

Translation

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FY2025, the year ended March 31, 2026

Flash Report on the Consolidated Results for the Year Ended March 31, 2026 [JGAAP]

May 13, 2026

Company Name: **DAIICHIKOSHO CO., LTD.**
 Stock Exchange Listing: Tokyo Stock Exchange
 Code Number: 7458
 URL: <https://www.dkkaraoke.co.jp/>
 Representative: Tadahiro Hoshi, President
 Contact: Yasuhisa Nishihara, General Manager, Accounting Department
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 Date of the Ordinary General Meeting of Shareholders: June 26, 2026
 Start Date for Dividend Payment: June 29, 2026
 Scheduled Date to Submit the Securities Report: June 25, 2026
 Availability of Supplementary Briefing Material on Financial Results: Available
 Schedule of Financial Results Briefing Session: Scheduled (for institutional investors and analysts)

(Amounts below one million yen are truncated.)

1. Consolidated Performance for the Year Ended March 31, 2026 (From April 1, 2025, to March 31, 2026)

(1) Consolidated operating results (Percentage figures indicate increase/decrease from a year earlier.)

	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2026	162,950	6.5	17,917	(0.2)	18,265	(0.7)
Year ended March 31, 2025	153,020	4.3	17,945	(3.5)	18,396	(6.0)

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
Year ended March 31, 2026	15,889	(12.6)	153.38	152.91
Year ended March 31, 2025	18,178	44.6	172.56	172.09

(Note) Comprehensive income:

Year ended March 31, 2026: 15,208 million yen [(19.2) %]

Year ended March 31, 2025: 18,828 million yen [41.8 %]

	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	%	%	%
Year ended March 31, 2026	13.2	8.5	11.0
Year ended March 31, 2025	16.2	8.7	11.7

(Reference) Equity in net income of unconsolidated subsidiaries and affiliates:

Year ended March 31, 2026: — million yen

Year ended March 31, 2025: — million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	220,445	125,349	56.1	1,196.01
As of March 31, 2025	209,316	117,862	55.6	1,113.36

(Reference) Shareholders' equity:

As of March 31, 2026: 123,640 million yen

As of March 31, 2025: 116,333 million yen

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2026	25,096	(11,041)	(7,196)	48,475
Year ended March 31, 2025	24,656	(11,445)	(20,901)	41,584

2. Dividend

	Annual dividend				
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	—	28.00	—	29.00	57.00
Year ended March 31, 2026	—	28.00	—	39.00	67.00
Year ending March 31, 2027 (forecast)	—	28.00	—	29.00	57.00

	Aggregate amount of dividend (total)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	Millions of yen	%	%
Year ended March 31, 2025	5,969	33.0	5.4
Year ended March 31, 2026	6,926	43.7	5.8
Year ending March 31, 2027 (forecast)		48.3	

Breakdown of the year-end dividend for the year ended March 31, 2026:

- Ordinary dividend: 29.00 yen

- Commemorative dividend for the Company's 55th anniversary: 10.00 yen

3. Forecast of Consolidated Performance for FY2026, the Year Ending March 31, 2027 (From April 1, 2026, to March 31, 2027)

(Percentage figures indicate increase/decrease from a year earlier.)

	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ending September 30, 2026	79,600	(0.8)	8,800	4.4	9,200	6.9
Year ending March 31, 2027 (full year)	168,700	3.5	18,500	3.3	18,900	3.5

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Six months ending September 30, 2026	6,800	11.2	65.78
Year ending March 31, 2027 (full year)	12,200	(23.2)	118.01

*Notes

- (1) Significant changes in scope of consolidation during the period: Yes
 Newly included: 2 Companies: TONIN CORPORATION, Tonin Biru Kanri Kabushiki Kaisha
 Excluded: 2 Companies: Kabushiki Kaisha Tosei Tokki, Airside Inc.
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 1) Changes in accounting policies due to the revision of accounting standards: None
 2) Changes in accounting policies other than 1) above: None
 3) Changes in accounting estimates: None
 4) Retrospective restatement: None

(3) Number of common shares issued

1) Number of shares issued (including treasury shares)	As of March 31, 2026	103,968,400 shares	As of March 31, 2025	109,468,400 shares
2) Number of treasury shares	As of March 31, 2026	591,507 shares	As of March 31, 2025	4,980,507 shares
3) Average number of shares during the period	Year ended March 31, 2026	103,595,948 shares	Year ended March 31, 2025	105,345,076 shares

(Reference) Outline of Nonconsolidated Financial Results

1. Nonconsolidated Performance for the Year Ended March 31, 2026 (From April 1, 2025, to March 31, 2026)

(1) Nonconsolidated operating results

(Percentage figures indicate increase/decrease from a year earlier.)

