

(TSE 2157)

KOSHIDAKA HOLDINGS Co., Ltd.

Results of Operations

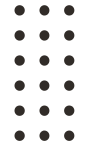
for the Fiscal Year Ended August 2021

(FY8/2021)

October 15, 2021



Koshidaka
HOLDINGS



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FY8/2021 Highlights





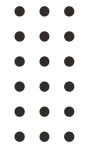
01 The first operating loss since the IPO

02 A series of requests to suspend operations or reduce operating hours

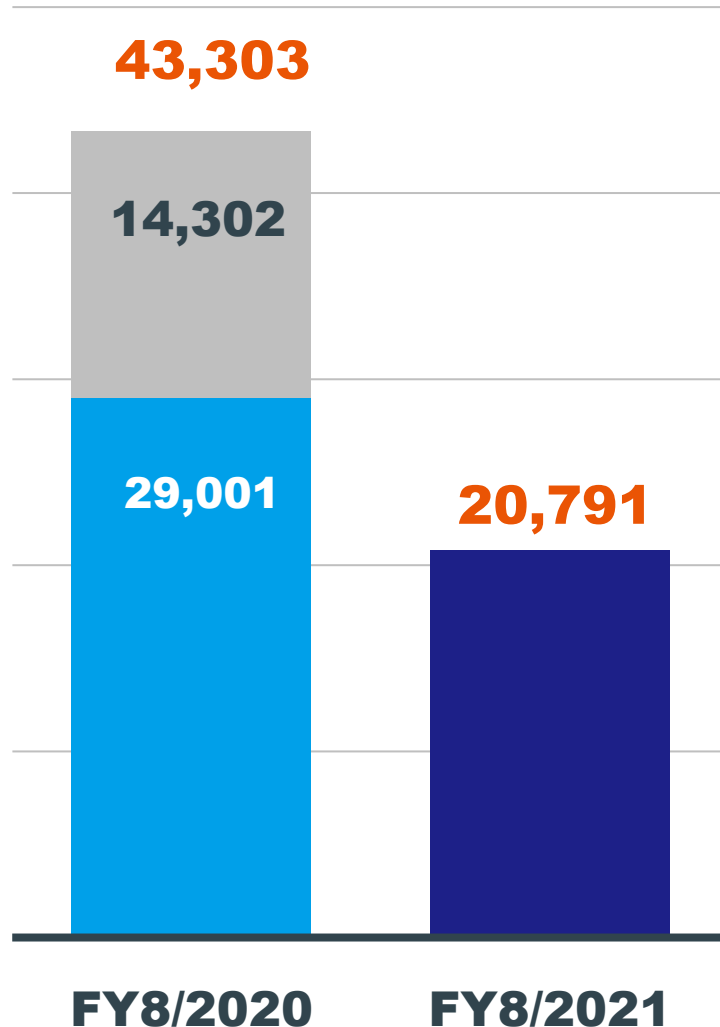


03 Faster pace of renovations to create private entertainment rooms

04 More standardization and efficiency of current business activities



Financial Highlights (Net Sales)



Net Sales

20.7 bn yen

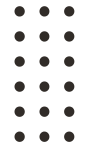
Down 22.5 bn yen,
52.0% YoY



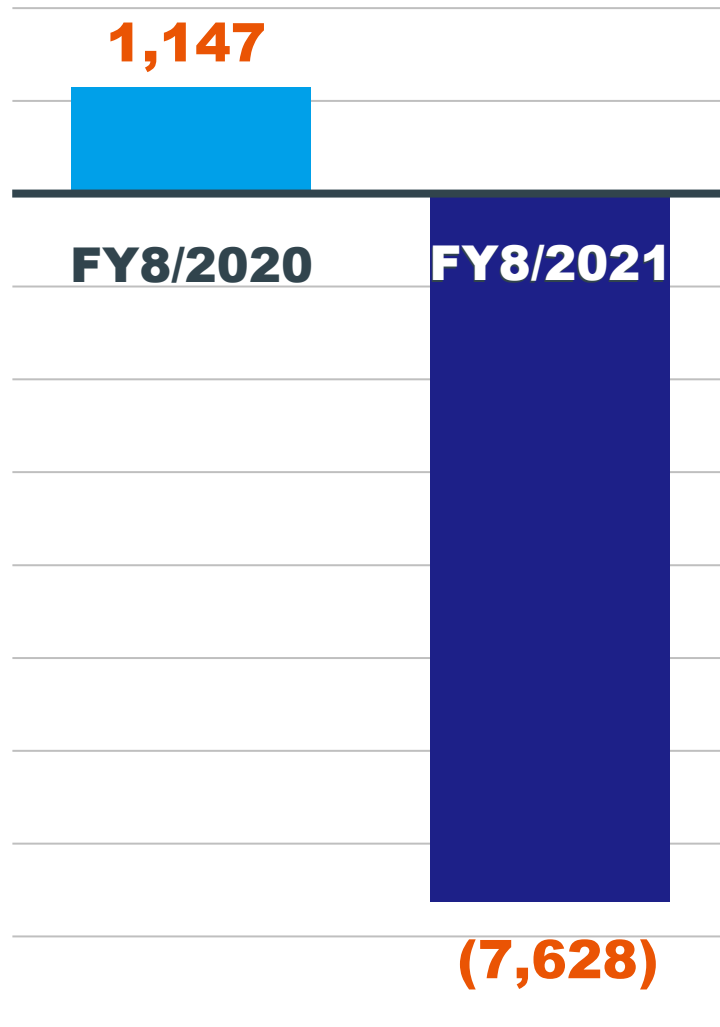
Sales in the Curves segment include period from August 2019 to February 2020

(Millions of yen)

Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.



Financial Highlights (Operating Profit)



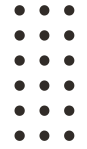
Operating Profit (Loss)

