



April 13, 2022

Summary of Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending August 31, 2022
(Six Months Ended February 28, 2022)

[Japanese GAAP]

Company name: KOSHIDAKA HOLDINGS Co., LTD. Listing: Tokyo Stock Exchange
 Stock code: 2157 URL: <https://www.koshidakaholdings.co.jp/>
 Representative: Hiroshi Koshidaka, Representative Director and President
 Contact: Yoshihito Doi, Managing Director
 Tel: +81-3-6403-5710
 Scheduled date of filing of Quarterly Report: April 14, 2022
 Scheduled date of payment of dividend: May 10, 2022
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly 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 Second Quarter Ended February 28, 2022 (Sep. 1, 2021 – Feb. 28, 2022)

(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	%
Six months ended Feb. 28, 2022	16,533	36.5	275	-	2,973	-	1,883	-
Six months ended Feb. 28, 2021	12,116	(64.3)	(2,644)	-	(2,429)	-	(1,680)	-

Note: Comprehensive income (million yen) Six months ended Feb. 28, 2022: 1,831 (-%)

Six months ended Feb. 28, 2021: (1,751) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Feb. 28, 2022	23.10	-
Six months ended Feb. 28, 2021	(20.62)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Feb. 28, 2022	43,861	18,276	41.7
As of Aug. 31, 2021	41,973	18,178	43.3

Reference: Shareholders' equity (million yen) As of Feb. 28, 2022: 18,276 As of Aug. 31, 2021: 18,178

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Aug. 31, 2021	-	2.00	-	2.00	4.00
Fiscal year ending Aug. 31, 2022	-	4.00	-	-	-
Fiscal year ending Aug. 31, 2022 (forecast)	-	-	-	4.00	8.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending August 31, 2022 (Sep. 1, 2021 – Aug. 31, 2022)

(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
Full year	40,093	92.8	2,701	-	5,380	-	3,228	-	39.59

Note: Revisions to the most recently announced earnings forecast: Yes

For more information about revisions to the consolidated earnings forecast, see the April 13, 2022 press release titled "Notice of Forecast Revision for the Fiscal Year Ending August 31, 2022" (Japanese version only).

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Application of special accounting methods in the preparation of the quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common stock)

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

As of Feb. 28, 2022:	82,300,000 shares	As of Aug. 31, 2021:	82,300,000 shares
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2) Number of treasury shares at the end of the period

As of Feb. 28, 2022:	767,296 shares	As of Aug. 31, 2021:	767,296 shares
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3) Average number of shares outstanding during the period

Six months ended Feb. 28, 2022:	81,532,704 shares	Six months ended Feb. 28, 2021:	81,532,704 shares
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* The current financial report is not subject to quarterly review 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 "(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements" for forecast assumptions and notes of caution for usage.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

Corporate earnings and capital expenditures, mainly at manufacturers as exports recovered, continued to improve during the first half of the current fiscal year. The Japanese economy was also supported by the end in October 2021 of states of emergency and other safety measures to prevent COVID-19 that had been in place for about two years and reduced consumer spending. Ending restrictions sparked strong revenge consumption in some sectors. However, the rebound in consumer spending was interrupted for a while when many areas of Japan again imposed pandemic safety measures in response to the start of the sixth wave of the pandemic in January 2022.

Business segment performance was as follows.

Karaoke

The karaoke business has been consistently increasing the number of locations even during more than two years of the pandemic and 34 stores were opened during the current fiscal year's first half. Numerous pandemic safety measures are used to provide an environment where customers can enjoy karaoke with confidence.

Demand rebounded even faster than expected following the October 2021 end of all restrictions on karaoke store operating hours. The performance of this business was strong during the year-end and new year season when demand is normally highest. Subsequently, performance slowed down somewhat because of the enactment of new restrictions to prevent the spread of the coronavirus.

In addition to increasing the number of stores, we are making large and carefully planned investments aimed at accomplishing the medium-term management vision of "Entertainment as Infrastructure," which was started in September 2019. These investments are mainly for providing forms of entertainment other than karaoke, such as PG (PlayGarden; amusement facility) and Mirror Pon! (screen mirroring of personal content), and for the expansion of recruiting and training activities.

At stores outside Japan, operations are slowly resuming as countries continue to limit operating hours due to the pandemic.

