

JASDAQ

Stock code: 2157

Results of Operations for the First Half of the Fiscal Year Ending August 2016 (1H FY8/16)

April 15, 2016



KOSHIDAKA HOLDINGS Co., LTD.

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Corporate Overview

Company name	KOSHIDAKA HOLDINGS Co., LTD.
Business	Oversight of operating companies, business development and other activities
Established	March 1967
Tokyo Head Office	World Trade Center Building 23F, 2-4-1 Hamamatsucho, Minato-ku, Tokyo, Japan * Location of the registered head office: Maebashi city, Gunma prefecture, Japan
Capital	493.6 million yen
Employees	3,640 (all group companies, as of the end of February 2016)
Group companies	KOSHIDAKA Co., Ltd. / KOSHIDAKA KOREA Co., Ltd. Moon Corporation KOSHIDAKA INTERNATIONAL PTE. LTD. KOSHIDAKA MANAGEMENT SINGAPORE PTE. LTD. K BOX ENTERTAINMENT GROUP PTE. LTD. Curves HOLDINGS Co., Ltd. / Curves Japan Co., Ltd. HIGH STANDARD Co., LTD. KOSHIDAKA PRODUCTS Co., LTD. KOSHIDAKA Business Support Co.,LTD.

Corporate Philosophy

Our mission is to contribute to the creation of fulfilling and rewarding leisure activities and a peaceful world filled with hope by remaining a consistent source on a global scale of innovative and meaningful services and products.

Organization



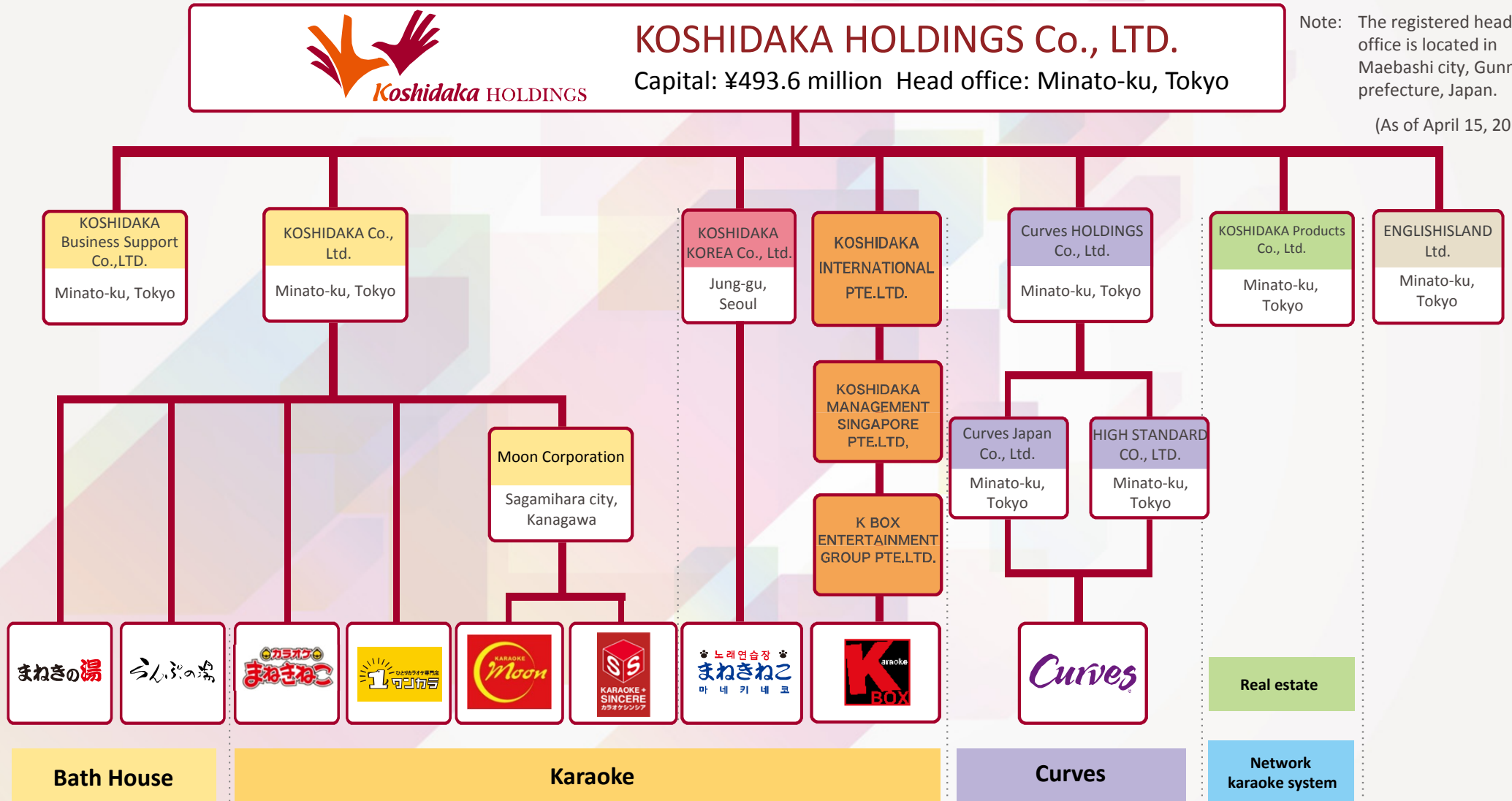
Koshidaka HOLDINGS

KOSHIDAKA HOLDINGS Co., LTD.

Capital: ¥493.6 million Head office: Minato-ku, Tokyo

Note: The registered head office is located in Maebashi city, Gunma prefecture, Japan.

(As of April 15, 2016)



KOSHIDAKA HOLDINGS Co., LTD.

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1H FY8/16 Consolidated Results of Operations



KOSHIDAKA HOLDINGS Co., LTD.

