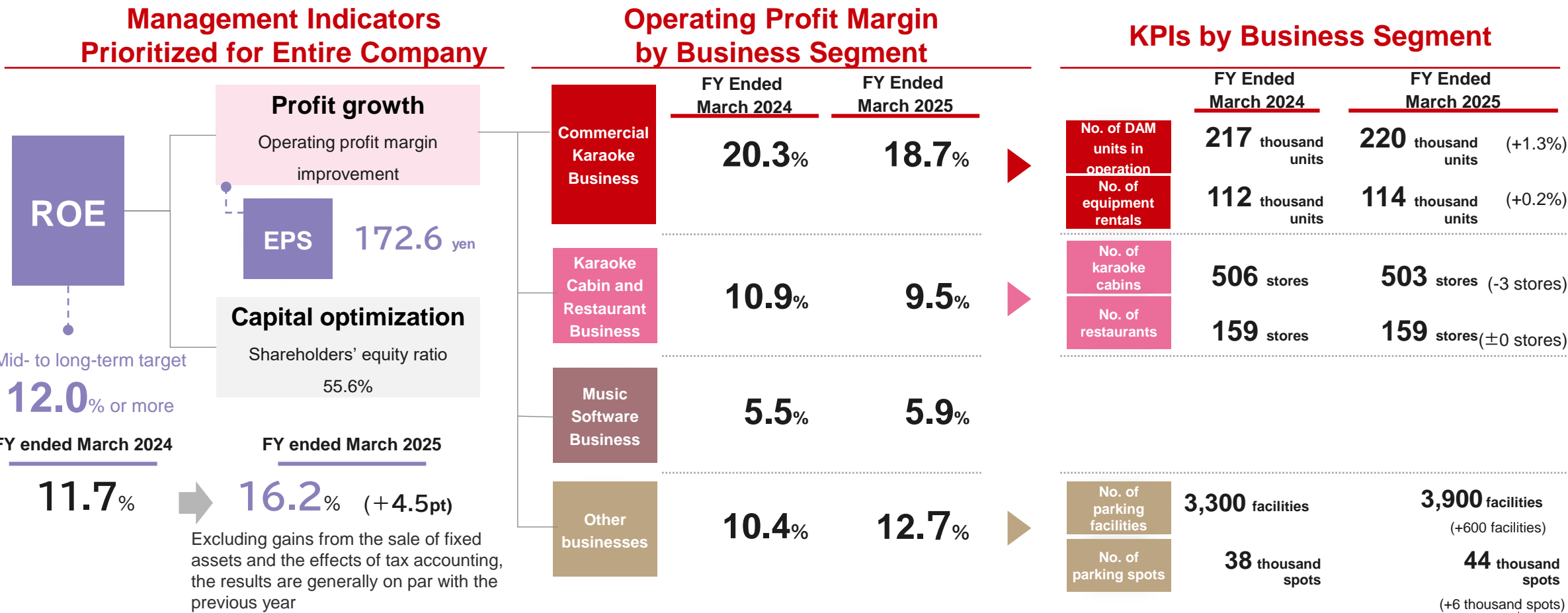
The acquisition of fixed assets (head office building) and the associated borrowings from the previous year have been eliminated, resulting in a significant improvement in free cash flow

(Unit: million yen)	FY Ended March 2024	FY Ended March 2025	
	Actual	Actual	Year-on-Year Change
Cash flows from operating activities	26,799	24,656	-2,142
Cash flows from investing activities	-55,915	-11,445	44,469
Cash flows from financing activities	6,926	-20,901	-27,828
Cash and cash equivalents at start of period	71,423	49,306	-22,117
Cash and cash equivalents at end of period	49,306	41,584	-7,721
Free cash flows	-29,115	13,210	42,326

Consolidated Management Indicators

In the Commercial Karaoke Business and the karaoke Cabin and Restaurant Business, the profit margin decreased due to increased depreciation expenses from investments and higher personnel costs.