At the end of February 2022, the number of karaoke locations in Japan was 584, 25 more than at the end of the previous fiscal year. The number of overseas karaoke stores was 12 in four countries, consisting of four in South Korea, six in Malaysia, one in Thailand, and one in Indonesia, unchanged from the end of the previous fiscal year. Sales in the Karaoke segment were 15,660 million yen, up 38.9% year on year, and there was a profit of 620 million yen, an increase of 2,703 million yen from the loss one year earlier.

Bath House

Sales in the Bath House segment were 437 million yen, down 18.4% year on year, and the segment loss decreased 12 million yen from one year earlier to 46 million yen.

Real Estate Management

The AQERU Maebashi shopping and entertainment center that opened in the first half of the previous fiscal year made a big contribution to the performance of this segment due to the full first-half contribution to revenue for the first time of tenants that began leasing space at this location in the previous fiscal year. In addition, we acquired the Fluret Hanasaki Building, which is in the Sakuragi-cho district of Yokohama, in the first half of the current fiscal year.

Sales in the Real Estate Management segment were 536 million yen, up 75.4% year on year, and the segment profit was 68 million yen, an improvement of 231 million yen from the loss one year earlier.

Overall, the Koshidaka Group (KOSHIDAKA HOLDINGS Co., LTD. and its consolidated subsidiaries) had sales of 16,533 million yen, up 36.5% year on year. The operating profit was 275 million yen, an increase of 2,919 million yen from the loss in the same period of previous fiscal year, the ordinary profit was 2,973 million yen, an increase of 5,403 million yen from the loss, and the profit attributable to owners of parent was 1,883 million yen, an increase of 3,564 million yen from the loss. First half results of operations include 2,637 million yen of

cooperation and other payments for the reduction of operating hours involving the pandemic as requested that were categorized as subsidy income in non-operating income.

(2) Explanation of Financial Position

1) Assets, liabilities, and net assets

Assets

Current assets decreased 1,311 million yen (14.0%) to 8,077 million yen. This was mainly due to a decrease of 1,653 million yen in other current assets while there was an increase of 242 million yen in notes and accounts receivable-trade.

Property, plant and equipment increased 3,388 million yen (14.4%) to 26,931 million yen. This was mainly due to increases of 2,255 million yen in buildings and structures and 1,174 million yen in land.

Intangible assets increased 6 million yen (2.8%) to 244 million yen.

Investments and other assets decreased 195 million yen (2.2%) to 8,608 million yen. This was mainly due to a decrease of 499 million yen in deferred tax assets, while there was an increase of 334 million yen in leasehold and guarantee deposits.

Total non-current assets increased 3,200 million yen (9.8%) to 35,784 million yen.

As a result, total assets increased 1,888 million yen (4.5%) to 43,861 million yen.

Liabilities

Current liabilities decreased 110 million yen (1.1%) to 9,988 million yen. This was mainly due to increases of 495 million yen in income taxes payable and 1,543 million yen in other current liabilities, while there was a decrease of 2,500 million yen in short-term borrowings.

Non-current liabilities increased 1,900 million yen (13.9%) to 15,597 million yen. This was mainly due to an increase of 1,316 million yen in long-term borrowings.

As a result, total liabilities increased 1,790 million yen (7.5%) to 25,585 million yen.

Net assets

Net assets increased 98 million yen (0.5%) to 18,276 million yen. This was mainly due to an increase of 150 million yen in retained earnings.

2) Cash flows

Cash and cash equivalents (hereinafter "net cash") at the end of the second quarter of the current fiscal year increased 76 million yen from the end of the previous fiscal year to 5,247 million yen.

The cash flow components during the first half and the main reasons for changes are as described below.

Cash flows from operating activities

Net cash provided by operating activities totaled 6,341 million yen, compared with 1,042 million yen used in the same period of the previous fiscal year. Main factors include profit before income taxes of 2,967 million yen, depreciation of 1,690 million yen and a decrease of 1,574 million yen in in accounts receivable-other.

Cash flows from investing activities

Net cash used in investing activities totaled 4,901 million yen, compared with 1,456 million yen used in the same period of the previous fiscal year. Main factors include purchase of property, plant and equipment of 4,774 million yen and payments of leasehold and guarantee deposits of 374 million yen.