Financial Highlights

- **Big success in ZERO Kara!!**
- **New 16 karaoke locations concentrated in the Tokyo area**
- **Record-high earnings at Curves by providing quality satisfaction to customers**
- **All business segments were profitable!!**
- **End of preparatory phase: head for a new stage**

Consolidated Statement of Income

(Millions of yen)

	FY8/15 1H	FY8/16 1H	YoY change		(Reference) vs. plan Announced on Jan. 8, 2016	
			Ratio	Amount	Ratio	Amount
Net sales	21,333	24,388	114.3%	3,055	101.9%	458
Cost of sales	15,499	17,974	116.0%	2,475	-	-
Gross profit	5,834	6,413	109.9%	579	-	-
SG&A expenses	3,131	3,836	122.5%	705	-	-
Operating income	2,703	2,577	95.3%	(126)	113.4%	304
Ordinary income	2,747	2,481	90.3%	(266)	108.3%	190
Extraordinary income	6	97	1,616.7%	91	-	-
Extraordinary losses	256	36	14.1%	(220)	-	-
Net income	1,292	1,391	107.7%	99	128.6%	309

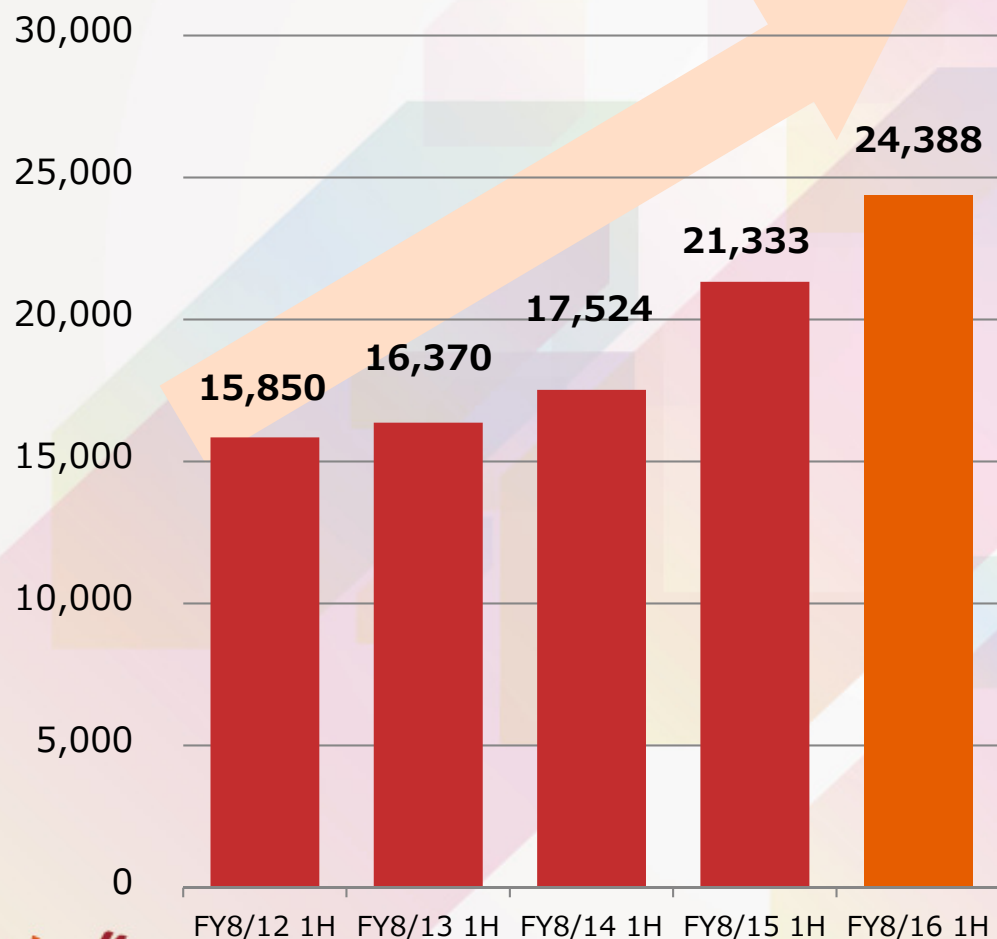
Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.



KOSHIDAKA HOLDINGS Co., LTD.

Net Sales

(Millions of yen)



Net sales (1H FY8/16)

¥24.3 billion

Ninth consecutive year of sales growth

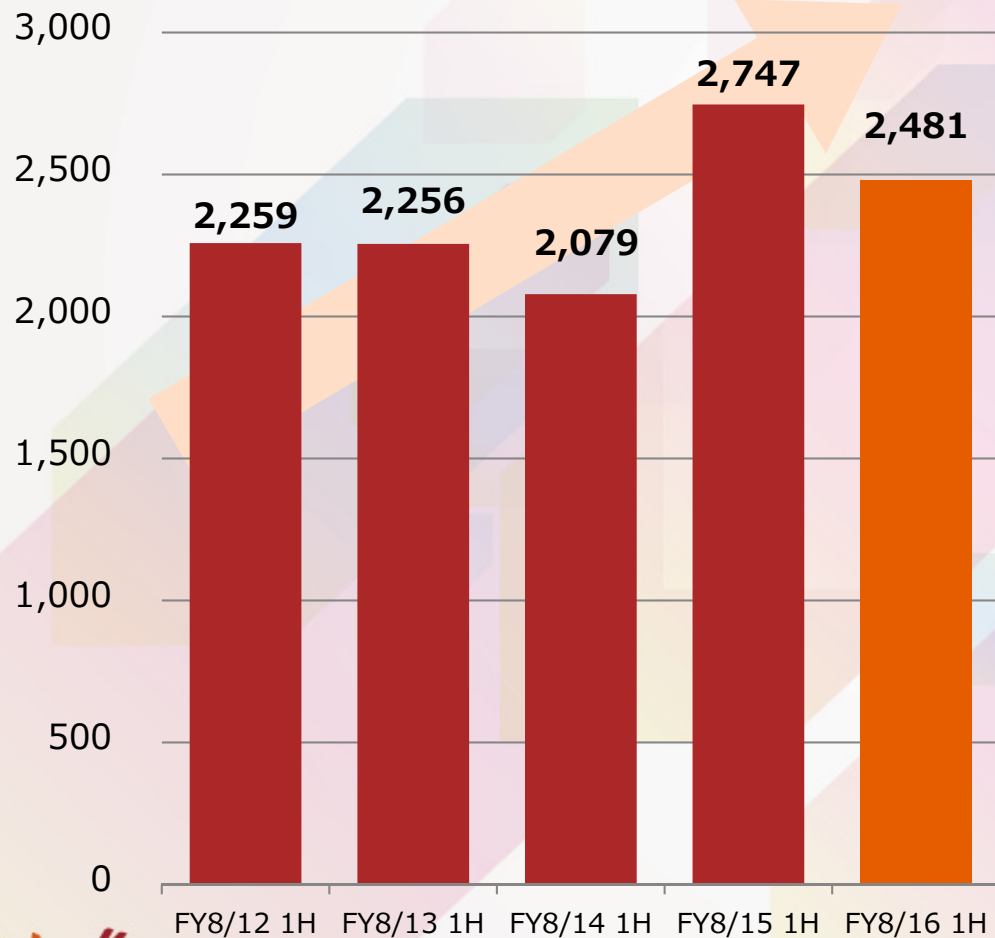
Note: All amounts are rounded down to the nearest million yen.



