

# **KOSHIDAKA HOLDINGS Co., LTD.**

**(TSE Prime Market 2157)**

## **Results of Operations**

**for the First Quarter of the  
Fiscal Year Ending August 2025  
(1Q FY8/2025)**

**January 10, 2025**

# Executive Summary

- Profitable again in the first quarter, which has the lowest profitability of every fiscal year, as operating profit was higher than one year earlier
- Profitable despite a 0.47 billion yen decrease in net non-operating income/expense
  - 1Q FY8/2024 Foreign exchange gains (0.16 billion yen) → 1Q FY8/2025 Foreign exchange losses (-0.09 billion yen)
  - 1Q FY8/2024 Cancellation income 0.22 billion yen → None in 1Q FY8/2025
- Added 16 karaoke stores during the 1Q, a net increase of 13, resulting in a total of 677
- The number of rooms totaled 18,077.
  
- Consolidated forecast and dividends remain unchanged from initial forecasts.
  
- Currently in the final stage of the Entertainment Infrastructure Plan (EIP) with the goal of sales of 100 billion yen in FY8/2027
  - Expect operating profit of 15 billion yen and payout ratio of 35%
  
- **Currently working on the next medium-term business plan that will follow the EIP (starting in September 2027)**

# 1Q FY8/2025 Consolidated Results of Operations

- The 1Q, which has the lowest sales and earnings of every fiscal year, was profitable for the third consecutive year and operating profit was higher than one year earlier.
- Since unexpected foreign exchange loss was offset by Reversal of allowance for doubtful accounts, Operating Income, Ordinary profit and profit attributable to owners of parent were resulting in as planned in the forecast.

(Million yen)

Item	1Q FY8/2024	1Q FY8/2025	YoY change		Vs. 1Q forecast	
			Amount	Ratio	Forecast	Achievement ratio
<b>Net sales</b>	13,182	15,095	+1,912	+14.5%	15,005	100.6%
<b>Gross profit</b>	2,151	2,545	+394	+18.3%	-	-
<b>SG&amp;A expenses</b>	1,577	1,816	+239	+15.2%	-	-
<b>Operating profit</b>	573	728	+155	+27.1%	731	99.6%
(Operating profit to net sales)	4.3%	4.8%				
<b>Ordinary profit</b>	1,021	710	-310	-30.4%	721	98.6%
(Ordinary profit to net sales)	7.7%	4.7%				
<b>Profit attributable to owners of parent</b>	787	471	-316	-40.1%	468	100.7%
(Profit to net sales)	6.0%	3.1%				
<b>Net income per share (Yen)</b>	9.66	5.79	-3.87	-40.1%	5.79	99.9%

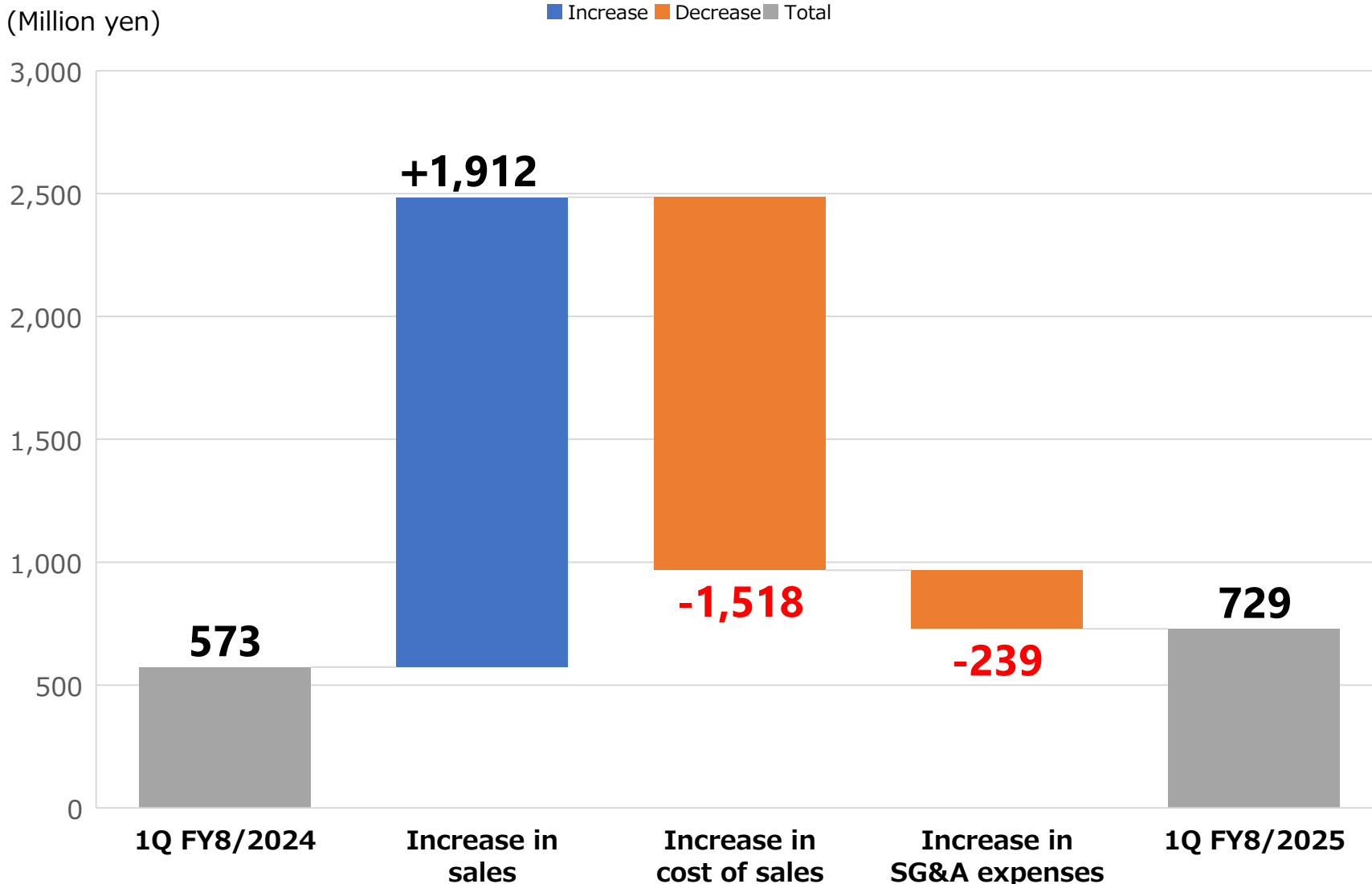
## Consolidated Results of Operations by Segment (YoY Change)

