



January 8, 2016

**Summary of Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending August 31, 2016
(Three Months Ended November 30, 2015)**

[Japanese GAAP]

Company name: KOSHIDAKA HOLDINGS Co., LTD. Listing: Tokyo Stock Exchange (JASDAQ)
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 Scheduled date of filing of Quarterly Report: January 14, 2016
 Scheduled date of payment of dividend: -
 Preparation of supplementary materials for quarterly financial results: None
 Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter Ended November 30, 2015 (Sep. 1, 2015 – Nov. 30, 2015)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Nov. 30, 2015	11,143	11.9	623	(18.6)	638	(20.6)	307	(3.0)
Three months ended Nov. 30, 2014	9,959	23.3	765	69.8	804	67.1	316	25.7

Note: Comprehensive income (million yen) Three months ended Nov. 30, 2015: 331 (down 33.8%)
 Three months ended Nov. 30, 2014: 501 (up 68.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Nov. 30, 2015	16.63	-
Three months ended Nov. 30, 2014	16.69	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Nov. 30, 2015	30,351	13,906	44.1
As of Aug. 31, 2015	30,663	14,052	43.7

Reference: Shareholders' equity (million yen) As of Nov. 30, 2015: 13,381 As of Aug. 31, 2015: 13,397

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Aug. 31, 2015	-	15.00	-	15.00	30.00
Fiscal year ending Aug. 31, 2016	-				
Fiscal year ending Aug. 31, 2016 (forecast)		15.00	-	15.00	30.00

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

3. Consolidated Earnings Forecast for the Fiscal Year Ending August 31, 2016 (Sep. 1, 2015 – Aug. 31, 2016)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	23,930	12.2	2,273	(15.9)	2,291	(16.6)	1,082	(16.3)	58.63
Full year	49,607	12.1	4,939	12.4	5,019	11.7	2,410	14.8	130.59

Note: Revisions to the most recently announced consolidated earnings forecast: None

4. Others

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

Newly added: - Excluded: -

(2) 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

(3) Number of outstanding shares (common stock)

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

As of Nov. 30, 2015:	19,200,000 shares	As of Aug. 31, 2015:	19,200,000 shares
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2) Number of treasury shares at the end of the period

As of Nov. 30, 2015:	745,360 shares	As of Aug. 31, 2015:	745,360 shares
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3) Average number of shares outstanding during the period

Three months ended Nov. 30, 2015:	18,454,640 shares	Three months ended Nov. 30, 2014:	18,954,680 shares
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* Information regarding the implementation of quarterly review procedures

The current quarterly financial report is exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the review procedures for the quarterly financial statements have not been completed.

* 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

In the first quarter of the current fiscal year, earnings at companies in Japan were flat due to weakening overseas demand. Consumer spending, which was expected to improve because of lower crude oil prices and higher wages, was lackluster with the exception of demand from foreign tourists. As a result, the Japanese economy was generally sluggish.

Results by business segment were as follows.

Karaoke

Japan's karaoke market is changing due to the rising number of older people and the growth in the diversity of ways to enjoy karaoke and people who enjoy karaoke on their own. The result is an increase in the number of customers in the morning but a decrease in the number of people in each group. On the other hand, this same trend contributed to the growth in the amount of time that core customers spend at karaoke facilities.

We are opening most new karaoke locations in the Tokyo area, where there are large numbers of people in our target customer segments. In addition, we are using the SKIT (Smart Karaoke Internet Terminal), a system that we developed internally, to offer customers a variety of original services that use collaboration with owners of content. To build a base for attracting our core customers of the future, we started a new service called ZERO Kara that targets high school students.

Training programs for employees are structured to increase motivation and make everyone think like a manager. Giving employees the knowledge needed to operate karaoke facilities on their own is another priority. Due to our program to enable employees to become independent entrepreneurs, former employees currently operate 16 of our karaoke facilities.

Outside Japan, we opened more directly operated locations in and near Seoul, South Korea, and are conducting a scrap-and-build program in Singapore to expand operations in Southeast Asia.