	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2026	116,745	7.6	14,192	1.9	15,488	2.7
Year ended March 31, 2025	108,483	2.0	13,933	(1.7)	15,076	(10.3)

	Profit		Basic earnings per share		Diluted earnings per share	
	Millions of yen	%	Yen		Yen	
Year ended March 31, 2026	11,379	(28.4)	109.84		109.50	
Year ended March 31, 2025	15,903	38.2	150.97		150.55	

(2) Nonconsolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of March 31, 2026	174,949		65,922		37.4		633.21	
As of March 31, 2025	171,403		62,627		36.3		594.94	

(Reference) Shareholders' equity:

As of March 31, 2026: 65,459 million yen
 As of March 31, 2025: 62,163 million yen

* These consolidated financial results are outside the scope of audit by Certified Public Accountants or auditing corporations.
* Explanation for the appropriate use of performance forecasts and other special notes: <ul style="list-style-type: none"> • The statements regarding forecast of financial results in this report are based on the information that is available, as well as estimates, assumptions and projections that are believed to be reasonable at the time of publication. Therefore, there might be cases in which actual results greatly differ from forecast values. For the conditions underlying the assumptions made for financial results forecasts and their use, please see "1. Overview of Operating Results, etc. (4) Future Outlook" on page 8 of the Attachments. • Supplementary materials for the financial results have been disclosed today on TDnet and the Company's website. In addition, the Company plans to hold a financial results briefing for institutional investors and analysts on May 21, 2026. The materials for this briefing will be disclosed on TDnet and the Company's website by the date of the briefing.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

In the fiscal year ended March 31, 2026 (the “fiscal year under review”), Japan’s economy trended toward a moderate recovery, with improvement in the employment and wages environment. Its outlook, however, remains unclear, mainly due to the impact of economic slowdown overseas, rising commodity prices, and changes in monetary policy.

In the karaoke industry, where DAIICHIKOSHO CO., LTD. (the “Company,” together with its subsidiaries, the “Group”) operates, amid a moderate improvement in demand as a whole, mainly in the night business and the karaoke cabin markets, the Company’s mainstay markets, competition among businesses intensified in central areas of each trading area.

As a result of taking a series of measures in our businesses amid such a situation, in the fiscal year under review, net sales amounted to 162,950 million yen (up 6.5% year on year), a record high. In terms of profits, operating profit was 17,917 million yen (down 0.2% year on year) and ordinary profit was 18,265 million yen (down 0.7% year on year), due to an increase in selling, general and administrative expenses such as personnel expenses, as well as promotion expenses associated with the launch of a new flagship model of DAM and head office relocation expenses. Profit attributable to owners of parent amounted to 15,889 million yen (down 12.6% year on year) in the absence of the increase in deferred tax assets recorded in the previous fiscal year, despite an increase in extraordinary income such as gain on sale of non-current assets.

	(Millions of yen)			
	FY2024	FY2025	Year-on-year change	% change
Net sales	153,020	162,950	9,930	6.5%
Operating profit	17,945	17,917	(28)	(0.2)%
Ordinary profit	18,396	18,265	(130)	(0.7)%
Profit attributable to owners of parent	18,178	15,889	(2,288)	(12.6)%

Operating results by segment are as follows.

(Commercial karaoke business)

In the commercial karaoke business, with the ongoing overall moderate recovery, mainly in the seniors’ market, which is a growth market for the Company, the number of DAM units in operation increased slightly year on year.

In such an environment, we launched a new flagship model of DAM, “LIVE DAM WAO!,” for the first time in five and a half years, in April 2025. This device is based on the concept of “The more you sing, the newer the ‘Wow,’” and features a new playing method that delivers higher sound quality and a richer sound, as well as a large number of new videos of the original artists. In addition, the new “Voice Magic” feature and “Quartet Harmony Microphone,” which makes it possible to use four microphones simultaneously, were introduced to update the singing experience and offer a wide range of functions that will appeal to both hardcore karaoke fans and karaoke beginners. In the fiscal year under review, we strived to expand the user base of karaoke by doing promotions that lead to expanded sales of this device through diverse media, including TV commercials and social media. We also worked to increase per-unit DAM revenue through such measures as the replacement of previous models with the new model.