On the other hand, the parking business expanded



01 Fiscal Year Ended March 2025:
Overview of Financial Results



**02 Forecast for Fiscal Year Ending
March 2026**

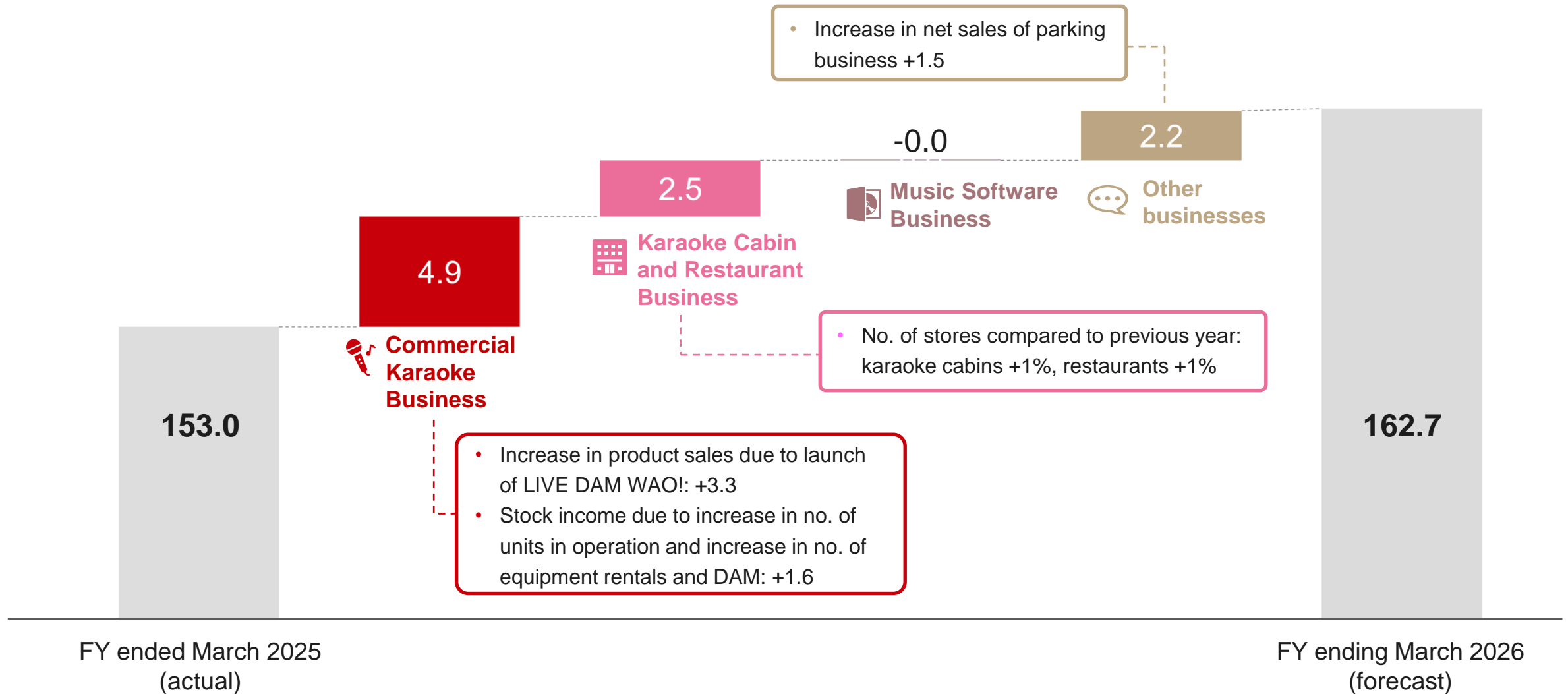
Earnings Forecast for Fiscal Year Ending 2026

