



October 13, 2021

Summary of Consolidated Financial Results for the Fiscal Year Ended August 31, 2021

[Japanese GAAP]

Company name: KOSHIDAKA HOLDINGS Co., LTD. Listing: Tokyo Stock Exchange (First Section)
 Stock code: 2157 URL: <https://www.koshidakaholdings.co.jp/>
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Scheduled date of Annual General Meeting of Shareholders: November 26, 2021
 Scheduled date of filing of Annual Securities Report: November 29, 2021
 Scheduled date of payment of dividend: November 29, 2021
 Preparation of supplementary materials for financial results: None
 Holding of 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 Fiscal Year Ended August 31, 2021 (Sep. 1, 2020 – Aug. 31, 2021)

(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	%
Fiscal year ended Aug. 31, 2021	20,791	(52.0)	(7,628)	-	(3,092)	-	(4,144)	-
Fiscal year ended Aug. 31, 2020	43,303	(34.2)	1,147	(87.9)	1,699	(82.2)	(231)	-

Note: Comprehensive income (million yen) Fiscal year ended Aug. 31, 2021: (4,244) (-%)

Fiscal year ended Aug. 31, 2020: (357) (-%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Aug. 31, 2021	(50.84)	-	(20.2)	(7.1)	(36.7)
Fiscal year ended Aug. 31, 2020	(2.84)	-	(0.8)	2.9	2.7

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Aug. 31, 2021	41,973	18,178	43.3	222.96
As of Aug. 31, 2020	44,555	22,911	51.4	281.01

Reference: Shareholders' equity (million yen) As of Aug. 31, 2021: 18,178 As of Aug. 31, 2020: 22,911

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Aug. 31, 2021	(1,942)	(4,474)	2,285	5,171
Fiscal year ended Aug. 31, 2020	4,378	(9,124)	5,784	9,297

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Aug. 31, 2020	-	8.00	-	4.00	12.00	987	-	3.6
Fiscal year ended Aug. 31, 2021	-	2.00	-	2.00	4.00	329	-	1.6
Fiscal year ending Aug. 31, 2022 (forecast)	-	4.00	-	4.00	8.00		20.9	

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
First half	17,063	40.8	29	-	1,806	-	1,264	-	15.51
Full year	40,093	92.8	2,701	-	4,459	-	3,121	-	38.29

* 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) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

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 Aug. 31, 2021:	82,300,000 shares	As of Aug. 31, 2020:	82,300,000 shares
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2) Number of treasury shares at the end of the period

As of Aug. 31, 2021:	767,296 shares	As of Aug. 31, 2020:	767,296 shares
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3) Average number of shares outstanding during the period

Fiscal year ended Aug. 31, 2021:	81,532,704 shares	Fiscal year ended Aug. 31, 2020:	81,483,222 shares
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* The current financial report is not subject to audit 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 "1. Overview of Results of Operations, (4) Outlook" for forecast assumptions and notes of caution for usage.

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1. Overview of Results of Operations

(1) Results of Operations

In the fiscal year that ended in August 2021 (September 1, 2020 to August 31, 2021), there was a recovery in corporate earnings and capital expenditures in Japan, mainly at manufacturers as exports rebounded. However, there were some signs of weakness, including sluggish consumer spending primarily for services.

Business segment performance was as follows.

Karaoke

In the karaoke industry, operations of stores were suspended or hours were reduced in response to a series of states of emergency and other government orders for safety during the pandemic. At the Koshidaka Group, locations were able to operate normally during only about 40% of the current fiscal year in Tokyo and somewhat more than 60% for all locations in Japan. In addition, mass media reports and other sources of information made people reluctant to go out for various activities, resulting in a decline in the number of customers. Despite these challenges, there are expectations for a sharp upturn in consumer spending once pent-up demand is released due to government activities and progress with vaccinations.

The Koshidaka Group has been making substantial investments while retaining a cautious stance in order to accomplish the “Entertainment as Infrastructure” goal of the medium-term management vision that was announced in September 2019. We opened more karaoke locations, chiefly in the Tokyo area, added more locations by acquiring an operator of karaoke stores, added new forms of entertainment, such as using karaoke rooms for viewing live entertainment and starting Karasta Onerec (professional quality video recordings of karaoke performances), relocated the Maneki-Juku training center to Tokyo, and expanded employee training programs. In other countries, karaoke operations were suspended or reduced operating hours due to compliance with government restrictions.

