

KOSHIDAKA HOLDINGS Co., LTD.

(TSE Prime Market 2157)

Financial Supplementary Materials

for the First Half of the
Fiscal Year Ending August 2025
(1H FY8/2025)

April 10, 2025

Agenda

- 1 1H FY8/2025 Financial Summary**
- 2 FY8/2025 Consolidated Forecast**

1. 1H FY8/2025 Financial Summary

Executive Summary

- **Record high** first half operating profit, surpassing **5 billion yen** for the first time
Ordinary profit and profit attributable to owners of parent down mainly due to one-time non-operating income one year earlier and the Singapore subsidiary liquidation loss

Karaoke: **Sales up 11.2%** due to continuation of opening many stores and **growth in the number of customers** at existing stores.

Expense ratio up mainly due to higher personnel expenses and cost of electricity. Aiming for higher second half productivity by optimizing management of stores.

Real Estate Management:

More space leased to Koshidaka Group tenants, but sales and earnings up because of the strong performance of existing properties and contribution from new properties.

Other: Sales increased and an operating profit as all food and beverage stores performed well.

- **Dividend per share:**

Interim 12 yen, Year-end 12 yen, Annual 24 yen (an increase of 6 yen)

Dividend increased for the fourth consecutive year to a new all-time high, adjusted for stock splits

1H FY8/2025 Consolidated Results of Operations

■ Sales and operating profit below forecasts but **record high operating profit of more than 5 billion yen**

- (1) Continuing to open many new stores, resulting in contributions to sales and earnings from stores opened in the previous and current fiscal years. Customers are increasing at all new Kinki region stores as awareness of the brand of the chain increases in the region.
- (2) Customers continue to increase at existing stores but sales per customer decreased more than expected. Aiming for higher sales per customer without raising prices in the second half.
- (3) Overall expense ratio up because of higher personnel and utility expenses. Aiming for higher productivity by managing expenses.
- (4) Ordinary profit down following one-time non-operating income one year earlier. Cancellation income down 405 million yen, forex gain down 131 million yen.
- (5) Profit attributable to owners of parent down due to extraordinary loss: 467 million yen loss for Singapore subsidiary liquidation (difference vs. when allowance was established, change in forex rates)

(Million yen)

Item	1H FY8/2024	1H FY8/2025	YoY change		Vs. 1H forecast	
			Amount	Ratio	Forecast	Achievement ratio
Net sales	30,578	34,004	+3,426	+11.2%	34,473	98.6%
Gross profit	8,086	8,594	+508	+6.3%	-	-
SG&A expenses	3,251	3,480	+229	+7.0%	-	-
Operating profit	4,834	5,114	+280	+5.8%	5,519	92.7%
(Operating profit to net sales)	15.8%	15.0%				
Ordinary profit	5,542	5,300	-242	-4.4%	5,498	96.4%
(Ordinary profit to net sales)	18.1%	15.6%				
Profit attributable to owners of parent	3,896	3,192	-704	-18.1%	3,574	89.3%
(Profit to net sales)	12.7%	9.4%				
Net income per share (Yen)	47.79	38.97	-8.82	-18.4%	43.83	88.9%

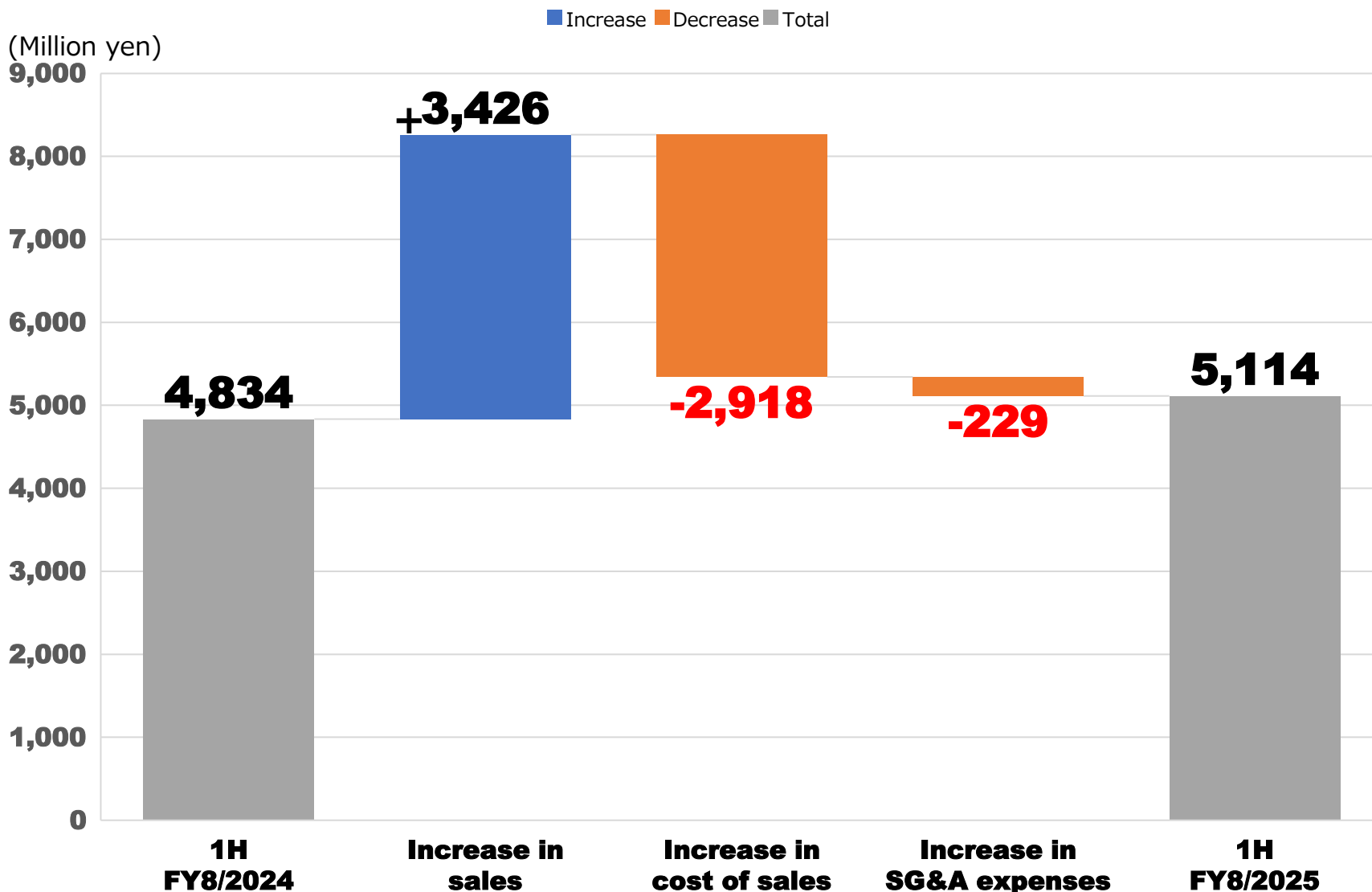
1H Consolidated Results of Operations by Segment (YoY Change)