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

(Unit: million yen)	FY Ended March 2025	FY Ending March 2026		
	Actual	Forecast	Year-on-Year Change (%)	Year-on-Year Change (Amount)
Net sales	153,020	162,700	6.3%	9,679
Operating profit	17,945	18,000	0.3%	54
Operating profit margin (%)	11.7%	11.1%	–	-0.6 pt
Net income attributable to parent company shareholders	18,178	13,000	-28.5%	-5,178

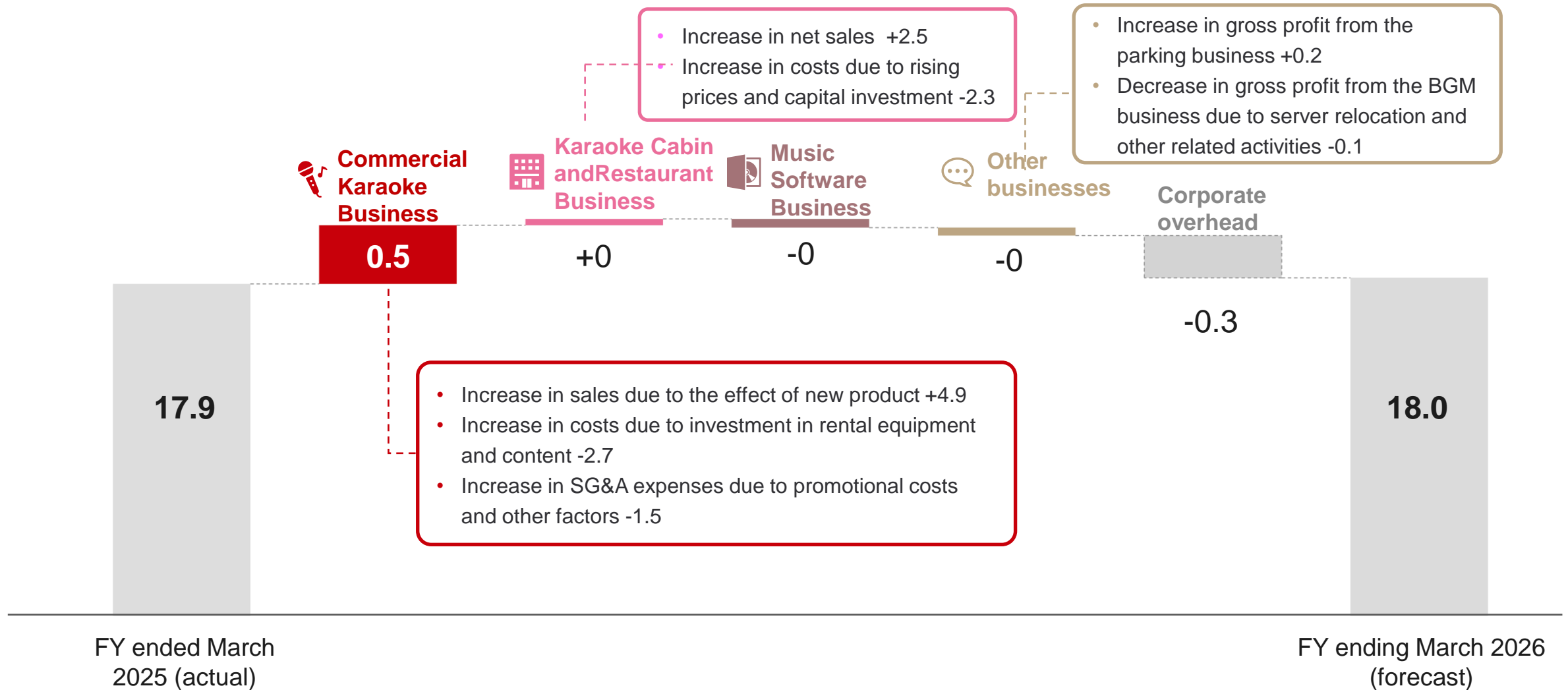
Factor Analysis of Change in Net Sales

(Billion yen)



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

(Billion yen)



Fiscal Year Ending March 2026: Earnings Forecast by Segment

**Commercial Karaoke Business**

- For night business market
- Karaoke box market
- For 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 %**

**Karaoke Cabin and Restaurant Business**

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
- Pursuing replacement of old equipment models

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.

