



July 10, 2015

**Summary of Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending August 31, 2015
(Nine Months Ended May 31, 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: July 15, 2015
 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 Third Quarter Ended May 31, 2015 (Sep. 1, 2014 – May 31, 2015)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended May 31, 2015	32,354	17.3	3,763	13.8	3,837	13.2	1,776	(8.2)
Nine months ended May 31, 2014	27,583	9.3	3,307	0.5	3,390	0.7	1,934	(26.5)

Note: Comprehensive income (million yen) Nine months ended May 31, 2015: 2,212 (up 6.6 %)
 Nine months ended May 31, 2014: 2,074 (down 24.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended May 31, 2015	95.23	-
Nine months ended May 31, 2014	102.06	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of May 31, 2015	30,066	13,744	43.7
As of Aug. 31, 2014	24,994	13,195	48.4

Reference: Shareholders' equity (million yen) As of May 31, 2015: 13,139 As of Aug. 31, 2014: 12,574

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Aug. 31, 2014	-	25.00	-	30.00	55.00
Fiscal year ending Aug. 31, 2015	-	15.00	-	-	-
Fiscal year ending Aug. 31, 2015 (forecast)	-	-	-	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, 2015 (Sep. 1, 2014 – Aug. 31, 2015)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	43,685	15.8	4,946	15.7	5,066	15.9	2,668	10.1	138.95

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: -

Effective from the first quarter of the current fiscal year, 12 companies (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 because of their increased materiality of impact on consolidated financial statements.

In addition, effective from the third quarter of the current fiscal year, KOSHIDAKA Business Support Co., LTD. has been included in the consolidation, and from the end of the third quarter, Moon Corporation has been included in the consolidation.

(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 May 31, 2015:	19,200,000 shares	As of Aug. 31, 2014:	19,200,000 shares
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2) Number of treasury shares at the end of the period

As of May 31, 2015:	745,360 shares	As of Aug. 31, 2014:	245,280 shares
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3) Average number of shares outstanding during the period

Nine months ended May 31, 2015:	18,654,656 shares	Nine months ended May 31, 2014:	18,954,802 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

During the first nine months of the current fiscal year, the economy in Japan picked up due to falling crude oil prices, the continuous weak yen, and also strong exports. Under such economy, companies' profit continued to improve and consumers increased their spending backed by higher wages. On the other hand, the weak yen caused the consumer price index to rise, which might negatively affect the economy going forward.

Results by business segment were as follows.

Karaoke

As more karaoke facilities are integrated into major chain stores and competition for acquiring customers becomes severe, KOSHIDAKA HOLDINGS Co., LTD. (the "Company") seeks to revitalize the market by expanding its store network to aggressively acquire customers and by developing and providing new entertainment services to customers.

The Company is successfully shifting its aggressive store operation, mainly led by "Karaoke Honpo Manekineko," into the Tokyo metropolitan area. As part of the strategy, the Company acquired from Sotetsu Holdings, Inc. the entire shares of Moon Corporation, a company which mainly operates Karaoke facilities in the Kanagawa area.

Further, the Company continues to promote "SKIT Membership" and "Singers Club Membership" (for One Kara members) to increase regular customers.

"SKIT (Smart Karaoke Internet Terminal)" is an internally developed karaoke terminal, which is drawing attention from various stakeholders for its functionality and customer-oriented feature. For example, collaborative projects are consistently taking place with content providers, which are contributing to the Company in offering new ways of entertainment at karaoke facilities.

At the end of the third quarter of the current fiscal year, the number of karaoke stores in Japan totaled 403, which increased by 37 on a year-on-year basis (23 new openings, 21 stores acquired through M&A, and 7 closings), and renovated stores totaled 26. The number of overseas stores totaled 16, consisting of 10 in Singapore and 6 in Korea.

Sales in the Karaoke segment were 17,492 million yen, up 20.3% on a year-on-year basis, and the segment profit was 1,189 million yen, up 1.7% year-on-year.

Curves

The Company is committed to expand the business through the following, thereby contributing to the prevention of illness and a longer healthy life: support each customer in maintaining his/her regular exercise in a right way; seek support of regular members to increase the number of new customers; and pursue such marketing activities in an impending aging society.

To meet such commitment, the headquarters and franchise partners work together to develop a network of fitness clubs with easy access for members. The Company aims to create a community through fitness clubs where members can experience a sense of achievement through regular exercise and share such joy among other members. Furthermore, the Company participates in certain projects initiated by local governments to promote measures for maintaining health and preventing illness.

At the end of the third quarter of the current fiscal year, the number of Curves fitness clubs in Japan totaled 1,563 (including 50 directly operated clubs), which increased by 88 or 5.9% on a year-on-year basis. Total number of members went up by 28 thousand or 4.3% year-on-year to 669 thousand.

Sales in the Curves segment were 13,488 million yen, up 15.7% on a year-on-year basis, and the segment profit was 3,079 million yen, up 22.8% year-on-year.