At the end of the first quarter of the current fiscal year, the number of karaoke locations in Japan totaled 425, 13 more than at the end of the previous fiscal year, and 12 locations were renovated. The number of overseas karaoke facilities totaled 20, consisting of 10 in Singapore and 10 in South Korea.

Sales in the Karaoke segment were 6,076 million yen, up 17.5% year on year. The segment loss was 334 million yen, which was 203 million yen more than in the previous fiscal year.

Curves

Our goal in this business is to help people lead lives with fewer worries about their health. We want to help people exercise regularly and eat properly in order to prevent diseases and the need for nursing care as they grow older. To accomplish this goal, we are improving services, upgrading support for Curves members and opening more Curves fitness clubs.

Increasing sales of merchandise to members is another source of growth in this segment. There has been steady growth in regular purchases of protein supplements by members. These supplements have significant synergy effect with circuit training workouts.

At the end of the first quarter, the number of Curves fitness clubs in Japan was 1,637 (including 52 directly operated facilities), an increase of 35, or 2.1%, from the end of the previous fiscal year. The number of members went up by 31,000, or 4.3%, to 742,000.

Sales in the Curves segment were 4,635 million yen, up 6.3% year on year, and the segment profit was 1,150 million yen, up 4.6%.

Bath House

The Bath House business uses employee training, cost management and a variety of other expertise gained from the Karaoke business. This segment has also implemented dramatic changes in order to cut fixed expenses, particularly the cost of utilities. All of these actions are aimed at reinvigorating bath house facilities.

Sales in the Bath House segment were 353 million yen, up 1.1% year on year. The segment loss was 17 million yen, which was 55 million yen less than in the same period of the previous fiscal year.

Real Estate Management

Sales in the Real Estate Management segment were 78 million yen, down 0.3% year on year, and the segment profit was 23 million yen, down 23.2%.

Overall, the Koshidaka Group (KOSHIDAKA HOLDINGS Co., LTD. and its consolidated subsidiaries) had sales of 11,143 million yen, up 11.9%, operating income of 623 million yen, down 18.6%, ordinary income of 638 million yen, down 20.6%, and profit attributable to owners of parent of 307 million yen, down 3.0% in the first quarter of the current fiscal year.

(2) Explanation of Financial Position

Total assets at the end of the first quarter of the current fiscal year decreased 311 million yen (1.0%) from the end of the previous fiscal year to 30,351 million yen.

Current assets

Current assets decreased 1,559 million yen (13.6%) to 9,888 million yen. This was mainly due to a 2,080 million yen decrease in cash and deposits.

Non-current assets

Property, plant and equipment increased 1,182 million yen (9.6%) to 13,505 million yen. This was mainly due to a 784 million yen increase in buildings and structures, and a 529 million yen increase in vehicles, tools, furniture and fixtures.

Intangible assets decreased 319 million yen (10.3%) to 2,771 million yen. This was mainly due to a 261 million yen decrease in goodwill.

Investments and other assets increased 385 million yen (10.2%) to 4,185 million yen. This was mainly due to a 200 million yen increase in long-term loans receivable.

Total non-current assets increased 1,248 million yen (6.5%) to 20,462 million yen.

Current liabilities

Current liabilities decreased 714 million yen (7.1%) to 9,315 million yen. This was mainly due to a 632 million yen decrease in income taxes payable.

Non-current liabilities

Non-current liabilities increased 548 million yen (8.3%) to 7,129 million yen. This was mainly due to a 421 million yen increase in long-term loans payable.

Total liabilities decreased 166 million yen (1.0%) to 16,444 million yen.

Net assets

Net assets decreased 145 million yen (1.0%) to 13,906 million yen. This was mainly due to a 129 million yen decrease in minority interests.

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

The first-half and full-year consolidated forecasts announced on October 13, 2015 remain unchanged.