- Karaoke: Sales and earnings increased due to continuation of opening many stores and an increase in the number of customers at existing stores.
- Real Estate Management: Profitable as higher profitability at existing properties offset expenses for new ones
- Other: Profitable due to higher sales at Gindaco Highball and CAFÉ ECLA and the end of expenses for opening new Welltainment locations

(Million yen)

Item	1Q FY8/2024	1Q FY8/2025	YoY change		Vs. 1Q forecast	
			Amount	Ratio	Forecast	Achievement ratio
<b>Net sales</b>	<b>13,182</b>	<b>15,095</b>	<b>+1,912</b>	<b>+14.5%</b>	<b>15,005</b>	<b>100.6%</b>
Karaoke	12,707	14,564	+1,857	+14.6%	14,477	100.6%
Real Estate Management	332	458	+126	+37.8%	440	104.2%
Other	208	208	-1	-0.3%	212	97.8%
Adjustment	(66)	(135)	(70)	-	(124)	-
<b>Operating profit</b>	<b>573</b>	<b>728</b>	<b>+155</b>	<b>+27.1%</b>	<b>731</b>	<b>99.6%</b>
Karaoke	1,000	1,036	+36	+3.6%	1,074	96.5%
(Operating profit to net sales)	(7.9%)	(7.1%)			(7.4%)	
Real Estate Management	(3)	30	+33	-	51	58.9%
(Operating profit to net sales)	(-)	(6.6%)			(11.7%)	
Other	(60)	1	+62	-	(5)	-
(Operating profit to net sales)	(-)	(0.7%)			-	
Adjustment	(363)	(339)	+24	-	(388)	-

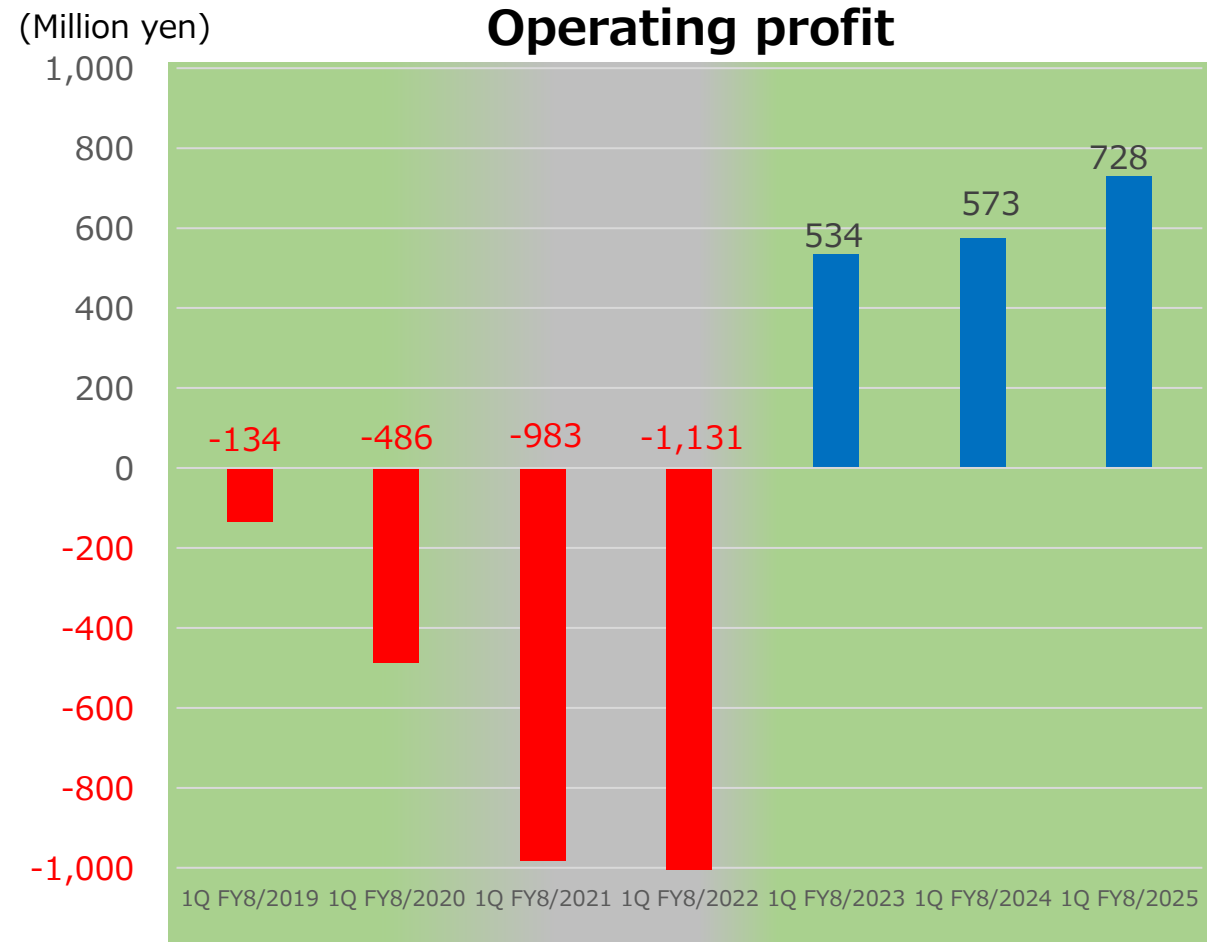
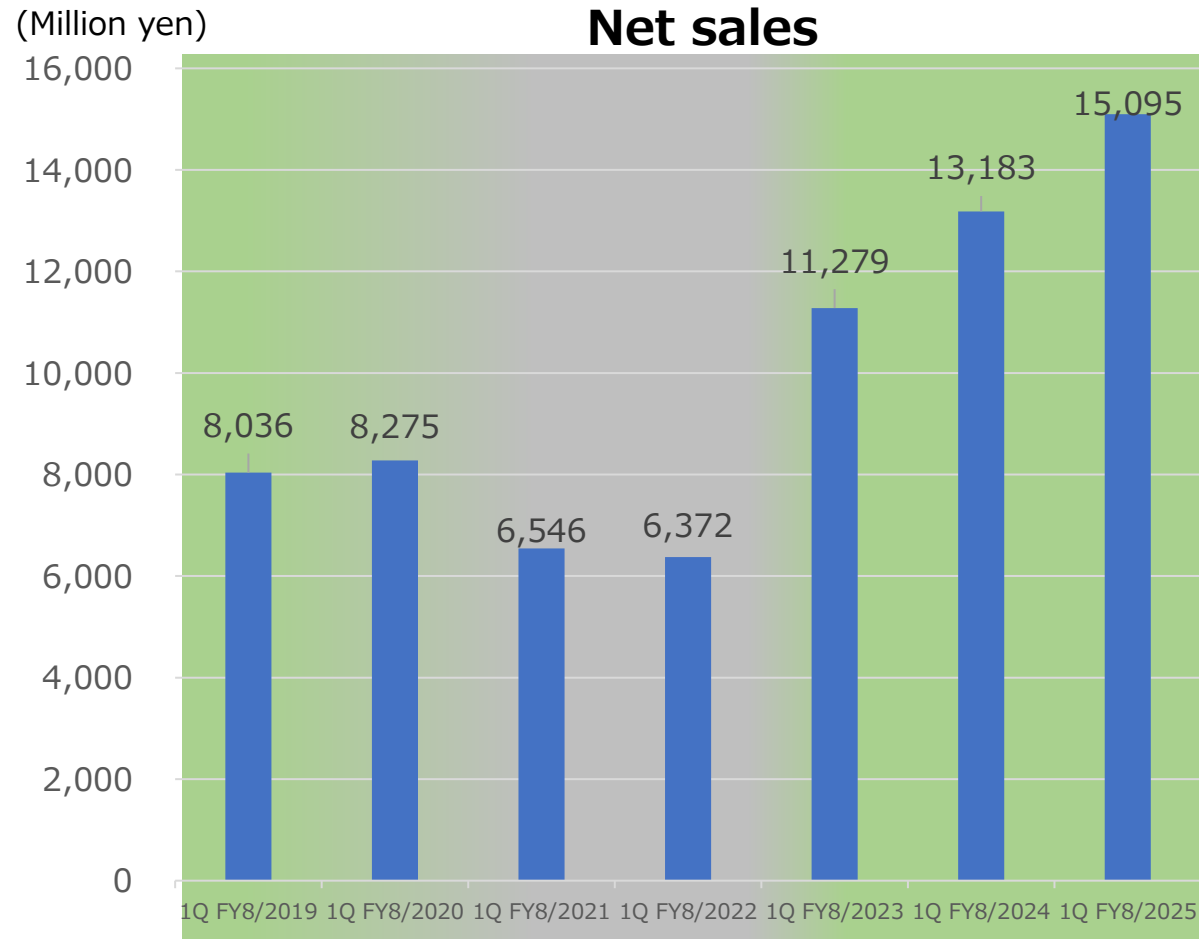
# YoY Change in Operating Profit