In the seniors’ market, to further spread the awareness that “Singing is good for one’s health,” we expanded sales of FREE DAM LIFE, a model developed exclusively for the seniors’ market, through door-to-door sales activities targeting nursing facilities, holding online concerts, and others, while also promoting the features that lessen the burden on nursing facility staff.

As a result, due to, among other factors, increased revenue from product sales, mainly in wholesale, owing to new product launches, net sales increased by 4.8% year on year and operating profit increased by 2.1% year on year.

	(Millions of yen)			
	FY2024	FY2025	Year-on-year change	% change
Net sales	62,289	65,278	2,989	4.8%
Operating profit	11,677	11,922	245	2.1%

(Karaoke cabin and restaurant business)

In the karaoke cabin and restaurant business, we opened 10 karaoke cabins and 20 restaurants and closed eight karaoke cabins and 12 restaurants, and we operated 521 karaoke cabins and 167 restaurants as of the end of the fiscal year under review, including the increase due to M&A activities (16 karaoke cabins).

The flow of customers remained solid, slightly exceeding expectations, particularly in high seasons such as summer vacations and the year-end and New Year period, mainly due to the success of cabin refurbishments carried out in the previous fiscal year and the early roll-out of “LIVE DAM WAO!,” and sales increased by 4% at existing karaoke cabins and by 2% at existing restaurants year on year during the fiscal year under review.

Under such circumstances, for BIG ECHO karaoke cabins, under the slogan “BIG SMILE, BIG ECHO. Let’s sing, laugh, and do more with everyone,” we worked to improve the quality of karaoke equipment and acoustic facilities as a chain directly operated by a karaoke system manufacturer. We also strived to create a variety of joy and fun through karaoke by actively pursuing collaborations with diverse artists and animation works in our “Big Smile Campaign.”

In addition, regarding “LIVE DAM WAO!” launched in April 2025, we rolled it out to all BIG ECHO stores to enable customers to experience the new features as soon as possible and thereby strived to enhance customer attraction, while also reinforcing the core value of karaoke as a way to gather, sing, and enjoy together.

For restaurants, reservations and orders remained as strong as in the previous fiscal year, and we worked to improve the quality of the restaurants’ environment, customer service, and food by utilizing customer surveys. We also strived to attract a wide range of customers, including by opening four “REGALO” darts halls, as well as the new brands “Mushi to Sake Michiru” and “Charcoal Grill & BAR ROBACE.”

As a result, net sales increased by 6.7% year on year, mainly due to an increase in revenue from existing stores as well as an increase in revenue from restaurants opened, and operating profit increased by 4.5% year on year.

(Millions of yen)

	FY2024	FY2025	Year-on-year change	% change
Net sales	66,550	71,003	4,452	6.7%
Operating profit	6,345	6,633	288	4.5%

(Music software business)

In the music software business, in addition to our efforts to discover new artists and create hit songs, we strived to build a steady earnings model by concentrating our efforts on the music publishing business leveraging our own media, mainly karaoke.

As a result, net sales decreased by 1.7% year on year, and operating profit decreased by 56.9% year on year.

(Millions of yen)

	FY2024	FY2025	Year-on-year change	% change
Net sales	5,552	5,459	(93)	(1.7)%
Operating profit	325	140	(185)	(56.9)%

(Other businesses)

In the other businesses, progress was made in the expansion of the parking business operating “The Park” brand as its new pillar of revenue, and the business scale expanded to approximately 4,400 parking facilities and 51,000 parking spots as of the end of the fiscal year under review. The BGM business, which operates “Stardigio Air,” and the home-use karaoke service, “Karaoke@DAM,” also performed strongly.

As a result, net sales increased by 13.9% year on year owing to factors such as an increase in revenue from the parking business, and operating profit increased by 18.5% year on year.

(Millions of yen)

	FY2024	FY2025	Year-on-year change	% change
Net sales	18,627	21,208	2,581	13.9%
Operating profit	2,372	2,812	439	18.5%

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the fiscal year under review increased by 11,128 million yen from the end of the previous fiscal year to 220,445 million yen.