Cash flows from financing activities

Net cash used in financing activities totaled 1,364 million yen, compared with 49 million yen provided in the same period of the previous fiscal year. Main factors include proceeds from long-term borrowings of 2,872

million yen, a net decrease of 2,500 million yen in short-term borrowings, repayments of long-term borrowings of 1,573 million yen and dividends paid of 163 million yen.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

All restrictions involving the pandemic that were in effect at the end of February 2022 ended on March 22 and thereafter. The end of restrictions sparked another wave of revenge consumption during the spring vacation season as similar to the surge in consumer spending that began in October 2021 when all pandemic restrictions ended. There are many potential sources of concerns in the remainder of the fiscal year, including a seventh wave of the pandemic, global instability caused by the Ukraine crisis, and faster inflation caused by economic sanctions worldwide. Despite this uncertainty, we are making no changes to the initial fiscal year sales and operating profit forecasts. We have increased the forecasts for ordinary profit and profit attributable to parent to reflect the higher-than-expected non-operating income in the first half.

Overall, we forecast consolidated net sales of 40,093 million yen, up 92.8%, operating profit of 2,701 million yen, an increase of 10,329 million yen from the loss in the previous fiscal year, ordinary profit of 5,380 million yen, an increase of 8,472 million yen from the loss in the previous fiscal year, and profit attributable to owners of parent of 3,228 million yen, an increase of 7,372 million yen from the loss in the previous fiscal year.

We are placing priority on the following three activities in accordance with our “Entertainment as Infrastructure” medium-term management vision: (1) Increasing the number of karaoke stores and karaoke rooms; (2) Providing a diverse array of entertainment; (3) Recruiting and training. To speed up measures to accomplish the goals of this vision, we have signed a business alliance agreement with Advantage Advisors Inc.

This agreement has three primary goals. First is recruiting people with outstanding skills and building an organization capable of sustained growth. Second is using digital transformation solutions for upgrading private entertainment rooms. The aim is the creation of entertainment experience value that goes beyond the limitations of places and spaces through the fusion of the real and digital worlds. Customers will be able to enjoy new experiences that are not restricted by conventional karaoke services. Third is the development of a new business format called “well-tainment” that combines entertainment and services for healthy living. We plan on using many initiatives with Advantage Advisors with the objective of increasing corporate value.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	FY8/21 (As of Aug. 31, 2021)	Second Quarter of FY8/22 (As of Feb. 28, 2022)
Assets		
Current assets		
Cash and deposits	5,766,843	5,844,464
Notes and accounts receivable-trade	84,030	326,203
Merchandise	19,912	20,612
Raw materials and supplies	196,243	216,878
Other	3,339,597	1,686,495
Allowance for doubtful accounts	(17,641)	(17,648)
Total current assets	9,388,986	8,077,006
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,752,236	20,007,621
Vehicles, tools, furniture and fixtures, net	2,446,390	2,398,880
Land	3,344,448	4,518,552
Construction in progress	-	6,754
Total property, plant and equipment	23,543,075	26,931,808
Intangible assets		
Goodwill	9,598	7,016
Software	217,651	181,892
Other	11,160	56,067
Total intangible assets	238,410	244,977
Investments and other assets		
Investment securities	405,587	374,995
Shares of subsidiaries and associates	9,480	9,630
Long-term loans receivable	1,129,652	1,162,022
Long-term prepaid expenses	70,876	84,540
Leasehold and guarantee deposits	5,261,103	5,595,948
Deferred tax assets	2,198,588	1,698,794
Other	182,308	182,357
Allowance for doubtful accounts	(454,405)	(500,102)
Total investments and other assets	8,803,190	8,608,186
Total non-current assets	32,584,676	35,784,972
Total assets	41,973,662	43,861,978

(Thousands of yen)

	FY8/21 (As of Aug. 31, 2021)	Second Quarter of FY8/22 (As of Feb. 28, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	189,785	303,130
Short-term borrowings	4,500,000	2,000,000
Current portion of long-term borrowings	2,956,712	2,938,240
Accounts payable-other	660,635	828,208
Accrued expenses	1,025,926	1,118,116
Income taxes payable	59,107	554,142
Provision for bonuses	129,710	222,508
Deposits received	148,519	52,454
Other	427,733	1,971,212
Total current liabilities	10,098,129	9,988,013
Non-current liabilities		
Long-term borrowings	9,313,768	10,630,488
Deferred tax liabilities	225,906	267,781
Asset retirement obligations	3,409,037	3,897,723
Other	748,460	801,564
Total non-current liabilities	13,697,172	15,597,557
Total liabilities	23,795,302	25,585,571
Net assets		
Shareholders' equity		
Share capital	2,070,257	2,070,257
Capital surplus	3,302,786	3,302,786
Retained earnings	12,840,049	12,990,303
Treasury shares	(105,662)	(105,662)
Total shareholders' equity	18,107,431	18,257,684
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,449	24,219
Foreign currency translation adjustment	43,479	(5,496)
Total accumulated other comprehensive income	70,929	18,722
Total net assets	18,178,360	18,276,407
Total liabilities and net assets	41,973,662	43,861,978