- (Million yen)
- **Major increase in sales**
    - ✓ New stores: +1,021
    - ✓ Existing stores: +836
    - ✓ Real Estate/Other: +125
    - ✓ Adjustment: -70
  
  - **Major increase in cost of sales**
    - ✓ Personnel: +535 (+15.1%)
    - ✓ Rents: +342 (+13.9%)
    - ✓ Fees and commissions: +185 (+69.1%)
    - ✓ Utilities: +149 (+18.0%)
    - ✓ Maintenance/inspection: +83 (+69.8%)
    - ✓ Depreciation: +71 (+7.5%)
    - ✓ Distribution fees: +53 (+10.4%)
  
  - **Major increase in SG&A expenses**
    - ✓ Opening expenses: +81 (+40.0%)
    - ✓ Advertising expenses: +74 (+46.0%)
    - ✓ Personnel: +59 (+13.7%)

## (\*Reference) Changes in 1Q Net Sales and Operating Profit

- Net sales: Strong growth is continuing even after the rapid recovery after the pandemic ended, which took sales above the pre-pandemic level.
- Operating profit: Earnings are lowest in the first quarter, but the pre-pandemic 1Q losses were followed by three consecutive profitable first quarters including year-on-year growth.



## Karaoke Business

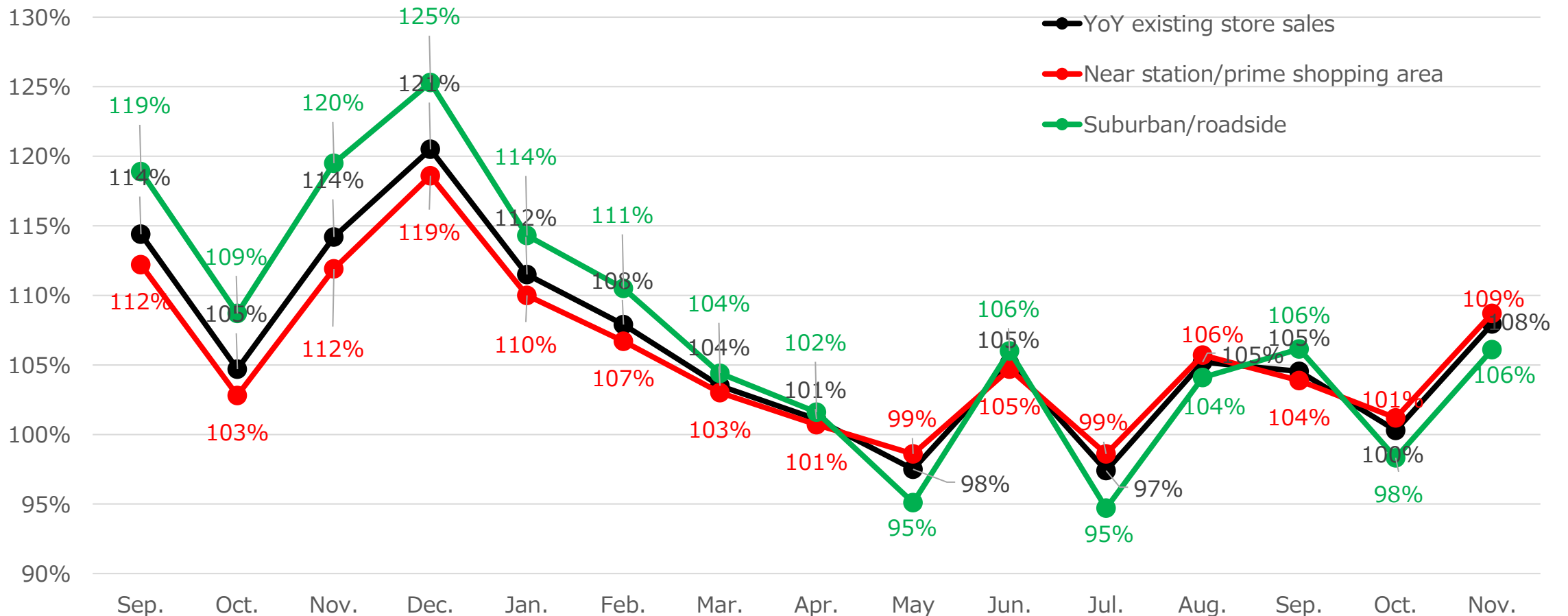
- 1Q Sales increased by 14.6% yoy since number of customers increased as patronage at existing stores increased and customers at newly opened stores were added.
- Determined the most suitable prices for individual stores based on competition to increase the number of customers.