Major changes from the previous fiscal year were, in current assets, an increase of 6,891 million yen in cash and deposits, an increase of 1,033 million yen in accounts receivable – trade, and an increase of 1,319 million yen in pre-paid expenses included in other.

In non-current assets, buildings and structures increased by 9,472 million yen, karaoke cabin and restaurant facilities increased by 2,603 million yen, land increased by 18,342 million yen, and goodwill increased by 2,340 million yen, while construction in progress decreased by 32,201 million yen.

Liabilities increased by 3,642 million yen from the end of the previous fiscal year to 95,096 million yen.

Major changes from the previous fiscal year were, in current liabilities, an increase of 1,781 million yen in accounts payable – other and a decrease of 9,247 million yen in short-term borrowings.

In non-current liabilities, long-term borrowings increased by 10,554 million yen.

Net assets increased by 7,486 million yen from the end of the previous fiscal year to 125,349 million yen.

This is primarily attributable to an increase in retained earnings of 15,889 million yen due to profit attributable to owners of parent, a decrease in retained earnings of 5,924 million yen due to the dividends of surplus, and a decrease of 1,884 million yen due to purchase of treasury shares.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and deposits (hereinafter referred to as “funds”) at the end of the fiscal year under review increased by 6,891 million yen from the previous fiscal year to 48,475 million yen.

The following is an overview of cash flows in the fiscal year under review.

(Cash Flows from Operating Activities)

Funds provided by operating activities increased by 439 million yen year on year to 25,096 million yen, mainly due to profit before income taxes of 23,636 million yen, depreciation of 17,077 million yen, and income taxes paid of 7,952 million yen.

(Cash Flows from Investing Activities)

Funds used in investing activities decreased by 404 million yen year on year to 11,041 million yen, mainly due to purchase of property, plant and equipment of 16,790 million yen, proceeds from the sale of property, plant and equipment of 16,083 million yen, purchase of intangible assets of 3,724 million yen, payments for acquisition of video licenses of 2,793 million yen, and purchase of shares of subsidiaries resulting in change in scope of consolidation of 4,207 million yen.

(Cash Flows from Financing Activities)

Funds used in financing activities decreased by 13,705 million yen year on year to 7,196 million yen, mainly due to proceeds from long-term borrowings of 11,140 million yen, repayments of long-term borrowings of 10,992 million yen, dividends paid of 5,927 million yen and purchase of treasury shares of 1,884 million yen.

(Reference) Cash flow indicators

	As of March 31				
	2022	2023	2024	2025	2026
Equity ratio (%)	57.4	56.4	50.9	55.6	56.1
Equity ratio at market value (%)	105.3	126.4	98.0	85.9	79.1
Ratio of interest-bearing debt to cash flow (years)	2.6	1.8	2.4	2.2	2.2
Interest coverage ratio (times)	90.9	143.4	192.9	57.1	60.5

Notes: Equity ratio is shareholders' equity divided by total assets.

Equity ratio at market value is market capitalization divided by total assets.

Ratio of interest-bearing debt to cash flow is interest-bearing debt divided by cash flow.

Interest coverage ratio is cash flow divided by interest expenses.

1. All figures are calculated on a consolidated basis.
2. Market capitalization is calculated by multiplying closing share price at fiscal year-end by the number of shares issued less treasury shares at fiscal year-end.

3. Cash flows from operating activities on the consolidated statements of cash flows are used as “cash flow.”
4. Interest-bearing debt represents the sum of all liabilities on the consolidated balance sheets subject to interest payment. Interest paid on the consolidated statements of cash flows is used as “interest expenses.”

(4) Future Outlook

Domestic demand, centered on personal consumption, is expected to experience a moderate recovery trend on the back of improvements in the employment environment and ongoing wage increases. However, the economic outlook is expected to remain uncertain due to factors such as rising geopolitical risks overseas and a sense of instability in exchange rates, as well as the impact of price hikes of commodities in Japan.

In the domestic karaoke market, the demand for karaoke will continue to expand in the seniors’ market, including nursing facilities, but the night business and the karaoke cabin markets, the Company’s existing markets, are expected to remain largely flat. In this context, demand is expected to concentrate in the central areas of each region, with each market player, including manufacturers, distributors, and stores, engaging in more active restructuring and more intense competition.

Recognizing these circumstances, the Group will strive to strengthen its competitiveness and profitability through the enhancement of the brand value of “DAM” and “BIG ECHO” by effectively investing management resources in the commercial karaoke business that has a high market share and the karaoke cabin and restaurant business. In addition, we will also aim at sustainable growth by striving to expand and increase the profitability of the parking business, which has been growing.