KOSHIDAKA HOLDINGS Co., LTD.

Ordinary Income

(Millions of yen)



Ordinary income (1H FY8/16)

¥2.4 billion

All business segments were profitable

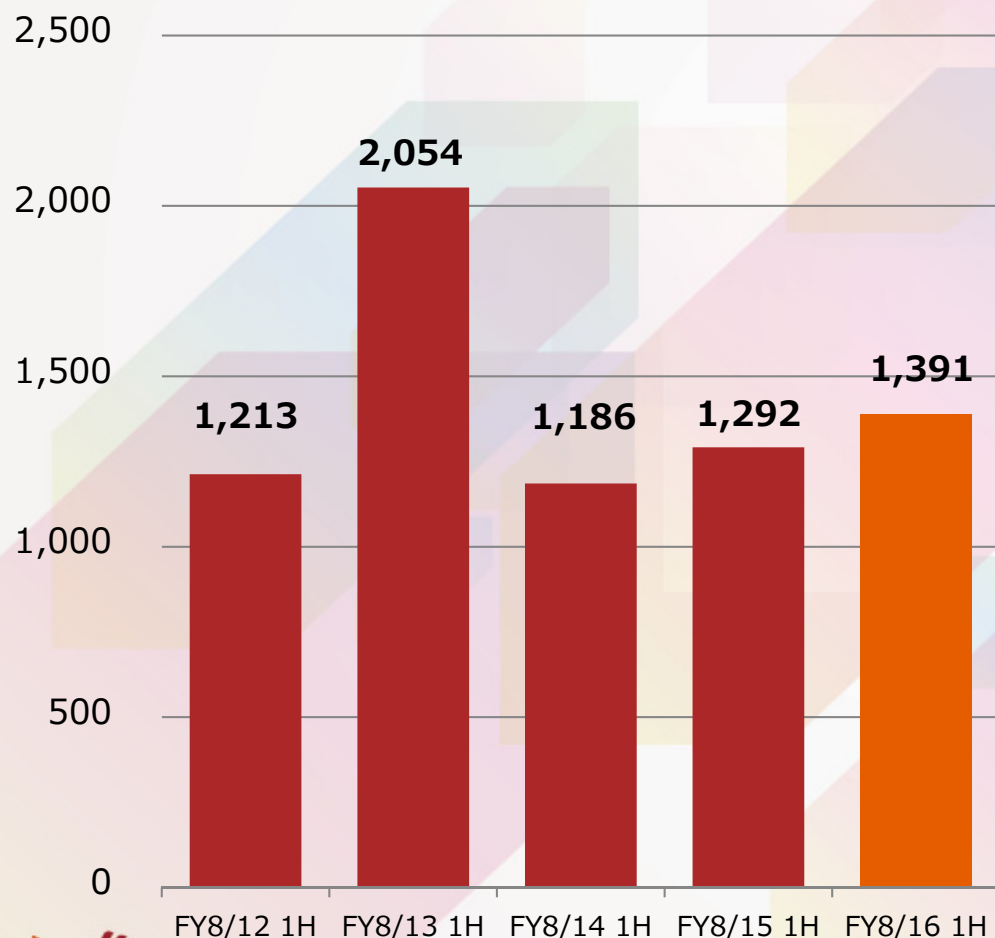
Note: All amounts are rounded down to the nearest million yen.



KOSHIDAKA HOLDINGS Co., LTD.

Net Income

(Millions of yen)



Net income (1H FY8/16)

¥1.39 billion

Third consecutive year of earnings growth



KOSHIDAKA HOLDINGS Co., LTD.

Notes: 1. All amounts are rounded down to the nearest million yen.

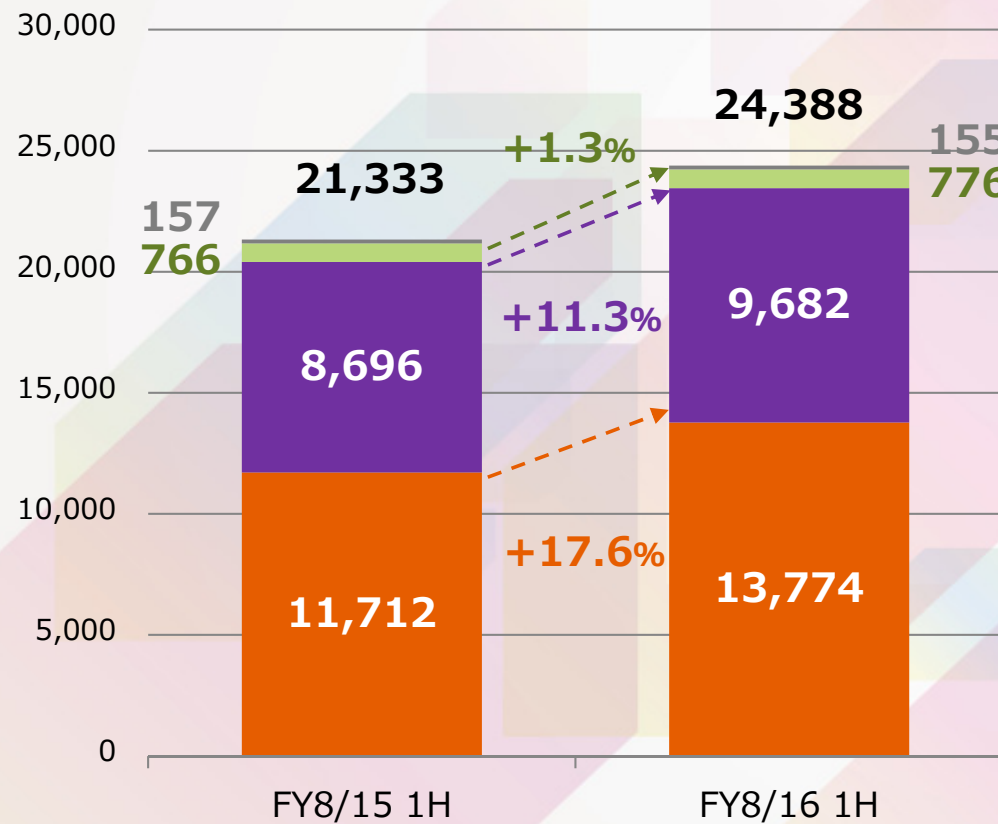
2. Gain on sales of non-current assets (extraordinary income) of ¥1,536 million was recorded in the first half of FY8/13.