(Million yen)

	1Q FY8/2021 Previous classification		1Q FY8/2022 Previous classification		1Q FY8/2023		1Q FY8/2024		1Q FY8/2025	
	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.
<b>Net sales</b>	6,133	-	5,949	-	10,651	-	12,707	-	14,564	-
<b>Cost of sales</b>	6,167	100.6%	6,134	103.1%	8,873	83.3%	10,513	82.7%	12,065	82.8%
<b>Gross profit</b>	(33)	-	(185)	-	1,776	16.7%	2,193	17.3%	2,499	17.2%
<b>SG&amp;A expenses</b>	704	11.5%	764	12.8%	975	9.2%	1,192	9.4%	1,462	10.0%
<b>Operating profit</b>	(738)	-	(951)	-	801	7.5%	1,001	7.9%	1,036	7.1%

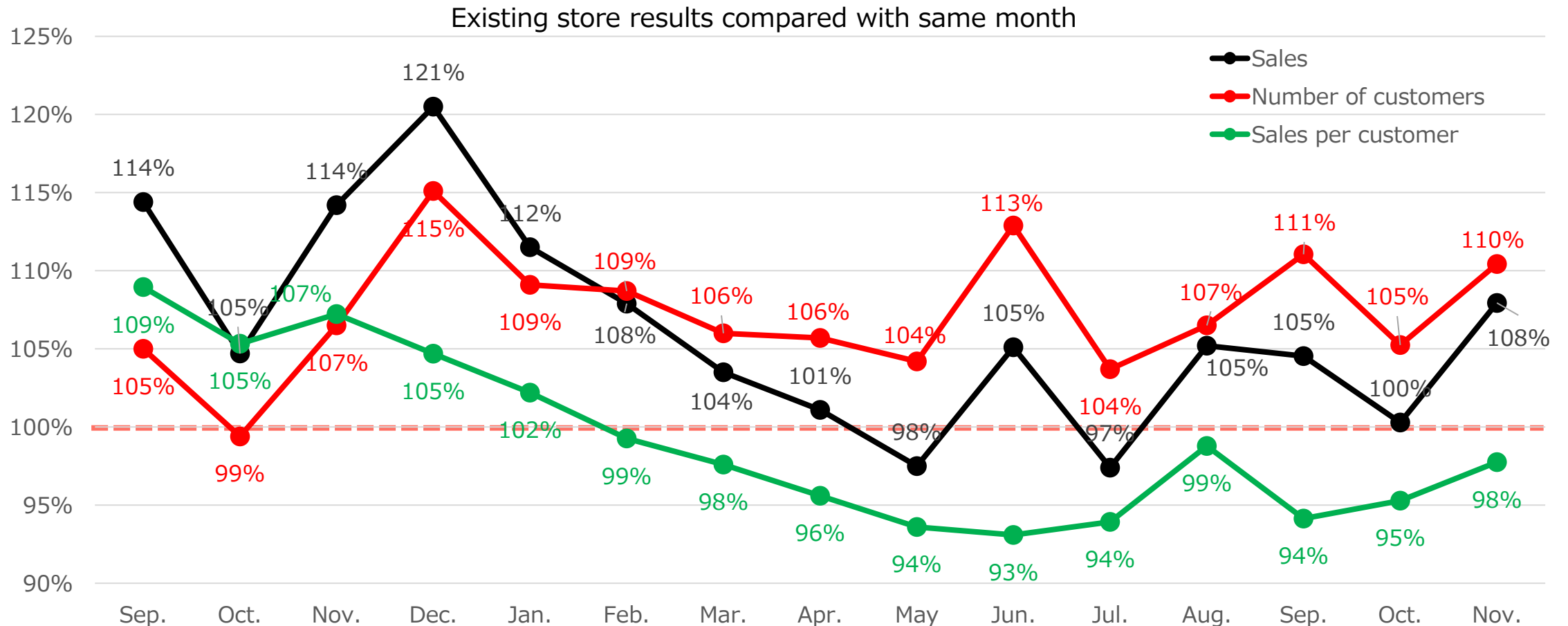
# Existing Store Sales

- Existing store sales increased 4.3% YoY in 1Q FY8/2025 (on a monthly basis).  
At both prime shopping areas and roadside locations, the growth of sales continues, on the sales of 1Q FY8/2024 where existing store sales were up about 10% YoY, when revenue consumption settled down.