In the commercial karaoke business, we will strive to increase profit per DAM unit by appealing to customers through the functions and content of “LIVE DAM WAO!,” launched in April 2025, to gain greater penetration into the karaoke cabin and night business markets. At the same time, we will endeavor to expand the user base of karaoke and encourage users to sing more. In the seniors’ market, we will aim to increase the number of DAM units in operation, as well as contribute to the solution of social issues such as extending healthy lifespans and reducing workloads for care facility staff, through the sales and marketing of FREE DAM LIFE, which is the equipment dedicated for the seniors’ market.

In the karaoke cabin and restaurant business, we will push ahead further with our existing prime location strategy and aim to strengthen our profitability by opening cabins and restaurants in highly populated areas, including store replacements. For karaoke cabins, we will work to enhance equipment further as a chain directly operated by a karaoke system manufacturer, such as the equipment for karaoke, sound, and aesthetics, and improve customer satisfaction through the provision of higher-quality services. For restaurants, we will focus on developing new brands that capture customer needs, while also striving to attract a wide range of customers by offering not only our mainstay private dining rooms but also entertainment options such as karaoke and darts.

In the music software business, we will work to discover new artists and create hit songs while also focusing on the music publishing business to construct a steady earnings model.

In the parking business, which we are currently focusing on as a growing business, we will pursue development of new facilities, including M&As, and aim to grow the size of the business further, while also working to improve profitability by improving and reorganizing unprofitable facilities.

In February 2026, we relocated our head office functions. By consolidating our head office, which was previously spread across three locations, into a single location, we will work to increase corporate value by enhancing communication between departments, improving productivity, and achieving the creation of new innovations.

Based on the above, we expect net sales of 168.7 billion yen, operating profit of 18.5 billion yen, ordinary profit of 18.9 billion yen and profit attributable to owners of parent of 12.2 billion yen in the next fiscal year.

The earnings forecast has been made based on information available as of the publication date of this material, and actual operating results may differ from such forecasts due to various factors.

2. Basic Policy on Selection of Accounting Standards

The Group’s policy for the time being is to apply Japanese GAAP. The Group will consider whether to apply International Financial Reporting Standards (IFRS) taking into account trends of other companies in Japan.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	FY2024	FY2025
	(As of March 31, 2025)	(As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	41,949	48,841
Notes receivable - trade	39	7
Accounts receivable - trade	5,948	6,982
Inventories	13,769	14,023
Other	5,989	7,540
Allowance for doubtful accounts	(153)	(185)
Total current assets	67,543	77,209
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,289	24,017
Accumulated depreciation	(9,600)	(8,855)
Buildings and structures, net	5,689	15,162
Karaoke equipment for rental	57,664	62,749
Accumulated depreciation	(48,053)	(52,363)
Karaoke equipment for rental, net	9,610	10,386
Karaoke cabin and restaurant facilities	51,592	56,557
Accumulated depreciation	(37,696)	(40,057)
Karaoke cabin and restaurant facilities, net	13,896	16,499
Land	34,940	53,282
Construction in progress	32,316	114
Other	9,274	10,157
Accumulated depreciation	(6,770)	(7,242)
Other, net	2,504	2,914
Total property, plant and equipment	98,958	98,361
Intangible assets		
Goodwill	5,094	7,435
Other	5,887	6,137
Total intangible assets	10,982	13,572
Investments and other assets		
Investment securities	7,044	6,429
Long-term loans receivable	361	663
Deferred tax assets	7,435	8,570
Deferred tax assets for land revaluation	175	-
Leasehold and guarantee deposits	14,684	14,772
Other	2,247	959
Allowance for doubtful accounts	(115)	(94)
Total investments and other assets	31,833	31,301
Total non-current assets	141,773	143,235
Total assets	209,316	220,445

DAIICHIKOSHO CO., LTD.