[7.6] bn yen

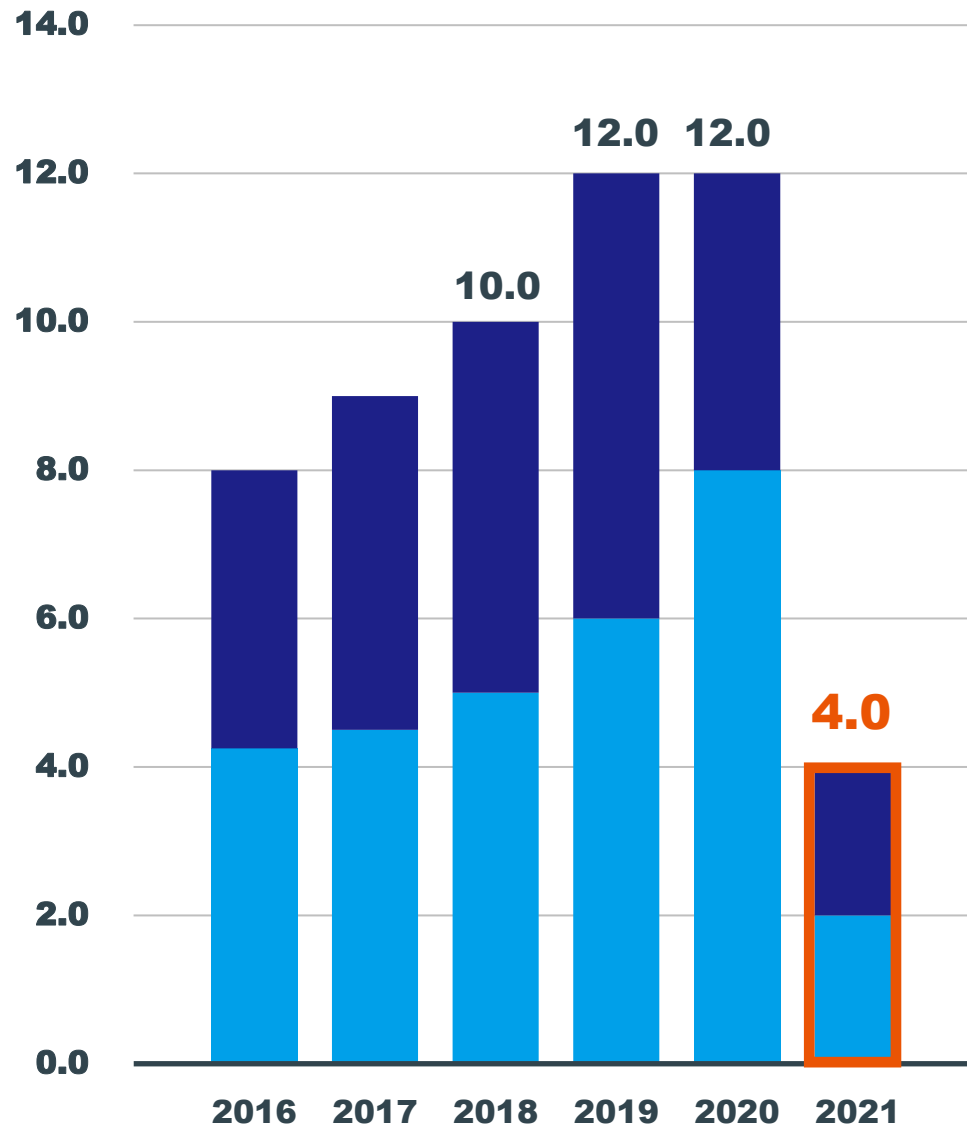
Down 8.7 bn yen YoY

(Millions of yen)

Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.



FY8/2021 Dividend









After adjustment to reflect the stock split

Annual Dividend

4.0 yen



▲ Spun off Curves Holdings



FY8/2021
Consolidated
Results
of Operations

Impact of the Pandemic (Karaoke in Japan)

FY8/2021											
Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug


Tokyo Metropolis

Jan 8 – Mar 21



Apr 25 – Jun 20



Jul 12 – Sep 30

**Locations
in Tokyo**

Normal
operation

42%

Operation
suspended

32%

Reduced
operating hours

26%

**Locations
in Japan**

Normal
operation

67%

Operation
suspended

21%

Reduced
operating hours

12%

Impact of the Pandemic (Karaoke in Japan)

**Restriction
on
operations**

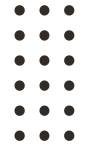
**Limit on number of people in a room
(Karaoke association guideline)**

**Limit on provision of food and
beverages (Requests from local governments)**

**Limit on the use of karaoke equipment
(Requests from local governments)**

**Impact of
mass media
reports**

Negative public image of karaoke



Many Pandemic Safety Measures

Started many safety measures before competitors



Non-contact thermometer
(Customers are checked when entering a store)



Face shield
Microphone mask
Microphone shield



More powerful ventilation system
(Exceeds the national standard)

To keep karaoke room users safe, special ultraviolet lamps are used to disinfect karaoke rooms

カラオケルームの安全のために
特殊紫外線ランプを用いた
除菌・ウイルス不活化機器
東北大学との共同研究開発

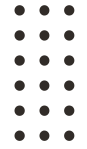
導入

紫外線(UV-C)で、
空気中のウイルスを
不活化・除菌!

Ultraviolet light (UV-C)
deactivates and kills
viruses in the air

空気感染リスクを
低減

Low risk of airborne transmission of infections



Subsidy Income (Non-operating Income)

(Millions of yen)

Note: All amounts are rounded down to the nearest million yen

	Amount submitted	Amount recorded
Subsidies for pandemic safety activities	4,196	2,922
Subsides for employment adjustment	892	892
Total	5,079	3,814



Consolidated Statement of Income

(Millions of yen)

Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.

	FY8/2020	FY8/2021	YoY change		Vs. forecast	
			Ratio	Amount	Forecast	Achievement rate
Net sales	43,303	20,791	(52.0%)	(22,512)	21,547	96.5%
Cost of sales	35,048	25,310	(27.8%)	(9,738)		
Gross profit	8,254	(4,518)	(45.3%)	(3,735)		
SG&A expenses	7,107	3,109	(56.3%)	(3,997)		
Operating profit	1,147	(7,628)		(8,776)	(7,397)	
Ordinary profit	1,699	(3,092)		(4,792)	(5,089)	
Extraordinary income	21	131	+512.3%	+109		
Extraordinary loss	1,533	1,602	+4.5%	+68		
Profit attributable to owners of parent	(231)	(4,144)		(3,913)	(3,562)	



Results by Segment

(Millions of yen)

Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.

	FY8/2020	FY8/2021	YoY change		Vs. forecast	
			Ratio	Amount	Forecast	Achievement rate
Net sales	43,303	20,791	(52.0%)	(22,512)	21,547	96.5%
Karaoke	27,156	19,195	(29.3%)	(7,961)		
Bath house	1,207	897	(25.7%)	(309)		
Real estate mgt	637	698	+9.7%	+61		
Curves fitness	14,302	-	-	-		
Operating profit	1,147	(7,628)		(8,776)	(7,397)	
Karaoke	(839)	(6,591)		(5,752)		
Bath house	(70)	(203)		(133)		
Real estate mgt	(77)	(181)		(104)		
Curves fitness	3,005	-	-	-		
Adjustment	(871)	(651)				



Consolidated Balance Sheet

(Millions of yen)

Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.