## Existing Store Sales/Number of Customers/Sales Per Customer

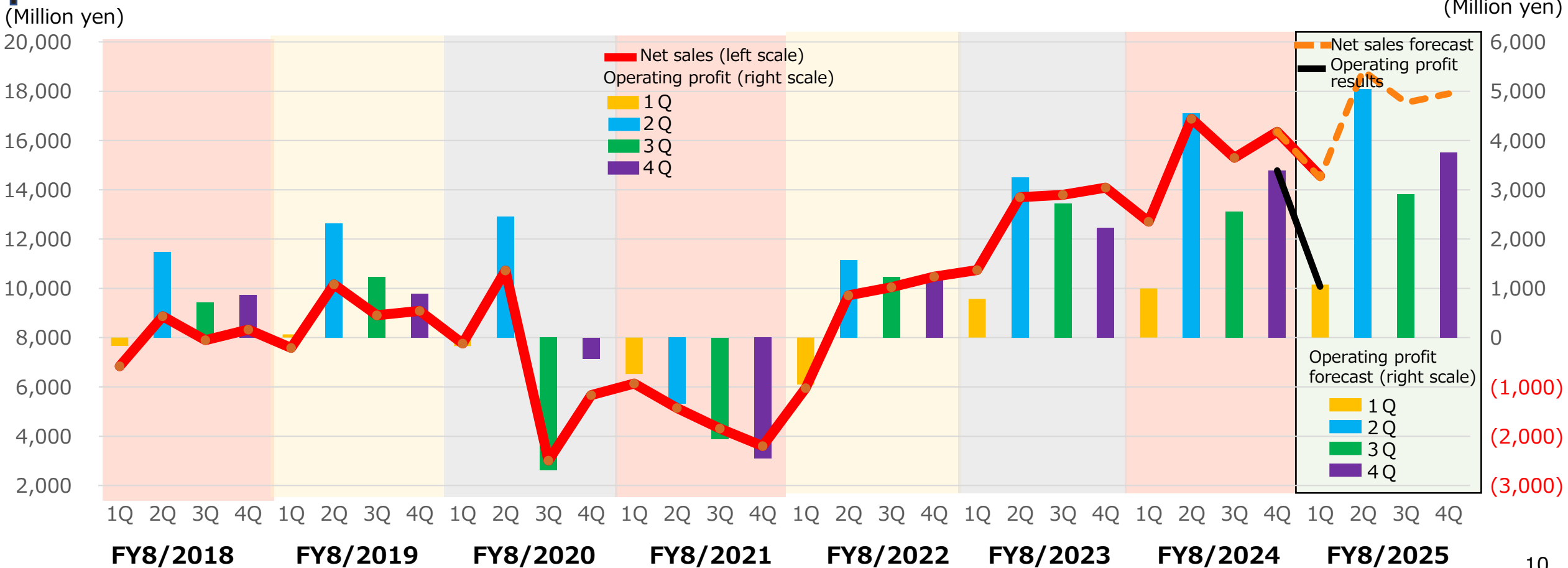
- Existing store sales increased 4.3%, number of customers increased 8.9%, and sales per customer decreased 4.2% in the first quarter compared with the same period of FY8/2024.
- Timely price adjustments to reflect market conditions of individual stores are contributing to the consistent increase in the number of customers.



# Karaoke Segment Quarterly Net Sales and Operating Profit

- Sales and earnings are lowest in the 1Q and highest in the 2Q, which includes the year-end/New Year holiday, followed by the 4Q, which includes Obon holiday and summer vacation, and the 3Q, which includes spring break and Golden Week.
- Before the pandemic, there was a loss in the 1Q every year but the 1Q was profitable for the third consecutive year from 1Q FY8/2023 and earnings were higher than the year before in 1Q FY8/2024 and 1Q FY8/2025.

Karaoke Segment Quarterly Net Sales and Operating Profit



## Number of Locations and Rooms

- Opened 16 stores in the first quarter—Store opening was largely as planned
- 5 stores, 2 stores and 2 stores were opened in Tokyo Metropolitan area, the Kinki region and Kyushu, respectively, and 4 stores were relocated.

Number of locations/rooms		FY8/2024		1Q FY8/2025		Change	
		No. of locations	No. of rooms	No. of locations	No. of rooms	No. of locations	No. of rooms
Manekineko	Near railway stations/ prime shopping areas	380	10,685	390	10,985	+10	+300
	Suburban/roadside locations	278	6,761	281	6,885	+3	+124
	Total	658	17,446	671	17,870	+13	+424
One Kara		6	207	6	207	0	0
Total		664	17,653	677	18,077	+13	+424

Number of locations opened/closed		1Q FY8/2024	2Q FY8/2024	3Q FY8/2024	4Q FY8/2024	1Q FY8/2025
No. of locations opened	Near railway stations/ prime shopping areas	12	15	12	6	10
	Suburban/roadside locations	0	1	3	2	6
	Total	12	16	15	8	16
No. of locations closed		0	2	3	2	3

# New Stores in Japan

- In the Tokyo Metropolitan area, continue adding locations in prime shopping areas and near stations; aim for high profitability by rapidly reaching top speed in operations at new stores
- In the Kinki region and Nagoya area, raise brand awareness by continuing to place emphasis on adding more stores
- Continue adding locations in areas with the potential for new stores; currently no stores in only two (Tottori, Wakayama) of Japan's 47 prefectures

