



January 10, 2025

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending August 31, 2025
(Three Months Ended November 30, 2024)

[Japanese GAAP]

Company name: KOSHIDAKA HOLDINGS Co., LTD. Listing: Tokyo Stock Exchange
 Stock code: 2157 URL: <https://www.koshidakaholdings.co.jp/>
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Scheduled date of payment of dividend: -
 Preparation of supplementary materials for financial results: Yes
 Holding of 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, 2024 (Sep. 1, 2024 – Nov. 30, 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	%
Three months ended Nov. 30, 2024	15,095	14.5	728	27.1	710	(30.4)	471	(40.1)
Three months ended Nov. 30, 2023	13,182	16.9	573	7.3	1,021	90.5	787	140.8

Note: Comprehensive income (million yen) Three months ended Nov. 30, 2024: 550 (down 25.9%)
 Three months ended Nov. 30, 2023: 742 (up 67.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Nov. 30, 2024	5.79	5.35
Three months ended Nov. 30, 2023	9.66	8.83

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Nov. 30, 2024	60,366	30,993	51.3
As of Aug. 31, 2024	61,714	30,354	49.2

Reference: Shareholders' equity (million yen) As of Nov. 30, 2024: 30,984 As of Aug. 31, 2024: 30,346

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Aug. 31, 2024	-	7.00	-	11.00	18.00
Fiscal year ending Aug. 31, 2025	-	-	-	-	-
Fiscal year ending Aug. 31, 2025 (forecast)	-	12.00	-	12.00	24.00

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

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)	43.83
Full year	71,057	12.3	11,578	13.9	11,536	5.5	7,499	11.3	91.97

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

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly added: 1 (KOSHIDAKA Digital Co., Ltd.) 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 issued shares (common stock)

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

As of Nov. 30, 2024:	83,781,480 shares	As of Aug. 31, 2024:	82,300,000 shares
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2) Number of treasury shares at the end of the period

As of Nov. 30, 2024:	1,357,899 shares	As of Aug. 31, 2024:	1,357,519 shares
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3) Average number of shares outstanding during the period

Three months ended Nov. 30, 2024:	81,534,943 shares	Three months ended Nov. 30, 2023:	81,532,624 shares
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* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* 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.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first quarter of the current fiscal year, the Japanese economy was affected by the increasing cost of energy and food rose, in part due to conflicts in Ukraine and the Middle East. Foreign exchange rates were volatile and sensitive to the changes in inflation and other economic indicators as the central banks of Japan and the United States altered their policies.

Prices and wages in Japan might increase steadily due to factors that include the larger number of foreign tourists, wage increases starting at large companies, a tax system review by Japan's minority government to increase take-home pay, and other events.

Business segment performance is as follows.

Karaoke

The core Karaoke business is continuing to open many stores. During the first quarter, there were 16 new locations, including four relocations, new store openings with larger scale in the same markets as closing/closed stores. Existing stores are continuing to attract more customers by pricing services with precision in relation to the prices of competitors and the market conditions of individual locations.

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. One step is the addition of "E-bo" entertainment boxes, a new type of entertainment platform, at locations in the Tokyo metropolitan area. 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 continued. Two Karaoke Manekineko stores and one in Thailand were opened during the first quarter of the current fiscal year.

At the end of November 2024, the number of karaoke locations in Japan was 677, 13 more than at the end of the previous fiscal year. The number of overseas karaoke stores was 25 in four countries, consisting of four in South Korea, 15 in Malaysia, four in Thailand and two in Indonesia, three more than at the end of the previous fiscal year.

Sales in the Karaoke segment were 14,564 million yen, up 14.6% year on year, and there was a segment profit of 1,036 million yen, up 3.6% year on year.

Real Estate Management

The performance of the AQERU Maebashi commerce and business complex and the Fleuret Hanasaki Building in Yokohama, the major properties in this segment, and other existing and new properties was stable.

Sales in the Real Estate Management segment were 458 million yen, up 37.8% year on year, and the segment profit was 30 million yen, an increase of 33 million yen from a loss one year earlier.

Other

The performance of the five food and beverage stores (Gindaco Highball, CAFÉ ECLA) improved.

Sales in the Other segment were 208 million yen, down 0.3% year on year, and the segment profit was 1 million yen, an increase of 62 million yen from a loss one year earlier.

Results of operations of the Koshidaka Group (KOSHIDAKA HOLDINGS Co., LTD. and its consolidated subsidiaries) for the first quarter were as follows. In the first quarter of the previous fiscal year, non-operating income included cancellation income of 221 million yen and foreign exchange gains of 155 million yen. There were foreign exchange losses of 86 million yen included in non-operating expenses in the first quarter of the current fiscal year. As a result, although operating profit increased 155 million yen from one year earlier, ordinary profit was down 310 million yen from one year earlier.

Net sales:	15,095 million yen	(up 14.5% year on year)
Operating profit:	728 million yen	(up 27.1% year on year)
Ordinary profit:	710 million yen	(down 30.4% year on year)
Profit attributable to owners of parent:	471 million yen	(down 40.1% year on year)

(2) Explanation of Financial Position

Assets, liabilities, and net assets

Assets

Current assets decreased 2,853 million yen (24.0%) to 9,050 million yen. This was mainly due to a decrease of 2,899 million yen in cash and deposits mainly because of income taxes paid and cash dividends paid.