Growth in Net Sales

YoY Change in Net Sales

(Millions of yen)

(Millions of yen)



	FY8/15 1H	FY8/16 1H	YoY change (%)
Consolidated sales	21,333	24,388	114.3%
Karaoke	11,712	13,774	117.6%
Curves	8,696	9,682	111.3%
Bath house	766	776	101.3%
Real estate management	157	155	98.7%

Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.



KOSHIDAKA HOLDINGS Co., LTD.

Consolidated Balance Sheet

(Millions of yen)

	Aug. 31, 2015	February 29, 2016	Change
Total assets	30,663	32,157	1,494
Current assets	11,448	11,620	172
Non-current assets	19,214	20,536	1,322
Total liabilities	16,611	18,173	1,562
Current liabilities	10,030	10,270	240
Non-current liabilities	6,581	7,903	1,322
Total net assets	14,052	13,984	(68)
Shareholders' equity	13,256	13,253	(3)
Accumulated other comprehensive income	141	148	7
Non-controlling interests	654	583	(71)
Total liabilities and net assets	30,663	32,157	1,494

Assets (major items)		
Current assets	Cash and deposits	5,503
	Notes and accounts receivable-trade	2,422
	Merchandise	996
Non-current assets	Property, plant and equipment	13,877
	Intangible assets	2,634
Liabilities (major items)		
Current liabilities	Notes and accounts payable-trade	1,616
	Current portion of long-term loans payable	2,671
	Income taxes payable	1,149
	Deposits received	1,589
Non-current liabilities	Long-term loans payable	6,473
Net assets (major items)		
	Capital stock	493
	Capital surplus	483
	Retained earnings	14,595
	Treasury shares	(2,319)



KOSHIDAKA HOLDINGS Co., LTD.

Note: All amounts are rounded down to the nearest million yen.

Consolidated Statement of Cash Flows

(Millions of yen)

	FY8/15 1H	FY8/16 1H	Major items
Cash flows from operating activities	3,019	2,031	<ul style="list-style-type: none"> • Income before income taxes and non-controlling interests 2,541 • Depreciation 1,538 • Amortization of goodwill 232 • Income taxes paid (1,361)
Cash flows from investing activities	(1,436)	(2,884)	<ul style="list-style-type: none"> • Purchase of property, plant and equipment (2,582) • Payments for lease and guarantee deposits (156)
Cash flows from financing activities	(1,191)	173	<ul style="list-style-type: none"> • Proceeds from long-term loans payable 3,062 • Repayments of long-term loans payable (1,249) • Purchase of treasury shares (1,118)
Increase (decrease) in cash and cash equivalents	381	(688)	
Cash and cash equivalents at beginning of period	5,169	6,142	
Cash and cash equivalents at end of period	5,694	5,453	

Note: All amounts are rounded down to the nearest million yen.

Cash flows declined due to the purchases of property, plant and equipment and treasury shares



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1H FY8/16

Results by Segment



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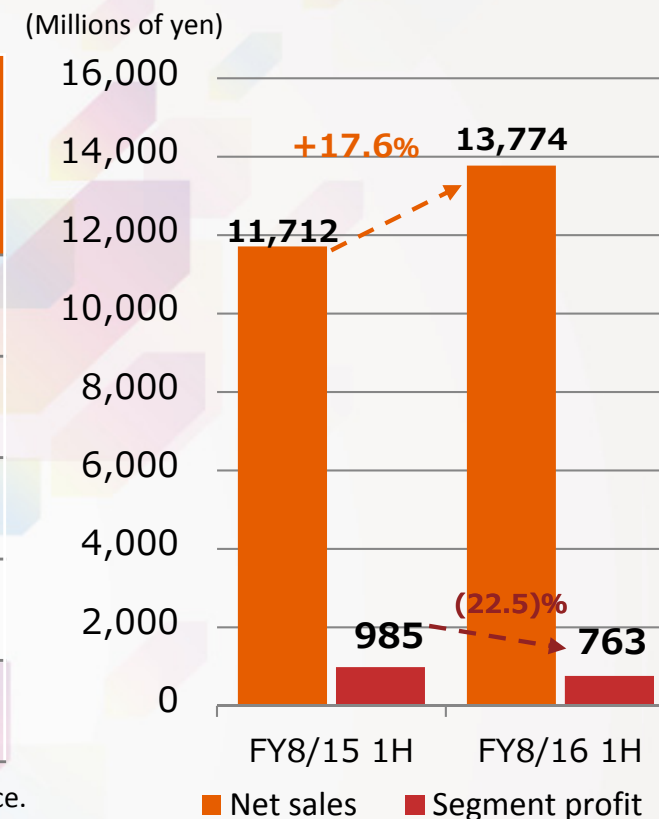
Results of the Karaoke Business



KOSHIDAKA HOLDINGS Co., LTD.

Results of the Karaoke Business

	FY8/15 1H		FY8/16 1H		YoY change (%)
	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)	
Net sales	11,712	100.0%	13,774	100.0%	117.6%
Cost of sales	9,236	78.9%	11,003	79.9%	119.1%
Gross profit	2,475	21.1%	2,771	20.1%	112.0%
SG&A expenses	1,490	12.7%	2,007	14.6%	134.7%
Segment profit	985	8.4%	763	5.5%	77.5%



Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.