## Strategy for new stores

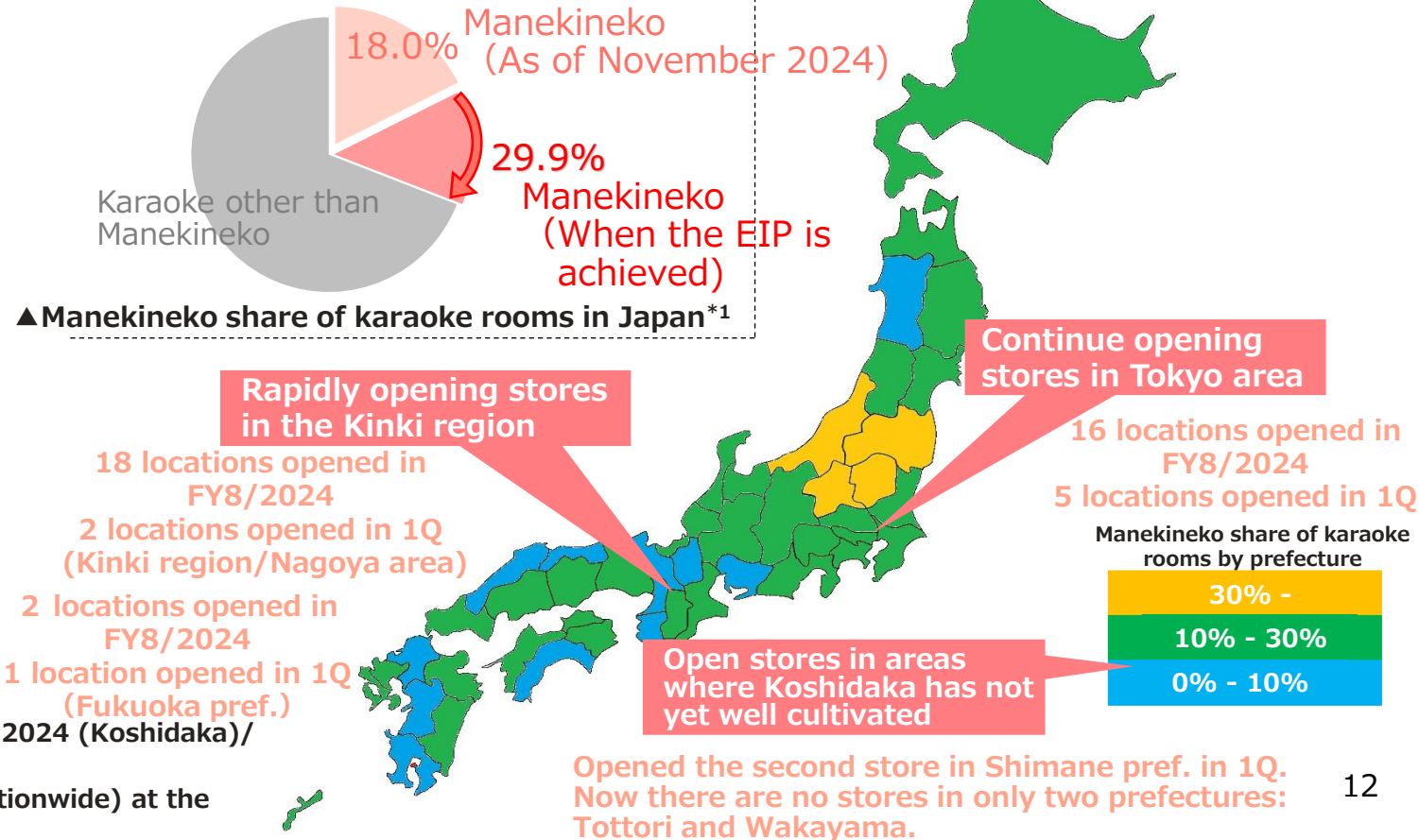
Continue opening many stores near stations and shopping districts, mainly in the Tokyo Metropolitan area

Rapidly increase the number of locations in the Kinki region

Open stores in regions where there is enormous potential for growth

Opening of 100 stores per year

## Stores opened in 1Q FY8/2025 (16 Manekineko stores opened)



\*1 Calculated based on the number of rooms as of November 30, 2024 (Koshidaka)/ Karaoke White Paper as of March 31, 2024  
 Assumes no change in the total number of rooms (100,463 nationwide) at the time when the EIP is achieved.

## Overseas Performance

- Continued rapid store openings in Southeast Asia:  
Opened 2 stores in Malaysia and 1 in Thailand.
- The new flagship stores raised brand recognition and the larger size of stores is improving profitability.

Metro Point Kajang  
Malaysia



Pearl Point Shopping Mall, Malaysia



Future Park Ransigt, Thailand



(Million yen)

	FY8/2024			FY8/2024			FY8/2025		
	Full year			1Q			1Q		
	Net sales	Operating profit	No. of locations	Net sales	Operating profit	No. of locations	Net sales	Operating profit	No. of locations
Overseas	1,225	107	22	232	(26)	21	334	23	25
South Korea	123	(11)	4	21	(2)	4	26	(5)	4
Malaysia	710	67	13	143	(10)	12	208	25	15
Thailand	304	54	3	56	(1)	3	71	5	4
Indonesia	88	(3)	2	10	(12)	2	29	(2)	2

\*Sales and operating profit in Malaysia, Thailand and Indonesia are not consolidated.

# Real Estate Management/ Other Businesses

## Real Estate Management Business

- Occupancy was almost 100% at both of the major properties  
→ AQERU Maebashi, Fleuret Sakuragicho

(Million yen)

	1Q FY8/2021		1Q FY8/2022		1Q FY8/2023		1Q FY8/2024		1Q FY8/2025	
	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.
<b>Net sales</b>	146	-	262	-	346	-	333	-	458	-
<b>Cost of sales</b>	178	122.3%	231	88.3%	258	74.6%	329	98.8%	422	92.0%
<b>Gross profit</b>	(32)	-	30	-	87	25.2%	3	0.9%	37	8.0%
<b>SG&amp;A expenses</b>	3	2.1%	2	0.8%	6	1.7%	6	1.8%	6	1.4%
<b>Operating profit</b>	(36)	-	28	10.7%	81	23.4%	(3)	-	30	6.6%

## Other Businesses

- Sales and earnings at Highball and CAFÉ ECLA continue to increase.
- Welltainment profitability improved because there are no longer expenses for opening new locations.

(Million yen)

	1Q FY8/2021 Previous classification		1Q FY8/2022 Previous classification		1Q FY8/2023		1Q FY8/2024		1Q FY8/2025	
	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.
<b>Net sales</b>	267	-	210	-	338	-	209	-	208	-
<b>Cost of sales</b>	292	109.2%	246	117.1%	350	103.5%	254	121.6%	198	95.2%
<b>Gross profit</b>	(24)	-	(36)	-	(12)	-	(45)	-	10	4.8%
<b>SG&amp;A expenses</b>	11	4.1%	6	2.9%	11	3.3%	14	6.7%	8	4.1%
<b>Operating profit</b>	(37)	-	(43)	-	(24)	-	(61)	-	1	0.7%

# Balance Sheet

## Balance Sheet

- About two months of cash and deposits (current assets) as of the end of FY8/2024 was used to increase property, plant and equipment and Dividends' payment. 1 billion yen of Convertible Bonds were converted into Share Capital and Capital surplus. (Million yen)

