



January 11, 2023

**Summary of Consolidated Financial Results**  
**for the First Quarter of the Fiscal Year Ending August 31, 2023**  
**(Three Months Ended November 30, 2022)**

**[Japanese GAAP]**

Company name: KOSHIDAKA HOLDINGS Co., LTD. Listing: Tokyo Stock Exchange  
 Stock code: 2157 URL: <https://www.koshidakaholdings.co.jp/>  
 Representative: Hiroshi Koshidaka, Representative Director and President  
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 Scheduled date of filing of Quarterly Report: January 13, 2023  
 Scheduled date of payment of dividend: -  
 Preparation of supplementary materials for quarterly financial results: Yes  
 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, 2022 (Sep. 1, 2022 – Nov. 30, 2022)**

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Nov. 30, 2022	11,278	77.0	534	-	535	-	327	-
Three months ended Nov. 30, 2021	6,371	(2.7)	(1,130)	-	(196)	-	(215)	-

Note: Comprehensive income (million yen) Three months ended Nov. 30, 2022: 442 (-%)

Three months ended Nov. 30, 2021: (228) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Nov. 30, 2022	4.01	3.69
Three months ended Nov. 30, 2021	(2.64)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Nov. 30, 2022	48,367	19,625	40.6
As of Aug. 31, 2022	47,273	19,508	41.2

Reference: Shareholders' equity (million yen) As of Nov. 30, 2022: 19,616 As of Aug. 31, 2022: 19,500

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Aug. 31, 2022	-	4.00	-	4.00	8.00
Fiscal year ending Aug. 31, 2023	-	-	-	-	-
Fiscal year ending Aug. 31, 2023 (forecast)	-	5.00	-	5.00	10.00

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

**3. Consolidated Earnings Forecast for the Fiscal Year Ending August 31, 2023 (Sep. 1, 2022 – Aug. 31, 2023)**

(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	25,138	52.0	3,383	-	3,377	13.6	2,026	7.5	24.85
Full year	53,361	40.4	7,430	236.8	7,403	38.9	4,442	21.9	54.48

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

\* Notes

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

Newly added: -                      Excluded: -

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

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

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

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common stock)

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

As of Nov. 30, 2022:	82,300,000 shares	As of Aug. 31, 2022:	82,300,000 shares
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2) Number of treasury shares at the end of the period

As of Nov. 30, 2022:	767,335 shares	As of Aug. 31, 2022:	767,296 shares
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3) Average number of shares outstanding during the period

Three months ended Nov. 30, 2022:	81,532,694 shares	Three months ended Nov. 30, 2021:	81,532,704 shares
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\* The current financial report is not subject to quarterly review by certified public accountants or auditing firms.

\* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the Company's management at the time the materials were prepared. These materials are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to page 3 of the attachments "(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements" for forecast assumptions and notes of caution for usage.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
(3) Notes to Quarterly Consolidated Financial Statements	8
Going Concern Assumption	8
Significant Changes in Shareholders' Equity	8
Changes in Accounting Policies	8
Segment and Other Information	9
Revenue Recognition	9
Material Subsequent Events	9

## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

In the first quarter of the current fiscal year, consumer sentiment moved up and down along with upturns and downturns of the pandemic against a backdrop of many long-term sources of concern, such as the Ukraine crisis, shortages of energy and food in many countries, and the yen's depreciation.

Business segment performance was as follows.

#### Karaoke

In the core karaoke business, performance benefited from revenge demand in some sectors as consumer spending recovered in September and October as the severity of the pandemic declined. However, another wave of infections began in the middle of November. Before the pandemic, sales would normally be climbing slowly at this time as the peak year-end demand period approaches. However, the first quarter ended with demand unchanged from the early November level.

The rapid pace of store openings during the pandemic continued in the first quarter with 19 new Karaoke Manekineko locations in Japan.