- Karaoke: **Sales up 11.2%** due to continuation of opening many stores and growth in the number of customers at existing stores. Expense ratio up mainly due to higher average salaries and cost of electricity. Aiming for higher second half productivity by optimizing management of stores.
- Real Estate Management: More space leased to Koshidaka Group tenants, but sales and earnings up because of the strong performance of existing properties and contribution from new properties.
- Other: Sales increased and an operating profit as all food and beverage stores performed well.

(Million yen)

Item	1H FY8/2024	1H FY8/2025	YoY change		Vs. 1H forecast	
			Amount	Ratio	Forecast	Achievement ratio
Net sales	30,578	34,004	+3,426	+11.2%	34,473	98.6%
Karaoke	29,590	32,900	+3,309	+11.2%	33,313	98.8%
Real Estate Management	749	917	+168	+22.4%	956	95.8%
Other	434	442	+9	+2.0%	452	97.9%
Adjustment	(196)	(255)	-59	-	(249)	-
Operating profit	4,834	5,114	+281	+5.8%	5,519	92.7%
Karaoke	5,549	5,649	+99	+1.8%	6,112	92.4%
(Operating profit to net sales)	18.8%	17.2%			18.3%	
Real Estate Management	40	86	+46	+112.1%	162	53.0%
(Operating profit to net sales)	5.4%	9.4%			17.0%	
Other	(39)	17	+57	-	17	99.9%
(Operating profit to net sales)	-	3.9%			3.8%	
Adjustment	(716)	(637)	+79	-	(772)	-

YoY Change in 1H Operating Profit



(Million yen)

Major increase in sales

- ✓ New stores: +2,241
- ✓ Existing stores: +1,068
- ✓ Real Estate/Other: +176
- ✓ Adjustment: -59

