



October 10, 2024

Summary of Consolidated Financial Results for the Fiscal Year Ended August 31, 2024

[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
 Contact: Yoshihito Doi, Senior Executive Director
 Tel: +81-570-666-425

Scheduled date of Annual General Meeting of Shareholders: November 28, 2024

Scheduled date of filing of Annual Securities Report: November 29, 2024

Scheduled date of payment of dividend: November 29, 2024

Preparation of supplementary materials for financial results: Yes

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, 2024 (Sep. 1, 2023 – Aug. 31, 2024)

(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, 2024	63,263	15.8	10,164	32.6	10,934	40.8	6,735	(5.2)
Fiscal year ended Aug. 31, 2023	54,629	43.8	7,667	247.6	7,767	45.7	7,104	95.0

Note: Comprehensive income (million yen) Fiscal year ended Aug. 31, 2024: 6,671 (down 4.1%)

Fiscal year ended Aug. 31, 2023: 6,959 (up 105.8%)

	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, 2024	82.70	75.86	24.2	18.4	16.1
Fiscal year ended Aug. 31, 2023	87.14	79.78	31.7	14.9	14.0

Reference: Equity in earnings of affiliates (million yen)

Fiscal year ended Aug. 31, 2024: - Fiscal year ended Aug. 31, 2023: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Aug. 31, 2024	61,714	30,354	49.2	374.91
As of Aug. 31, 2023	57,007	25,394	44.5	311.36

Reference: Shareholders' equity (million yen)

As of Aug. 31, 2024: 30,346

As of Aug. 31, 2023: 25,385

(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, 2024	12,581	(10,413)	(3,123)	6,750
Fiscal year ended Aug. 31, 2023	13,385	(9,227)	(2,744)	7,854

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Aug. 31, 2023	-	5.00	-	7.00	12.00	987	13.8	4.4
Fiscal year ended Aug. 31, 2024	-	7.00	-	11.00	18.00	1,481	21.8	5.2
Fiscal year ending Aug. 31, 2025 (forecast)	-	12.00	-	12.00	24.00	-	-	-

3. Consolidated Earnings Forecast for the Fiscal Year Ending August 31, 2025 (Sep. 1, 2024 – Aug. 31, 2025)

(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	34,473	12.7	5,519	14.2	5,498	(0.8)	3,574	(8.3)	43.88
Full year	71,057	12.3	11,578	13.9	11,536	5.5	7,499	11.3	92.08

* Notes

(1) Significant changes in the scope of consolidation during the period: 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 issued shares (common stock)

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

As of Aug. 31, 2024:	82,300,000 shares	As of Aug. 31, 2023:	82,300,000 shares
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2) Number of treasury shares at the end of the period

As of Aug. 31, 2024:	1,357,519 shares	As of Aug. 31, 2023:	767,376 shares
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3) Average number of shares outstanding during the period

Fiscal year ended Aug. 31, 2024:	81,441,834 shares	Fiscal year ended Aug. 31, 2023:	81,532,658 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 2024 (September 1, 2023 to August 31, 2024), inflation continued due to the prolonged Ukraine War and Israel/Hamas conflict, and concerns about the supply of energy and food due to this turmoil. As the central banks of Japan and the United States began to revise their policies, the yen-dollar exchange rate was volatile within a wide range of 140 to 160 yen per dollar. Foreign tourists have returned to Japan following the end of the pandemic and companies are raising salaries, mainly at large companies. Prices may start climbing steadily because of these events.

Beginning with the first quarter of the current fiscal year, the former Bath House segment is moved to the newly established Other segment. This change was made because the size of the bath house business became much smaller following the closing of Tokyo Kenko Land Maneki-no-Yu Bath House, which was the main facility of this business. In addition, food and beverage stores that do not include karaoke and were previously included in the Karaoke segment have been moved to the Other segment. The reclassified operations are four Gindaco Highball stores, one CAFÉ ECLA and other stores.