At the end of August 2021, the number of karaoke locations in Japan was 559 (locations with a Karaage-no-Tensai restaurant are counted as two locations), 37 more than at the end of the previous fiscal year. The number of overseas karaoke facilities was 12 in four countries, consisting of four in South Korea, six in Malaysia, one in Thailand, and one in Indonesia.

Sales in the Karaoke segment were 19,195 million yen, down 29.3% year on year. The segment loss was 6,591 million yen, which was 5,752 million yen more than in the previous fiscal year.

Bath House

As in the Karaoke segment, the performance of bath houses was impacted a challenging business climate caused by reduced operating hours and restrictions on food and beverage services at bath houses due to the pandemic.

Sales in the Bath House segment were 897 million yen, down 25.7% year on year. The segment loss was 203 million yen, which was 133 million yen more than in the previous fiscal year.

Real Estate Management

The AQERU Maebashi shopping and entertainment center located at the north exit of Maebashi Station, which the Koshidaka Group purchased in February 2019, held its grand opening in December 2020. Progress with adding new tenants is continuing.

Sales in the Real Estate Management segment were 698 million yen, up 9.7% year on year, and the segment loss was 181 million yen, which was 104 million yen more than in the previous fiscal year.

Overall, the Koshidaka Group (KOSHIDAKA HOLDINGS Co., LTD. and its consolidated subsidiaries) had sales of 20,791 million yen, down 52.0% year on year, an operating loss of 7,628 million yen, a decrease of 8,776 million yen from the profit in the previous fiscal year, an ordinary loss of 3,092 million yen, a decrease of 4,792 million yen from the profit in the previous fiscal year, and a loss attributable to owners of parent of 4,144 million yen, an increase in loss of 3,913 million yen from the previous fiscal year.

(2) Financial Position

Financial position at the end of the current fiscal year is as follows.

Assets

Total assets at the end of the current fiscal year decreased 2,582 million yen (5.8%) from the end of the previous fiscal year to 41,973 million yen.

Current assets decreased 4,364 million yen (31.7%) to 9,388 million yen. This was mainly due to decreases of 4,123 million yen in cash and deposits and 2,000 million yen in securities, while there was an increase of 1,956 million yen in other.

Property, plant and equipment increased 975 million yen (4.3%) to 23,543 million yen. This was mainly due to an increase of 1,135 million yen in buildings and structures, net.

Intangible assets decreased 112 million yen (32.1%) to 238 million yen.

Investments and other assets increased 919 million yen (11.7%) to 8,803 million yen. This was mainly due to increases of 476 million yen in deferred tax assets and 827 million yen in leasehold and guarantee deposits, while there was a decrease of 533 million yen in investment securities.

Total non-current assets increased 1,781 million yen (5.8%) to 32,584 million yen.

Liabilities

Current liabilities decreased 369 million yen (3.5%) to 10,098 million yen.

Non-current liabilities increased 2,521 million yen (22.6%) to 13,697 million yen. This was mainly due to an increase of 2,403 million yen in long-term borrowings.

Total liabilities increased 2,151 million yen (9.9%) to 23,795 million yen.

Net assets

Net assets decreased 4,733 million yen (20.7%) to 18,178 million yen. This was mainly due to a decrease of 4,634 million yen in retained earnings.

(3) Cash Flows

Cash and cash equivalents (hereinafter "net cash") at the end of the current fiscal year decreased 4,125 million yen from the end of the previous fiscal year to 5,171 million yen.

The cash flow components during the current fiscal year and the main reasons for changes are as described below.

Cash flows from operating activities

Net cash used in operating activities totaled 1,942 million yen, an increase of 6,320 million yen used from 4,378 million yen provided in the previous fiscal year. Main factors include an increase of 4,750 million yen in loss before income taxes.

Cash flows from investing activities

Net cash used in investing activities totaled 4,474 million yen, a decrease of 4,649 million yen from 9,124 million yen used in the previous fiscal year. Main factors include a decrease of 2,000 million yen in purchase of securities and an increase of 2,000 million yen in proceeds from sale of securities.