Hot Spring Facilities

The Company aims to improve profitability and expand the operation of the Hot Spring Facilities business by fully utilizing its store operation know-how, including customer services, developed through the Karaoke business and by further pursuing its energy-saving effort. The Company seeks to implement cost-cut methods to reconstruct the operation of hot spring facilities by utilizing its operation know-how developed through the Karaoke business, especially the personnel development system for employee trainings.

Sales in the Hot Spring Facilities segment were 1,134 million yen, down 2.6% on a year-on-year basis. The segment loss was 84 million yen, which improved by 89 million yen year-on-year.

Real Estate Management

Sales in the Real Estate Management segment were 238 million yen, up 10.6% on a year-on-year basis, and the segment profit was 107 million yen, up 11.8% year-on-year.

Based on above, operating results of our Group (KOSHIDAKA HOLDINGS Co., LTD. and its consolidated subsidiaries) for the first nine months of the current fiscal year were as follows: sales of 32,354 million yen, up 17.3% on a year-on-year basis; operating profit of 3,763 million yen, up 13.8% year-on-year; ordinary income of 3,837 million yen, up 13.2% year-on-year; and net income of 1,776 million yen, down 8.2% year-on-year.

(2) Explanation of Financial Position

Total assets at the end of the third quarter of the current fiscal year increased 4,140 million yen (16.0%) from the end of the previous fiscal year to 30,066 million yen.

Current assets

Current assets increased 2,066 million yen (21.1%) to 11,879 million yen. This was mainly due to a 1,783 million yen increase in cash and deposits, and a 260 million yen increase in notes and accounts receivable-trade.

Non-current assets

Property, plant and equipment increased 1,454 million yen (14.3%) to 11,611 million yen. This was mainly due to a 999 million yen increase in buildings and structures, and a 242 million yen increase in vehicles, tools, furniture and fixtures.

Intangible assets increased 1,767 million yen (149.1%) to 2,953 million yen. This was mainly due to a 1,895 million yen increase in goodwill.

Investments and other assets decreased 1,148 million yen (24.1%) to 3,622 million yen. This was mainly due to a 616 million yen increase in lease and guarantee deposits, while there was a decrease of 1,694 million yen in shares of subsidiaries and associates.

Total non-current assets increased 2,074 million yen (12.9%) to 18,187 million yen.

Current liabilities

Current liabilities increased 922 million yen (11.0%) to 9,301 million yen. This was mainly due to a 504 million yen increase in current portion of long-term loans payable, and a 403 million yen increase in notes and accounts payable-trade.

Non-current liabilities

Non-current liabilities increased 2,668 million yen (61.3%) to 7,021 million yen. This was mainly due to a 2,212 million yen increase in long-term loans payable, and a 224 million yen increase in asset retirement obligations.

Total liabilities increased 3,591 million yen (28.2%) to 16,322 million yen.

Net assets

Net assets increased 548 million yen (4.2%) to 13,744 million yen. This was mainly due to a 1,213 million yen increase in retained earnings, while there was a 900 million yen increase in treasury shares.

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

The full-year consolidated forecasts announced on October 10, 2014 remain unchanged.

2. Matters Related to Summary Information (Notes)

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

Application of practical solution on transactions of delivering the Company's own stock to employees, etc. through trusts

The Company has applied the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc. through Trusts (Accounting Standards Board of Japan (ASBJ) Practical Issue Task Force (PITF) No. 30, December 25, 2013)" from the first quarter of the current fiscal year. There are no effect on the quarterly consolidated financial statements.

3. Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY8/14 (As of Aug. 31, 2014)	Third quarter of FY8/15 (As of May 31, 2015)
Assets		
Current assets		
Cash and deposits	5,207,439	6,990,764
Notes and accounts receivable-trade	1,825,313	2,085,343
Merchandise	804,419	830,802
Raw materials and supplies	146,023	215,173
Deferred tax assets	286,638	210,109
Other	1,557,830	1,566,298
Allowance for doubtful accounts	(14,030)	(18,745)
Total current assets	9,813,634	11,879,748
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,587,032	7,586,172
Vehicles, tools, furniture and fixtures, net	1,593,806	1,836,214
Land	1,965,917	1,965,917
Leased assets, net	4,816	193,086
Construction in progress	4,845	29,935
Total property, plant and equipment	10,156,419	11,611,326
Intangible assets		
Goodwill	21,186	1,916,945
Software	1,110,758	1,029,488
Other	53,640	7,071
Total intangible assets	1,185,585	2,953,505
Investments and other assets		
Investment securities	480,872	451,587
Shares of subsidiaries and associates	1,720,674	26,537
Long-term loans receivable	495,784	408,651
Long-term prepaid expenses	92,840	92,181
Lease and guarantee deposits	1,695,051	2,311,531
Deferred tax assets	261,723	288,754
Other	38,721	57,657
Allowance for doubtful accounts	(15,064)	(14,580)
Total investments and other assets	4,770,604	3,622,321
Total non-current assets	16,112,609	18,187,153
Total assets	25,926,243	30,066,901