	August 31 2020	August 31 2021	Change
Current assets	13,753	9,388	(4,364)
Non-current assets	30,802	32,584	+1,781
Property, plant and equipment	22,567	23,543	+975
Intangible assets	351	238	(112)
Investments and other assets	7,883	8,803	+919
Current liabilities	10,468	10,098	(369)
Long-term borrowings	4,500	4,500	-
Current portion of long-term borrowings	2,585	2,956	+371
Non-current liabilities	11,175	13,697	+2,521
Long-term borrowings	6,910	9,313	+2,403
Total liabilities	21,644	23,795	+2,151
Shareholders' equity	22,741	18,107	(4,634)
Total net assets	22,911	18,178	(4,733)
Total assets / Total liabilities and net assets	44,555	41,973	(2,582)



Consolidated Statement of Cash Flows

(Millions of yen)

Note: All amounts are rounded down to the nearest million yen

Cash and cash equivalents at beginning of period



9,297

Profit before income taxes (4,563)

Depreciation +3,809

Impairment loss +1,480

Increase (decrease) in working capital +133

Decrease (increase) in accounts receivable (1,867)

Other cash flows from operating activities (935)

Proceeds from sales of securities +2,000

Purchase of property, plant and equipment (5,542)

(308) Purchase of intangible assets

+566 Proceeds from sales of investment securities

(1,109) Payments of leasehold and guarantee deposits

(330) Loan advances

+249 Other cash flows from investing activities

+2,774 Net increase (decrease) in long-term loans payable

(489) Cash dividends paid

+6 Net increase (decrease) in cash and cash equivalents

Cash and cash equivalents at end of period



5,171



Cash flows from operating activities
(1.9) bn yen

Cash flows from investing activities
(4.4) bn yen


Cash flows from financing activities
+2.2 bn yen



FY8/2021

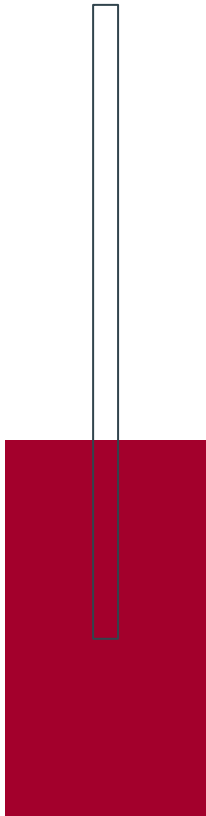


**Results by
Segment**





Karaoke





Net Sales (Karaoke)



(Millions of yen)

Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.

Net Sales

19.1 bn yen

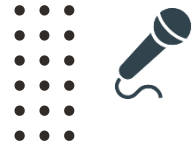
Down 29.3% (7.9 bn) YoY



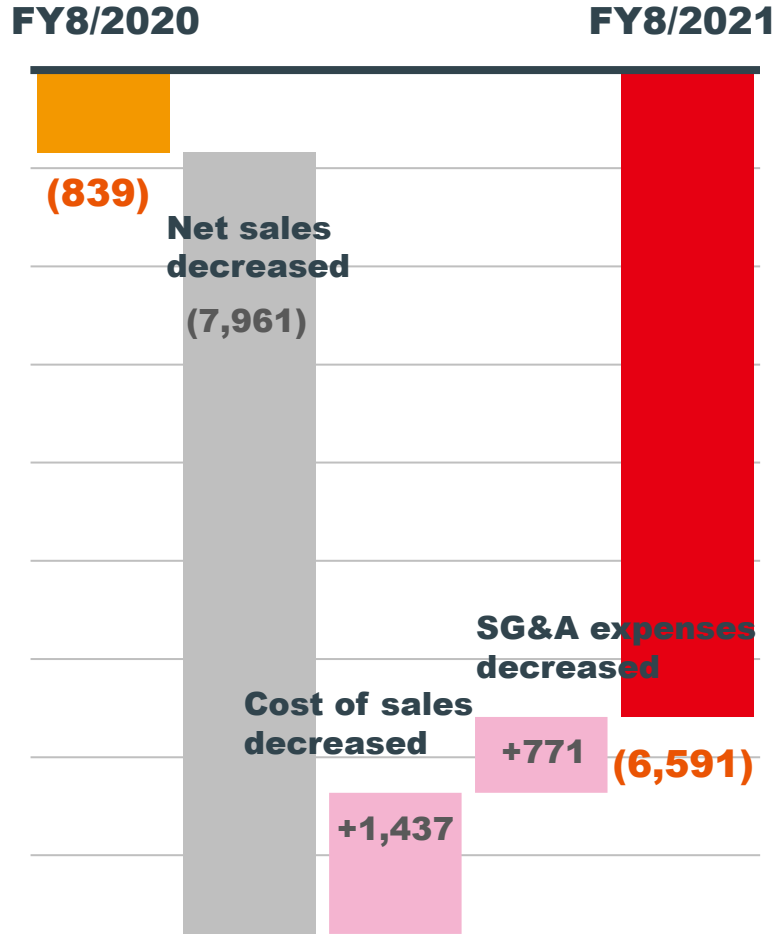
**Opened 48 locations in Japan
(Closed 15 locations)
Progress with the addition of
new content**



**Reduced or suspended store
operations in Japan and other
countries
Terminated operations in
Singapore**



Segment Profit (Karaoke)



Segment Profit (Loss)

[6.5] bn yen

Down 5.7 bn yen YoY



Major decrease in cost of sales

Employees' salaries	(798)
Cost of merchandise	(685)
Depreciation	(371)

Major decrease in SG&A expenses

Advertising expenses	(194)
----------------------	-------



Gross profit margin

From 8.6% to (21.8%)

(Millions of yen)

Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.



Overseas Performance (by Region)

(Millions of yen)

Note: All amounts are rounded down to the nearest million yen

	FY8/2020	FY8/2021
Net sales	1,166	99
Singapore	932	-
Korea	233	99
Operating profit	(186)	(266)
Singapore	(140)	(231)
Korea	(45)	(35)
Number of facilities	21	12
Singapore	8	-
Korea	5	4
Malaysia	6	6
Thailand	1	1
Indonesia	1	1

Singapore



Korea



Malaysia



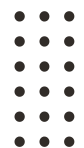
Thailand



Indonesia



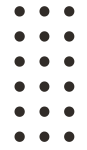
Note: Subsidiaries in Malaysia, Thailand and Indonesia are not consolidated.



No. of New Locations per Year

Opened 48 locations in Japan

	2020	FY8/2021							
	YE	Sep-Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Manekineko stores opened		+17	+5	+1		+3		+1	+27
New locations using former DAISYO stores					+13	+5	+3		+21
Manekineko stores closed		(7)	(2)	(1)		(2)	(1)	(2)	(15)
No. of Manekineko stores	506	516	519	519	532	538	540	539	539
No. of One Kara stores	6	6	6	6	6	6	6	6	6
Total No. of karaoke locations in Japan	512	522	525	525	538	544	546	545	545
No. of other business formats in Japan	13	13	14	14	14	14	14	14	14
No. of locations in Karaoke segment	525	535	539	539	552	558	560	559	559



Faster Growth in Locations Near Railway Stations and in Prime Shopping Areas

New locations in prime shopping areas near railway stations / Total new locations



⋮⋮⋮ **Former DAISYO stores increase Koshidaka's presence near railway stations and in prime shopping areas**

No. of stores acquired

41

(Near railway stations and in prime shopping areas)