Cash flows from financing activities

Net cash provided by financing activities totaled 2,285 million yen, a decrease of 3,499 million yen from 5,784 million yen provided in the previous fiscal year. Main factors include a net decrease of 4,500 million yen in short-term borrowings and decreases of 610 million yen in repayments of long-term borrowings and 650 million yen in dividends paid.

(4) Outlook

Although there are significant concerns about the spread of infections due to new variants of the COVID-19 virus, the outlook assumes that the restaurant, travel, and entertainment sectors will not be affected as social and economic activities in Japan continue to recover gradually while more people get vaccinated and various government policies are progressively implemented.

Karaoke

Operations at all karaoke locations in Japan have resumed following the end of the state of emergency and other governmental pandemic-related restrictions on October 1, 2021. Karaoke operations are placing the highest priority on the health and safety of customers and employees. Furthermore, we have ended the suspension of the opening of new locations and will continue to develop new types of entertainment for the karaoke business. Karaoke operations will also increase recruiting and training activities in order to provide the people needed for the growing number of locations as well as the increasing diversity and sophistication of services.

In other countries, we plan to reopen locations that were temporarily closed and resume opening new locations while continuing to monitor approach and stance of the governments.

Due to these initiatives, we forecast a 98.0% increase in Karaoke segment sales to 37,999 million yen.

Bath House

As in the Karaoke segment, we will continue to operate bath houses while making the health and safety of customers and employees the highest priority. In addition, this business plans to develop new services at bath houses and will continue to conduct training programs for employees.

We forecast an 19.2% increase in the Bath House segment sales to 1,069 million yen.

Real Estate Management

The AQERU Maebashi shopping and entertainment center at the north exit of Maebashi Station will continue to place priority on attracting tenants and becoming profitable as quickly as possible. Real estate operations are also working on ways to utilize property owned by the Koshidaka Group more efficiently and on the development of new forms of entertainment.

We forecast a 46.6% increase in Real Estate Management segment sales to 1,024 million yen.

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 current fiscal year, ordinary profit of 4,459 million yen, an increase of 7,552 million yen from the loss in the current fiscal year, and profit attributable to owners of parent of 3,121 million yen, an increase of 7,266 million yen from the loss in the current fiscal year.

2. Basic Approach to the Selection of Accounting Standards

The Koshidaka Group will continue to prepare consolidated financial statements in accordance with generally accepted accounting principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies.

We will consider the use of International Financial Reporting Standards (IFRS) in the future based on changes in foreign ownership of our stock, the growth of our overseas operations and other factors.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	FY8/20 (As of Aug. 31, 2020)	FY8/21 (As of Aug. 31, 2021)
Assets		
Current assets		
Cash and deposits	9,890,483	5,766,843
Notes and accounts receivable-trade	196,659	84,030
Securities	2,000,000	-
Merchandise	19,241	19,912
Raw materials and supplies	263,580	196,243
Other	1,383,496	3,339,597
Allowance for doubtful accounts	(377)	(17,641)
Total current assets	13,753,085	9,388,986
Non-current assets		
Property, plant and equipment		
Buildings and structures	30,845,346	32,890,795
Accumulated depreciation	(14,228,797)	(15,138,558)
Buildings and structures, net	16,616,549	17,752,236
Vehicles, tools, furniture and fixtures	13,487,560	13,255,768
Accumulated depreciation	(10,553,447)	(10,809,378)
Vehicles, tools, furniture and fixtures, net	2,934,113	2,446,390
Land	2,795,246	3,344,448
Construction in progress	221,892	-
Total property, plant and equipment	22,567,802	23,543,075
Intangible assets		
Goodwill	15,718	9,598
Software	186,538	217,651
Other	148,946	11,160
Total intangible assets	351,203	238,410
Investments and other assets		
Investment securities	948,815	415,067
Long-term loans receivable	807,013	1,129,652
Long-term prepaid expenses	84,743	70,876
Leasehold and guarantee deposits	4,433,530	5,261,103
Deferred tax assets	1,722,114	2,198,588
Other	177,310	182,308
Allowance for doubtful accounts	(289,780)	(454,405)
Total investments and other assets	7,883,747	8,803,190
Total non-current assets	30,802,753	32,584,676
Total assets	44,555,839	41,973,662

(Thousands of yen)

