

CORPORATE PROFILE

DAIICHIKOSHO CO., LTD.



We connect people with songs.
In order to realize a wonderful society
for everyone.

*Sing
for
Smile*

Singing naturally makes people smile.
Singing facilitates mind-to-mind connections
and spreads smiles to those around you.

Sing for smile—
We believe in the power of singing.
From children to the elderly,
we hope to make tomorrow wonderful for everyone.
We make the most of what singing can do for society.

Over the next hundred years,
DAIICHIKOSHO will commit to continuously
bring new value to society
so that singing connects people through smiles.
We will continue to sing together with everyone.

Introducing DAICHIKOSHO

More music to society, more service to society

DAIICHIKOSHO focuses on karaoke to promote and advance music as a mode of communication.

Commercial Karaoke Business

We are proud of our position as a market pioneer and the leading company in karaoke business.

We provide sales and rental of commercial karaoke systems and offer music and video for online karaoke.



Karaoke Room and Restaurant Business

Interpersonal connection space makes the ultimate amusement.

We offer karaoke rooms "BIG ECHO" and restaurants with a variety of concepts.



Record Label Business

Offering timeless and popular songs that match the sentiments of people.

We produce and distribute music and video software.



Franchise Business

All-round consulting services for karaoke box management.

We are expanding the franchise chain KARAOKE CLUB DAM.



Parking Business

Helping owners to increase the value of their properties.

We provide a new land use plan by operating a parking lot business.



BGM Broadcast Business

Sophisticated BGM creates a pleasant atmosphere.

We offer 110 channels of music broadcasts.



Web Business

Offering the fun of karaoke any time.

We also offer web streaming karaoke services.



Elder Business

Healthy mind and body with the power of singing and music.

The DK ELDER SYSTEM promotes karaoke as part of preventive care for better health of the elderly.

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| Commercial Karaoke Business |

We are proud of our position as a market pioneer and the leading company in karaoke business.

DAM

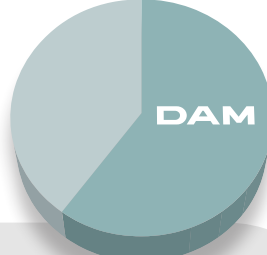
The top brand, DAM, supplies high-quality entertainment.

DAM holds a dominant share in the karaoke market and delivers sound and videos that make singing fun for karaoke singers around the nation. We plan and develop sophisticated karaoke music and video for commercial karaoke systems for broad-based users.

In addition to over 130 direct business offices, sales subsidiaries, corporate sales offices, we also have a strong nationwide distribution net-

work. With our finely tailored, locally rooted sales activities, we provide karaoke sales and rental solutions from installation to after-sales maintenance for end-to-end support of customer needs as part of our long-term relationship of trust.

In recent years, karaoke has become a popular leisure activity, as well as attracting the attention of the healthcare industry, making its way into the wider business domain.



Market Share **No.1**



Singing is fun and enjoyable
Sound and Videos



Thoughtful, courteous customer service
Over 130 sales bases nationwide

| Karaoke Room and Restaurant Business |

Interpersonal connection space makes the ultimate amusement.

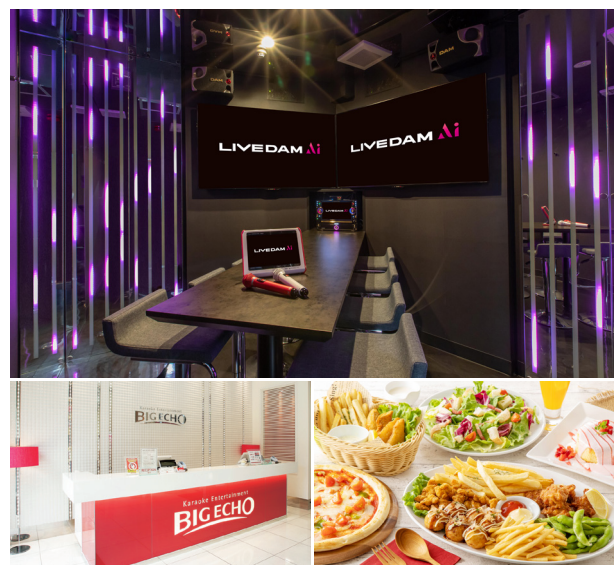


Offering a safe, secure space where customers can relax.