Major increase in cost of sales

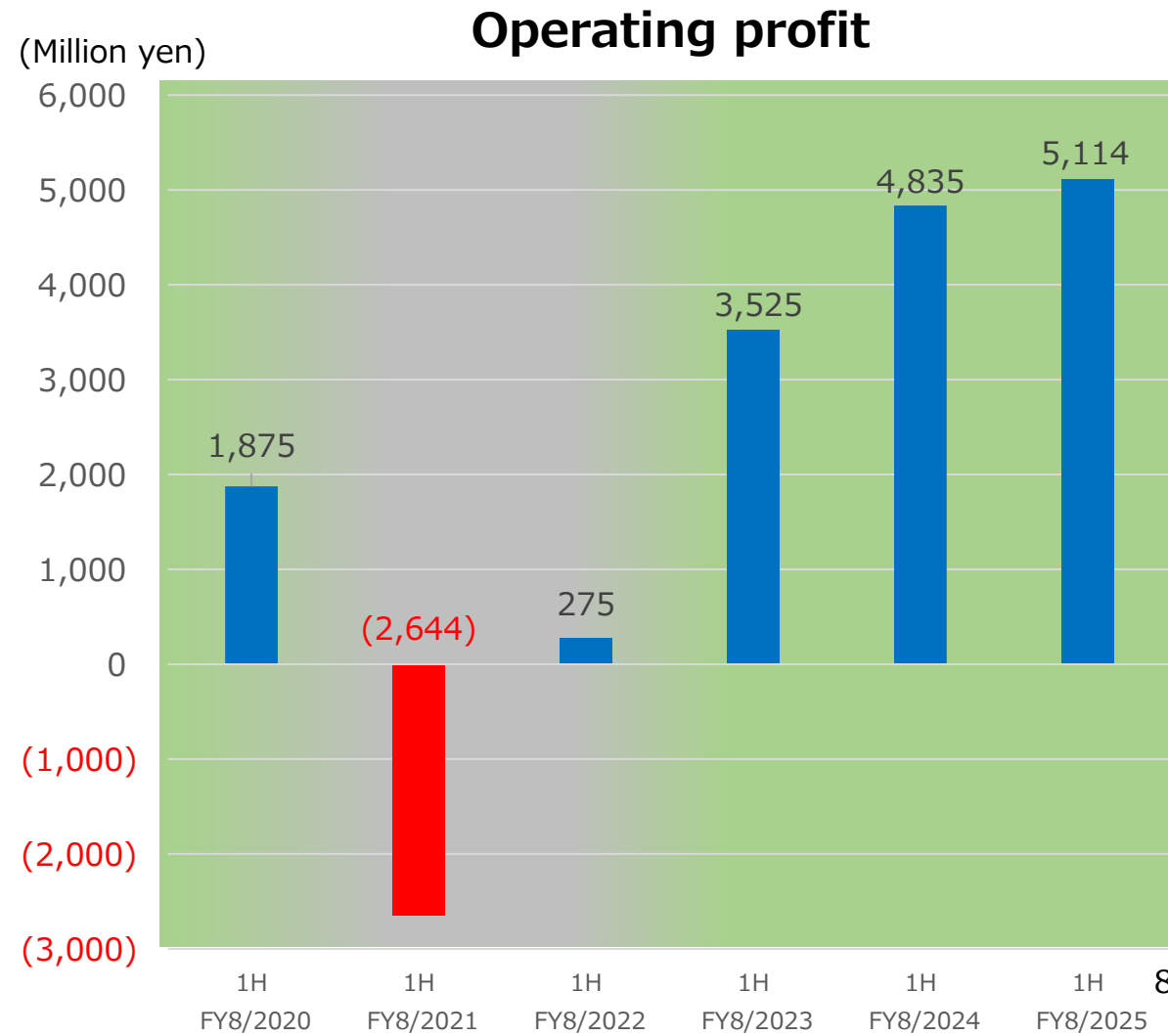
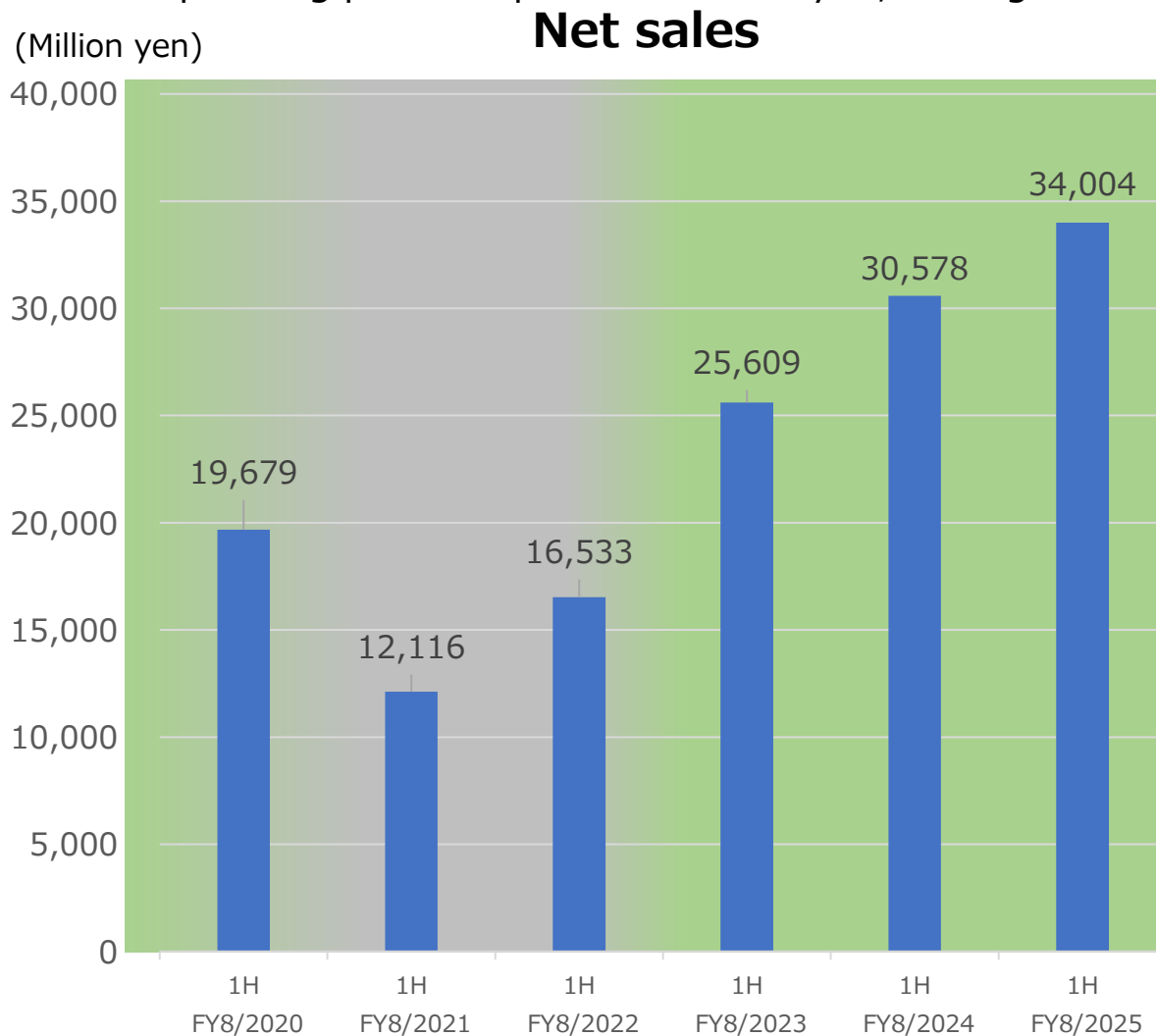
- ✓ Personnel: +939 (+12.8%)
- ✓ Rents: +644 (+12.7%)
- ✓ Fees and commissions: +321 (+48.2%)
- ✓ Utilities: +288 (+18.3%)
- ✓ Cost of merchandise: +135 (+5.5%)
- ✓ Depreciation: +107 (+5.4%)