	(Thousands of yen)	
	FY8/14 (As of Aug. 31, 2014)	Third quarter of FY8/15 (As of May 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,385,906	1,789,484
Current portion of long-term loans payable	1,826,512	2,330,512
Lease obligations	2,092	84,082
Accounts payable-other	996,410	884,339
Accrued expenses	867,825	914,097
Income taxes payable	1,066,474	635,402
Provision for bonuses	211,498	120,078
Deposits received	1,364,073	1,483,601
Other	657,634	1,059,789
Total current liabilities	8,378,428	9,301,387
Non-current liabilities		
Long-term loans payable	3,403,836	5,616,252
Lease obligations	2,964	129,901
Deferred tax liabilities	249,015	326,839
Asset retirement obligations	504,129	728,654
Other	192,758	219,822
Total non-current liabilities	4,352,704	7,021,469
Total liabilities	12,731,133	16,322,857
Net assets		
Shareholders' equity		
Capital stock	493,600	493,600
Capital surplus	483,600	483,600
Retained earnings	11,944,096	13,157,775
Treasury shares	(300,139)	(1,200,797)
Total shareholders' equity	12,621,157	12,934,178
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,905	26,809
Foreign currency translation adjustment	(52,660)	178,825
Total accumulated other comprehensive income	(46,755)	205,635
Minority interests	620,708	604,230
Total net assets	13,195,110	13,744,043
Total liabilities and net assets	25,926,243	30,066,901

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

(Thousands of yen)

	First nine months of FY8/14 (Sep. 1, 2013 – May 31, 2014)	First nine months of FY8/15 (Sep. 1, 2014 – May 31, 2015)
Net sales	27,583,374	32,354,367
Cost of sales	20,065,080	23,827,349
Gross profit	7,518,294	8,527,017
Selling, general and administrative expenses	4,210,360	4,763,606
Operating income	3,307,934	3,763,410
Non-operating income		
Interest and dividend income	11,856	16,080
Foreign exchange gains	24,788	24,119
Store relocation compensation	26,476	-
Other	43,384	96,746
Total non-operating income	106,505	136,946
Non-operating expenses		
Interest expenses	13,705	22,687
Commission fee	-	24,143
Other	10,097	15,951
Total non-operating expenses	23,802	62,783
Ordinary income	3,390,637	3,837,574
Extraordinary income		
Gain on sales of non-current assets	3,650	9,237
Total extraordinary income	3,650	9,237
Extraordinary losses		
Loss on retirement of non-current assets	80,631	147,281
Impairment loss	41,326	75,833
Loss on closing of stores	-	82,186
Total extraordinary losses	121,958	305,301
Income before income taxes and minority interests	3,272,328	3,541,510
Income taxes-current	1,275,797	1,504,563
Income taxes-deferred	(90,464)	76,867
Total income taxes	1,185,332	1,581,430
Income before minority interests	2,086,995	1,960,079
Minority interests in income	152,395	183,522
Net income	1,934,599	1,776,557

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

(Thousands of yen)

	First nine months of FY8/14 (Sep. 1, 2013 – May 31, 2014)	First nine months of FY8/15 (Sep. 1, 2014 – May 31, 2015)
Income before minority interests	2,086,995	1,960,079
Other comprehensive income		
Valuation difference on available-for-sale securities	7,865	20,904
Foreign currency translation adjustment	(20,025)	231,486
Total other comprehensive income	(12,159)	252,390
Comprehensive income	2,074,835	2,212,470
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,922,440	2,028,948
Comprehensive income attributable to minority interests	152,395	183,522

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

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

I. First nine months of FY8/14 (Sep. 1, 2013 – May 31, 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	Hot Spring Facilities	Real Estate Management	Subtotal			
Net sales								
External sales	14,542,311	11,660,963	1,164,839	215,260	27,583,374	27,583,374	-	27,583,374
Inter-segment sales and transfers	-	-	-	-	-	-	-	-
Total	14,542,311	11,660,963	1,164,839	215,260	27,583,374	27,583,374	-	27,583,374
Segment profit (loss)	1,168,677	2,506,886	(173,836)	96,202	3,597,930	3,597,930	(289,996)	3,307,934

Notes: 1. The -289,996 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

In the Karaoke segment, there was an impairment loss (extraordinary loss) of 41,326 thousand yen on store assets set to be closed.

II. First nine months of FY8/15 (Sep. 1, 2014 – May 31, 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	Hot Spring Facilities	Real Estate Management	Subtotal			
Net sales								
External sales	17,492,913	13,488,687	1,134,727	238,039	32,354,367	32,354,367	-	32,354,367
Inter-segment sales and transfers	-	-	-	-	-	-	-	-
Total	17,492,913	13,488,687	1,134,727	238,039	32,354,367	32,354,367	-	32,354,367
Segment profit (loss)	1,189,120	3,079,425	(84,004)	107,569	4,292,111	4,292,111	(528,700)	3,763,410

Notes: 1. the -528,700 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 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

No applicable items.

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, and Moon Corporation has been included in the consolidation from the end of the third quarter. In the first nine months of the current fiscal year, this change caused goodwill to increase by 1,904,033 thousand 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.