Location

9

in Tokyo

21

**in Kanagawa/
Chiba/Saitama**

11

in other locations

No. of stores opened

21

Opened in FY8/2021

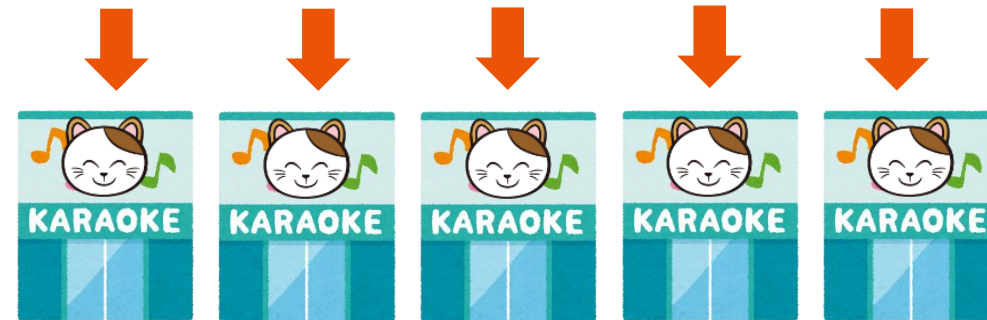
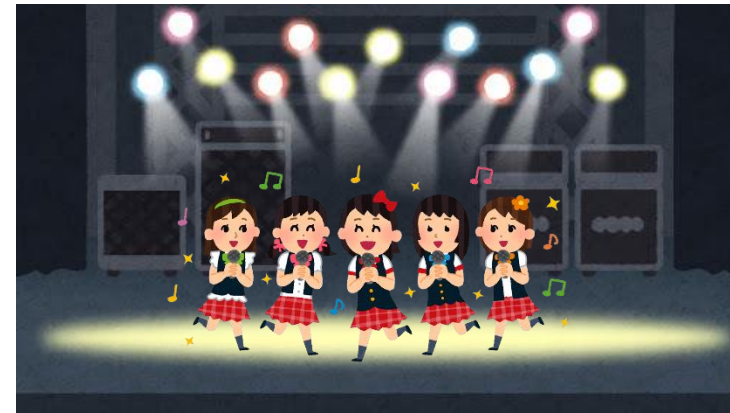
20

Opening soon

Progress with the Addition of New Content

Viewing of Live Entertainment

Original Koshidaka content can be viewed at all Manekineko locations



Progress with the Addition of New Content

Mira Pon!

Customers can use big screens to watch videos and play games



ミラPon!

ミラーリング!

PON!

iPhone
iPad
の画面を...

簡単に ルームの大画面に映すことができます!

※音もカラオケのスピーカーから出ます
※Android ではご利用いただけません

Easy to link an iPhone and iPad to a big screen!

Audio comes from the karaoke system's speakers

Not compatible with Android devices

Progress with the Addition of New Content

KARASTA x ONEREC

Two categories of content: Pro and Standard



Progress with the Addition of New Content

PG Play Garden

A Manekineko store with billiards and darts

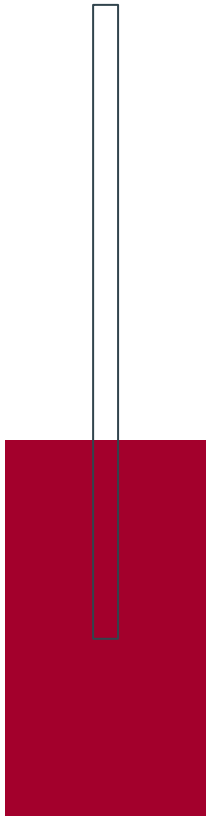


More Collaboration for new Ideas and Directions



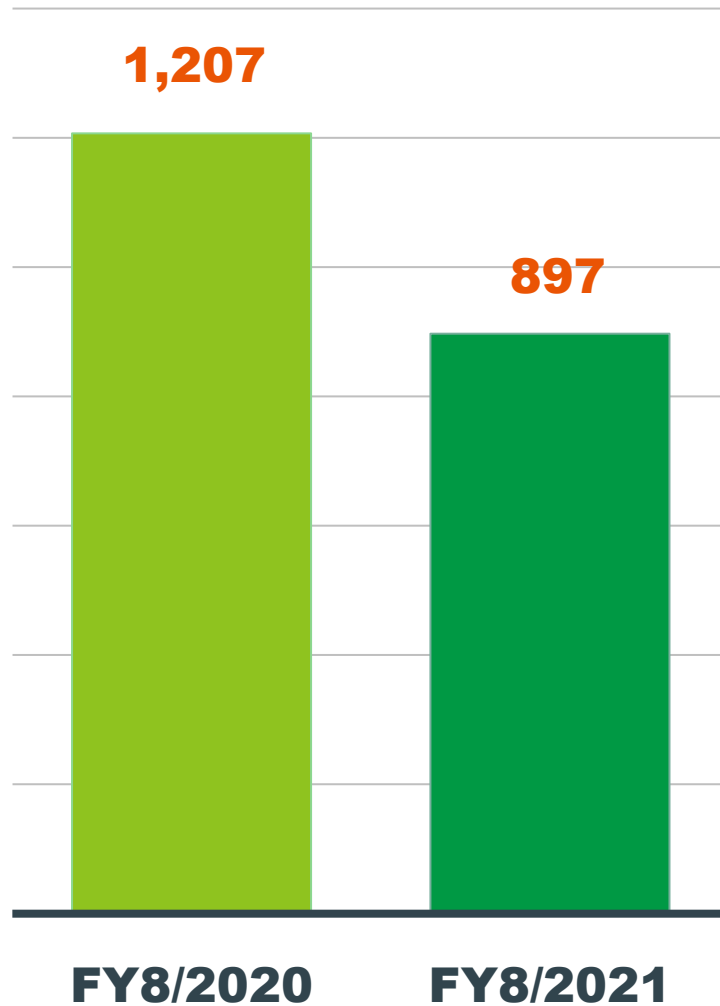
Working with powerful partners to provide appealing and innovative services







Net Sales (Bath House)