Major increase in SG&A expenses

- ✓ Advertising expenses: +77 (+19.7%)
- ✓ IT-related expenses: +60 (+38.7%)
- ✓ Personnel: +53 (+5.9%)
- ✓ Fee expenses: +51 (+96.9%)

(*Reference) Changes in 1H Net Sales and Operating Profit

- Growth is continuing even after the post-COVID rapid recovery of sales and operating profit to higher than the pre-pandemic levels
- Operating profit surpassed 5 billion yen, setting a new record



Karaoke Business

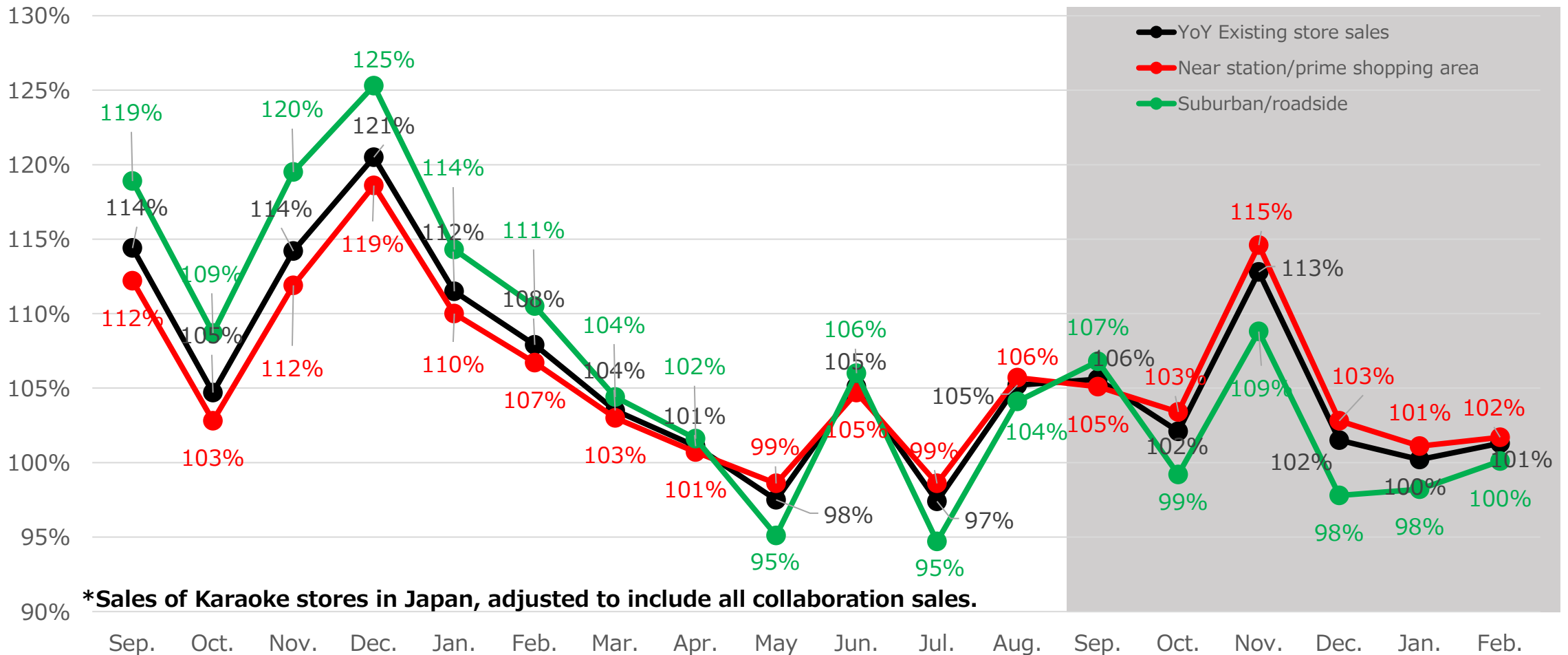
- Double-digit sales growth because of more customers at existing stores and the continuing addition of new stores
- Determined the most suitable prices for individual stores based on competition to increase the number of customers
- No change in operating profit because of a higher cost of sales ratio caused by average salary and utility expense increases and lower sales per customer