The year-on-year figures below have been reclassified into the new segments for comparison purposes.

Business segment performance is as follows.

Karaoke

The core Karaoke business continued to open many stores during the current fiscal year as 51 stores were added, including 18 locations in rather less cultivated Osaka and Nagoya regions. In addition, investments were made for new equipment and other improvements at existing locations. This business has been revising prices of karaoke services since December 2022 to reflect changes in market conditions. Sales and earnings were somewhat above the fiscal year plan because of an increase in the number of customers at existing stores.

Many activities are under way to accomplish the medium-term corporate vision of “Entertainment as Infrastructure.” Major initiatives are forms of entertainment other than karaoke, many types of content collaboration, and measures to upgrade and expand recruiting and training activities. In addition, we have been developing and making progress in introducing DX to enhance operating efficiency and offer new types of entertainment. At some locations, the ONOREC VK virtual character karaoke service was installed on a trial basis as a new private entertainment room measure. Furthermore, there were actions such as salary increases involving the Workstyle Innovation Plan in order to strengthen the framework for business operations.

In other countries, store openings in Southeast Asia that resumed in the previous fiscal year continued. During the current fiscal year, three Karaoke Manekineko stores were opened in Malaysia, one in Thailand and another in Indonesia.

At the end of August 2024, the number of karaoke locations in Japan was 664, 44 more than at the end of the previous fiscal year. The number of overseas karaoke stores was 22 in four countries, consisting of four in South Korea, 13 in Malaysia, three in Thailand and two in Indonesia, five more than at the end of the previous fiscal year. Sales in the Karaoke segment were 61,246 million yen, up 18.0% year on year, and there was a segment profit of 11,493 million yen, up 26.9% year on year.

Real Estate Management

Occupancy was almost 100% at both of the major properties in this segment, the AQERU Maebashi commerce & business complex and the Fleuret Hanasaki Building in Yokohama. Performance in the current fiscal year reflected the absence of revenue from Sport Nagoya, which was sold in the third quarter of the previous fiscal year, and expenses of newly acquired properties.

Sales in the Real Estate Management segment were 1,585 million yen, up 6.5% year on year, and the segment profit was 109 million yen, down 26.9% year on year.

Other

In this segment, there was no revenue from Tokyo Kenko Land Maneki-no-Yu Bath House after its closing in the

first quarter of the current fiscal year. The performance of the five food and beverage stores moved to this segment from the Karaoke segment improved.

Sales in the Other segment were 863 million yen, down 40.9% year on year, and the segment profit decreased 39 million from one year earlier, resulting in a loss of 37 million yen.

Overall, the Koshidaka Group (KOSHIDAKA HOLDINGS Co., LTD. and its consolidated subsidiaries) had sales of 63,263 million yen, up 15.8% year on year. The operating profit was 10,164 million yen, up 32.6% year on year, the ordinary profit was 10,934 million yen, up 40.8% year on year, and the profit attributable to owners of parent was 6,735 million yen, down 5.2% year on 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 increased 4,707 million yen (8.3%) from the end of the previous fiscal year to 61,714 million yen.

Current assets decreased 470 million yen (3.8%) to 11,903 million yen. This was mainly due to a decrease of 1,665 million yen in cash and deposits, and increases of 253 million yen in notes and accounts receivable-trade and 965 million yen in other current assets.

Property, plant and equipment increased 2,485 million yen (7.8%) to 34,518 million yen. This was mainly due to an increase of 2,230 million yen in buildings and structures, net.

Intangible assets increased 185 million yen (36.2%) to 696 million yen.

Investments and other assets increased 2,506 million yen (20.7%) to 14,597 million yen. This was mainly due to increases of 782 million yen in leasehold and guarantee deposits, deferred tax assets of 762 million yen and 494 million yen in investment securities.

Total non-current assets increased 5,177 million yen (11.6%) to 49,811 million yen.