BIG ECHO is Japan's largest karaoke facility. Along with clean interiors, excellent sound and video quality, and an extensive food and drink menu, BIG ECHO offers attentive customer service that values the principle of Japanese hospitality for a fun, casual karaoke experience for every customer. In addition, we offer a wide range of concept rooms that customers can select according to the mood and situation so that the joy of singing grows. Our restaurants, offering delicious food

and a comfortable space, provide customers a relaxing time with their close friends. In addition to more than 20 brands with differing concepts such as dining establishments, pubs and entertainment bars, we are also expanding the opportunities for our customers to enjoy themselves by newly launching more than 30 business categories as delivery-only restaurants. We continue to pursue further comfort at our stores and strive to create a space where people can connect through karaoke and food.

Best-suited for the full enjoyment of singing.



Restaurants offer time for relaxation.



Record Label Business

Offering timeless and popular songs that match the sentiments of people.

CROWN NIPPON CROWN Co., Ltd.



Comprehensive business expansion to promote the music industry.

We release numerous songs to the world through DAIICHIKOSHO Group record companies, NIPPON CROWN Co., Ltd. and Tokuma Japan Communications Co., Ltd. We use organic connections to create synergistic effects in popular hit songs for karaoke, as well as making use of accessible media to promote songs for karaoke and people. We specialize in management operations of artists and the music publication business. By developing a comprehensive music business fused with karaoke, we strive to boost the entire music industry.

NIPPON CROWN Co., Ltd.

Artists

Saburo Kitajima	Ichiro Toba
Hiroshi Miyama	Natsumi Kawano
Kanta Ichijo	Junretsu
Takuya Nakazawa	Yoshiko Hanzaki
predia	BERRY GOODMAN
BiS	Ryota Kaizo
Haruka Kudo	and more.

<https://www.crownrecord.co.jp/>

Tokuma Japan Communications Co., Ltd.

Artists

Masao Sen
Ikuzo Yoshi
Akira Fuse
Kaori Mizumori
Hiroko Matsumae
Akio Kayama
Nobue Matsubara
Sanae Jonouchi
Kawori Aoi
Misaki Iwasa
FES☆TIVE
chuLa
NINGEN ISU
and more.

<https://www.tkma.co.jp/>



Franchise Business

All-round consulting services for karaoke box management.



We leverage the expertise we have acquired over many years to ensure the stable management of each store.

DAIICHIKOSHO is looking for a partner in our KARAOKE CLUB DAM franchise chain. We will thoroughly pass on our know-how of karaoke box operation accumulated over the last 30 years. Our comprehensive store management covers everything from the procurement of food ingredients to customer service skills focused on hospitality and sales promotions to attract customers.



Parking Business

Helping owners to increase the value of their properties.



A variety of parking facility options to accommodate all situations.

As a trusted partner, DAIICHIKOSHO offers a complete solution for parking operations and management. We ensure that our brand "The Park" land utilization brings new value to owners' important properties as a stable source of income.



BGM Broadcast Business

Sophisticated BGM creates a pleasant atmosphere.



Digital radio offers 110 music channels to create the right ambience for retail stores and facilities.

Our commercial BGM broadcast services offer an extensive line-up of channels to deliver sophisticated music to a broad range of commercial facilities including stores using our karaoke services. We support the creation of a comfortable ambience and relaxing space through our BGM.



Web Business

Offering the fun of karaoke any time.

カラオケ@DAM
DAM★とも

Offering web content for more accessible karaoke.

By offering web-based streaming karaoke and a smartphone application, we strive to enhance services so that customers can enjoy karaoke. The karaoke user community service, DAM★TOMO, works simultaneously with commercial online karaoke DAM to expand the fun of singing karaoke.



Healthy mind and body with the power of singing and music.

DK ELDER SYSTEM

**Supports the extension of a healthy life expectancy
and the enjoyment of an active life for the elderly.**

**DAIICHIKOSHO made an early
entry into the elderly market.**

Japan is facing the unprecedented growth of an aging society compared to the rest of the world. There are numerous serious concerns about poor medical care, rising social security expenses, the increased burden of nursing care, and a decline in the working-age population.

To prepare for a super-aging society, we developed the DK ELDER SYSTEM in 2001 with the aim of using our main business of karaoke to assist in the preventive care and health maintenance of elderly people, and we have been working to popularize the system. The system leverages the essential enjoyment of "singing and

music" and takes advantage of the benefits of maintaining and increasing the life functions of exercise, singing, and perception to help prevent nursing care and promote the health of the elderly. The system offers an array of music developed with the basic concepts of moving the body and seeing with the eyes to encourage the fun of health-promotion programs continuously called music fitness session.