(Million yen)

	1H FY8/2021 Previous classification		1H FY8/2022 Previous classification		1H FY8/2023		1H FY8/2024		1H FY8/2025	
	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.
Net sales	11,274	-	15,660	-	24,249	-	29,590	-	32,900	-
Cost of sales	12,090	107.2%	13,578	86.7%	18,320	75.6%	21,540	72.8%	24,453	74.3%
Gross profit	(815)	-	2,082	13.3%	5,928	24.4%	8,049	27.2%	8,447	25.7%
SG&A expenses	1,266	11.2%	1,461	9.3%	1,863	7.7%	2,500	8.4%	2,797	8.5%
Operating profit	(2,062)	-	620	4.0%	4,065	16.8%	5,549	18.8%	5,649	17.2%

Existing Store Sales on the same month in the year before

- 1H FY8/2025 existing store sales were 3.5% higher than 1H FY8/2024 (6 months sum of monthly figures). Sales returned to the pre-pandemic level in FY8/2024 and have been increasing consistently since then.
- In FY8/2024, roadside stores in regions other than major metro areas benefited from post-pandemic revenue demand later than prime shopping area stores did. Now a structural slowdown in sales at roadside stores is emerging.

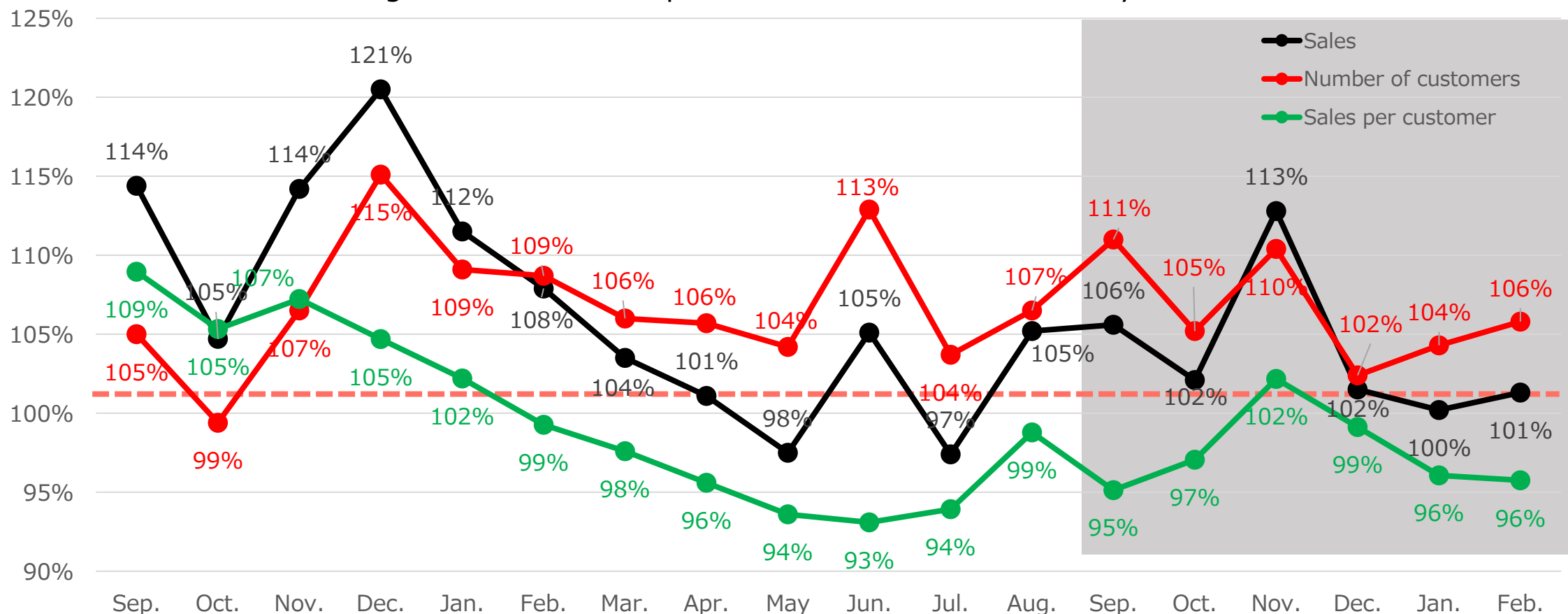


*Sales of Karaoke stores in Japan, adjusted to include all collaboration sales.

Existing Store Sales/Number of Customers/Sales Per Customer

- Existing store sales increased 3.5%, number of customers increased 6.3%, and sales per customer decreased 2.5% in the first half compared with the same period of FY8/2024.
- Price adjustment following the peak in 2023-24 year-end and New Year period has mostly ended.