Liabilities

Current liabilities increased 11 million yen (0.1%) to 13,975 million yen. This was mainly due to increases of 593 million yen in contract liabilities, 483 million yen in deposits received, 271 million yen in accrued expenses, 230 million yen in income taxes payable and 32 million yen in notes and accounts payable-trade, and decreases of 1,018 million yen in accounts payable-other, 384 million yen in other and 200 million yen in current portion of long-term borrowings.

Non-current liabilities decreased 264 million yen (1.5%) to 17,384 million yen. This was mainly due to a decrease of 1,212 million yen in long-term borrowings and an increase of 796 million yen in asset retirement obligations.

Total liabilities decreased 253 million yen (0.8%) to 31,360 million yen.

Net assets

Net assets increased 4,960 million yen (19.5%) to 30,354 million yen. This was mainly due to an increase of 5,593 million yen in retained earnings due to fiscal year earnings and purchase of treasury shares of 569 million yen.

(3) Cash Flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the current fiscal year increased 1,103 million yen from the end of the previous fiscal year to 6,750 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 provided by operating activities totaled 12,581 million yen, compared with 13,385 million yen provided in the previous fiscal year. Main factors include profit before income taxes of 9,025 million yen, depreciation of

4,427 million yen, impairment losses of 1,784 million yen, and income taxes paid of 3,212 million yen.

Cash flows from investing activities

Net cash used in investing activities totaled 10,413 million yen, compared with 9,227 million yen used in the previous fiscal year. Main factors include purchase of property, plant and equipment of 8,587 million yen, payments of leasehold and guarantee deposits of 948 million yen, purchase of investment securities of 359 million yen, purchase of intangible assets of 348 million yen and loan advances of 311 million yen.

Cash flows from financing activities

Net cash used in financing activities totaled 3,123 million yen, compared with 2,744 million yen used in the previous fiscal year. Main factors include proceeds from long-term borrowings of 500 million yen, repayments of long-term borrowings of 1,912 million yen, dividends paid of 1,141 million yen and purchase of treasury shares of 569 million yen.

(4) Outlook

There are many sources of uncertainty about the outlook for the business climate. Most significant are the war in Ukraine, conflicts involving Israel, both of which still show no signs of ending, the U.S. presidential election, and foreign exchange rate volatility linked to a shift in Japanese and U.S. monetary policy. We will continue to place priority on opening many more stores and diversifying the services that we offer. Due to these actions, the company will accomplish the mid-point target of the Entertainment Infrastructure Plan medium-term corporate vision “Entertainment as Infrastructure” that involves operating private entertainment rooms everywhere in Japan. In reaching the mid-point target, the timing of achieving the final goal now clear, we will move even faster with many initiatives as we position the fiscal year ending in August 2025 as the beginning of final stage of our Entertainment Infrastructure Plan.

Karaoke

The Karaoke business will continue adding locations in the Tokyo area, where store utilization rates are likely to be high, and is placing emphasis on increasing the number of stores in the Osaka and Nagoya areas. We plan to step up the pace of opening stores in areas where the number of locations is still low and of relocating existing stores to make them larger and more efficient. Another goal is converting karaoke rooms into private entertainment rooms by offering a variety of services in addition to karaoke. We are upgrading existing services and adding entertainment boxes called “E-bo” as a new type of entertainment platform. To increase productivity as we develop and launch new private entertainment room measures, we will perform the integrated oversight of DX and IT system operations to develop and start using a variety of systems even faster. Strengthening recruiting and training programs for a powerful workforce, which is essential for accomplishing our Entertainment Infrastructure Plan, is another priority. One major initiative is the Koshidaka Workstyle Innovation Plan, a new human resources framework that includes a big increase in salaries. By taking all of these actions, we are determined to reach the mid-point target of the Entertainment Infrastructure Plan with sales of 65 billion yen in Japan in the fiscal year ending in August 2025. Furthermore, we have set the fiscal year ending in August 2027, as the time to accomplish the Plan’s final revenue goal of 100 billion yen.