Manekineko:

New locations: Opened 22 karaoke facilities (17 newly constructed, 5 at existing buildings)

Of which, 16 facilities were opened in the Tokyo area (Tokyo: 10, Saitama: 3, Chiba: 2, Kanagawa: 1)

Strong performance of ZERO Kara since the fall of 2015

One Kara business is likely to become profitable for the full fiscal year



ZERO Kara

- ✓ No room charge for high school student groups!
- ✓ ZERO Kara is offered by all Koshidaka Group karaoke facilities
- ✓ Spending time on promotions to create a highly effective program

Background

15% drop in the number of high school student customers
Japan's aging population and declining number of children
Difficulty of relying on seniors for earnings growth

Results

- 5% to 7% growth in high school student volume
- Secondary benefit of attracting other family members
- Makes more people aware of Koshidaka karaoke (Koshidaka karaoke customers in other areas of Japan use facilities in Tokyo, too)
- People are using karaoke rooms for other reasons (study, musical instrument practice)



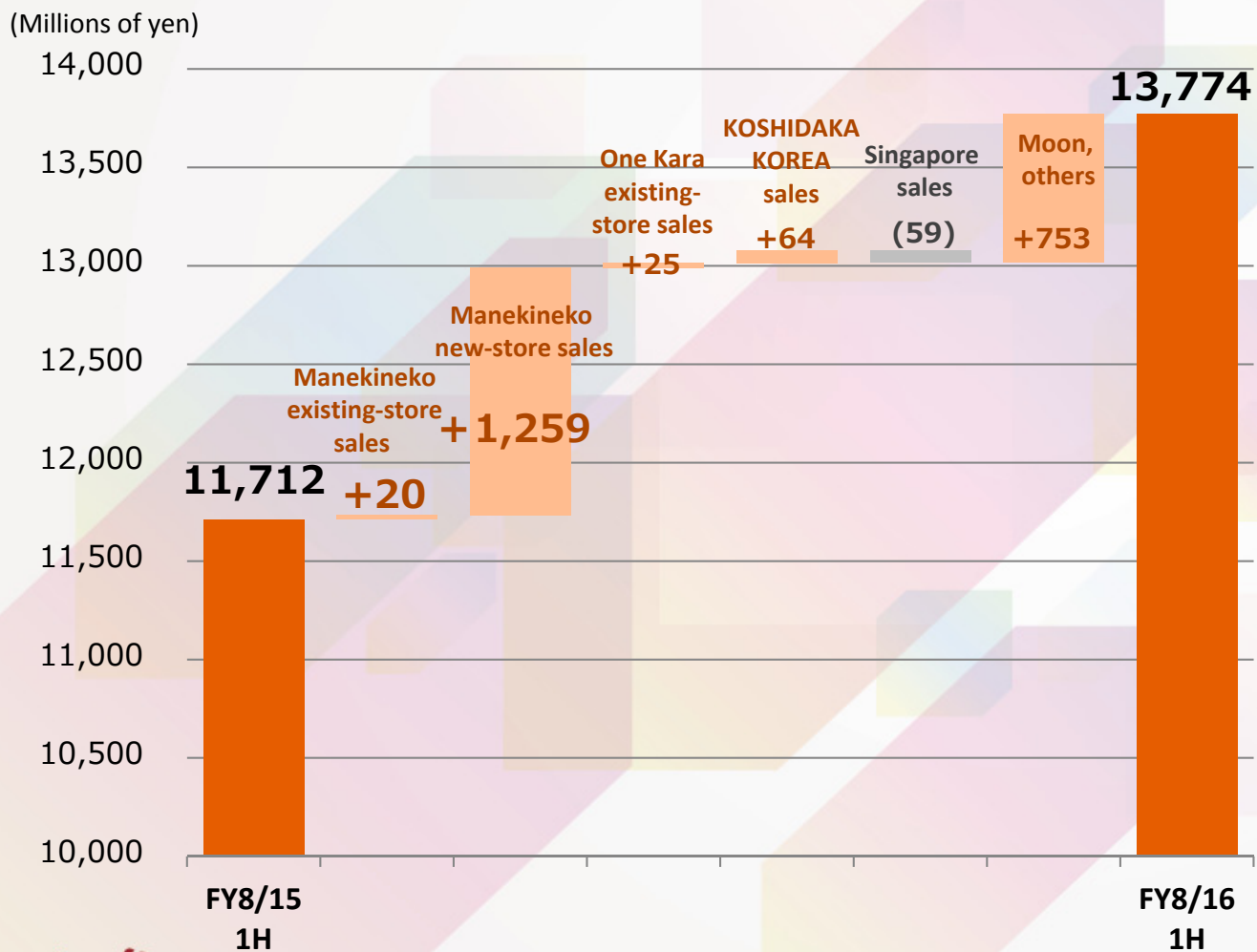
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ZERO
高校生のカラオケルーム料金が0円!
カラ
ZEROカラ

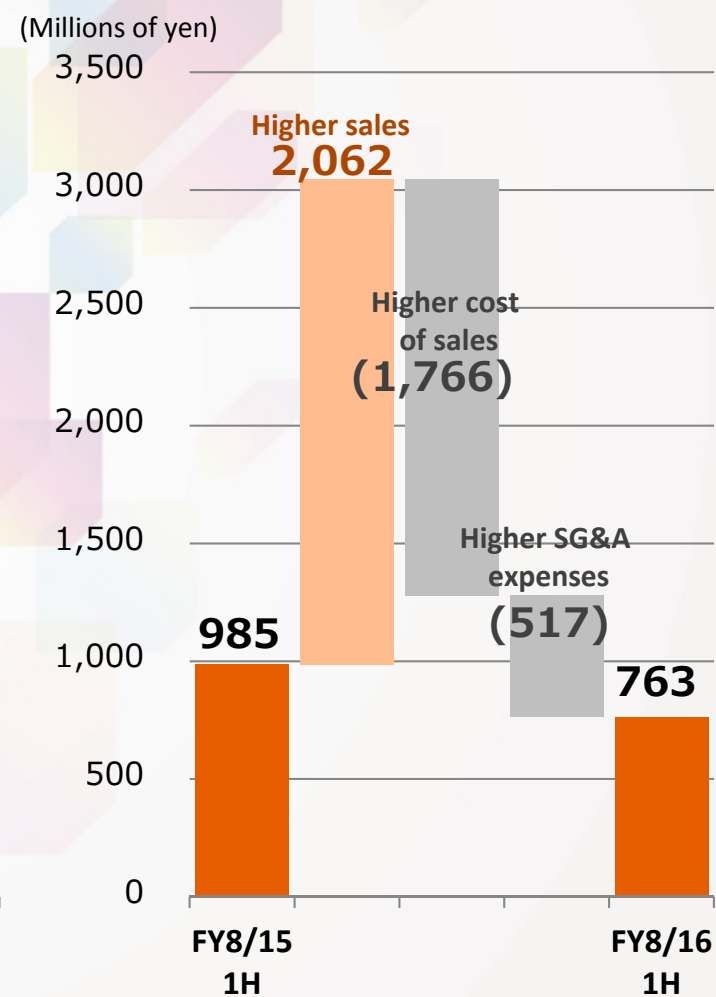
ZEROカラ がさらに進化して
ZEROカラ+ (ゼロカラプラス) 登場!
高校卒業してから**20歳**までの
カラオケルーム料金が**半額!**
さらに! 高校生は**学生証不要!**そして、卒業してもお得な特典!
登録方法
1. 「ずきっとリモコンアプリ」をダウンロード
2. 「必要事項」を入力
3. 店頭で「ZEROカラ会員画面」を見せるだけ!
※他サービスとの併用不可となります。※各地域ごとにサービス内容は異なる場合がございますので最寄りの店舗にご確認ください。
※原則2名様以上にて適用。※地域条件に限り、18歳未満のお客様のご利用は、当社自主規制基準に定められた通り規制させていただきます。
登録方法など詳しくはwebへ! ZEROカラ+ | Q