Singing karaoke with friends helps restore a healthy mind and improve mobility by moving along with music in rhythm. The system promises to help prevent and mitigate dementia by watching images that bring back memories.

**Functional training at nursing facilities and
the preventive nursing care for healthy people.**

While nursing facilities offer functional training programs in physical exercise like walking, it was a challenge to implement training that users could enjoy continuously. The DK ELDER SYSTEM adds elements of entertainment, "singing and music" to functional training and recreation activities for user comfort and enjoyment. The system has been evaluated to have an additional benefit of functional improvement and has been adopted in numerous



facilities.

On the other hand, there is also a growing awareness of its benefit in preventing nursing care for those who do not require help. In recent years, the DK ELDER SYSTEM has been introduced in an increasing number of community centers and public facilities where active senior citizens gather. The background for this is that the government has announced that it is taking measures against dementia by expanding "gathering places" such as public halls to increase the participation rate of the elderly at such facilities.

Many elderly people are not happy in an expression "preventive nursing care". Because it is also important to address the effort for preventive nursing care by those who feel they do not need help yet, the DK ELDER SYSTEM using karaoke is very effective. This preventive nursing care program is easy for the elderly to use, making

it a popular system among local governments across the country.

**The practice of preventive nursing care
programs integrates objects and users.**

DAIICHIKOSHO trains instructors who can maximize the benefits of the DK ELDER SYSTEM. We recommend becoming a certified music fitness trainer by acquiring a license issued by the JAPAN Music Health Association to increase cooperation with local governments and to clarify the issue of the decline in nursing care costs and medical costs in the future. We are promoting the practice of nursing care prevention and health promotion programs that integrates objects and users.

It is our wish for the elderly to live an active life for a long time. We support a bright, enjoyable super-aging society with the power of "singing and music" for the extension of a healthy life expectancy.

Top Message
Making our services
easier to **understand** and **use**.



DAIICHIKOSHO
continues to
provide joy and fun.

Tadahiro Hoshi
President

Karaoke has established its presence as accessible entertainment for everyone. In the hope that as many people as possible enjoy singing as many songs as possible in karaoke, DAIICHIKOSHO Group, the leading company in karaoke, has enhanced content offerings for the ease of singing, sound quality, and vivid video quality for over forty years since its establishment. In addition, DAIICHIKOSHO Group is stepping up efforts to make each BIG ECHO location, as well as karaoke rooms and restaurants a comfortable space. Today, there are over 130 sales bases nationwide and over 700 directly-managed karaoke rooms and restaurants where we undertake business rooted in the community.

In recent years, the opportunities for karaoke have become more exceptionally diversified. In addition to its traditional role as accessible entertainment, karaoke's health-promoting benefits in a super-aging society are now in the spotlight. We believe that by adequately responding to people's expectations helps improve the added value of our services and further development in our business.

Making our services easier to understand and use—
With this basic principle, DAIICHIKOSHO Group is pledged to improve the level of services for karaoke. We strive to continuously be a contributor of the joy and fun for customers by actively embarking on new businesses.

Environmental Measures at stores

All BIG ECHO facilities are taking various environmental measures.

- Installed LED lighting as part of our efforts to reduce carbon dioxide
- Recycled toilet paper is used as part of our initiatives aimed at a resource-recycling society
- Stopped offering plastic straws to protect the environment

Support stations for people who are unable to return home after a disaster

We offer drinking water, bathrooms, and useful road information for people who are unable to return home after a major disaster in all BIG ECHO locations.

Raising relief money for wide-area disaster recovery support

In both Japan and overseas, DAIICHIKOSHO has actively participated in supporting wide-area disaster recovery and reconstruction. We set up donation boxes in BIG ECHO locations to raise relief and support money.

Donations for educational institutions

With the goal of promoting education, culture, and academics and support the development of new human assets for the next generation, we donate money to universities and educational institutions.

Cooperation for Japanese ancestry associations

We co-sponsor events by the Association of Nikkei & Japanese Abroad and the PanAmerican Nikkei Association. We support the mutual understanding and creation of strong ties between Japanese living abroad and Japan.

Reduction of paper usage

In consideration of the environment, we developed "DENMOKU," the industry's first karaoke request system that combines a paper index book with a remote control. Due to the widespread use of DENMOKU, our annual paper usage for index books has decreased to zero, compared to 7,800 tons of paper per year at the circulation peak.

* We discontinued issuing the index book in March 2020.