Existing store results compared with same month in the year before

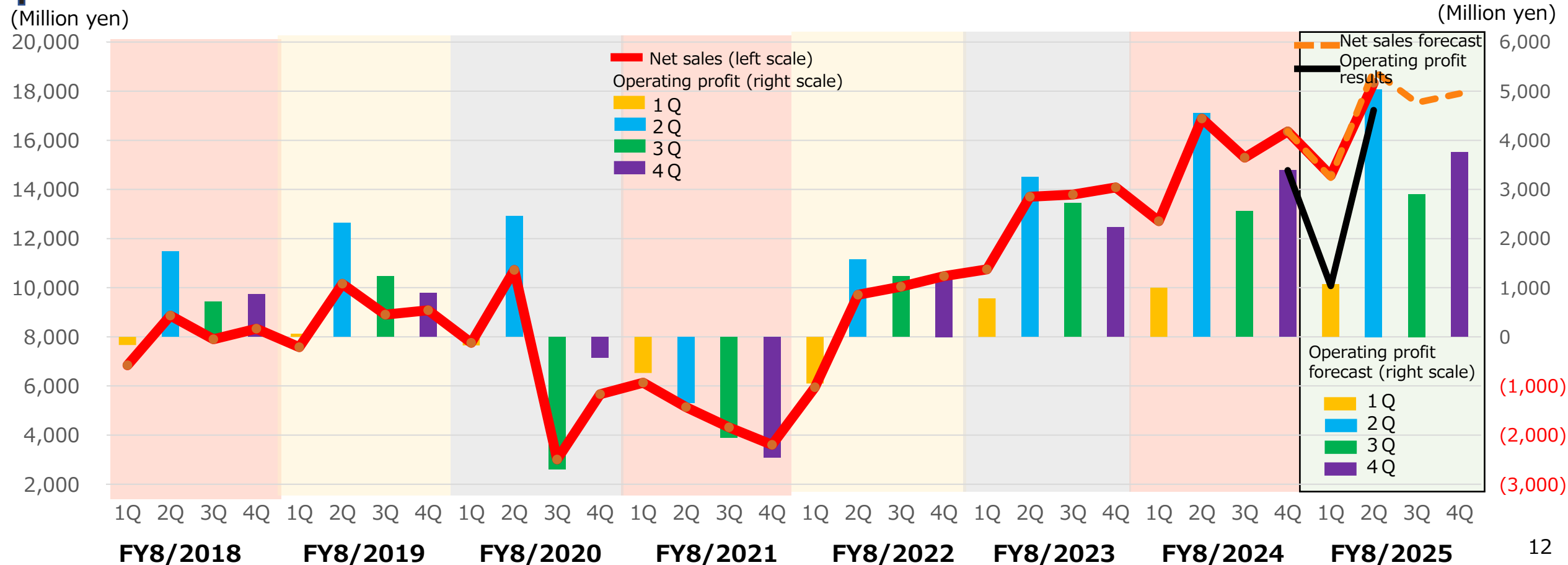


*Sales of Karaoke stores in Japan, adjusted to include all collaboration sales

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 the year before in 1Q FY8/2024 and 1Q FY8/2025.

Karaoke Segment Quarterly Net Sales and Operating Profit



Number of Stores and Rooms

- One new store each in December and January, the busiest months of the year, because of factors involving the properties that affected the timing of store openings
- Continued to increase store size and open new stores in prime shopping areas near railway stations. Aiming for improving efficiency of store operations.
- Stores closed for relocations: Larger stores, better locations and other improvements, including the shift from road side locations to areas near railway stations

Number of Stores/Rooms		FY8/2024		1 H FY8/2025		Change	
		No. of stores	No. of rooms	No. of stores	No. of rooms	No. of stores	No. of rooms
Manekineko	Near railway stations/ prime shopping areas	380	10,685	395	11,207	+15	+522
	Suburban/roadside locations	278	6,761	281	6,896	+3	+135
	Total	658	17,446	676	18,103	+18	+657
One Kara		6	207	6	207	0	0
Total		664	17,653	682	18,310	+18	+657

Number of Stores opened/closed		FY8/2024	1Q FY8/2025	2Q FY8/2025	1H FY8/2025
No. of stores opened	Near railway stations/ prime shopping areas	45	10	6	16
	Suburban/roadside locations	6	6	1	7
	Total	51	16	7	23
No. of stores closed		7	3	2	5

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
- In the U.S., preparations under way for opening the first store (construction, applications)
- In the Philippines, preparing to establish a subsidiary and seeking suitable locations for stores

(Million yen)

	FY8/2024						FY8/2025		
	1H			Full year			1H		
	Net sales	Operating profit	No. of locations	Net sales	Operating profit	No. of locations	Net sales	Operating profit	No. of locations
Overseas	553	27	22	1,225	107	22	723	55	25
South Korea	54	(5)	4	123	(11)	4	53	(11)	4
Malaysia	327	19	13	710	67	13	456	62	15
Thailand	133	15	3	304	54	3	153	6	4
Indonesia	28	(2)	2	88	(3)	2	61	(2)	2

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

Metro Point Kajan, Malaysia



Pearl Point Shopping Mall, Malaysia



Future Park Ransigt, Thailand



Real Estate Management/ Other Businesses

Real Estate Management Business

- Occupancy was almost 100% at major properties
→ AQERU Maebashi, MANEKI Shimbashi Building, Fleuret Sakuragicho
- Higher sales and profit and an increase in expenses of newly acquired properties