Components of Change

Change in Net Sales



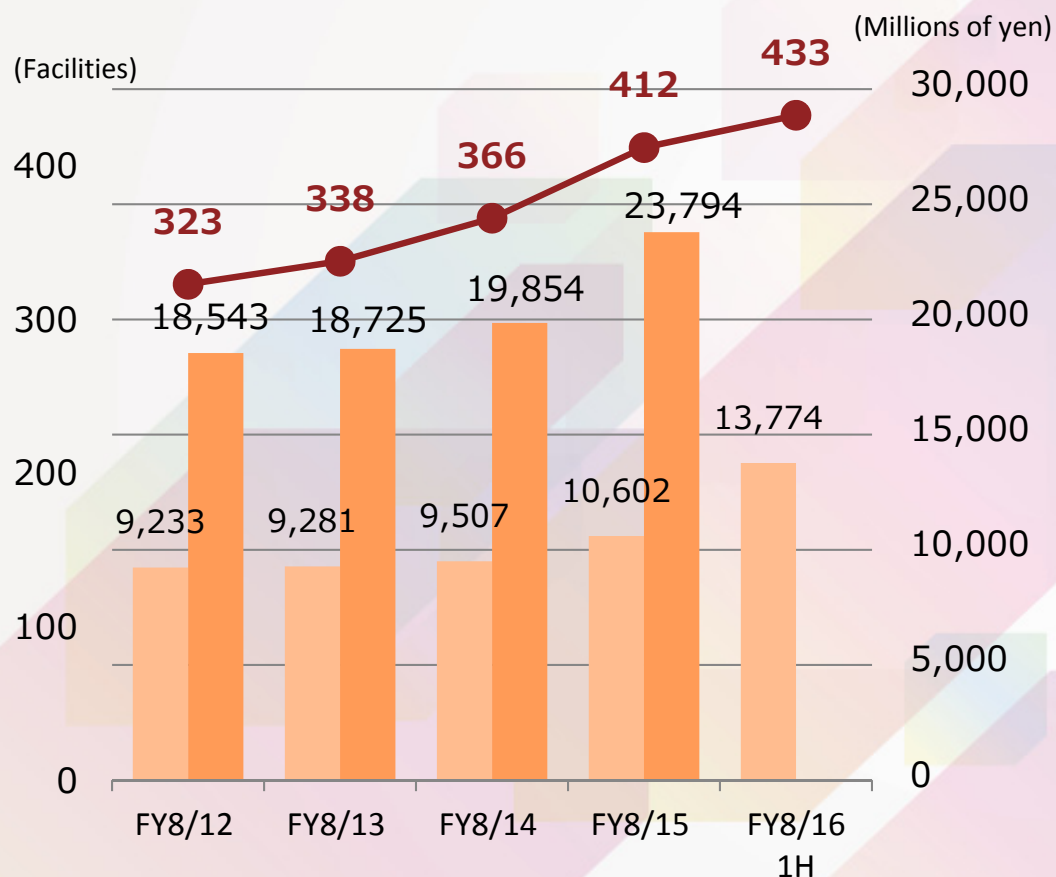
Change in Operating Income



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Sales and Number of Karaoke Facilities in Japan

Growth in the Number of Karaoke Facilities



- Sales of the karaoke business for the first half
- Sales of the karaoke business for the full year
- Number of facilities

	FY8/15 1H	FY8/16 1H
Number of karaoke facilities in Japan	375	433
Manekineko	365	402
One Kara	10	10
Moon / Sincere	-	21

(As of the end of February 2016)



KOSHIDAKA HOLDINGS Co., LTD.

Sales, Operating Income and Number of Karaoke Facilities outside Japan

	FY8/15 1H	FY8/16 1H
Overseas sales (Millions of yen)	1,087	1,074
Manekineko (Korea)	79	125
Singapore	1,008	949
Overseas operating income (Millions of yen)	(43)	29
Manekineko (Korea)	(52)	(56)
Singapore	9	86
Number of facilities overseas	16	23
Manekineko (Korea)	5	13
Singapore	11	10

(As of the end of February 2016)



Manekineko (Korea)



Manekineko (Singapore)