The potential for growth in other countries is even greater than in Japan. We plan to make our model for generating earnings even more effective, expand operations to more areas and take other actions.

Due to these initiatives, we forecast a 12.2% increase in Karaoke segment sales to 68,747 million yen and a 11.2% increase in segment profit to 12,778 million yen.

Real Estate Management

This business will continue to seek opportunities to acquire more properties and work on increasing the occupancy rates of properties that are currently owned. Due to these activities, we forecast a 19.9% increase in Real Estate Management segment sales to 1,900 million yen and a 144.0% increase in segment profit to 266 million yen.

Other

We forecast a 5.3% increase in Other segment sales to 909 million yen and the segment profit of 31 million yen, an improvement of 68 million yen from the loss in the previous fiscal year.

Overall, we forecast consolidated net sales of 71,057 million yen, up 12.3%, operating profit of 11,578 million yen, up 13.9%, ordinary profit of 11,536 million yen, up 5.5%, and profit attributable to owners of parent of 7,499 million yen, up 11.4% for the fiscal year ending August 31, 2025.

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)

	FY8/23 (As of Aug. 31, 2023)	FY8/24 (As of Aug. 31, 2024)
Assets		
Current assets		
Cash and deposits	8,437,076	6,772,024
Notes and accounts receivable-trade	947,213	1,200,948
Merchandise	169,363	180,507
Raw materials and supplies	384,959	379,241
Other	2,438,031	3,403,186
Allowance for doubtful accounts	(2,575)	(32,566)
Total current assets	12,374,069	11,903,342
Non-current assets		
Property, plant and equipment		
Buildings and structures	40,762,934	45,576,672
Accumulated depreciation	(18,175,557)	(20,758,733)
Buildings and structures, net	22,587,377	24,817,938
Vehicles, tools, furniture and fixtures	15,628,010	16,816,898
Accumulated depreciation	(12,835,258)	(14,229,716)
Vehicles, tools, furniture and fixtures, net	2,792,752	2,587,181
Land	6,627,123	6,957,299
Construction in progress	25,029	155,672
Total property, plant and equipment	32,032,282	34,518,091
Intangible assets		
Goodwill	1,290	446
Software	364,271	546,502
Other	145,345	149,146
Total intangible assets	510,907	696,094
Investments and other assets		
Investment securities	299,118	793,586
Long-term loans receivable	2,205,026	2,163,840
Long-term prepaid expenses	603,846	648,727
Leasehold and guarantee deposits	7,507,557	8,290,370
Deferred tax assets	2,068,785	2,830,870
Other	151,916	427,435
Allowance for doubtful accounts	(745,706)	(557,447)
Total investments and other assets	12,090,543	14,597,384
Total non-current assets	44,633,733	49,811,570
Total assets	57,007,803	61,714,913

(Thousands of yen)

	FY8/23 (As of Aug. 31, 2023)	FY8/24 (As of Aug. 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	644,739	677,552
Current portion of long-term borrowings	1,911,240	1,711,240
Accounts payable-other	2,785,751	1,766,940
Accrued expenses	1,610,478	1,882,305
Income taxes payable	2,262,994	2,493,886
Provision for bonuses	347,162	349,269
Deposits received	263,142	746,980
Contract liabilities	2,771,830	3,365,428
Other	1,367,065	982,258
Total current liabilities	13,964,404	13,975,861
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	4,000,000	4,000,000
Long-term borrowings	6,937,210	5,725,060
Deferred tax liabilities	690,852	685,008
Asset retirement obligations	5,137,733	5,934,528
Other	883,089	1,039,815
Total non-current liabilities	17,648,884	17,384,412
Total liabilities	31,613,289	31,360,274
Net assets		
Shareholders' equity		
Share capital	2,070,257	2,070,257
Capital surplus	3,302,786	3,302,786
Retained earnings	20,455,244	26,049,100
Treasury shares	(105,741)	(675,710)
Total shareholders' equity	25,722,546	30,746,433
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	47,576	96,456
Foreign currency translation adjustment	(384,231)	(496,873)
Total accumulated other comprehensive income	(336,654)	(400,416)
Share acquisition rights	8,622	8,622
Total net assets	25,394,514	30,354,638
Total liabilities and net assets	57,007,803	61,714,913