(Million yen)

	1H FY8/2021		1H FY8/2022		1H FY8/2023		1H FY8/2024		1H FY8/2025	
	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.
Net sales	305	-	536	-	753	-	749	-	917	-
Cost of sales	456	149.5%	460	85.8%	610	81.0%	697	92.9%	809	88.2%
Gross profit	(151)	-	76	14.2%	143	19.0%	53	7.1%	108	11.8%
SG&A expenses	11	3.6%	7	1.3%	14	1.9%	12	1.6%	22	2.4%
Operating profit	(162)	-	68	12.7%	129	17.1%	40	5.4%	86	9.4%

Other Businesses

- Sales and earnings at food and beverage stores such as “Gindaco Highball” and “CAFÉ ECLA” were strong.
- Became profitable following the end of one-time expenses for a new Welltainment store, bath house closing.

(Million yen)

	1H FY8/2021		1H FY8/2022		1H FY8/2023		1H FY8/2024		1H FY8/2025	
	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.
Net sales	536	-	437	-	717	-	434	-	442	-
Cost of sales	570	106.3%	470	107.6%	710	99.0%	451	103.8%	402	90.8%
Gross profit	(34)	-	(32)	-	7	1.0%	(16)	-	41	9.2%
SG&A expenses	23	4.3%	13	3.0%	23	3.2%	23	5.4%	24	5.4%
Operating profit	(58)	-	(46)	-	(15)	-	(39)	-	17	3.9%

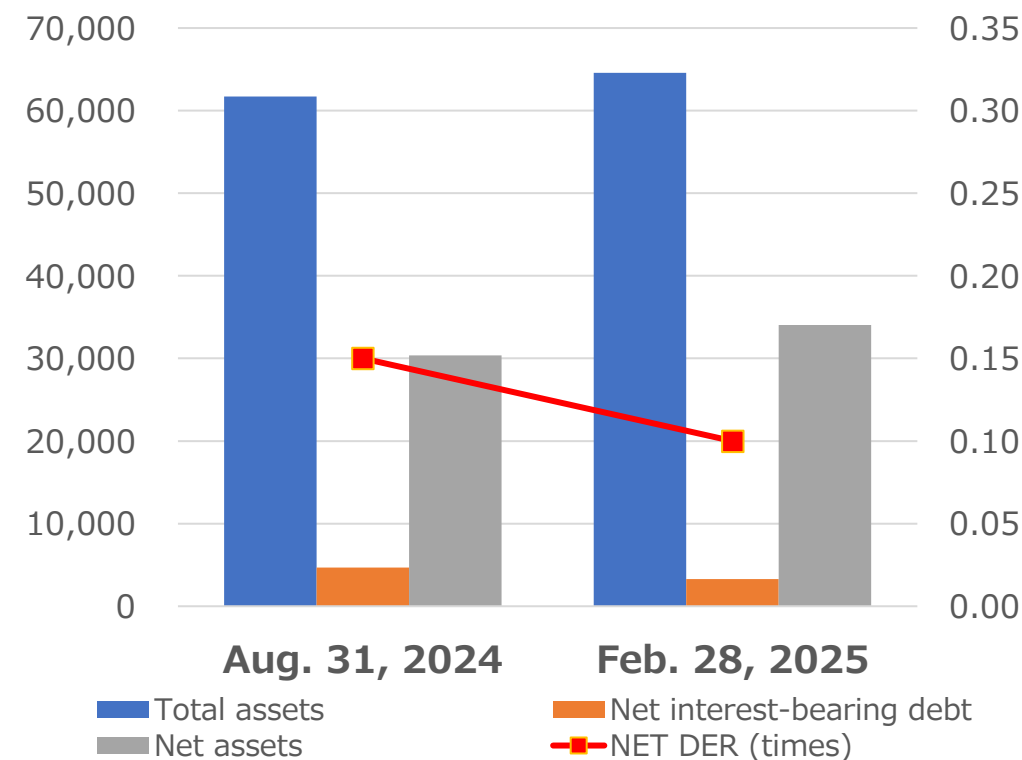
Balance Sheet and Cash Flows

Balance Sheet

(Million yen)

	August 31, 2024	February 28, 2025	Change
Current assets	11,903	12,651	+749
Non-current assets	49,811	51,911	+2,100
Total assets	61,714	64,563	+2,849
Current liabilities	13,975	12,635	-1,341
Non-current liabilities	17,384	17,887	+502
Net assets	30,354	34,041	+3,687
Net interest-bearing debt	4,664	3,295	-1,369
Equity ratio	49.2%	52.7%	Up 3.5%pt
Net DER (times)	0.15	0.10	Improvement 0.06
ROE (1H)	14.4%	9.7%	Down 4.7%pt