Corporate Profile

Corporate name	DAIICHIKOSHO CO., LTD.
Location	5-5-26 Kitashinagawa, Shinagawa City, Tokyo 141-8701 Japan Telephone +81-3-3280-2151 (Main)
Established	April 16, 1973
Capital	12,350 million yen
Listed stock market	First Section, Tokyo Stock Exchange, Inc. (Securities code: 7458)
Number of employees	1,891 company employees 3,437 group employees (As of the end of March 2021)
Business description	
Commercial karaoke business	Sales and rental of commercial karaoke systems and the offering of music and video for online karaoke
Karaoke room and restaurant business	Management of karaoke rooms "BIG ECHO" and restaurants
Music software business	Production and distribution of music and video software
Other businesses	BGM broadcast service Web service Real estate leasing business other.
URL	https://www.dkkaraoke.co.jp/english/

Executives

As of June 25, 2021

Directors / Corporate Auditors

President	Tadahiro Hoshi
Director	Harutoshi Hoshi
Director	Kenji Otsuka
Director	Takeshi Iijima
Director (Outside, Part-time)	Atsuya Furuta
Director (Outside, Part-time)	Chika Masuda
Corporate Auditor (Outside, Standing)	Hiroshi Umetsu
Corporate Auditor (Standing)	Shigeki Kobayashi
Corporate Auditor (Outside, Part-time)	Masumi Arichika
Corporate Auditor (Part-time)	Hiroyoshi Shibano

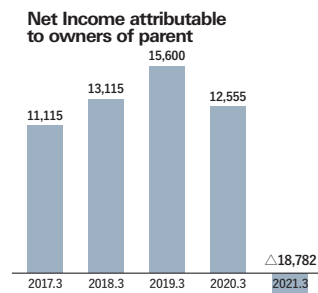
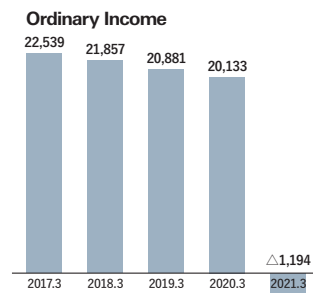
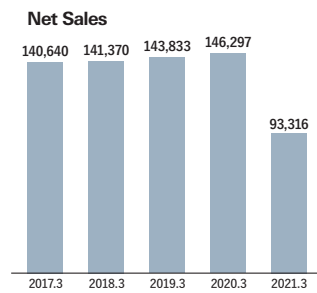
Corporate Officers

President and Chief Corporate Officer	Tadahiro Hoshi
Senior Managing Corporate Officer	Yuichi Murai
Managing Corporate Officer	Yasuhito Watanabe
Senior Corporate Officer	Harutoshi Hoshi
Senior Corporate Officer	Kenji Otsuka
Senior Corporate Officer	Takeshi Iijima
Senior Corporate Officer	Noriyuki Takehana
Senior Corporate Officer (Part-time)	Shuichiro Odajima
Corporate Officer	Hiroshi Kunitzu
Corporate Officer	Takeshi Sekizawa
Corporate Officer	Kenji Suda
Corporate Officer	Toshiharu Egashira

Financial Results

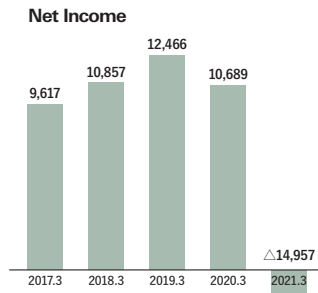
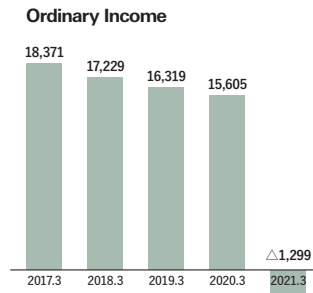
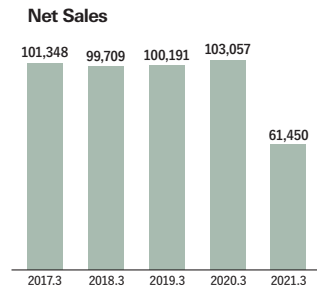
Consolidated

(millions of yen)



Unconsolidated

(millions of yen)