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

(Thousands of yen)

	FY8/23 (Sep. 1, 2022 – Aug. 31, 2023)	FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)
Net sales	54,629,894	63,263,940
Cost of sales	41,321,136	46,510,361
Gross profit	13,308,757	16,753,579
Selling, general and administrative expenses	5,641,363	6,589,421
Operating profit	7,667,393	10,164,157
Non-operating income		
Interest and dividend income	42,490	30,627
Foreign exchange gains	214,343	261,949
Cancellation income	-	504,715
Reversal of allowance for doubtful accounts	-	84,103
Miscellaneous income	93,165	179,306
Other	5,823	3,600
Total non-operating income	355,823	1,064,301
Non-operating expenses		
Interest expenses	23,827	36,824
Fee expenses	505	500
Provision of allowance for doubtful accounts	182,378	30,055
Rent expenditure	-	138,529
Other	49,133	87,973
Total non-operating expenses	255,843	293,882
Ordinary profit	7,767,373	10,934,575
Extraordinary income		
Gain on sale of non-current assets	4,043,304	-
Total extraordinary income	4,043,304	-
Extraordinary losses		
Loss on retirement of non-current assets	58,371	32,877
Impairment losses	1,202,028	1,784,292
Loss on valuation of shares of subsidiaries and associates	8,363	92,248
Total extraordinary losses	1,268,763	1,909,417
Profit before income taxes	10,541,914	9,025,158
Income taxes-current	2,495,024	3,079,346
Income taxes-deferred	941,945	(789,500)
Total income taxes	3,436,969	2,289,845
Profit	7,104,945	6,735,312
Profit attributable to owners of parent	7,104,945	6,735,312

Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	FY8/23	FY8/24
	(Sep. 1, 2022 – Aug. 31, 2023)	(Sep. 1, 2023 – Aug. 31, 2024)
Profit	7,104,945	6,735,312
Other comprehensive income		
Valuation difference on available-for-sale securities	23,387	48,880
Foreign currency translation adjustment	(169,096)	(112,642)
Total other comprehensive income	(145,709)	(63,762)
Comprehensive income	6,959,236	6,671,550
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,959,236	6,671,550

(3) Consolidated Statement of Changes in Equity

FY8/23 (Sep. 1, 2022 – Aug. 31, 2023)

(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	14,423,589	(105,662)	19,690,970
Restated balance	2,070,257	3,302,786	14,423,589	(105,662)	19,690,970
Changes during period					
Dividends of surplus			(733,794)		(733,794)
Profit attributable to owners of parent			7,104,945		7,104,945
Purchase of treasury shares				(79)	(79)
Change from merger of consolidated and unconsolidated subsidiaries			(339,496)		(339,496)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	6,031,655	(79)	6,031,575
Balance at end of period	2,070,257	3,302,786	20,455,244	(105,741)	25,722,546

(Thousands of yen)

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	24,189	(215,134)	(190,945)	8,622	19,508,647
Restated balance	24,189	(215,134)	(190,945)	8,622	19,508,647
Changes during period					
Dividends of surplus					(733,794)
Profit attributable to owners of parent					7,104,945
Purchase of treasury shares					(79)
Change from merger of consolidated and unconsolidated subsidiaries					(339,496)
Net changes in items other than shareholders' equity	23,387	(169,096)	(145,709)	-	(145,709)
Total changes during period	23,387	(169,096)	(145,709)	-	5,885,866
Balance at end of period	47,576	(384,231)	(336,654)	8,622	25,394,514