Property, plant and equipment increased 1,377 million yen (4.0%) to 35,895 million yen. This was mainly due to increases of 1,223 million yen in buildings and structures, net, because of new store openings and 295 million yen in vehicles, tools, furniture and fixtures, net.

Intangible assets increased 79 million yen (11.4%) to 775 million yen.

Investments and other assets increased 47 million yen (0.3%) to 14,645 million yen.

Total non-current assets increased 1,504 million yen (3.0%) to 51,316 million yen.

As a result, total assets decreased 1,348 million yen (2.2%) to 60,366 million yen.

Liabilities

Current liabilities decreased 1,060 million yen (7.6%) to 12,915 million yen. This was mainly due to decreases of 2,367 million yen in income taxes payable, 250 million yen in current portion of long-term borrowings, 241 million yen in deposits received and 279 million yen in other current liabilities, while there were increases of 1,000 million yen in short-term borrowings and 1,066 million yen in accounts payable-other.

Non-current liabilities decreased 926 million yen (5.3%) to 16,457 million yen. This was mainly due to decreases of 1,000 million yen in bonds with share acquisition rights and 240 million yen in long-term borrowings, while there was an increase of 286 million yen in asset retirement obligations.

As a result, total liabilities decreased 1,987 million yen (6.3%) to 29,373 million yen.

Net assets

Net assets increased 638 million yen (2.1%) to 30,993 million yen. This was mainly due to increases of 500 million yen in each of share capital and capital surplus due to conversion of convertible-bond-type bonds with share acquisition rights and a decrease of 439 million yen in retained earnings due to cash dividends paid.

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

There are many sources of uncertainty about the outlook for the business climate. Most significant are conflicts in Ukraine and the Middle East, both of which still show no signs of ending, a new U.S. president, 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, we 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. By reaching the mid-point target, the timing of achieving the final goal is 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.

Sales and earnings during the first quarter and in December, the busiest month of the year for the Koshidaka Group, were generally as planned. As a result, there are no revisions to the forecast for the fiscal year ending in August 2025. We forecast consolidated net sales of 71,057 million yen, up 12.3% year on year, 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 11.3% for the fiscal year ending August 31, 2025.

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 from these forecasts for a number of reasons.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	FY8/24 (As of Aug. 31, 2024)	First Quarter of FY8/25 (As of Nov. 30, 2024)
Assets		
Current assets		
Cash and deposits	6,772,024	3,872,537
Notes and accounts receivable-trade	1,200,948	1,201,836
Merchandise	180,507	181,386
Raw materials and supplies	379,241	404,283
Other	3,403,186	3,392,746
Allowance for doubtful accounts	(32,566)	(2,564)
Total current assets	11,903,342	9,050,225
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,817,938	26,041,472
Vehicles, tools, furniture and fixtures, net	2,587,181	2,883,072
Land	6,957,299	6,957,299
Construction in progress	155,672	13,552
Total property, plant and equipment	34,518,091	35,895,396
Intangible assets		
Goodwill	446	350
Software	546,502	604,954
Other	149,146	170,181
Total intangible assets	696,094	775,486
Investments and other assets		
Investment securities	699,663	729,702
Shares of subsidiaries and associates	93,922	93,567
Long-term loans receivable	2,163,840	2,157,915
Long-term prepaid expenses	648,727	614,841
Leasehold and guarantee deposits	8,290,370	8,381,829
Deferred tax assets	2,830,870	2,704,372
Other	427,435	433,747
Allowance for doubtful accounts	(557,447)	(470,703)
Total investments and other assets	14,597,384	14,645,272
Total non-current assets	49,811,570	51,316,154
Total assets	61,714,913	60,366,380

(Thousands of yen)

	FY8/24 (As of Aug. 31, 2024)	First Quarter of FY8/25 (As of Nov. 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	677,552	698,337
Short-term borrowings	-	1,000,000
Current portion of long-term borrowings	1,711,240	1,461,240
Accounts payable-other	1,766,940	2,833,674
Accrued expenses	1,882,305	1,946,297
Income taxes payable	2,493,886	126,570
Provision for bonuses	349,269	188,399
Deposits received	746,980	505,705
Contract liabilities	3,365,428	3,452,446
Other	982,258	702,736
Total current liabilities	13,975,861	12,915,407
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	4,000,000	3,000,000
Long-term borrowings	5,725,060	5,484,750
Deferred tax liabilities	685,008	670,562
Asset retirement obligations	5,934,528	6,221,213
Other	1,039,815	1,081,213
Total non-current liabilities	17,384,412	16,457,739
Total liabilities	31,360,274	29,373,147
Net assets		
Shareholders' equity		
Share capital	2,070,257	2,570,257
Capital surplus	3,302,786	3,802,786
Retained earnings	26,049,100	25,609,389
Treasury shares	(675,710)	(676,165)
Total shareholders' equity	30,746,433	31,306,268
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	96,456	100,810
Foreign currency translation adjustment	(496,873)	(422,467)
Total accumulated other comprehensive income	(400,416)	(321,657)
Share acquisition rights	8,622	8,622
Total net assets	30,354,638	30,993,232
Total liabilities and net assets	61,714,913	60,366,380