2. Matters Related to Summary Information (Notes)

Changes in Accounting Policies and Accounting-based Estimates, and Restatements

Changes in Accounting Policies

Application of the Accounting Standards for Business Combinations

The Company has applied the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), etc. from the first quarter of the current fiscal year. Accordingly, difference arising from changes in the Company’s ownership interests in subsidiaries in cases where control is retained is recognized in capital surplus, and the acquisition costs in connection with business combinations are recognized as expenses in the fiscal year in which they arise. Regarding business combinations that take place on or after the beginning of the first quarter of the current fiscal year, the Company has revised the method to reflect reviewed allocation of the acquisition costs arising from determination of the provisional accounting treatment on the quarterly consolidated financial statements to which the date of the business combination belongs. In addition, the presentation of net income and other items has been revised, and the minority interests item has been renamed non-controlling interests. For consistency with these changes, the consolidated financial statements for the first quarter of the previous fiscal year and the previous fiscal year have been revised.

The Company has adopted the Accounting Standard for Business Combinations, etc. from the beginning of the first quarter of the current fiscal year in accordance with the transitional accounting treatments set forth in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Article 57-4 (4) of the Accounting Standard for Business Divestitures.

There is no impact on the quarterly consolidated financial statements for the first quarter of the current fiscal year.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	FY8/15 (As of Aug. 31, 2015)	First quarter of FY8/16 (As of Nov. 30, 2015)
Assets		
Current assets		
Cash and deposits	6,187,438	4,106,731
Notes and accounts receivable-trade	2,258,528	2,146,706
Merchandise	732,145	830,846
Raw materials and supplies	188,536	222,123
Deferred tax assets	308,724	268,527
Other	1,804,508	2,350,089
Allowance for doubtful accounts	(31,052)	(36,026)
Total current assets	11,448,828	9,888,999
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,092,247	8,876,993
Vehicles, tools, furniture and fixtures, net	1,966,641	2,496,602
Land	1,965,917	1,965,917
Leased assets, net	169,820	149,957
Construction in progress	129,137	16,475
Total property, plant and equipment	12,323,765	13,505,946
Intangible assets		
Goodwill	2,082,803	1,821,018
Software	1,001,208	945,197
Other	6,922	5,034
Total intangible assets	3,090,934	2,771,250
Investments and other assets		
Investment securities	494,808	495,404
Shares of subsidiaries and associates	28,637	28,637
Long-term loans receivable	400,097	600,726
Long-term prepaid expenses	87,598	83,955
Lease and guarantee deposits	2,476,787	2,546,681
Deferred tax assets	287,888	385,805
Other	38,596	59,313
Allowance for doubtful accounts	(14,591)	(14,905)
Total investments and other assets	3,799,822	4,185,619
Total non-current assets	19,214,522	20,462,816
Total assets	30,663,351	30,351,815

(Thousands of yen)

	FY8/15 (As of Aug. 31, 2015)	First quarter of FY8/16 (As of Nov. 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,830,734	1,583,818
Current portion of long-term loans payable	2,231,512	2,376,712
Lease obligations	69,927	62,940
Accounts payable-other	1,110,216	1,574,651
Accrued expenses	925,993	1,033,422
Income taxes payable	1,021,373	388,387
Provision for bonuses	223,125	108,090
Deposits received	1,549,419	1,563,400
Other	1,067,798	623,881
Total current liabilities	10,030,101	9,315,305
Non-current liabilities		
Long-term loans payable	5,122,004	5,543,673
Lease obligations	122,516	108,064
Deferred tax liabilities	167,336	247,410
Asset retirement obligations	925,551	1,007,489
Other	243,650	222,873
Total non-current liabilities	6,581,059	7,129,511
Total liabilities	16,611,161	16,444,817
Net assets		
Shareholders' equity		
Capital stock	493,600	493,600
Capital surplus	483,600	483,600
Retained earnings	13,480,094	13,510,287
Treasury shares	(1,200,797)	(1,200,797)
Total shareholders' equity	13,256,497	13,286,690
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,195	28,061
Foreign currency translation adjustment	114,203	67,056
Total accumulated other comprehensive income	141,399	95,118
Non-controlling interests	654,292	525,190
Total net assets	14,052,190	13,906,998
Total liabilities and net assets	30,663,351	30,351,815

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

(Thousands of yen)