Many activities are under way to accomplish the medium-term management vision of "Entertainment as Infrastructure," which was started in September 2019. Major initiatives are forms of entertainment other than karaoke, such as PlayGarden (an amusement facility with billiards, darts and other games) and Mirror Pon! (use of karaoke screen and speakers to watch personal content), many types of content collaboration, and measures to upgrade and expand recruiting and training activities.

In other countries, we restarted opening new stores in Southeast Asia, two in Malaysia and two in Thailand during the first quarter.

At the end of November 2022, the number of karaoke locations in Japan was 599, 17 more than at the end of the previous fiscal year. The number of overseas karaoke stores was 15 in four countries, consisting of four in South Korea, eight in Malaysia, two in Thailand and one in Indonesia, four more than at the end of the previous fiscal year.

Sales in the Karaoke segment were 10,741 million yen, up 80.6% year on year, and there was a profit of 784 million yen, an increase of 1,734 million yen from the loss one year earlier.

#### Bath House

As in the Karaoke segment, the performance of the Bath House segment was affected by changes in consumer sentiment as the severity of the pandemic declined but then started increasing again.

Sales in the Bath House segment were 246 million yen, up 17.5% year on year, and the segment loss decreased 36 million yen from one year earlier to 7 million yen.

#### Real Estate Management

Occupancy was almost 100% at both of the major properties in this segment, the AQERU Maebashi shopping center and the Fleuret Hanasaki Building in Yokohama.

Sales in the Real Estate Management segment were 345 million yen, up 32.1% year on year, and the segment profit was 81 million yen, up 188.3% year on year.

Results of operations of the Koshidaka Group (KOSHIDAKA HOLDINGS Co., LTD. and its consolidated subsidiaries) for the first quarter were as follows.

Net sales:	11,278 million yen (up 77.0% year on year)
Operating profit:	534 million yen (an increase of 1,664 million yen from the loss in the same period of the previous fiscal year)
Ordinary profit:	535 million yen (an increase of 732 million yen from the loss in the same period of the previous fiscal year)
Profit attributable to owners of parent:	327 million yen (an increase of 542 million yen from the loss in the same period of the previous fiscal year)

## (2) Explanation of Financial Position

Assets, liabilities, and net assets

Assets

Current assets decreased 1,229 million yen (12.4%) to 8,681 million yen. This was mainly due to a decrease of 1,509 million yen in cash and deposits.

Non-current assets increased 2,324 million yen (6.2%) to 39,686 million yen. This was mainly due to increases of 1,108 million yen in buildings and structures, net, 307 million yen in vehicles, tools, furniture and fixtures, net, 615 million yen in long-term loans receivable and 467 million yen in leasehold and guarantee deposits.

As a result, total assets increased 1,094 million yen (2.3%) to 48,367 million yen.

Liabilities

Current liabilities increased 514 million yen (5.3%) to 10,157 million yen. This was mainly due to increases of 1,500 million yen in short-term borrowings and 685 million yen in accounts payable-other, while there were decreases of 608 million yen in income taxes payable and 1,134 million yen in other current liabilities which include accrued consumption taxes.

Non-current liabilities increased 463 million yen (2.6%) to 18,584 million yen. This was mainly due to increases of 145 million yen in long-term borrowings and 307 million yen in asset retirement obligations.

As a result, total liabilities increased 977 million yen (3.5%) to 28,742 million yen.

Net assets

Net assets increased 116 million yen (0.6%) to 19,625 million yen. This was mainly due to an increase of 112 million yen in foreign currency translation adjustment.

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

There are many sources of uncertainty that are likely to continue for some time, notably the Ukraine crisis, shortages of energy and food, and the weakness of the yen. The pandemic will probably go through cycles of upturns and downturns. The seventh wave of infections in Japan has ended without the imposition of restrictions on activities and people are receiving vaccinations for the new variant. Consequently, we believe that policies and consumption patterns in Japan will return to normal, including the elimination of restrictions on foreign visitors, as the country lives with COVID-19.