	FY8/20 (As of Aug. 31, 2020)	FY8/21 (As of Aug. 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	235,458	189,785
Short-term borrowings	4,500,000	4,500,000
Current portion of long-term borrowings	2,585,328	2,956,712
Accounts payable-other	516,771	660,635
Accrued expenses	1,233,231	1,025,926
Income taxes payable	18,212	59,107
Provision for bonuses	113,007	129,710
Deposits received	287,142	148,519
Other	978,958	427,733
Total current liabilities	10,468,110	10,098,129
Non-current liabilities		
Long-term borrowings	6,910,687	9,313,768
Deferred tax liabilities	240,136	225,906
Asset retirement obligations	2,956,500	3,409,037
Other	1,068,611	748,460
Total non-current liabilities	11,175,936	13,697,172
Total liabilities	21,644,046	23,795,302
Net assets		
Shareholders' equity		
Share capital	2,070,257	2,070,257
Capital surplus	3,302,786	3,302,786
Retained earnings	17,474,182	12,840,049
Treasury shares	(105,662)	(105,662)
Total shareholders' equity	22,741,564	18,107,431
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	41,447	27,449
Foreign currency translation adjustment	128,780	43,479
Total accumulated other comprehensive income	170,228	70,929
Total net assets	22,911,792	18,178,360
Total liabilities and net assets	44,555,839	41,973,662

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

(Thousands of yen)

	FY8/20 (Sep. 1, 2019 – Aug. 31, 2020)	FY8/21 (Sep. 1, 2020 – Aug. 31, 2021)
Net sales	43,303,711	20,791,480
Cost of sales	35,048,959	25,310,382
Gross profit (loss)	8,254,752	(4,518,902)
Selling, general and administrative expenses	7,107,127	3,109,896
Operating profit (loss)	1,147,624	(7,628,799)
Non-operating income		
Interest and dividend income	16,596	16,374
Foreign exchange gains	-	151,082
Cancellation income	180,000	566,427
Subsidy income	437,685	3,814,951
Other	269,970	215,969
Total non-operating income	904,252	4,764,806
Non-operating expenses		
Interest expenses	47,666	33,357
Commission expenses	500	500
Foreign exchange losses	41,387	-
Provision of allowance for doubtful accounts	192,947	158,534
Other	69,839	36,232
Total non-operating expenses	352,341	228,625
Ordinary profit (loss)	1,699,536	(3,092,618)
Extraordinary income		
Gain on sales of non-current assets	20,639	74,187
Gain on sales of investment securities	808	57,123
Total extraordinary income	21,447	131,310
Extraordinary losses		
Loss on retirement of non-current assets	129,841	46,479
Impairment loss	1,403,612	1,480,852
Loss on valuation of shares of subsidiaries and associates	-	74,702
Total extraordinary losses	1,533,453	1,602,034
Profit (loss) before income taxes	187,530	(4,563,342)
Income taxes-current	1,396,912	64,357
Income taxes-deferred	(977,866)	(482,763)
Total income taxes	419,045	(418,405)
Profit (loss)	(231,515)	(4,144,936)
Profit (loss) attributable to owners of parent	(231,515)	(4,144,936)

Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	FY8/20	FY8/21
	(Sep. 1, 2019 – Aug. 31, 2020)	(Sep. 1, 2020 – Aug. 31, 2021)
Profit (loss)	(231,515)	(4,144,936)
Other comprehensive income		
Valuation difference on available-for-sale securities	(208)	(13,998)
Foreign currency translation adjustment	(125,739)	(85,300)
Total other comprehensive income	(125,948)	(99,299)
Comprehensive income	(357,464)	(4,244,235)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(357,464)	(4,244,235)

(3) Consolidated Statement of Changes in Equity

FY8/20 (Sep. 1, 2019 – Aug. 31, 2020)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,070,257	3,302,786	26,447,399	(301,538)	31,518,904
Changes during period					
Dividends of surplus			(1,158,209)		(1,158,209)
Profit (loss) attributable to owners of parent			(231,515)		(231,515)
Disposal of treasury shares by J-ESOP				195,876	195,876
Change in scope of consolidation			(7,583,491)		(7,583,491)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(8,973,217)	195,876	(8,777,340)
Balance at end of period	2,070,257	3,302,786	17,474,182	(105,662)	22,741,564

(Thousands of yen)