Net Sales

0.8 bn yen

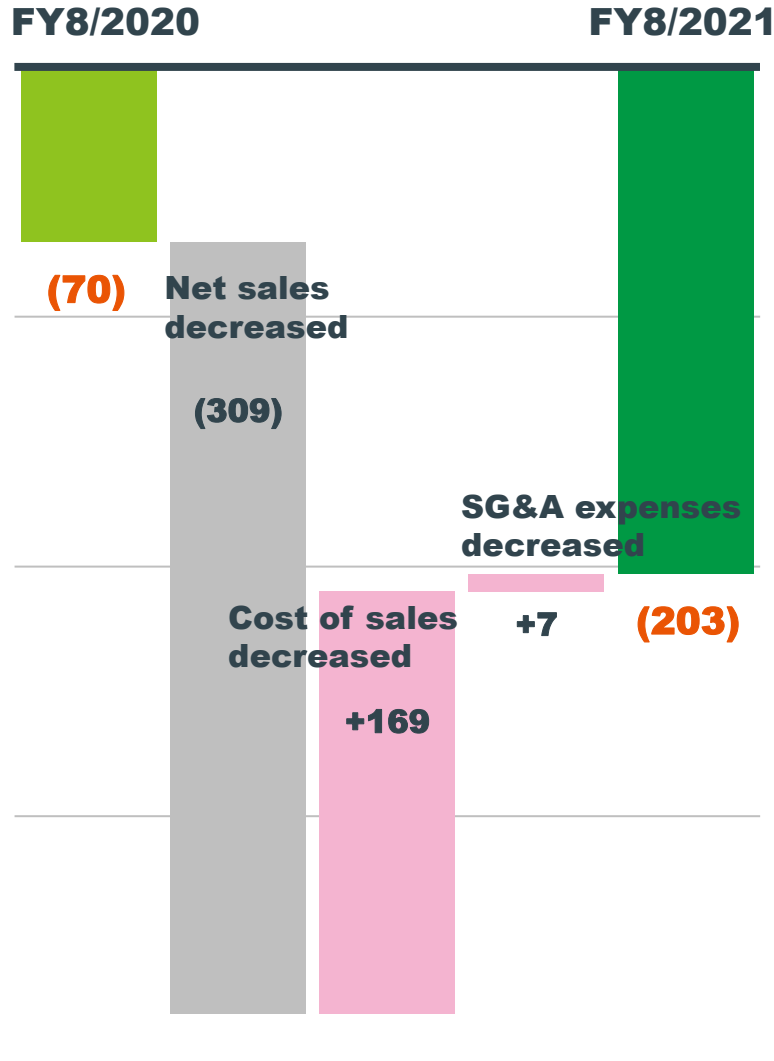
Down 25.7% (0.3 bn) YoY

(Millions of yen)

Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.



Segment Profit (Bath House)



(Millions of yen)

Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.

Segment Profit (Loss)

[0.2] bn yen

Down 0.1 bn yen YoY



Major decrease in cost of sales

Employees' salaries	(69)
Cost of merchandise	(47)

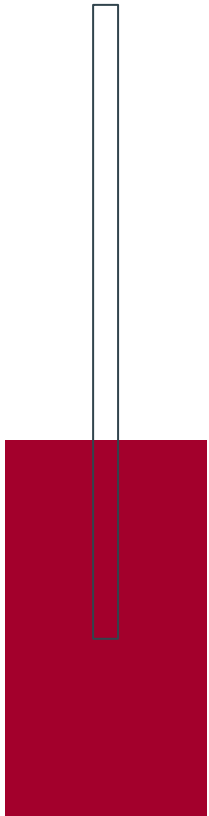


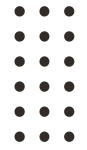
Gross profit margin

From (2.0%) to (18.4%)

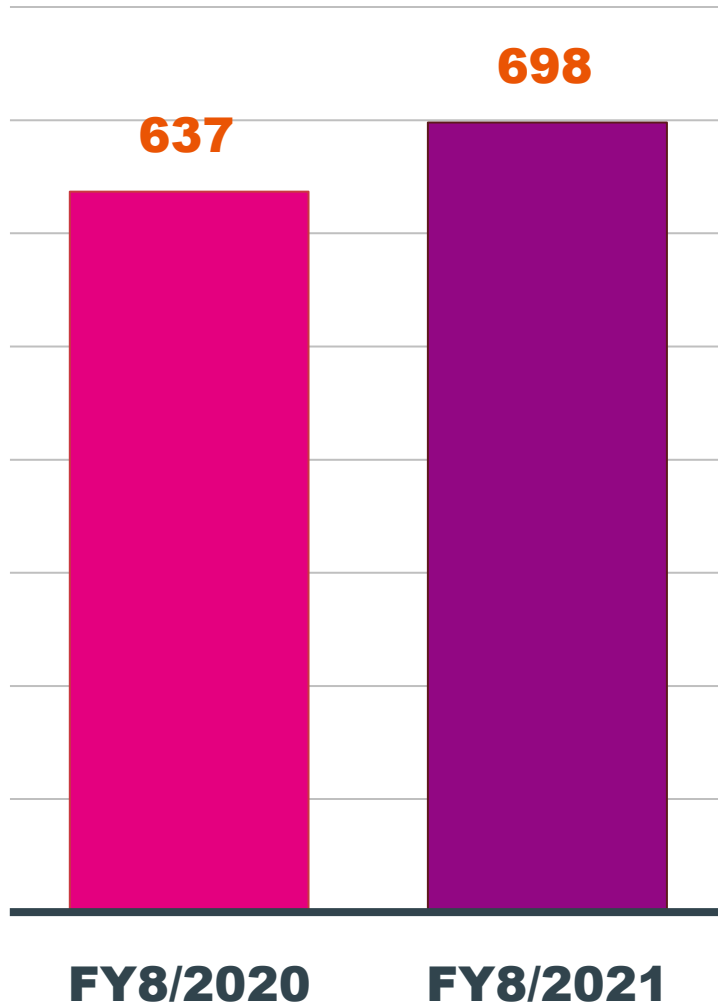


Real Estate Management





Net Sales (Real Estate Mgt)



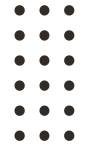
Net Sales

0.6 bn yen

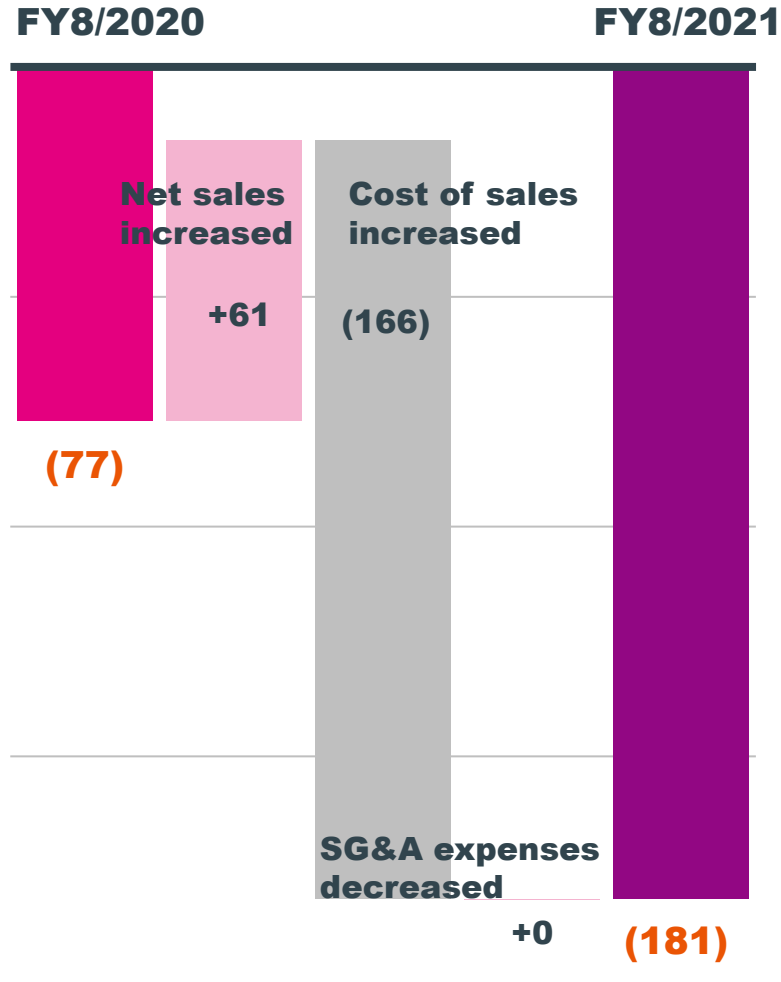
Up 9.7% (0.06 bn) YoY

(Millions of yen)

Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.