	August 31, 2024	November 30, 2024	Change
<b>Current assets</b>	11,903	9,050	-2,853
<b>Non-current assets</b>	49,811	51,316	+1,505
Property, plant and equipment	34,518	35,895	+1,377
Intangible assets	696	775	+79
Investments and other assets	14,597	14,645	+48
<b>Total assets</b>	<b>61,714</b>	<b>60,366</b>	<b>-1,349</b>
<b>Current liabilities</b>	13,975	12,915	-1,060
Borrowings	1,711	2,461	+750
<b>Non-current liabilities</b>	17,384	16,457	-927
Convertible-bond-type bonds with share acquisition rights	4,000	3,000	-1,000
Long-term borrowings	5,725	5,484	-240
<b>Total liabilities</b>	<b>31,360</b>	<b>29,373</b>	<b>-1,987</b>
<b>Shareholders' equity</b>	30,746	31,306	+560
<b>Net assets</b>	30,354	30,993	+639
<b>Total liabilities and net assets</b>	<b>61,714</b>	<b>60,366</b>	<b>-1,349</b>

## 2. FY8/2025 Consolidated Forecast

# FY8/2025 Forecast

## Consolidated Forecast

(Million yen)

Items	FY8/2024 Result	FY8/2025 Forecast	Vs. FY8/2024	
			Change	Ratio
Net sales	63,263	71,057	+7,793	+12.3%
Operating profit	10,164	11,578	+1,414	+13.9%
(Operating profit to net sales)	(16.1%)	(16.3%)		
Ordinary profit	10,934	11,536	+601	+5.5%
(Ordinary profit to net sales)	(17.3%)	(16.2%)		
Profit attributable to owners of parent	6,735	7,499	+764	+11.3%
(Profit to net sales)	(10.6%)	(10.6%)		
Net income per share (Yen)	82.70	91.97	+9.27	+11.2%

### ■ Karaoke Business

- Forecast higher existing store sales due to more customers
- Sales forecast includes the first full FY contribution of the 51 stores added in FY8/2024 and sales from new stores to be added in FY8/2025
- Maintain profitability by increasing productivity to offset expenses due to higher salaries

[Reference]

Share acquisition rights and convertible bonds sold to Advantage Advisors can be exercised/converted beginning on March 15, 2024. The capital and business alliance with this company will continue.

These rights and bonds were equivalent to 10,387,936 shares at 675 yen per share originally.

During the first quarter, 1.0 billion yen of bonds were converted. The remaining share acquisition rights and convertible bonds are equivalent to 8,906 thousand shares.

# FY8/2025 Forecast by Segment

## Forecast by Segment

(Million yen)

Items	FY8/2024 Result	FY8/2025 Forecast	YoY
			Change
<b>Net sales</b>	63,263	71,057	+7,793
Karaoke	61,246	68,747	+7,500
Real Estate Management	1,585	1,900	+314
Other	863	909	+46
Adjustment	(431)	(499)	(67)
<b>Operating profit</b>	10,164	11,578	+1,414
<b>(Operating profit to net sales)</b>	(16.1%)	(16.3%)	
Karaoke	11,493	12,778	+1,285
(Operating profit to net sales)	(18.8%)	(18.6%)	
Real Estate Management	109	266	+156
(Operating profit to net sales)	(6.9%)	(14.0%)	
Other	(37)	31	+68
(Operating profit to net sales)	(-)	(3.4%)	
Adjustment	(1,401)	(1,497)	(96)

## FY8/2025 Dividend Policy

Distributing earnings to shareholders is one of the highest priorities of Koshidaka Holdings. Our policy is to pay dividends consistently while taking steps for the medium/long-term growth of the value of our stock. By accomplishing the Entertainment Infrastructure Plan\*<sup>1</sup> and creating the next core drivers of growth, we are aiming for more growth of our businesses and the even more efficient use of capital.

The specific dividend amount will be determined year to year based on the need to reinvest funds in current and new businesses and for other purposes and the plan for a medium-term steady increase in the dividend payout ratio.

- Plans to pay an interim dividend of 12 yen, which is an increase of 1 yen from the FY8/2024 year-end dividend, and a year-end dividend of 12 yen, for a total full-year dividend of 24 yen per share.

### Dividend per share/Payout ratio

(Yen)

	FY8/2019	FY8/2020	FY8/2021	FY8/2022	FY8/2023	FY8/2024	FY8/2025 (forecast)
<b>Interim</b>	6.0	8.0	2.0	4.0	5.0	7.0	12.0
<b>Year-end</b>	6.0	4.0	2.0	4.0	7.0	11.0	12.0
<b>Annual</b>	12.0	12.0	4.0	8.0	12.0	18.0	24.0
<b>Payout ratio</b>	15.7%	-	-	17.9%	13.8%	21.8%	26.1%

\*1. The Entertainment Infrastructure Plan has the goal of accomplishing the medium-term corporate vision of “entertainment as infrastructure.”