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Six-month Period)**

(Thousands of yen)

	First six months of FY8/21 (Sep. 1, 2020 – Feb. 28, 2021)	First six months of FY8/22 (Sep. 1, 2021 – Feb. 28, 2022)
Net sales	12,116,181	16,533,456
Cost of sales	13,117,893	14,407,372
Gross profit (loss)	(1,001,712)	2,126,084
Selling, general and administrative expenses	1,642,400	1,850,939
Operating profit (loss)	(2,644,113)	275,144
Non-operating income		
Interest and dividend income	7,210	9,046
Foreign exchange gains	56,599	62,563
Store relocation compensation	110,000	-
Subsidy income	14,000	2,637,429
Other	52,644	63,855
Total non-operating income	240,454	2,772,895
Non-operating expenses		
Interest expenses	13,607	29,542
Compensation expenses	9,714	-
Provision of allowance for doubtful accounts	-	38,669
Other	2,519	5,874
Total non-operating expenses	25,840	74,086
Ordinary profit (loss)	(2,429,498)	2,973,952
Extraordinary income		
Gain on sales of non-current assets	74,175	84,224
Gain on sales of investment securities	57,123	-
Total extraordinary income	131,299	84,224
Extraordinary losses		
Loss on retirement of non-current assets	30,889	10,730
Impairment loss	77,091	57,113
Loss on valuation of investment securities	-	22,508
Total extraordinary losses	107,980	90,351
Profit (loss) before income taxes	(2,406,180)	2,967,825
Income taxes-current	20,362	540,935
Income taxes-deferred	(745,610)	543,094
Total income taxes	(725,248)	1,084,029
Profit (loss)	(1,680,931)	1,883,795
Profit (loss) attributable to owners of parent	(1,680,931)	1,883,795

Quarterly Consolidated Statement of Comprehensive Income
(For the Six-month Period)

(Thousands of yen)

	First six months of FY8/21 (Sep. 1, 2020 – Feb. 28, 2021)	First six months of FY8/22 (Sep. 1, 2021 – Feb. 28, 2022)
Profit (loss)	(1,680,931)	1,883,795
Other comprehensive income		
Valuation difference on available-for-sale securities	(22,369)	(3,230)
Foreign currency translation adjustment	(48,553)	(48,976)
Total other comprehensive income	(70,923)	(52,206)
Comprehensive income	(1,751,855)	1,831,588
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,751,855)	1,831,588

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of FY8/21 (Sep. 1, 2020 – Feb. 28, 2021)	First six months of FY8/22 (Sep. 1, 2021 – Feb. 28, 2022)
Cash flows from operating activities		
Profit (loss) before income taxes	(2,406,180)	2,967,825
Depreciation	1,843,686	1,690,963
Impairment loss	77,091	57,113
Amortization of goodwill	4,290	2,373
Increase (decrease) in provision for bonuses	9,853	92,798
Increase (decrease) in allowance for doubtful accounts	17,242	38,669
Interest and dividend income	(7,210)	(9,046)
Interest expenses	13,607	29,542
Loss (gain) on sales of property, plant and equipment	(74,175)	(84,224)
Loss on retirement of non-current assets	30,889	10,730
Decrease (increase) in trade receivables	63,195	(240,816)
Decrease (increase) in inventories	88,780	(20,617)
Decrease (increase) in accounts receivable-other	(31,467)	1,574,800
Increase (decrease) in trade payables	103,781	110,087
Increase (decrease) in accounts payable-other, and accrued expenses	(265,503)	110,919
Other, net	(666,975)	89,146
Subtotal	(1,199,094)	6,420,265
Interest and dividends received	7,210	9,046
Interest paid	(13,850)	(29,221)
Income taxes (paid) refund	163,127	(58,743)
Net cash provided by (used in) operating activities	(1,042,606)	6,341,346
Cash flows from investing activities		
Proceeds from sales of securities	2,000,000	-
Purchase of property, plant and equipment	(3,138,679)	(4,774,700)
Proceeds from sales of property, plant and equipment	78,450	248,770
Purchase of intangible assets	(286,598)	(46,423)
Purchase of investment securities	(56,456)	-
Proceeds from sales of investment securities	552,877	6,760
Payments of leasehold and guarantee deposits	(341,035)	(374,484)
Proceeds from refund of leasehold and guarantee deposits	67,380	61,114
Loan advances	(330,316)	-
Collection of loans receivable	6,247	3,991
Other, net	(8,020)	(27,015)
Net cash provided by (used in) investing activities	(1,456,152)	(4,901,987)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,000,000	(2,500,000)
Proceeds from long-term borrowings	750,000	2,872,000
Repayments of long-term borrowings	(1,373,914)	(1,573,752)
Dividends paid	(326,130)	(163,065)
Net cash provided by (used in) financing activities	49,955	(1,364,817)
Effect of exchange rate change on cash and cash equivalents	2,255	1,539
Net increase (decrease) in cash and cash equivalents	(2,446,548)	76,081
Cash and cash equivalents at beginning of period	9,297,152	5,171,157
Cash and cash equivalents at end of period	6,850,604	5,247,238