The speed of the eighth wave of the pandemic was slower than during previous upturns of infections. As a result, there were no restrictions on the activities of businesses and individuals during the year-end selling season. We are continuing to open a large number of stores near railway stations and in prime shopping areas. For these reasons, there are no changes at this time in the forecast that was announced on October 12, 2022.

The consolidated earnings forecast is based on assumptions judged to be valid and information currently available at the time the forecasts were established. Actual results may differ significantly from these forecasts for a number of reasons.

## 2. Quarterly Consolidated Financial Statements and Notes

## (1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	FY8/22 (As of Aug. 31, 2022)	First Quarter of FY8/23 (As of Nov. 30, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	6,977,443	5,468,158
Notes and accounts receivable-trade	525,866	598,715
Merchandise	23,707	38,091
Raw materials and supplies	240,144	287,110
Other	2,161,669	2,306,863
Allowance for doubtful accounts	(17,677)	(17,685)
<b>Total current assets</b>	<b>9,911,154</b>	<b>8,681,252</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,405,196	21,513,675
Vehicles, tools, furniture and fixtures, net	2,196,998	2,504,215
Land	4,490,814	4,461,907
Construction in progress	9,010	9,010
<b>Total property, plant and equipment</b>	<b>27,102,019</b>	<b>28,488,810</b>
Intangible assets		
Goodwill	4,915	3,888
Software	223,418	244,308
Other	210,914	221,736
<b>Total intangible assets</b>	<b>439,248</b>	<b>469,933</b>
Investments and other assets		
Investment securities	141,677	194,447
Shares of subsidiaries and associates	10,284	10,434
Long-term loans receivable	1,397,800	2,013,546
Long-term prepaid expenses	44,866	41,144
Leasehold and guarantee deposits	6,045,882	6,513,145
Deferred tax assets	2,563,537	2,416,892
Other	182,386	170,263
Allowance for doubtful accounts	(565,660)	(632,407)
<b>Total investments and other assets</b>	<b>9,820,774</b>	<b>10,727,466</b>
<b>Total non-current assets</b>	<b>37,362,042</b>	<b>39,686,210</b>
<b>Total assets</b>	<b>47,273,196</b>	<b>48,367,462</b>

(Thousands of yen)

	FY8/22 (As of Aug. 31, 2022)	First Quarter of FY8/23 (As of Nov. 30, 2022)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	443,200	526,507
Short-term borrowings	-	1,500,000
Current portion of long-term borrowings	2,188,243	2,174,910
Accounts payable-other	1,744,506	2,430,455
Accrued expenses	1,377,403	1,453,419
Income taxes payable	736,756	128,224
Provision for bonuses	229,570	117,995
Deposits received	56,297	93,011
Other	2,867,573	1,733,413
Total current liabilities	9,643,551	10,157,936
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	4,000,000	4,000,000
Long-term borrowings	8,744,700	8,890,140
Deferred tax liabilities	233,336	245,919
Asset retirement obligations	4,225,294	4,532,672
Other	917,666	915,511
Total non-current liabilities	18,120,998	18,584,243
Total liabilities	27,764,549	28,742,180
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,070,257	2,070,257
Capital surplus	3,302,786	3,302,786
Retained earnings	14,423,589	14,424,523
Treasury shares	(105,662)	(105,695)
Total shareholders' equity	19,690,970	19,691,871
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	24,189	27,607
Foreign currency translation adjustment	(215,134)	(102,819)
Total accumulated other comprehensive income	(190,945)	(75,211)
Share acquisition rights	8,622	8,622
Total net assets	19,508,647	19,625,282
Total liabilities and net assets	47,273,196	48,367,462