	First three months of FY8/15 (Sep. 1, 2014 – Nov. 30, 2014)	First three months of FY8/16 (Sep. 1, 2015 – Nov. 30, 2015)
Net sales	9,959,352	11,143,852
Cost of sales	7,639,547	8,946,587
Gross profit	2,319,805	2,197,264
Selling, general and administrative expenses	1,554,164	1,574,224
Operating income	765,641	623,040
Non-operating income		
Interest and dividend income	7,726	9,833
Foreign exchange gains	12,716	-
Other	29,328	19,864
Total non-operating income	49,771	29,697
Non-operating expenses		
Interest expenses	4,787	5,809
Foreign exchange losses	-	6,515
Other	6,396	2,150
Total non-operating expenses	11,184	14,475
Ordinary income	804,228	638,263
Extraordinary income		
Gain on sales of non-current assets	59	87,580
Total extraordinary income	59	87,580
Extraordinary losses		
Loss on retirement of non-current assets	48,525	20,691
Impairment loss	66,391	-
Loss on closing of stores	82,186	-
Total extraordinary losses	197,102	20,691
Income before income taxes and non-controlling interests	607,184	705,152
Income taxes-current	289,151	301,908
Income taxes-deferred	(70,071)	25,334
Total income taxes	219,080	327,242
Profit	388,104	377,909
Profit attributable to non-controlling interests	71,667	70,897
Profit attributable to owners of parent	316,436	307,012

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

(Thousands of yen)

	First three months of FY8/15 (Sep. 1, 2014 – Nov. 30, 2014)	First three months of FY8/16 (Sep. 1, 2015 – Nov. 30, 2015)
Profit	388,104	377,909
Other comprehensive income		
Valuation difference on available-for-sale securities	16,678	865
Foreign currency translation adjustment	96,269	(47,147)
Total other comprehensive income	112,947	(46,281)
Comprehensive income	501,051	331,627
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	429,383	260,730
Comprehensive income attributable to non-controlling interests	71,667	70,897

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

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

Segment and Information

I. First three months of FY8/15 (Sep. 1, 2014 – Nov. 30, 2014)

1. Information related to net sales, profit or 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	Curves	Bath House	Real Estate Management	Subtotal			
Net sales								
External sales	5,171,581	4,359,652	349,490	78,628	9,959,352	9,959,352	-	9,959,352
Inter-segment sales and transfers	-	-	-	-	-	-	-	-
Total	5,171,581	4,359,652	349,490	78,628	9,959,352	9,959,352	-	9,959,352
Segment profit (loss)	(131,243)	1,099,969	(73,771)	30,887	925,842	925,842	(160,201)	765,641

Notes: 1. The -160,201 thousand yen adjustment to segment profit mainly includes general and administrative expenses that cannot be attributed to reportable segments.

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

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

Impairment losses related to non-current assets

There were impairment losses (extraordinary losses) of 45,041 thousand yen on closed store assets in the Karaoke segment, and 21,350 thousand yen on concession money in the Curves segment.

Significant change in goodwill

In the Karaoke segment, KOSHIDAKA INTERNATIONAL PTE. LTD., KOSHIDAKA MANAGEMENT SINGAPORE PTE. LTD., K BOX ENTERTAINMENT GROUP PTE. LTD., and nine other companies have been included in the consolidation effective from the first quarter of the current fiscal year. This change caused goodwill to increase by 1,143,210 thousand yen.

II. First three months of FY8/16 (Sep. 1, 2015 – Nov. 30, 2015)

1. Information related to net sales, profit or 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	Curves	Bath House	Real Estate Management	Subtotal			
Net sales								
External sales	6,076,932	4,635,123	353,437	78,359	11,143,852	11,143,852	-	11,143,852
Inter-segment sales and transfers	-	-	-	-	-	-	-	-
Total	6,076,932	4,635,123	353,437	78,359	11,143,852	11,143,852	-	11,143,852
Segment profit (loss)	(334,450)	1,150,068	(17,880)	23,713	821,452	821,452	(198,411)	623,040

Notes: 1. The -198,411 thousand yen adjustment to segment profit mainly includes general and administrative expenses that cannot be attributed to reportable segments.

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

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

Not applicable.

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.