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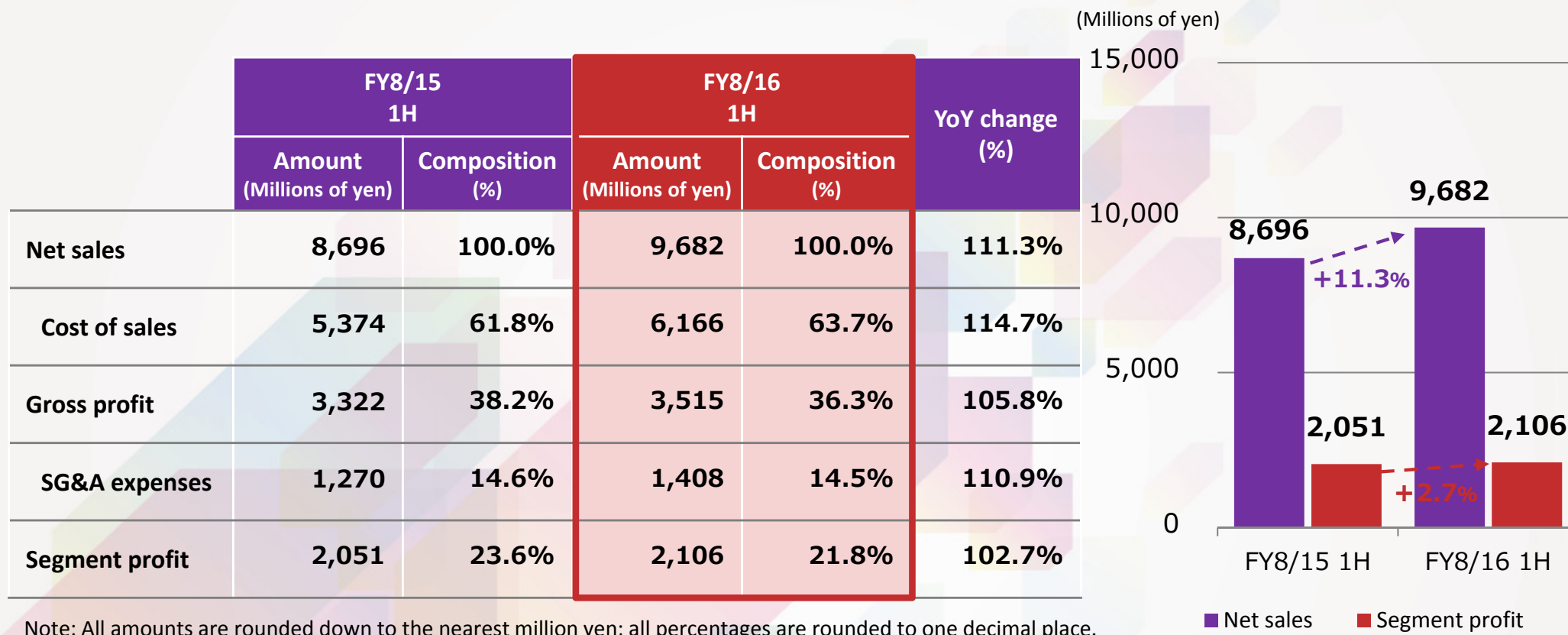
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Results of the Curves Business



KOSHIDAKA HOLDINGS Co., LTD.

Results of the Curves Business



Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.

Number of locations is growing due to the strong desire of current operators to open more fitness clubs

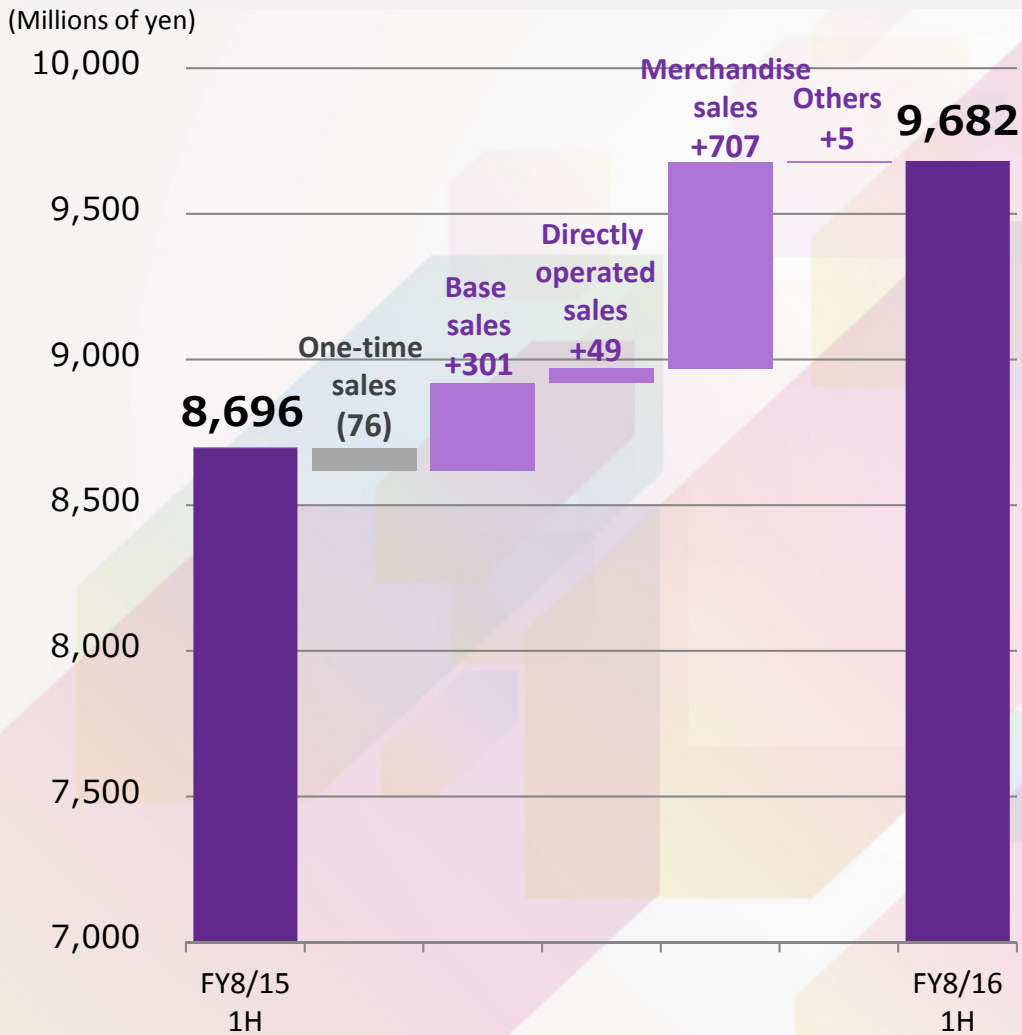
Member attrition rate is at the 2% level