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	41,656	254,520	296,176	-	31,815,081
Changes during period					
Dividends of surplus					(1,158,209)
Profit (loss) attributable to owners of parent					(231,515)
Disposal of treasury shares by J-ESOP					195,876
Change in scope of consolidation					(7,583,491)
Net changes in items other than shareholders' equity	(208)	(125,739)	(125,948)	-	(125,948)
Total changes during period	(208)	(125,739)	(125,948)	-	(8,903,288)
Balance at end of period	41,447	128,780	170,228	-	22,911,792

FY8/21 (Sep. 1, 2020 – Aug. 31, 2021)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,070,257	3,302,786	17,474,182	(105,662)	22,741,564
Changes during period					
Dividends of surplus			(489,196)		(489,196)
Profit (loss) attributable to owners of parent			(4,144,936)		(4,144,936)
Disposal of treasury shares by J-ESOP					-
Change in scope of consolidation					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(4,634,132)	-	(4,634,132)
Balance at end of period	2,070,257	3,302,786	12,840,049	(105,662)	18,107,431

(Thousands of yen)

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	41,447	128,780	170,228	-	22,911,792
Changes during period					
Dividends of surplus					(489,196)
Profit (loss) attributable to owners of parent					(4,144,936)
Disposal of treasury shares by J-ESOP					-
Change in scope of consolidation					-
Net changes in items other than shareholders' equity	(13,998)	(85,300)	(99,299)	-	(99,299)
Total changes during period	(13,998)	(85,300)	(99,299)	-	(4,733,431)
Balance at end of period	27,449	43,479	70,929	-	18,178,360

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY8/20 (Sep. 1, 2019 – Aug. 31, 2020)	FY8/21 (Sep. 1, 2020 – Aug. 31, 2021)
Cash flows from operating activities		
Profit (loss) before income taxes	187,530	(4,563,342)
Depreciation	4,492,624	3,809,544
Impairment loss	1,403,612	1,480,852
Amortization of goodwill	179,716	7,520
Amortization of trademarks	510,070	-
Increase (decrease) in provision for bonuses	(94,977)	16,703
Increase (decrease) in allowance for doubtful accounts	142,068	175,777
Interest and dividend income	(16,596)	(16,374)
Interest expenses	47,666	33,357
Loss (gain) on sales of property, plant and equipment	(17,447)	(72,856)
Decrease (increase) in trade receivables	(681,172)	116,670
Decrease (increase) in inventories	(331,215)	67,886
Decrease (increase) in accounts receivable-other	158,809	(1,867,753)
Increase (decrease) in trade payables	(292,499)	(50,858)
Increase (decrease) in accounts payable-other, and accrued expenses	(336,196)	(139,247)
Other, net	162,450	(1,065,302)
Subtotal	5,514,443	(2,067,423)
Interest and dividends received	16,596	16,374
Interest paid	(46,157)	(32,641)
Income taxes paid	(1,106,596)	141,092
Net cash provided by (used in) operating activities	4,378,286	(1,942,598)
Cash flows from investing activities		
Proceeds from sales of securities	-	2,000,000
Purchase of securities	(2,000,000)	-
Purchase of property, plant and equipment	(5,656,355)	(5,542,799)
Proceeds from sales of property, plant and equipment	43,270	78,461
Purchase of intangible assets	(326,995)	(308,638)
Purchase of investment securities	(140,397)	(56,456)
Proceeds from sales of investment securities	50,463	566,757
Payments of leasehold and guarantee deposits	(784,594)	(1,109,567)
Proceeds from refund of leasehold and guarantee deposits	25,791	217,246
Loan advances	(278,031)	(330,606)
Collection of loans receivable	15,847	17,162
Other, net	(73,372)	(6,435)
Net cash provided by (used in) investing activities	(9,124,375)	(4,474,875)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,500,000	-
Proceeds from long-term borrowings	6,000,000	5,731,800
Repayments of long-term borrowings	(3,567,829)	(2,957,335)
Repayments of lease obligations	(7,497)	-
Dividends paid	(1,140,171)	(489,196)
Net cash provided by (used in) financing activities	5,784,502	2,285,268
Effect of exchange rate change on cash and cash equivalents	1,616	6,210
Net increase (decrease) in cash and cash equivalents	1,040,030	(4,125,995)
Cash and cash equivalents at beginning of period	12,530,137	9,297,152
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(4,273,015)	-
Cash and cash equivalents at end of period	9,297,152	5,171,157

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Segment and Other Information

Segment information

1. Overview of reportable segments

(1) Method of determining the reportable segments

Segments used for financial reporting are the Koshidaka Group's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Koshidaka Group uses a holding company structure. Under Koshidaka Holdings, a holding company, each subsidiary determines comprehensive strategies for services they provide and develops business operations.