Segment profit (Real Estate Mgt)



Segment Profit (Loss)

(0.1) bn yen

Down 0.1 bn yen YoY



Gross profit margin
From (9.5%) to 1.8%



Major increase in cost of sales

Depreciation	+88
Rents	+69

(Millions of yen)

Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.



AQERU Maebashi Achieved Monthly Profitability

Many activities are under way to attract tenants

New tenants in 2021

- Toshin satellite cramming school
- Nippon Life Insurance Company Gunma Branch
- Maebashi City Hall study room



5F	 Oct 2012			
4F	 Feb 2017	 Jun 2016	 Oct 2012	 Sep 2020
3F	 2021			
2F	 2021	 2021		
1F	 Nov 2012	 Dec 2020	 Dec 2020	 Dec 2020
B1	 Oct 2020	 Oct 2020	 Nov 2020	



FY8/2022



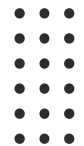
**Consolidated
Forecast**





October 1, 2021

**Restarted operations at all
karaoke locations in Japan**

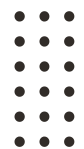


FY8/2022 Forecast

(Millions of yen)

Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.

	FY8/2021	FY8/2022	YoY change	
			Ratio	Amount
Net sales	20,791	40,093	+92.8%	+19,302
Operating profit	(7,628)	2,701		+10,329
Ordinary profit	(3,092)	4,459		+7,552
Profit attributable to owners of parent	(4,144)	3,121		+7,266
Dividend per share	4.0	8.0	+100.0%	+4.0



Segment Information

(Millions of yen)

Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.

	FY8/2021	FY8/2022	YoY change	
			Ratio	Amount
Net sales	20,791	40,093	92.8%	+19,302
Karaoke	19,195	37,999	98.0%	+18,804
Bath house	897	1,069	19.2%	+172
Real estate mgt	698	1,024	46.6%	+325
Operating profit	(7,628)	2,701		+10,329
Karaoke	(6,591)	3,133		+9,725
Bath house	(203)	35		+238
Real estate mgt	(181)	182		+364
Adjustment	(651)	(650)		

Application for Selection of a Prime Market Listing

Results of the initial assessment

As of the record date for compliance for the new listing (June 30, 2021)

	Standards for retaining a listing	Koshidaka Holdings
Number of shareholders	800	39,842
Number of tradable shares (units)	20,000	416,685
Market capitalization of tradable shares (mil yen)	10,000	24,948
Ratio of tradable shares (%)	35.0	50.6
Trading value (mil yen)	20	388