(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 FY8/24 (Sep. 1, 2023 – Nov. 30, 2023)	First three months of FY8/25 (Sep. 1, 2024 – Nov. 30, 2024)
Net sales	13,182,967	15,095,172
Cost of sales	11,031,857	12,549,579
Gross profit	2,151,110	2,545,592
Selling, general and administrative expenses	1,577,877	1,816,973
Operating profit	573,233	728,618
Non-operating income		
Interest and dividend income	2,543	505
Foreign exchange gains	155,318	-
Reversal of allowance for doubtful accounts	-	83,809
Cancellation income	221,477	-
Other	124,111	12,246
Total non-operating income	503,450	96,561
Non-operating expenses		
Interest expenses	8,092	16,041
Foreign exchange losses	-	86,288
Provision of allowance for doubtful accounts	2,318	-
Rent expenditure	34,632	11,808
Other	10,399	239
Total non-operating expenses	55,443	114,377
Ordinary profit	1,021,241	710,801
Extraordinary losses		
Loss on retirement of non-current assets	4,674	11,304
Impairment losses	37,018	397
Total extraordinary losses	41,692	11,701
Profit before income taxes	979,548	699,100
Income taxes-current	93,033	117,188
Income taxes-deferred	98,917	110,130
Total income taxes	191,951	227,318
Profit	787,596	471,781
Profit attributable to owners of parent	787,596	471,781

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

	(Thousands of yen)	
	First three months of FY8/24 (Sep. 1, 2023 – Nov. 30, 2023)	First three months of FY8/25 (Sep. 1, 2024 – Nov. 30, 2024)
Profit	787,596	471,781
Other comprehensive income		
Valuation difference on available-for-sale securities	4,963	4,353
Foreign currency translation adjustment	(49,789)	74,405
Total other comprehensive income	(44,825)	78,759
Comprehensive income	742,770	550,540
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	742,770	550,540

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Following conversion of convertible-bond-type bonds with share acquisition rights, share capital and legal capital surplus increased 500,000 thousand yen each during the first quarter of the fiscal year ending August 31, 2025.

As a result, share capital and capital surplus were 2,570,257 thousand yen and 3,802,786 thousand yen, respectively, as of November 30, 2024.

Changes in Significant Subsidiaries During the Period

KOSHIDAKA Digital Co., Ltd. is included in the scope of consolidation starting in the first quarter of the fiscal year ending August 31, 2025 because of the increasing significance of this company. This change is not classified as a change in a specified subsidiary.

Changes in Accounting Policies

Application of Accounting Standard for Current Income Taxes, etc.

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No.27, 28th of October, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") effective from beginning of the three-month period ended November 30, 2024.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, 28th October, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gain or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the three-month period ended November 30, 2024. This change in accounting policies is applied retrospectively, and quarterly consolidated financial statements and consolidated financial statements for the previous year are after retrospective application. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

Segment and Other Information

Segment Information

I. First three months of FY8/24 (Sep. 1, 2023 – Nov. 30, 2023)

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	Real Estate Management	Other			
Net sales						
Revenue from contracts with customers	12,707,332	64,599	208,964	12,980,895	-	12,980,895
Other revenue	-	202,071	-	202,071	-	202,071
External sales	12,707,332	266,671	208,964	13,182,967	-	13,182,967
Inter-segment sales and transfers	-	66,266	-	66,266	(66,266)	-
Total	12,707,332	332,938	208,964	13,249,234	(66,266)	13,182,967
Segment profit (loss)	1,000,933	(3,049)	(60,687)	937,196	(363,962)	573,233

Notes: 1. The -363,962 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.

II. First three months of FY8/25 (Sep. 1, 2024 – Nov. 30, 2024)

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	Real Estate Management	Other			
Net sales						
Revenue from contracts with customers	14,564,179	63,134	208,238	14,835,551	-	14,835,551
Other revenue	-	259,620	-	259,620	-	259,620
External sales	14,564,179	322,754	208,238	15,095,172	-	15,095,172
Inter-segment sales and transfers	-	135,910	-	135,910	(135,910)	-
Total	14,564,179	458,664	208,238	15,231,082	(135,910)	15,095,172
Segment profit	1,036,909	30,240	1,427	1,068,578	(339,959)	728,618

Notes: 1. The -339,959 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 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.

Notes to Quarterly Consolidated Statement of Cash Flows

A quarterly consolidated statement of cash flows has not been prepared for the first three months of the current fiscal year. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the first three months of each fiscal year are as follows.

	(Thousands of yen)	
	First three months of FY8/24 (Sep. 1, 2023 – Nov. 30, 2023)	First three months of FY8/25 (Sep. 1, 2024 – Nov. 30, 2024)
Depreciation	987,648	1,074,196
Amortization of goodwill	555	95

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.