## Shareholder Benefit Program (Record Date: August 31)

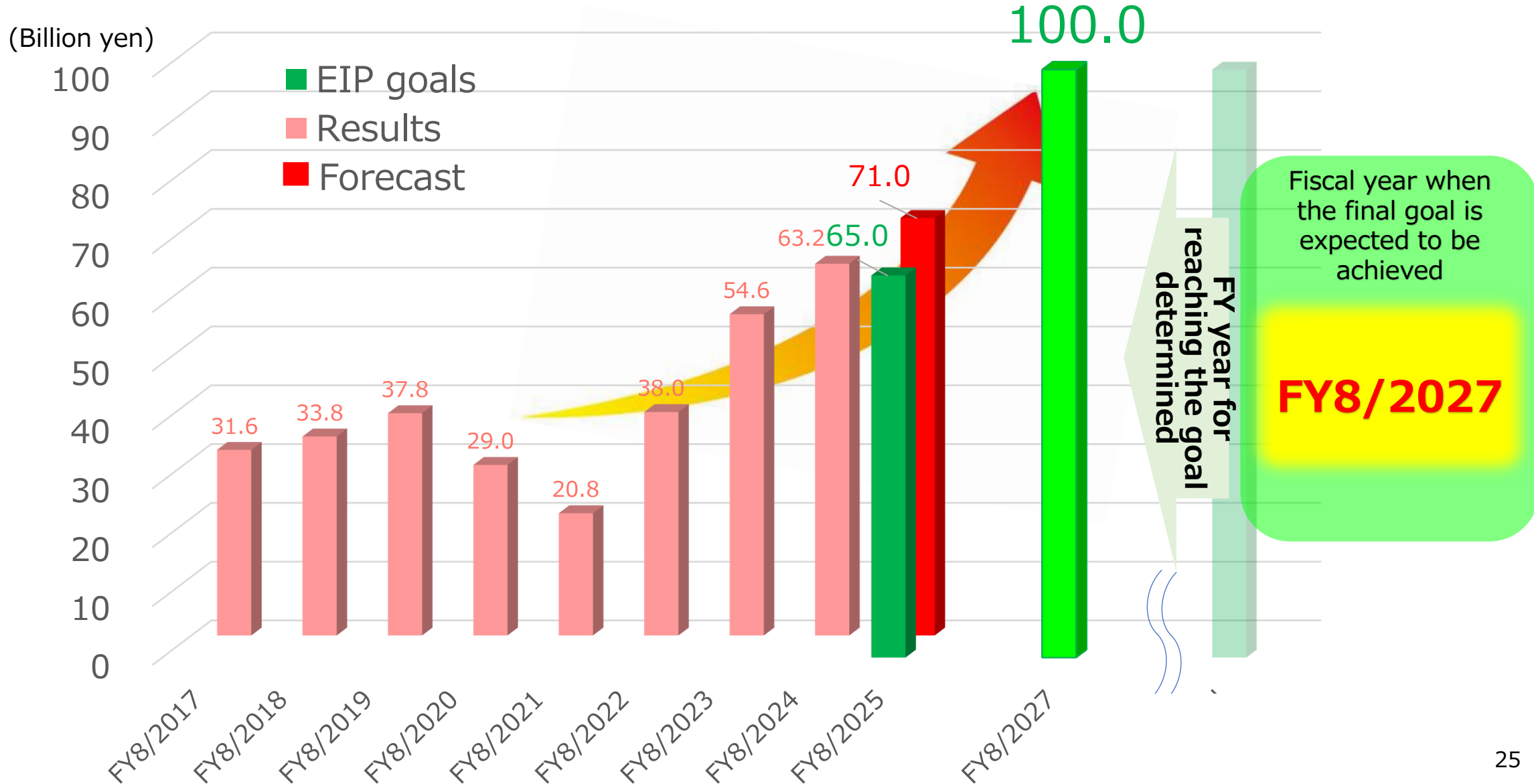
Shares held	Length of shareholding	Gift
<b>At least 100</b>	Under three years	2 coupons (2,000 yen)
	Three years or more	4 coupons (4,000 yen)
<b>At least 400</b>	Under three years	5 coupons (5,000 yen)
	Three years or more	10 coupons (10,000 yen)
<b>1,000 or more</b>	Under three years	10 coupons (10,000 yen)
	Three years or more	20 coupons (20,000 yen)

\* Shareholder gift coupons can be used at Karaoke Manekineko, One Kara (single-use room karaoke) and Maneki-no-Yu bath houses in Japan. Up to five coupons can be used for a single visit and coupons can be used with other coupons.

# 3. EIP Final Stage – Toward FY8/2027

<Excerpt from Result of Operations for FY8/2024 >

# Determined to Achieve the Final EIP Goals for FY8/2027



## EIP final stage – KPI Targets for the final year (FY8/2027)

Item		FY8/2019	FY8/2023	FY8/2024	FY8/2025 (Forecast)	FY8/2027 (Final goal)	(Reference) TSE Prime non-manufacturing industry (FY2023)
<b>Net sales</b>	Billion yen	37.80	54.63	63.26	71.06	100.0	—
<b>Operating profit (Operating margin)</b>	Billion yen (%)	9.51 (10.1)	7.67 (14.0)	10.16 (16.1)	11.58 (16.3)	At least 15.0 (At least 15.0)	— (6.4)
<b>Payout ratio</b>	%	15.7	13.8	21.8	26.1	At least 35.0	33.4
<b>DOE</b>	%	3.3	4.4	5.2	5.9	At least 6.0	2.9
<b>ROE</b>	%	21.3	31.6	24.2	22.3	18.0 (est.)*	18.8

\*This estimate is based on the assumption that convertible bonds are converted and share acquisition rights are exercised during FY8/2026.

\*FY8/2025 figures modified from FY8/2024 Result of Operations tanking the conversion of convertible bonds of 1 billion yen in 1Q into account

## Final EIP initiatives

### Initiative 1

#### The EIP final stage\*1

- A) Double the pace of store openings: In the Tokyo Metropolitan area, continue opening new stores and raise productivity by relocating and renovating existing stores. In the Kinki region and Nagoya and other areas with much potential for new stores, open stores to raise brand awareness in these areas.
- B) More private entertainment rooms (PER)\*2: Convert karaoke rooms into entertainment rooms by adding the E-bo entertainment platform, which includes services other than karaoke.
- C) A sound organizational structure: Personnel system measures (continuous salary increases, larger number of consecutive days off), workforce diversity (people with disabilities, people with advanced skills, etc.), upgraded training programs

### Initiative 2

#### Improve profitability by increasing productivity

Increase labor productivity in order to both raise salaries for employees and lower personnel expense ratio.  
Development of PER and the faster digital transformation of store and head office operations:  
Establishment of Koshidaka Digital

### Initiative 3

#### Full-scale expansion outside Japan

Accelerate store openings in countries in Southeast Asia with enormous potential for growth.  
Start making plans to start operations in the United States.

### Initiative 4

#### Create new sources of earnings

B-to-C operations using Koshidaka assets, content business, M&A

\*1 The Entertainment Infrastructure Plan has the goal of accomplishing the medium-term corporate vision of “entertainment as infrastructure.”

\*2 Private Entertainment Rooms, which are part of the “entertainment as infrastructure” vision, are a platform for providing karaoke along with many other forms of entertainment.

## Closing

### Key initiatives “plus”

## Starting to think about

## the next (after EIP) medium-term business plan!

Work has started on the medium-term business plan that will begin in September 2027. Targeting to establish the plan by the end of the current fiscal year.

- Studies to identify a business in addition to karaoke business in Japan that can drive growth
- Determination of priority performance indicators
- Establishment of the scale of the final targets for individual business units

# KOSHIDAKA HOLDINGS Co., LTD.

(TSE Prime Market 2157)

The purpose of this presentation is to provide information about the Koshidaka Group based on results of operations for the first quarter of the fiscal year ending August 31, 2025. This is not a solicitation to purchase securities issued by Koshidaka Holdings.

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