	FY2024 (As of March 31, 2025)	FY2025 (As of March 31, 2026)
(Millions of yen)		
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,885	2,375
Short-term borrowings	12,443	3,196
Accounts payable - other	9,717	11,498
Income taxes payable	4,752	5,097
Contract liabilities	972	1,100
Provision for bonuses	1,272	1,073
Other	2,946	3,009
Total current liabilities	35,990	27,351
Non-current liabilities		
Long-term borrowings	41,128	51,682
Deferred tax liabilities	25	137
Provision for retirement benefits for directors (and other officers)	635	623
Retirement benefit liability	8,169	9,291
Asset retirement obligations	1,873	2,078
Other	3,631	3,931
Total non-current liabilities	55,463	67,744
Total liabilities	91,454	95,096
Net assets		
Shareholders' equity		
Share capital	12,350	12,350
Capital surplus	4,211	4,211
Retained earnings	108,490	106,897
Treasury shares	(10,571)	(1,195)
Total shareholders' equity	114,481	122,263
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,867	1,492
Revaluation reserve for land	(558)	(158)
Foreign currency translation adjustment	148	191
Remeasurements of defined benefit plans	394	(148)
Total accumulated other comprehensive income	1,851	1,376
Share acquisition rights	464	462
Non-controlling interests	1,065	1,246
Total net assets	117,862	125,349
Total liabilities and net assets	209,316	220,445

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

	(Millions of yen)	
	FY2024 (From April 1, 2024, to March 31, 2025)	FY2025 (From April 1, 2025, to March 31, 2026)
Net sales	153,020	162,950
Cost of sales	99,262	106,771
Gross profit	53,757	56,179
Selling, general and administrative expenses		
Advertising expenses	1,605	2,214
Promotion expenses	1,918	1,918
Packing and freight expenses	714	714
Remuneration for directors (and other officers)	1,070	1,113
Provision for retirement benefits for directors (and other officers)	118	121
Salaries and bonuses	14,619	15,164
Provision for bonuses	976	752
Retirement benefit expenses	571	707
Rent expenses	1,076	1,158
Depreciation	642	765
Commission expenses	2,269	2,735
Other	10,226	10,893
Total selling, general and administrative expenses	35,811	38,261
Operating profit	17,945	17,917
Non-operating income		
Interest income	32	64
Dividend income	176	216
Commission income	164	174
Insurance claim income	234	113
Cooperative monetary aid received	161	311
Compensation income	562	47
Foreign exchange gains	0	-
Other	507	496
Total non-operating income	1,839	1,425
Non-operating expenses		
Interest expenses	425	446
Foreign exchange losses	-	31
Commission expenses	35	35
Cancellation penalty	28	37
Loss on refund of subsidy	653	-
Settlement expenses	63	311
Other	183	215
Total non-operating expenses	1,389	1,076
Ordinary profit	18,396	18,265
Extraordinary income		
Gain on sale of non-current assets	4,415	7,663
Gain on sale of investment securities	1,380	330
Total extraordinary income	5,796	7,994
Extraordinary losses		
Loss on disposal of non-current assets	219	211
Impairment losses	1,061	2,412
Total extraordinary losses	1,280	2,624
Profit before income taxes	22,911	23,636
Income taxes - current	7,353	8,249
Income taxes - deferred	(2,658)	(696)
Total income taxes	4,694	7,553
Profit	18,217	16,082
Profit attributable to non-controlling interests	38	193
Profit attributable to owners of parent	18,178	15,889

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	FY2024 (From April 1, 2024, to March 31, 2025)	FY2025 (From April 1, 2025, to March 31, 2026)
Profit	18,217	16,082
Other comprehensive income		
Valuation difference on available-for-sale securities	401	(374)
Revaluation reserve for land	175	-
Foreign currency translation adjustment	(39)	43
Remeasurements of defined benefit plans, net of tax	74	(542)
Total other comprehensive income	610	(874)
Comprehensive income	18,828	15,208
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,789	15,015
Comprehensive income attributable to non-controlling interests	38	193

(3) Consolidated Statements of Changes in Equity
FY2024 (from April 1, 2024, to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,350	4,211	96,350	(6,571)	106,340
Changes during period					
Dividends of surplus			(6,038)		(6,038)
Profit attributable to owners of parent			18,178		18,178
Purchase of treasury shares				(3,999)	(3,999)
Disposal of treasury shares					–
Cancellation of treasury shares					–
Change in ownership interest of parent due to transactions with non-controlling interests					–
Reversal of revaluation reserve for land					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	12,140	(3,999)	8,140
Balance at end of period	12,350	4,211	108,490	(10,571)	114,481