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

(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	20,455,244	(105,741)	25,722,546
Restated balance	2,070,257	3,302,786	20,455,244	(105,741)	25,722,546
Changes during period					
Dividends of surplus			(1,141,456)		(1,141,456)
Profit attributable to owners of parent			6,735,312		6,735,312
Purchase of treasury shares				(569,968)	(569,968)
Change from merger of consolidated and unconsolidated subsidiaries					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	5,593,855	(569,968)	5,023,886
Balance at end of period	2,070,257	3,302,786	26,049,100	(675,710)	30,746,433

(Thousands of yen)

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	47,576	(384,231)	(336,654)	8,622	25,394,514
Restated balance	47,576	(384,231)	(336,654)	8,622	25,394,514
Changes during period					
Dividends of surplus					(1,141,456)
Profit attributable to owners of parent					6,735,312
Purchase of treasury shares					(569,968)
Change from merger of consolidated and unconsolidated subsidiaries					-
Net changes in items other than shareholders' equity	48,880	(112,642)	(63,762)	-	(63,762)
Total changes during period	48,880	(112,642)	(63,762)	-	4,960,124
Balance at end of period	96,456	(496,873)	(400,416)	8,622	30,354,638

(4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	FY8/23	FY8/24
	(Sep. 1, 2022 – Aug. 31, 2023)	(Sep. 1, 2023 – Aug. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	10,541,914	9,025,158
Depreciation	3,887,968	4,427,046
Impairment losses	1,202,028	1,784,292
Amortization of goodwill	3,625	843
Increase (decrease) in provision for bonuses	117,592	2,106
Increase (decrease) in allowance for doubtful accounts	147,279	(167,761)
Interest and dividend income	(42,490)	(30,627)
Interest expenses	23,827	36,824
Foreign exchange gains and losses	(164,831)	1,297
Loss (gain) on sale of property, plant and equipment	(4,043,304)	-
Decrease (increase) in trade receivables	(417,272)	(248,537)
Decrease (increase) in inventories	(288,222)	(2,120)
Decrease (increase) in accounts receivable-other	145,400	(5,787)
Increase (decrease) in trade payables	191,787	20,132
Increase (decrease) in accounts payable-other, and accrued expenses	1,444,841	(389,153)
Other, net	1,615,785	1,346,758
Subtotal	14,365,931	15,800,473
Interest and dividends received	42,490	30,627
Interest paid	(24,121)	(36,824)
Income taxes (paid) refund	(998,979)	(3,212,953)
Net cash provided by (used in) operating activities	13,385,321	12,581,323
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,046,881)	(8,587,553)
Proceeds from sale of property, plant and equipment	5,463,786	-
Purchase of intangible assets	(269,306)	(348,883)
Purchase of investment securities	(125,627)	(359,474)
Proceeds from sale of investment securities	8,960	10,800
Payments of leasehold and guarantee deposits	(1,482,891)	(948,367)
Proceeds from collection of leasehold and guarantee deposits	24,185	167,931
Loan advances	(1,805,183)	(311,790)
Proceeds from collection of loans receivable	11,327	30,452
Purchase of shares of non-consolidated subsidiaries	(5,000)	(67,075)
Other, net	(680)	(20)
Net cash provided by (used in) investing activities	(9,227,310)	(10,413,981)
Cash flows from financing activities		
Proceeds from long-term borrowings	700,000	500,000
Repayments of long-term borrowings	(2,710,403)	(1,912,150)
Purchase of treasury shares	(79)	(569,968)
Dividends paid	(733,794)	(1,141,456)
Net cash provided by (used in) financing activities	(2,744,276)	(3,123,575)
Effect of exchange rate change on cash and cash equivalents	47,255	(147,376)
Net increase (decrease) in cash and cash equivalents	1,460,990	(1,103,610)
Cash and cash equivalents at beginning of period	6,379,401	7,854,269
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	13,878	-
Cash and cash equivalents at end of period	7,854,269	6,750,659

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Reclassifications

(Consolidated Balance Sheet)

Due to the increase in the importance in amount, Contract Liabilities separately shown among items in Current Liabilities in this fiscal year, which was included in Other in last fiscal year. In applying this change, Consolidated Balance Sheet in last fiscal year is also reclassified.