Consequently, business operations are divided into segments based on services provided by each subsidiary, resulting in the following three reportable segments.

(2) Services by each reportable segment

- 1) Karaoke is the operations of the network of karaoke facilities.
- 2) Bath House is the operation of bath house facilities.
- 3) Real Estate Management is the leasing and management of real estate.

2. Calculation methods for net sales, profit/loss, assets, liabilities and other items for each reportable segment

The accounting methods for reportable segments are generally the same as accounting policies used in the preparation of consolidated financial statements.

Profits for reportable segments are operating profit.

Inter-segment sales and transfers are based on market prices.

3. Information related to net sales, profit/loss, assets, liabilities and other items for each reportable segment

FY8/20 (Sep. 1, 2019 – Aug. 31, 2020)

(Thousands of yen)

	Reportable segment				Total	Adjustment (Notes 1 and 2)	Amounts shown on consolidated financial statements (Note 3)
	Karaoke	Curves	Bath House	Real Estate Management			
Net sales							
External sales	27,156,919	14,302,235	1,207,234	637,321	43,303,711	-	43,303,711
Inter-segment sales and transfers	-	-	-	-	-	-	-
Total	27,156,919	14,302,235	1,207,234	637,321	43,303,711	-	43,303,711
Segment profit (loss)	(839,286)	3,005,987	(70,375)	(77,581)	2,018,744	(871,119)	1,147,624
Segment assets	24,128,671	-	597,640	6,240,818	30,967,130	13,588,708	44,555,839
Other items							
Depreciation	3,776,679	897,035	83,179	217,637	4,974,532	28,163	5,002,695
Amortization of goodwill	138,929	40,787	-	-	179,716	-	179,716
Impairment loss	1,413,033	-	-	-	1,413,033	(9,420)	1,403,612
Increase in property, plant and equipment and intangible assets	5,712,788	-	28,639	289,924	6,031,352	357,431	6,388,783

Notes: 1. The -871,119 thousand yen adjustment to segment profit mainly includes general and administrative expenses that cannot be attributed to reportable segments.

2. The 13,588,708 thousand yen adjustment to segment assets includes corporate assets that are not allocated to any of the reportable segments. Corporate assets mainly include excess working capital (cash and investment securities) and assets related to the administrative division.

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

4. In FY8/20, all shares of Curves HOLDINGS Co., Ltd., which is the Curves business segment, held by Koshidaka Holdings were distributed as a dividend in kind to Koshidaka Holdings shareholders. Following this distribution, Curves HOLDINGS, Curves International, Inc., Curves Japan Co., Ltd. and HIGH STANDARD CO., LTD. are no longer included in the consolidated financial statements. As a result, the sales and segment profit of the Curves business segment for FY8/20 do not include the sales and operating profits of the aforementioned four companies after March 2020., and there were no segment assets for the Curves business segment.

FY8/21 (Sep. 1, 2020 – Aug. 31, 2021)

(Thousands of yen)

	Reportable segment				Total	Adjustment (Notes 1 and 2)	Amounts shown on consolidated financial statements (Note 3)
	Karaoke	Curves	Bath House	Real Estate Management			
Net sales							
External sales	19,195,081	-	897,552	698,845	20,791,480	-	20,791,480
Inter-segment sales and transfers	-	-	-	-	-	-	-
Total	19,195,081	-	897,552	698,845	20,791,480	-	20,791,480
Segment profit (loss)	(6,591,530)	-	(203,705)	(181,950)	(6,977,186)	(651,612)	(7,628,799)
Segment assets	27,241,578	-	528,479	7,015,328	34,785,386	7,188,276	41,973,662
Other items							
Depreciation	3,406,584	-	73,132	305,641	3,785,359	24,185	3,809,544
Amortization of goodwill	7,520	-	-	-	7,520	-	7,520
Impairment loss	1,406,383	-	-	74,468	1,480,852	-	1,480,852
Increase in property, plant and equipment and intangible assets	5,096,345	-	13,650	805,676	5,915,672	270	5,915,942

Notes: 1. The -651,612 thousand yen adjustment to segment profit mainly includes general and administrative expenses that cannot be attributed to reportable segments.