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,466	(733)	188	320	1,240	374	1,035	108,991
Changes during period								
Dividends of surplus								(6,038)
Profit attributable to owners of parent								18,178
Purchase of treasury shares								(3,999)
Disposal of treasury shares								–
Cancellation of treasury shares								–
Change in ownership interest of parent due to transactions with non-controlling interests								–
Reversal of revaluation reserve for land								–
Net changes in items other than shareholders' equity	401	175	(39)	74	610	89	30	730
Total changes during period	401	175	(39)	74	610	89	30	8,871
Balance at end of period	1,867	(558)	148	394	1,851	464	1,065	117,862

FY2025 (from April 1, 2025, to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,350	4,211	108,490	(10,571)	114,481
Changes during period					
Dividends of surplus			(5,924)		(5,924)
Profit attributable to owners of parent			15,889		15,889
Purchase of treasury shares				(1,884)	(1,884)
Disposal of treasury shares			(39)	140	100
Cancellation of treasury shares			(11,119)	11,119	–
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Reversal of revaluation reserve for land			(399)		(399)
Net changes in items other than shareholders' equity					
Total changes during period	-	0	(1,593)	9,375	7,782
Balance at end of period	12,350	4,211	106,897	(1,195)	122,263

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,867	(558)	148	394	1,851	464	1,065	117,862
Changes during period								
Dividends of surplus								(5,924)
Profit attributable to owners of parent								15,889
Purchase of treasury shares								(1,884)
Disposal of treasury shares								100
Cancellation of treasury shares								–
Change in ownership interest of parent due to transactions with non-controlling interests								0
Reversal of revaluation reserve for land								(399)
Net changes in items other than shareholders' equity	(374)	399	43	(542)	(475)	(1)	180	(296)
Total changes during period	(374)	399	43	(542)	(475)	(1)	180	7,486
Balance at end of period	1,492	(158)	191	(148)	1,376	462	1,246	125,349

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2024 (From April 1, 2024, to March 31, 2025)	FY2025 (From April 1, 2025, to March 31, 2026)
Cash flows from operating activities		
Profit before income taxes	22,911	23,636
Depreciation	14,786	17,077
Amortization of goodwill	536	532
Impairment losses	1,061	2,412
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(30)	(12)
Interest and dividend income	(208)	(280)
Interest expenses	425	446
Foreign exchange losses (gains)	30	(32)
Loss (gain) on sale of investment securities	(1,380)	(330)
Loss (gain) on disposal of non-current assets	(4,196)	(7,452)
Loss on refund of subsidy	653	-
Decrease (increase) in trade receivables	(125)	(918)
Decrease (increase) in inventories	(2,543)	(204)
Transfer of cost of sales on karaoke equipment for rental	270	76
Decrease (increase) in advance payments to suppliers	925	(241)
Increase (decrease) in trade payables	(430)	(1,571)
Increase (decrease) in accounts payable - other	(632)	(151)
Other, net	797	200
Subtotal	32,850	33,185
Interest and dividends received	208	278
Interest paid	(431)	(415)
Refund amount of subsidy	(653)	-
Income taxes paid	(7,316)	(7,952)
Net cash provided by (used in) operating activities	24,656	25,096
Cash flows from investing activities		
Payments into time deposits	(34)	(10)
Proceeds from withdrawal of time deposits	57	10
Purchase of property, plant and equipment	(15,055)	(16,790)
Proceeds from sale of property, plant and equipment	9,489	16,083
Purchase of intangible assets	(3,709)	(3,724)
Payments for acquisition of video licenses	(2,256)	(2,793)
Proceeds from sale of investment securities	1,837	530
Purchase of investment securities	(802)	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(4,207)
Loan advances	(237)	(517)
Proceeds from collection of loans receivable	194	261
Payments of leasehold and guarantee deposits	(817)	(598)
Proceeds from refund of leasehold and guarantee deposits	321	326
Other, net	(433)	388
Net cash provided by (used in) investing activities	(11,445)	(11,041)

DAIICHIKOSHO CO., LTD.