(4) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Changes in Accounting Policies**Application of the Accounting Standard for Revenue Recognition**

Koshidaka Holdings has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) from the beginning of the first quarter of the current fiscal year. Based on this standard, revenue expected to be received in exchange for the provision of goods and services is recognized when the control of the goods and services is transferred to customers.

This new standard has changed the accounting treatment for customer loyalty program benefits, such as the accumulation of points for discounts and other rights concerning services received in the future. In prior years, revenue was recognized when these benefits were granted to customers. Under the new standard, these benefits are categorized as performance obligations and the associated revenue is recognized when these discounts and other rights are used, based on independent sales prices.

For the application of the Accounting Standard for Revenue Recognition, in accordance with the transitional treatment prescribed in Paragraph 84 of this standard, the cumulative effect of the retrospective application of the new accounting standard, if it is applied prior to the first quarter of the current fiscal year, is added to or subtracted from retained earnings at the beginning of the first quarter of the current fiscal year. The new standard is then applied beginning with this amount of retained earnings.

As a result, net sales increased 201 million yen and the operating profit, ordinary profit and profit before income taxes increased 201 million yen each in the first half of the current fiscal year. In addition, the new standard reduced retained earnings at the beginning of the current fiscal year by 1,570 million yen.

Furthermore, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), Koshidaka Holdings has not presented the disaggregation of revenue from contracts with customers for the first half of the previous fiscal year.

Application of the Accounting Standard for Fair Value Measurement

Koshidaka Holdings has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019) from the beginning of the first quarter of the current fiscal year, and has applied the new accounting standard set forth by the Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no effect of the application of these standards on the quarterly consolidated financial statements.

Segment and Other Information

Segment Information

I. First six months of FY8/21 (Sep. 1, 2020 – Feb. 28, 2021)

1. Information related to net sales and profit/loss for each reportable segment

(Thousands of yen)

	Reportable segment			Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Karaoke	Bath House	Real Estate Management			
Net sales						
External sales	11,274,265	536,021	305,894	12,116,181	-	12,116,181
Inter-segment sales and transfers	-	-	-	-	-	-
Total	11,274,265	536,021	305,894	12,116,181	-	12,116,181
Segment profit (loss)	(2,082,213)	(58,209)	(162,486)	(2,302,909)	(341,203)	(2,644,113)

Notes: 1. The -341,203 thousand yen adjustment to segment profit (loss) mainly includes general and administrative expenses that cannot be attributed to reportable segments.

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

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

No applicable items.

II. First six months of FY8/22 (Sep. 1, 2021 – Feb. 28, 2022)

1. Information related to net sales and profit/loss and disaggregation of revenue for each reportable segment

(Thousands of yen)

	Reportable segment			Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Karaoke	Bath House	Real Estate Management			
Net sales						
Revenue from contracts with customers	15,660,597	437,655	1,199	16,099,452	-	16,099,452
Other revenue	-	-	434,004	434,004	-	434,004
External sales	15,660,597	437,655	435,203	16,533,456	-	16,533,456
Inter-segment sales and transfers	-	-	101,295	101,295	(101,295)	-
Total	15,660,597	437,655	536,499	16,634,752	(101,295)	16,533,456
Segment profit (loss)	620,899	(46,031)	68,539	643,407	(368,263)	275,144

Notes: 1. The -368,263 thousand yen adjustment to segment profit (loss) mainly includes general and administrative expenses that cannot be attributed to reportable segments.

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

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

No applicable items.