Other businesses

- 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.

Entire company

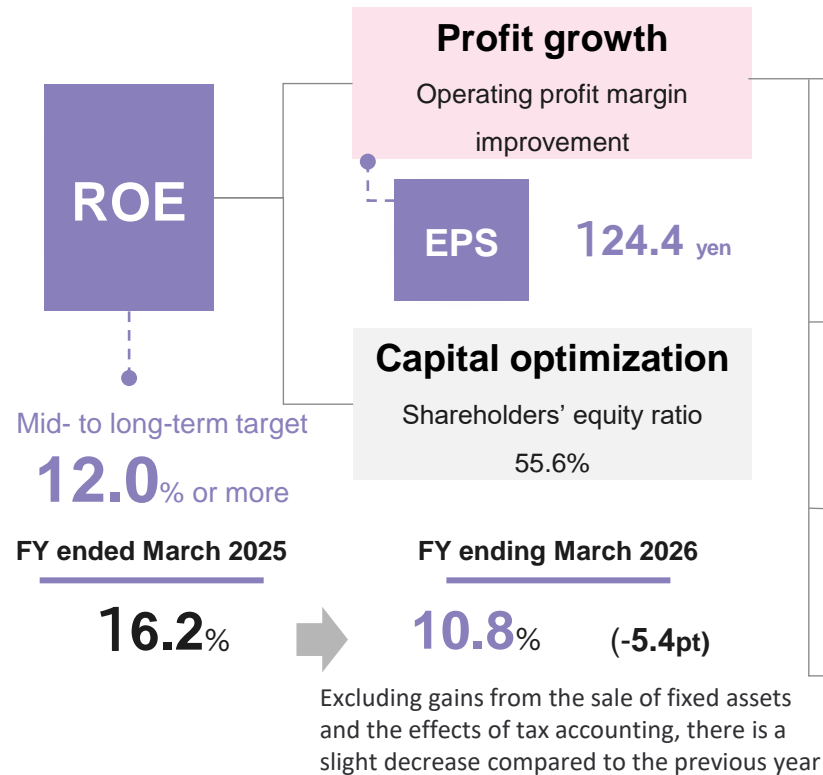
- We plan to relocate our head office functions around February 2026. The head office, which is currently distributed across 3 locations, will be consolidated in 1 location with the aim of making the company more dynamic through inter-departmental communication, improving productivity, and creating innovation

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

Management Indicators Prioritized for Entire Company



Operating Profit Margin by Business Segment

	FY Ended March 2025	FY Ending March 2026(forecast)
Commercial Karaoke Business	18.7%	18.2%
Karaoke Cabin and Restaurant Business	9.5%	9.3%
Music Software Business	5.9%	4.5%
Other businesses	12.7%	11.0%

KPIs by Business Segment

	FY Ended March 2025	FY Ending March 2026(forecast)
No. of DAM units in operation	220 thousand units	225 thousand units (+2.3%)
No. of equipment rentals	114 thousand units	118 thousand units (+3.5%)
No. of karaoke cabins	503 stores Existing store YOY 102%	510 stores (+7 stores) 101% (-1pt)
No. of restaurants	159 stores Existing store YOY 103%	171 stores (+12 stores) 101% (-2pt)
No. of parking facilities	3,900 facilities	4,500 facilities (+600 facilities)
No. of parking spots	44 thousand spots	50 thousand spots (+0.6 thousand spots)

 **DAIICHIKOSHO**

 **Singing** 歌いながらいこう。

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