	(Millions of yen)	
	FY2024 (From April 1, 2024, to March 31, 2025)	FY2025 (From April 1, 2025, to March 31, 2026)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(310)	487
Proceeds from long-term borrowings	780	11,140
Repayments of long-term borrowings	(11,316)	(10,992)
Dividends paid	(6,038)	(5,927)
Purchase of treasury shares	(3,999)	(1,884)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(1)
Other, net	(17)	(17)
Net cash provided by (used in) financing activities	(20,901)	(7,196)
Effect of exchange rate change on cash and cash equivalents	(30)	32
Net increase (decrease) in cash and cash equivalents	(7,721)	6,891
Cash and cash equivalents at beginning of period	49,306	41,584
Cash and cash equivalents at end of period	41,584	48,475

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Segment Information)

1. Overview of reportable segments

Reportable segments of the Group consist of units for which separate financial information is available and are regularly reviewed by the Company's Board of Directors to determine allocation of management resources and evaluate performance.

The Group operates business headquarters by product and service at its head office, each of which formulates a comprehensive strategy for its products and services and performs business activities.

Accordingly, the Group consists of segments by product and service based on business headquarters, and has three reportable segments, namely, the Commercial Karaoke business, the Karaoke Cabin and Restaurant business and the Music Software business.

The Commercial Karaoke business sells and leases commercial karaoke equipment, and provides on-demand karaoke video and audio contents. The Karaoke Cabin and Restaurant business operates karaoke cabins and restaurants. The Music Software business produces and sells music and visual software.

2. Information on the calculation method for the amounts of sales, profit or loss, assets, liabilities and other items by reportable segment

Segment profit is based on operating profit.

Assets are not allocated to business segments.

3. Information on the amounts of sales, profit or loss, assets, liabilities and other items by reportable segment

FY2024 (From April 1, 2024, to March 31, 2025)

(Millions of yen)

	Reportable segments				Other (Note 1)	Total	Adjusted amount (Note 2)	Posted amount to the consolidated statements of income
	Commercial karaoke	Karaoke cabin and restaurant	Music software	Subtotal				
Sales								
Sales to third parties	62,289	66,550	5,552	134,392	18,627	153,020	–	153,020
Intersegment sales and transfers	–	–	–	–	–	–	–	–
Total	62,289	66,550	5,552	134,392	18,627	153,020	–	153,020
Segment profit (Operating profit)	11,677	6,345	325	18,348	2,372	20,721	(2,775)	17,945
Other items								
Depreciation and amortization	9,028	2,440	22	11,492	1,395	12,887	133	13,021
Amortization of goodwill	–	–	–	–	536	536	–	536

- Notes: 1. The category “Other” comprises a business segment not attributed to reportable segments, including parking, real estate leasing and BGM broadcasting businesses.
2. The (2,775) million yen adjustment posted to segment profit is primarily composed of general and administrative expenses incurred by the administrative department at the head office that are not attributable to any particular reportable segment.

FY2025 (From April 1, 2025, to March 31, 2026)

(Millions of yen)

	Reportable segments				Other (Note 1)	Total	Adjusted amount (Note 2)	Posted amount to the consolidated statements of income
	Commercial karaoke	Karaoke cabin and restaurant	Music software	Subtotal				
Sales								
Sales to third parties	65,278	71,003	5,459	141,741	21,208	162,950	–	162,950
Intersegment sales and transfers	–	–	–	–	–	–	–	–
Total	65,278	71,003	5,459	141,741	21,208	162,950	–	162,950
Segment profit (Operating profit)	11,922	6,633	140	18,696	2,812	21,508	(3,591)	17,917
Other items								
Depreciation and amortization	9,138	3,260	42	12,441	1,738	14,179	154	14,333
Amortization of goodwill	–	–	–	–	532	532	–	532

- Notes: 1. The category “Other” comprises a business segment not attributed to reportable segments, including parking, real estate leasing and BGM broadcasting businesses.
3. The (3,591) million yen adjustment posted to segment profit is primarily composed of general and administrative expenses incurred by the administrative department at the head office that are not attributable to any particular reportable segment.

(Per Share Information)

	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Net assets per share	1,113.36 yen	1,196.01 yen
Basic earnings per share	172.56 yen	153.38 yen
Diluted earnings per share	172.09 yen	152.91 yen

Notes: The basis of calculation of basic earnings per share and diluted earnings per share are as follows:

	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	18,178	15,889
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (Millions of yen)	18,178	15,889
Average number of common shares during the period (Thousand shares)	105,345	103,595
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (Millions of yen)	—	—
Increase in number of common shares (Thousand shares)	291	322
[Of which, share acquisition rights] (Thousand shares)	[291]	[322]
Overview of potential shares not included in the calculation of diluted earnings per share due to lack of dilutive effect	—	—

(Significant Subsequent Events)

Not applicable.