History

March	1971	HOSHI SHOTEN founded by late Tadahiko Hoshi (former Honorary Chairman) in Chofu City, Tokyo, and commenced sales of audio equipment.*
February	1976	Changed the NITTO INC. trade name and business direction to form DAIICHIKOSHO CO., LTD., in Nakano City, Tokyo, and commenced the commercial karaoke business.
May		Commenced sales of the Play Sound "TD-201" 8-track karaoke system and the "A Series" of karaoke tapes.
October	1978	Formed COSMO CO., LTD., (currently SHIZUOKA DAIICHIKOSHO CO., LTD., a consolidated subsidiary) in Hachioji City, Tokyo, as the first sales subsidiary in Japan (as of the end of March 2021, we have 23 domestic subsidiaries).
April	1979	Established the Tokyo Branch Office in Nakano City, Tokyo, as our first sales center for the karaoke equipment retail and leasing business (as of the end of March 2021, we have 50 direct business offices).
April	1982	Established the Nagoya corporate sales office in Nagoya City, Aichi, as our first center in the karaoke equipment wholesale business (as of the end of March 2021, we have 8 corporate sales offices).
June		Built a new Headquarters building (currently the Tokyo Branch Office Building) in Nakano City, Tokyo, and relocated there.
May	1983	Commenced sales of the "LD-V10" laser disc (LD) karaoke system.
October		Commenced sales of the "CDK-4000" compact disc (CD) karaoke system.
September	1984	Founded DK FINANCE CO., LTD., in Nakano City, Tokyo as a financial subsidiary.
October	1986	Commenced sales of the "LC-V30" LD karaoke system with auto-changer function.
July	1988	Founded Daiichi Kosho U.S.A. Inc. in New York City as an overseas subsidiary (as of the end of March 2021, we have 3 overseas subsidiaries).
September		Established the first karaoke room "BIG ECHO" Futamatase in Fukuoka City, Fukuoka (578 stores as of March 31, 2021).
January	1989	Built a new headquarters building in Shinagawa City, Tokyo, and relocated there.
September	1992	Commenced sales of the "DVK-2000" CD karaoke system using video compression (DV-I).
October	1993	Commenced sales of the "CDK-7F" VCD karaoke system using video compression (VCD).
April	1994	Commenced sales of the "DAM-6400" online karaoke system and also began distribution of online karaoke sound source (MIDI).
September	1995	Stock shares listed with Japan Securities Dealers Association.
May	1996	Issued first unsecured convertible bonds.
October		Participated in multi-channel satellite digital broadcast service "PerfectTV!" (currently "SKY PerfectTV!"), and started broadcasting business.
March	2000	Commenced ringtone service for mobile phones.
June		Commenced Internet streaming karaoke service "karaoke@DAM".
February	2001	Commenced the "DK ELDER SYSTEM" sales of content useful for health maintenance and preventive care of elderly people.
July		Acquired NIPPON CROWN Co., Ltd., as a subsidiary through increase of stock ownership ratio (as of the end of March 2021, we have 8 music software subsidiaries).
October		Acquired all shares of Tokuma Japan Communications Co., Ltd., as a subsidiary.
October	2003	Acquired all shares of Tri-M, Inc., as a subsidiary.
December	2004	Canceled over-the-counter registration with the Japan Securities Dealers Association and listed with JASDAQ Securities Exchange.
December	2008	Commenced karaoke user community service "DAM★TOMO".
April	2010	Upon the merger of JASDAQ Securities Exchange and Osaka Securities Exchange, listed with Osaka Securities Exchange JASDAQ.
June		Acquired all shares of BESTA FOODS, INC., operator of "MATSURI ICCHO" karaoke restaurants, as a subsidiary.
August	2011	Absorption-type merger with BESTA FOODS, INC.
July	2012	Issued first and second unsecured corporate bonds.
July	2013	Upon the merger of Tokyo Stock Exchange and Osaka Securities Exchange, listed with Tokyo Stock Exchange JASDAQ (Standard).
February	2014	Acquired all shares of ADVAN CO., LTD., and GOLD CO., LTD., operators of "KARAOKE BANANA CLUB" at locations around the Shikoku region as a subsidiary.
May	2015	Absorption-type merger with ADVAN CO., LTD., and GOLD CO., LTD.
December		Listed to the First Section, Tokyo Stock Exchange, Inc.
June	2017	Acquired all shares of Airside Co., Ltd., operator of "KARAOKE MAC" in the Tokyo area, as a subsidiary.

*Formerly, DAIICHIKOSHO had a privately managed business known as HOSHI SHOTEN. It was founded in March 1971 in Chofu City, Tokyo, as a distributor of audio equipment. The business expanded substantially, and in February 1976, we took over an inactive company called NITTO INC. (founded in April 1973), and changed the business objectives and the name to DAIICHIKOSHO CO., LTD., and began business as a corporation.

 **DAIICHIKOSHO**