**(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 FY8/22 (Sep. 1, 2021 – Nov. 30, 2021)	First three months of FY8/23 (Sep. 1, 2022 – Nov. 30, 2022)
Net sales	6,371,902	11,278,683
Cost of sales	6,563,769	9,427,090
Gross profit (loss)	(191,866)	1,851,592
Selling, general and administrative expenses	938,846	1,317,417
Operating profit (loss)	(1,130,713)	534,175
Non-operating income		
Interest and dividend income	4,031	8,069
Foreign exchange gains	11,474	28,336
Subsidy income	935,650	-
Other	46,081	33,928
Total non-operating income	997,238	70,335
Non-operating expenses		
Interest expenses	12,453	9,130
Provision of allowance for doubtful accounts	46,996	57,186
Other	3,291	2,220
Total non-operating expenses	62,740	68,537
Ordinary profit (loss)	(196,215)	535,972
Extraordinary income		
Gain on sale of non-current assets	84,210	296
Total extraordinary income	84,210	296
Extraordinary losses		
Loss on retirement of non-current assets	8,581	12,406
Impairment losses	53,674	-
Total extraordinary losses	62,255	12,406
Profit (loss) before income taxes	(174,260)	523,863
Income taxes-current	39,459	39,078
Income taxes-deferred	1,478	157,719
Total income taxes	40,937	196,797
Profit (loss)	(215,198)	327,065
Profit (loss) attributable to owners of parent	(215,198)	327,065



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

(Thousands of yen)

	First three months of FY8/22 (Sep. 1, 2021 – Nov. 30, 2021)	First three months of FY8/23 (Sep. 1, 2022 – Nov. 30, 2022)
Profit (loss)	(215,198)	327,065
Other comprehensive income		
Valuation difference on available-for-sale securities	(833)	3,418
Foreign currency translation adjustment	(12,858)	112,315
Total other comprehensive income	(13,692)	115,733
Comprehensive income	(228,890)	442,798
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(228,890)	442,798

**(3) Notes to Quarterly Consolidated Financial Statements**

**Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Changes in Accounting Policies**

Koshidaka Holdings has applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021) from the beginning of the first quarter of the current fiscal year, and has applied the new accounting policies set forth by the Implementation Guidance on Accounting Standard for Fair value Measurement prospectively in accordance with the transitional treatment prescribed in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. There is no effect of the application of this guidance on the quarterly consolidated financial statements.

## Segment and Other Information

### Segment Information

#### I. First three months of FY8/22 (Sep. 1, 2021 – Nov. 30, 2021)

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

(Thousands of yen)

	Reportable segment			Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Karaoke	Bath House	Real Estate Management			
Net sales						
Revenue from contracts with customers	5,948,521	210,078	555	6,159,154	-	6,159,154
Other revenue	-	-	212,747	212,747	-	212,747
External sales	5,948,521	210,078	213,303	6,371,902	-	6,371,902
Inter-segment sales and transfers	-	-	48,368	48,368	(48,368)	-
Total	5,948,521	210,078	261,671	6,420,271	(48,368)	6,371,902
Segment profit (loss)	(950,542)	(43,446)	28,108	(965,880)	(164,833)	(1,130,713)

Notes: 1. The -164,833 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 loss shown on the quarterly consolidated statement of income.

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

No applicable items.

#### II. First three months of FY8/23 (Sep. 1, 2022 – Nov. 30, 2022)

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

(Thousands of yen)

	Reportable segment			Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Karaoke	Bath House	Real Estate Management			
Net sales						
Revenue from contracts with customers	10,741,871	246,858	752	10,989,482	-	10,989,482
Other revenue	-	-	289,200	289,200	-	289,200
External sales	10,741,871	246,858	289,953	11,278,683	-	11,278,683
Inter-segment sales and transfers	-	-	55,686	55,686	(55,686)	-
Total	10,741,871	246,858	345,640	11,334,370	(55,686)	11,278,683
Segment profit (loss)	784,345	(7,249)	81,042	858,138	(323,963)	534,175

Notes: 1. The -323,963 thousand yen adjustment to segment profit (loss) mainly includes general and administrative expenses that cannot be attributed to reportable segments.

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

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

No applicable items.

## Revenue Recognition

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

## Material Subsequent Events

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.*