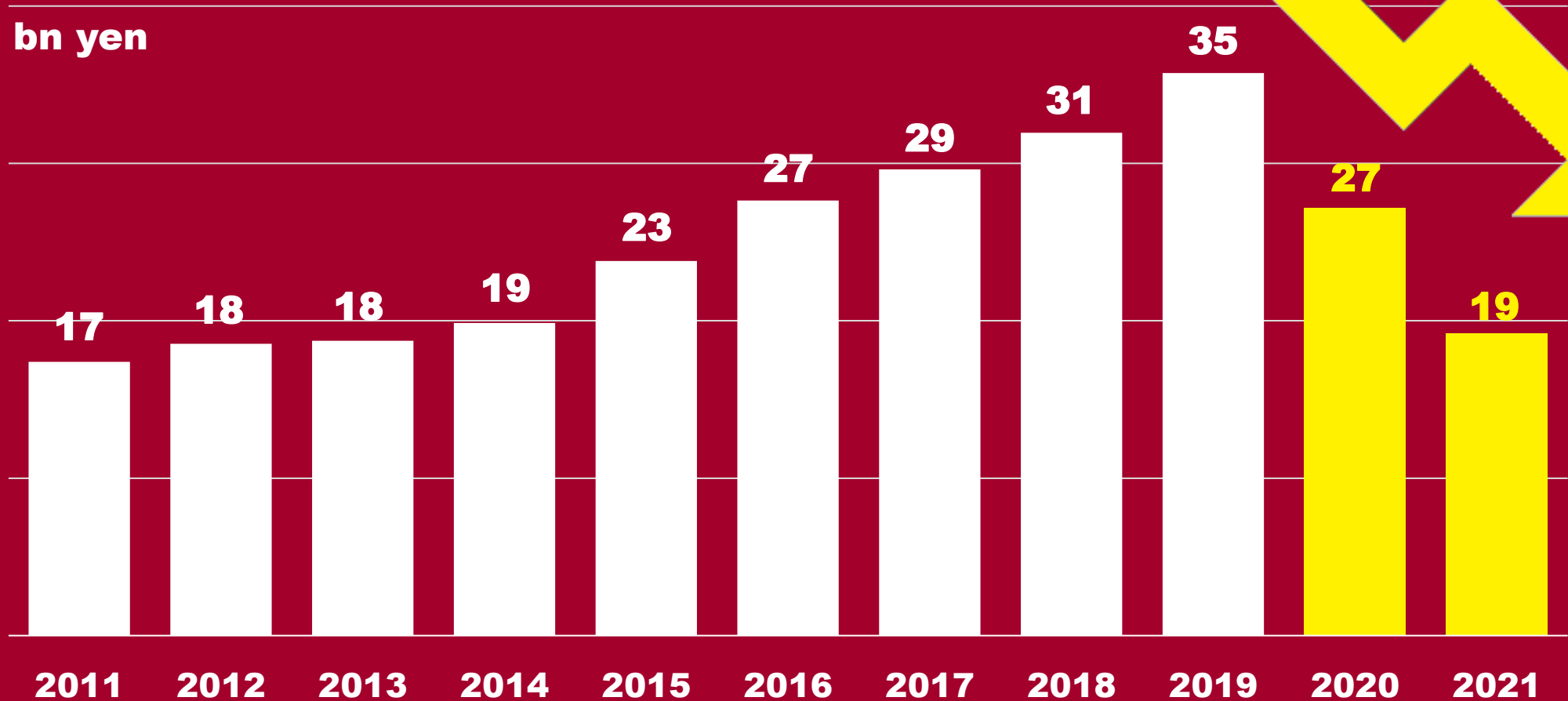
Strategic Objectives

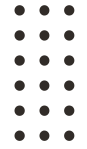


Review of Karaoke Segment Sales

Declining or flat sales in 2020 and 2021

bn yen





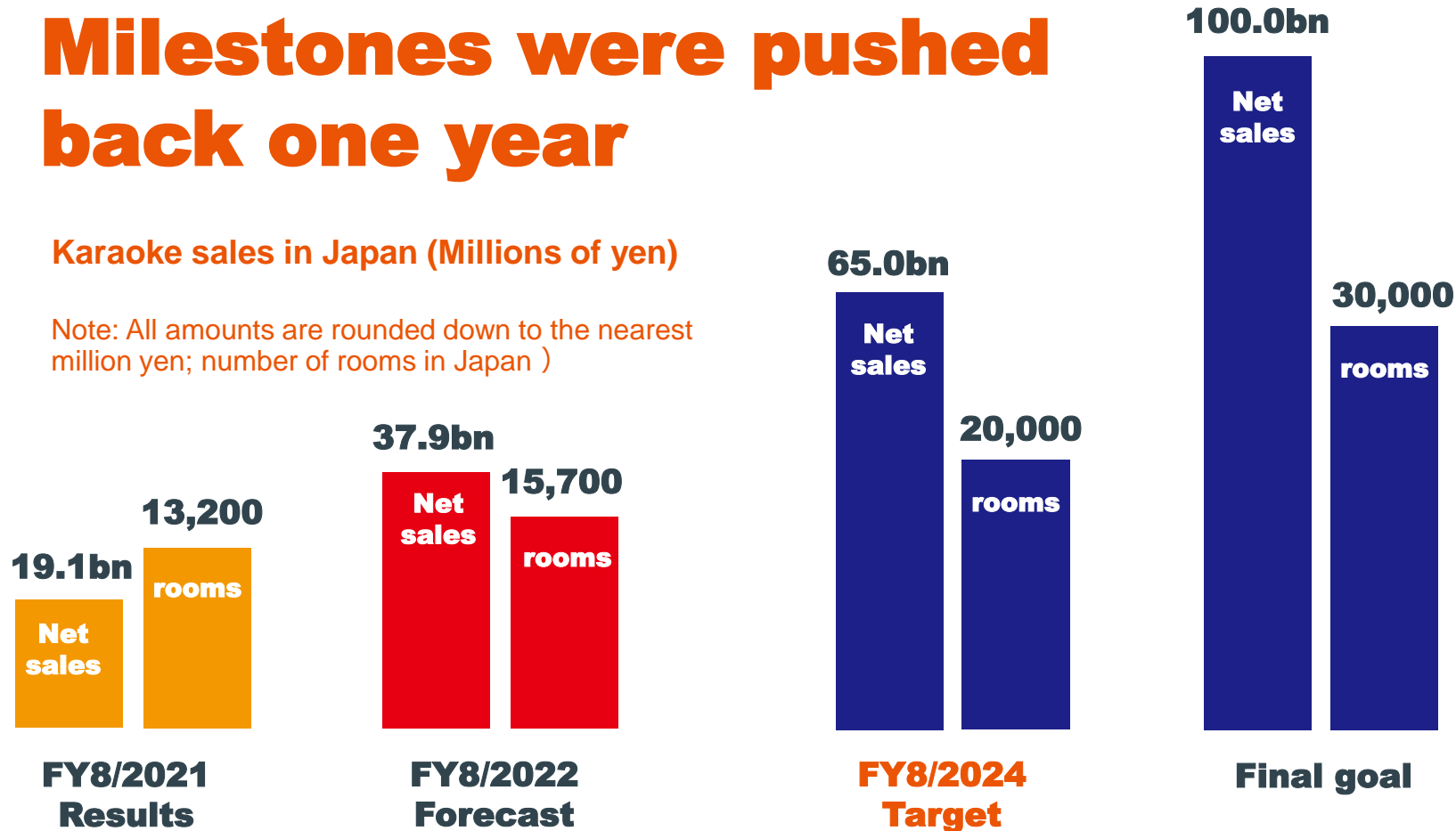
Third Year of the Medium-term Plan

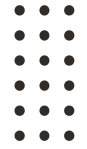
Entertainment as infrastructure

Milestones were pushed back one year

Karaoke sales in Japan (Millions of yen)

Note: All amounts are rounded down to the nearest million yen; number of rooms in Japan)





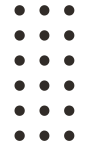
Medium-term Management Plan Vision

Entertainment as infrastructure

**Make entertainment
a vital part
of everyone's life**

**An outstanding entertainment
experience for people worldwide**

**Operate karaoke facilities
throughout Japan**



Actions for Accomplishing Goals

Entertainment as infrastructure

More reasons to visit stores

Create new services associated with development

KARASTA × NEREC

ミラPON

ライトビュー-107!

カラオケ!