2. The 7,188,276 thousand yen adjustment to segment assets includes corporate assets that are not allocated to any of the reportable segments. Corporate assets mainly include excess working capital (cash and investment securities) and assets related to the administrative division.

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

4. In FY8/20, all shares of Curves HOLDINGS Co., Ltd., which is the Curves business segment, held by Koshidaka Holdings were distributed as a dividend in kind to Koshidaka Holdings shareholders. Following this distribution, Curves HOLDINGS, Curves International, Inc., Curves Japan Co., Ltd. and HIGH STANDARD CO., LTD. are no longer included in the consolidated financial statements. As a result, there are no sales and segment profit of the Curves business segment in FY8/21, and there were no segment assets for the Curves business segment.

Related information

FY8/20 (Sep. 1, 2019 – Aug. 31, 2020)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

This information is omitted because external sales in Japan exceeded 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client

This information is omitted because no specific external client accounts for 10% or more of net sales on the consolidated statement of income.

FY8/21 (Sep. 1, 2020 – Aug. 31, 2021)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

This information is omitted because external sales in Japan exceeded 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client

This information is omitted because no specific external client accounts for 10% or more of net sales on the consolidated statement of income.

Information related to impairment losses on non-current assets for each reportable segment

FY8/20 (Sep. 1, 2019 – Aug. 31, 2020)

This information is omitted because the same information is presented in segment information.

FY8/21 (Sep. 1, 2020 – Aug. 31, 2021)

This information is omitted because the same information is presented in segment information.

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY8/20 (Sep. 1, 2019 – Aug. 31, 2020)

(Thousands of yen)

	Karaoke	Curves	Bath House	Real Estate Management	Elimination or corporate	Total
Goodwill amortization	138,929	40,787	-	-	-	179,716
Balance at end of period	15,718	-	-	-	-	15,718

FY8/21 (Sep. 1, 2020 – Aug. 31, 2021)

(Thousands of yen)

	Karaoke	Curves	Bath House	Real Estate Management	Elimination or corporate	Total
Goodwill amortization	7,520	-	-	-	-	7,520
Balance at end of period	9,598	-	-	-	-	9,598

Information related to gain on bargain purchase for each reportable segment

FY8/20 (Sep. 1, 2019 – Aug. 31, 2020)

Not applicable.

FY8/21 (Sep. 1, 2020 – Aug. 31, 2021)

Not applicable.

Per-share Information

(Yen)

FY8/20 (Sep. 1, 2019 – Aug. 31, 2020)		FY8/21 (Sep. 1, 2020 – Aug. 31, 2021)	
Net assets per share	281.01	Net assets per share	222.96
Net income (loss) per share	(2.84)	Net income (loss) per share	(50.84)
Diluted net income per share is not presented because Koshidaka Holdings posted a net loss per share and had no outstanding dilutive securities.		Diluted net income per share is not presented because Koshidaka Holdings posted a net loss per share and had no outstanding dilutive securities.	

Notes: 1. The Company's stock held by the employee stock ownership plan (J-ESOP), which was recorded as treasury shares under shareholders' equity, is included in treasury shares and is thus deducted from the number of shares outstanding at the end of each fiscal year that was used to calculate net assets per share (765,580 shares as of August 31, 2020 and 765,580 shares as of August 31, 2021).

In addition, the average number of treasury shares outstanding during the period, which was deducted from the calculation of net income (loss) per share, was 815,062 shares for FY8/20 and 765,580 shares for FY8/21.

2. The basis for calculating net income (loss) per share is as follows:

(Thousands of yen)

	FY8/20 (Sep. 1, 2019 – Aug. 31, 2020)	FY8/21 (Sep. 1, 2020 – Aug. 31, 2021)
Profit (loss) attributable to owners of parent	(231,515)	(4,144,936)
Amounts not available to common shareholders	-	-
Profit (loss) attributable to owners of parent available to common stock	(231,515)	(4,144,936)
Average number of shares outstanding during the period (Shares)	81,483,222	81,532,704

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.