Other in Current Liabilities of 4,138,895 thousand yen is reclassified into Contract Liabilities of 2,771,830 thousand yen and Other of 1,367,065 thousand yen.

(Consolidated Statement of Cash Flows)

Due to the increase in the importance in amount, Purchase of shares of non-consolidated subsidiaries separately shown among items in Cash flows from investing activities in this fiscal year, which was included in Other, net in last fiscal year. In applying this change, Consolidated Statement of Cash Flows in last fiscal year is also reclassified.

Other, net in Cash flows from investing activities of (5,680) thousand yen is reclassified into Purchase of shares of non-consolidated subsidiaries of (5,000) thousand yen and Other, net of (680) thousand yen..

Revenue Recognition

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

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) Real Estate Management is the leasing and management of real estate.
- 3) Other is the operation of bath house facilities and business activities other than karaoke that were previously included in the Karaoke segment.

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

3. Information related to revisions for reportable segments

Reportable segments were revised beginning with the first quarter of the current fiscal year. This revision was made for the purpose of using reportable segments that appropriately show the business activities of the Koshidaka Group.

The goals are to speed up and strengthen strategic initiatives based on the medium-term corporate vision, properly make decisions about the allocations of resources and manage results of operations, and accurately evaluate the benefits of synergies and other items. One revision is the move of the Bath House segment to the new Other segment because the importance of the Bath House segment decreased following the closing on September 3, 2023 of Tokyo Kenko Land Maneki-no-Yu Bath House, its main facility. In addition, business activities other than karaoke (note 1) that were included in the Karaoke segment have been moved to the Other segment.

Segment information for FY8/23 has been restated for consistency with the revised segments.

Note 1: Business activities other than karaoke that were previously included in the Karaoke segment: Gindaco Highball, Canop, CAFÉ ECLA

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

FY8/23 (Sep. 1, 2022 – Aug. 31, 2023)

(Thousands of yen)

	Reportable segment			Total	Adjustment (Notes 1 and 2)	Amounts shown on consolidated financial statements (Note 3)
	Karaoke	Real Estate Management	Other			
Net sales						
Revenue from contracts with customers	51,916,904	243,461	1,459,291	53,619,657	-	53,619,657
Other revenue	-	1,010,236	-	1,010,236	-	1,010,236
External sales	51,916,904	1,253,697	1,459,291	54,629,894	-	54,629,894
Inter-segment sales and transfers	-	234,735	-	234,735	(234,735)	-
Total	51,916,904	1,488,433	1,459,291	54,864,630	(234,735)	54,629,894
Segment profit	9,056,816	149,952	2,388	9,209,157	(1,541,763)	7,667,393
Segment assets	35,668,058	12,805,139	606,958	49,080,156	7,927,647	57,007,803
Other items						
Depreciation	3,315,580	431,259	62,252	3,809,092	78,875	3,887,968
Amortization of goodwill	3,625	-	-	3,625	-	3,625
Impairment loss	750,507	210,852	178,895	1,140,255	61,773	1,202,028
Increase in property, plant and equipment and intangible assets	7,691,789	3,214,204	6,984	10,912,979	225,980	11,138,959

Notes: 1. The -1,541,763 thousand yen adjustment to segment profit mainly includes general and administrative expenses that cannot be attributed to reportable segments.

2. The 7,927,647 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 (bank deposits) 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.