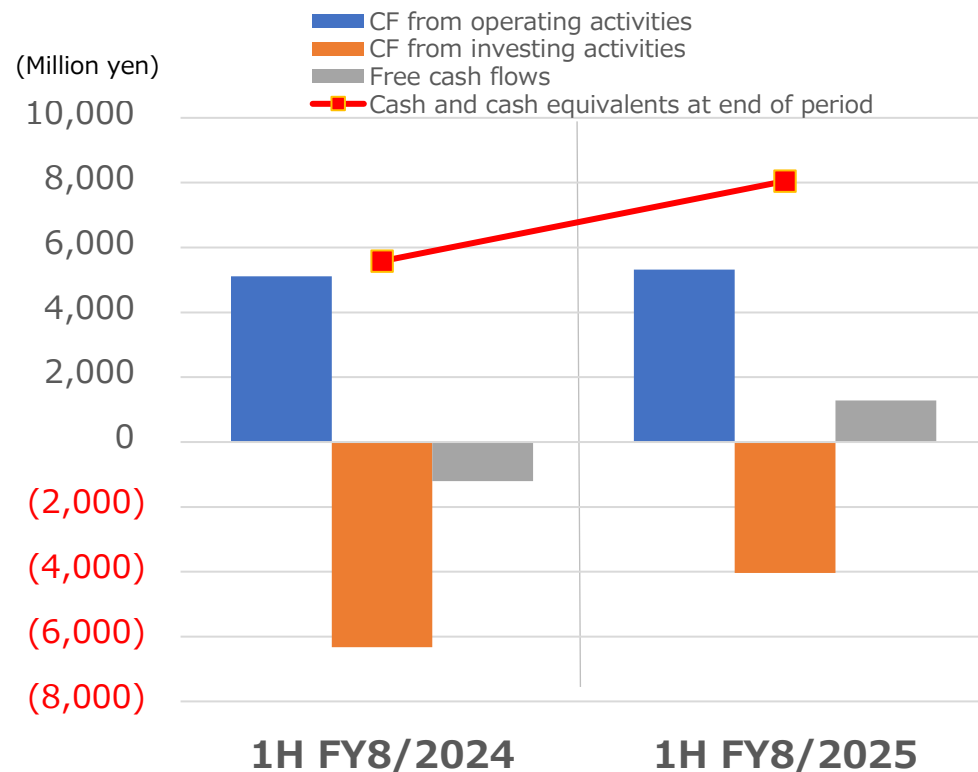
(Million yen)



Total assets, mainly non-current assets, increased as the number of newly opened stores remained high. Net assets increased due to net earnings and the exercise of share acquisition rights; net interest-bearing debt decreased due to a decline in convertible bonds. Debt-equity ratio decreased because of an increase in net assets and a decrease in interest-bearing debt. The ROE was down by 4.7 points because of an increase in net assets and a decrease in net earnings.

Cash Flows

	1H FY8/2024	1H FY8/2025	(Million yen) Change
Cash flows from operating activities	5,118	5,315	+197
Cash flows from investing activities	(6,325)	(4,035)	+2,295
(Free cash flows)	(1,207)	1,280	+2,487
Cash flows from financing activities	(1,062)	54	+1,117
Cash and cash equivalents at end of period	5,582	8,050	+2,468



No change in using operating cash flows for the addition of many new stores.
 Cash increased 1,314 million yen from the end of FY8/2024 because of the positive free cash flow.

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	+763	+11.3%
(Profit to net sales)	10.6%	10.6%		
Net income per share (Yen)	82.70	91.26	+8.56	+10.3%

■ 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.

In 1Q FY8/2025, 1 billion yen of convertible bonds were converted to stock. The remaining share acquisition rights are now equivalent to 8,906 thousand shares at 675 yen per share, down from 10,387,936 shares at the end of FY8/2024.

FY8/2025 Forecast by Segment

Forecast by Segment

(Million yen)

Items	FY8/2024 Result	FY8/2025 Forecast	YoY
			Change
Net sales	63,263	71,057	+7,793
Karaoke	61,246	68,747	+7,500
Real Estate Management	1,585	1,900	+315
Other	863	909	+45
Adjustment	(431)	(499)	-67
Operating profit	10,164	11,578	+1,414
(Operating profit to net sales)	16.1%	16.3%	
Karaoke	11,493	12,778	+1,284
(Operating profit to net sales)	18.8%	18.6%	
Real Estate Management	109	266	+157
(Operating profit to net sales)	6.9%	14.0%	
Other	(37)	31	+68
(Operating profit to net sales)	(-)	3.4%	
Adjustment	(1,401)	(1,496)	-95

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*¹ 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 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)
Interim	6.0	8.0	2.0	4.0	5.0	7.0	12.0
Year-end	6.0	4.0	2.0	4.0	7.0	11.0	12.0
Annual	12.0	12.0	4.0	8.0	12.0	18.0	24.0
Payout ratio	15.7%	-	-	17.9%	13.8%	21.8%	26.3%

*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
At least 100	Under three years	2 coupons (2,000 yen)
	Three years or more	4 coupons (4,000 yen)
At least 400	Under three years	5 coupons (5,000 yen)
	Three years or more	10 coupons (10,000 yen)
1,000 or more	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.

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

This presentation is based on information as of April 10, 2025. Opinions, forecasts and other information represent the judgments of management at the time this presentation was prepared. Koshidaka Holdings provides no guarantee or other assurance that the information in this presentation is accurate or complete and may revise information without prior notice.

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