3. Information related to revisions for reportable segments

As described in Changes in Accounting Policies, Koshidaka Holdings has applied the Accounting Standard for Revenue Recognition from the beginning of the first quarter of the current fiscal year and changed the accounting method for revenue recognition, the calculation for segment information has also been changed accordingly.

As a result of this change, net sales in the “Karaoke” segment for the first half of the current fiscal year increased by 201,792 thousand yen and segment profit increased by 201,792 thousand yen, compared with the previous method.

Revenue Recognition

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

Material Subsequent Events

Sale of newly issued share acquisition rights and unsecured convertible bonds with share acquisition rights using a third-party allotment

On February 25, 2022, the Koshidaka Holdings Board of Directors approved a resolution to use a third-party allotment for the sale of newly issued share acquisition rights and unsecured convertible bonds with share acquisition rights. The purpose is to procure funds for opening more karaoke stores, increasing the number of karaoke rooms and other activities. On the same day, Koshidaka Holdings signed a contract with a fund in which Advantage Advisors made an investment, for the purchase by this fund of the share acquisition rights and unsecured convertible bonds with share acquisition rights. The payment was completed on March 14, 2022.

The following is a summary of the newly issued share acquisition rights and convertible bonds.

Share Acquisition Rights No. 1

(1) Type of shares	Common stock of Koshidaka Holdings
(2) Number of share acquisition rights	44,444 (4,444,400 shares)
(3) Issue price	194 yen per share acquisition right
(4) Total amount	8,622,136 yen
(5) Payment when a share acquisition right is exercised	67,500 yen per share acquisition right There may be a correction or adjustment of this payment in accordance with the terms for issuing the share acquisition rights.
(6) Allotment date	March 14, 2022
(7) Allottee	IXGS Investment VI, L.P.
(8) Exercise period	March 23, 2022 to March 22, 2027
(9) Items concerning the amount to be incorporated into share capital when new shares are issued	1) The increase in share capital when new shares are issued upon the exercise of share acquisition rights is 50% of the maximum limit of a capital increase in accordance with Article 17, Paragraph 1 of the Corporate Accounting Rules. Any fraction of less than one yen will be rounded up. 2) The increase in legal capital surplus when new shares are issued upon exercise of the share acquisition rights is the maximum increase in capital in 1) above less the increase in share capital as stipulated in 1) above.
(10) Other agreements with IXGS Investment VI, L.P.	1) IXGS Investment VI, L.P. is not allowed to exercise the share acquisition rights between March 14, 2022 and March 14, 2024. 2) Any sale of Koshidaka Holdings common stock by IXGS Investment VI, L.P. must be at a price per share that is no less than the price used as the standard (initially 800 yen).

The First Unsecured Convertible Bonds with Share Acquisition Rights

(1) Total amount	4,000,000,000 yen
(2) Issue price of bonds	100,000,000 yen (100 yen for each 100 yen of bonds)
(3) Interest rate (%)	0.1% annual rate (fixed)
(4) Redemption	March 22, 2027
(5) Redemption method	1) Maturity Redemption of all bonds on March 22, 2027 at 100 yen for each 100 yen of bonds 2) Early redemption The bonds may be redeemed prior to maturity in accordance with the terms for issuing the bonds with share acquisition rights
(6) Items concerning the share acquisition rights attached to the convertible bonds	1) Type of shares subject to share acquisition rights: Common stock of Koshidaka Holdings 2) Number of share acquisition rights to be issued: 40 3) Number of dilutive shares after the issuance of share acquisition rights: 5,925,900 shares 4) Price of share acquisition rights No payments are required for the share acquisition rights. 5) Payment and price when exercising the share acquisition rights The share acquisition rights are attached to the bonds and the payment is the same as the amount paid for the bonds. 6) Conversion price: 675 yen per share There may be a correction or adjustment of this payment in accordance with the terms for issuing the bonds with share acquisition rights. 7) Exercise period: March 23, 2022 to March 22, 2027
(7) Payment date	March 22, 2022
(8) Offering method	Third-party allotment to IXGS Investment VI, L.P.
(9) Collateral or guarantees	The bonds with share acquisition rights have no collateral or guarantee. Furthermore, no assets are designated for security because this is an issue of bonds with share acquisition rights.
(10) Other agreements with IXGS Investment VI, L.P.	1) IXGS Investment VI, L.P. is not allowed to exercise the share acquisition rights attached to the bonds between March 14, 2022 and March 14, 2024. 2) Any sale of Koshidaka Holdings common stock by IXGS Investment VI, L.P. must be at a price per share that is no less than the price used as the standard (initially 800 yen).

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.