Karaoke

Open stores at locations vacated by companies in other business categories

More floor area/rooms at locations with strong sales/earnings

Occupy locations vacated by competitors while using the existing facilities

M&A

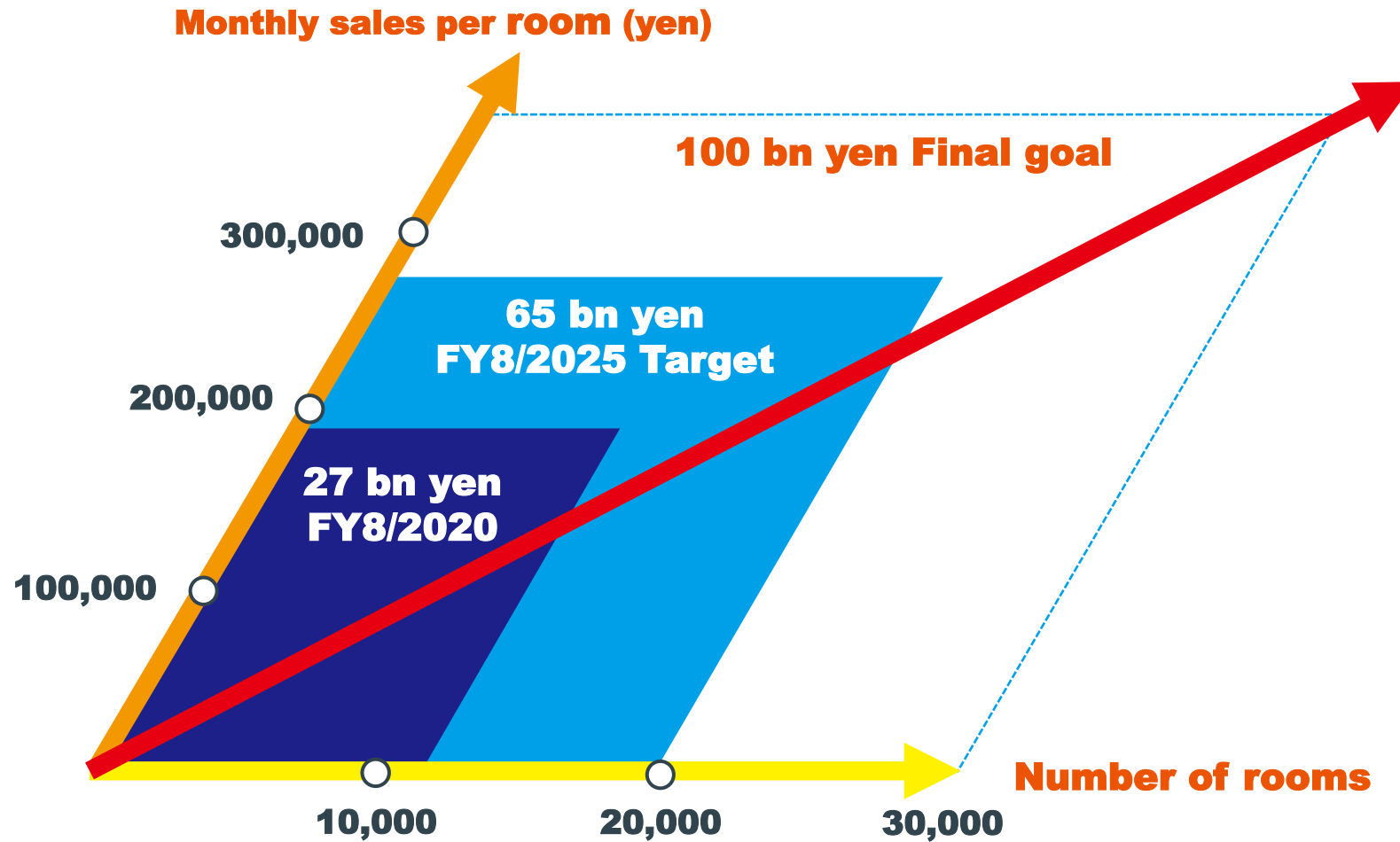
Number of rooms

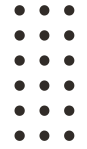
Open karaoke facilities faster near railway stations and in prime shopping areas

Recruit and train many people

Quantitative Targets (Karaoke sales in Japan)

Entertainment as infrastructure





The Goal of the Koshidaka Group

**We are dedicated to constantly
creating and expanding
new business models in
existing industries.**



Question-and-answer session



Appendix



What is Koshidaka Holdings?



- 545** Locations in Japan
- 12** Oversea locations
- 14** Karaage-no-Tensai
Chicken Restaurants, etc.

Karaoke Business

Second largest number of locations in our industry
 Quality services at low prices set us apart from competitors
 An international organization with operations in South Korea,
 Singapore, Malaysia, Thailand and Indonesia

Bath House Business

Natural hot springs at all locations
 Place to come and soak in a bath, enjoy a meal
 and relax

5 Locations in Japan

Real Estate Mgt Business

Ownership and operation of AQERU Maebashi,
 the Maebashi Station North Exit Building
 Subleasing business of commercial buildings



Organization

 **KOSHIDAKA HOLDINGS Co., LTD.**
 Capital: 2,070 mil yen
 Head office: Minato-ku, Tokyo

 **KOSHIDAKA Amusement Co., Ltd**
 Minato-ku, Tokyo

 **KOSHIDAKA Co., Ltd**
 Minato-ku, Tokyo

 **KOSHIDAKA INTERNATIONAL PTE.LTD.**
 Singapore

 **KOSHIDAKA KOREA Co., Ltd.**
 Jung-gu, Seoul

 **KOSHIDAKA Products Co., Ltd.**
 Minato-ku, Tokyo



 **Koshidaka Singapore Pte. LTD.**
 Singapore



 **KOSHIDAKA MALAYSIA SDN. BHD.**
 Malaysia

Real Estate Mgt



 **Koshidaka Thailand Co., Ltd.**
 Thailand

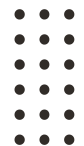
 **KOSHIDAKA Business Support Co., Ltd.**
 Minato-ku, Tokyo

 **PT Koshidaka International Indonesia**
 Indonesia

Bath House



Karaoke



Corporate Overview

Company name	KOSHIDAKA HOLDINGS Co., LTD
Business	Oversight of operating companies, business development and other activities
Established	March 1967
Tokyo Head Office	Kamiyacho MT Building 17F, 4-3-20 Toranomom, Minato-ku, Tokyo, Japan
Maebashi Head Office	1-5-1 Odomomachi, Maebashi-shi, Gunma, Japan
Capital	JPY 2,070,257,500
Employees	2,696 (all group companies, as of the end Aug. 2021)
Consolidated subsidiaries	KOSHIDAKA Co., Ltd. / KOSHIDAKA PRODUCTS Co., Ltd. KOSHIDAKA Business Support Co., Ltd. / KOSHIDAKA Amusement Co., Ltd. KOSHIDAKA INTERNATIONAL PTE. LTD. / KOSHIDAKA SINGAPORE PTE. LTD. / KOSHIDAKA KOREA Co., Ltd.
Corporate Philosophy	Our mission is to contribute to the creation of fulfilling and rewarding leisure activities and a peaceful world filled with hope by remaining a consistent source on a global scale of innovative and meaningful services and products.



Results by Segment (Details)

(Millions of yen)

Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.

	FY8/2018		FY8/2019		FY8/2020		FY8/2021E		FY8/2021E	
	1H	FY	1H	FY	1H	FY	1H	FY	1H	FY
Net sales	30,394	61,771	32,582	65,840	33,981	43,303	12,116	20,791	17,063	40,093
Karaoke	15,706	31,936	17,740	35,732	18,842	27,156	11,274	19,195	16,070	37,999
Bath house	819	1,587	822	1,640	812	1,207	536	897	499	1,069
Real estate mgt	157	313	156	431	384	637	305	698	493	1,024
Curves fitness	13,711	27,933	13,863	28,036	14,302	14,302				
Cost of sales	22,421	45,064	22,579	46,077	23,668	35,048	13,117	25,310		
Karaoke	12,498	25,447	13,678	27,737	14,279	24,821	12,090	23,383		
Bath house	745	1,460	756	1,465	721	1,231	570	1,062		
Real estate mgt	89	175	123	343	369	698	456	864		
Gross profit	7,973	16,706	10,003	19,762	10,313	8,254	(1,001)	(4,518)		
Karaoke	3,207	6,489	4,061	7,994	4,202	2,335	(815)	(4,188)		
Bath house	74	127	66	174	91	(24)	(34)	(164)		
Real estate mgt	67	154	33	88	15	(60)	(151)	(165)		
SG&A expenses	4,286	8,848	5,018	10,254	5,432	7,107	1,642	3,109		
Karaoke	1,635	3,336	1,672	3,475	1,923	3,174	1,266	2,402		
Bath house	28	55	35	65	32	45	23	38		
Real estate mgt	4	18	4	28	7	16	11	16		
Operating profit	3,687	7,858	4,984	9,507	4,880	11,054	(2,644)	(7,628)	29	2,701
Karaoke	1,571	3,153	2,389	4,518	2,279	(839)	(2,082)	(6,591)	302	3,133
Bath house	45	71	31	108	58	(70)	(58)		(13)	35
Real estate mgt	63	133	28	59	8	(77)	(162)	(181)	73	182
Curves fitness	2,431	5,345	2,985	5,679	3,005	3,005				



Inquiries



▶ IR Contact

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Stock code : 2157

The purpose of this presentation is to provide information about the Koshidaka Group based on results of operations for the fiscal year ended August 31, 2021. This is not a solicitation to purchase securities issued by Koshidaka Holdings.

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