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

(Thousands of yen)

	Reportable segment			Total	Adjustment (Notes 1 and 2)	Amounts shown on consolidated financial statements (Note 3)
	Karaoke	Real Estate Management	Other			
Net sales						
Revenue from contracts with customers	61,246,757	276,050	863,090	62,385,898	-	62,385,898
Other revenue	-	878,042	-	878,042	-	878,042
External sales	61,246,757	1,154,092	863,090	63,263,940	-	63,263,940
Inter-segment sales and transfers	-	431,546	-	431,546	(431,546)	-
Total	61,246,757	1,585,638	863,090	63,695,486	(431,546)	63,263,940
Segment profit	11,493,122	109,677	(37,242)	11,565,556	(1,401,398)	10,164,157
Segment assets	42,950,572	12,384,266	274,128	55,608,968	6,105,945	61,714,913
Other items						
Depreciation	3,868,797	454,133	34,508	4,357,459	69,607	4,427,046
Amortization of goodwill	843	-	-	843	-	843
Impairment loss	1,725,034	-	59,257	1,784,292	-	1,784,292
Increase in property, plant and equipment and intangible assets	7,564,930	1,019,114	20,491	8,604,535	5,108	8,609,644

Notes: 1. The -1,401,398 thousand yen adjustment to segment profit mainly includes general and administrative expenses that cannot be attributed to reportable segments.

2. The 6,105,945 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 (bank deposits) 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.

Related information

FY8/23 (Sep. 1, 2022 – Aug. 31, 2023)

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.

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

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

FY8/23 (Sep. 1, 2022 – Aug. 31, 2023)

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

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

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

FY8/23 (Sep. 1, 2022 – Aug. 31, 2023)

(Thousands of yen)

	Karaoke	Real Estate Management	Other	Elimination or corporate	Total
Goodwill amortization	3,625	-	-	-	3,625
Balance at end of period	1,290	-	-	-	1,290

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

(Thousands of yen)

	Karaoke	Real Estate Management	Other	Elimination or corporate	Total
Goodwill amortization	843	-	-	-	843
Balance at end of period	446	-	-	-	446

Information related to gain on bargain purchase for each reportable segment

FY8/23 (Sep. 1, 2022 – Aug. 31, 2023)

Not applicable.

FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)

Not applicable.

Per-share Information

(Yen)

FY8/23 (Sep. 1, 2022 – Aug. 31, 2023)		FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)	
Net assets per share	311.36	Net assets per share	374.91
Net income per share	87.14	Net income per share	82.70
Diluted net income per share	79.78	Diluted net income per share	75.86

Notes: 1. The Company's stock held by the employee stock ownership plan (J-ESOP) is included in treasury shares and is thus deducted from the number of shares issued at the end of each fiscal year that was used to calculate net assets per share (765,580 shares as of August 31, 2023 and 1,355,680 shares as of August 31, 2024).

In addition, the average number of treasury shares outstanding during the period, which was deducted from the calculation of net income per share, was 765,580 shares for FY8/23 and 856,364 shares for FY8/24.

2. The basis for calculating net income per share and diluted net income per share is as follows:

(Thousands of yen)

	FY8/23 (Sep. 1, 2022 – Aug. 31, 2023)	FY8/24 (Sep. 1, 2023 – Aug. 31, 2024)
Net income per share		
Profit attributable to owners of parent	7,104,945	6,735,312
Amounts not available to common shareholders	-	-
Profit attributable to owners of parent available to common stock	7,104,945	6,735,312
Average number of common shares outstanding during the period (Shares)	81,532,658	81,441,834
Diluted net income per share		
Adjustment to profit attributable to owners of parent	2,782	2,767
[of which, interest expenses (after deducting amount equivalent to tax)]	[2,782]	[2,767]
Increase in the number of common shares (shares)	7,559,517	7,386,168
[of which convertible-bond-type bonds with share acquisition rights (shares)]	[5,925,900]	[5,925,900]
[of which share acquisition rights (shares)]	[1,633,617]	[1,460,268]
Summary of dilutive shares not included in the calculation of diluted net income per share since there was no dilutive effect		-

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.