Strong sales of merchandise to members

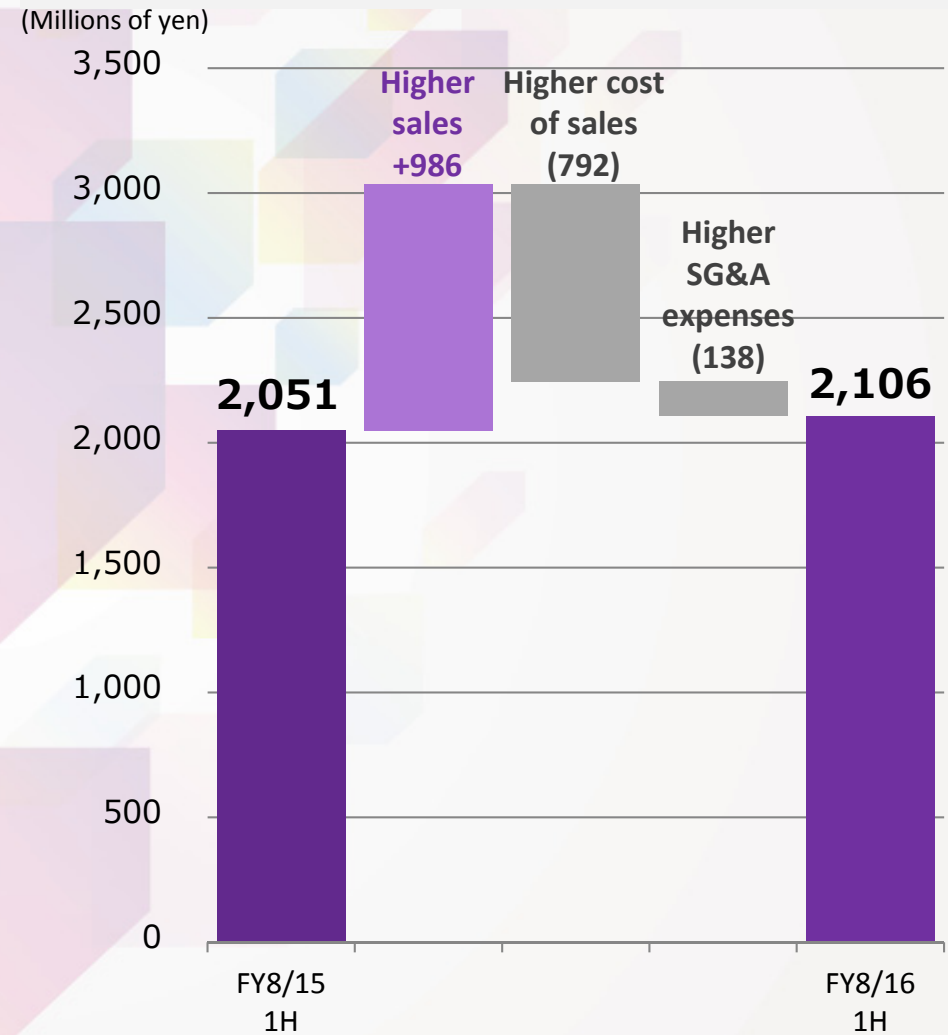


Components of Change

Change in Net Sales



Change in Operating Income



Note: One-time sales are franchise fees and other one-time payments received when a new fitness club opens. Base sales are royalties and other steady sources of sales.

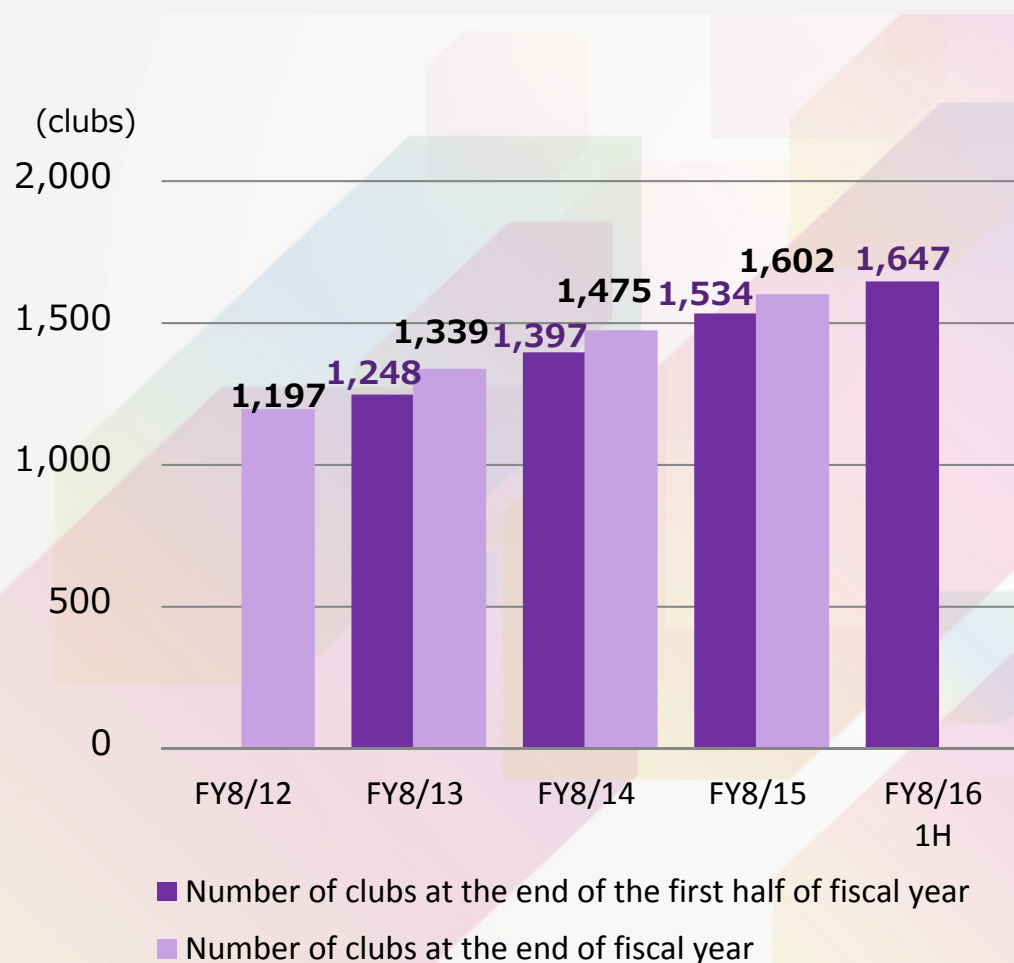


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Number of Curves Fitness Clubs

There were 1,647 locations in Japan at the end of February 2016

Growth in the Number of Clubs



	FY8/15 1H	FY8/16 1H
Number of clubs	1,534	1,647
Growth rate (%)	9.8	7.4
Number of members (thousands)	650	721
Growth rate (%)	10.4	10.9

Opened 46 clubs during the first half of FY8/16

Note: There were 1,668 locations as of April 15, 2016.

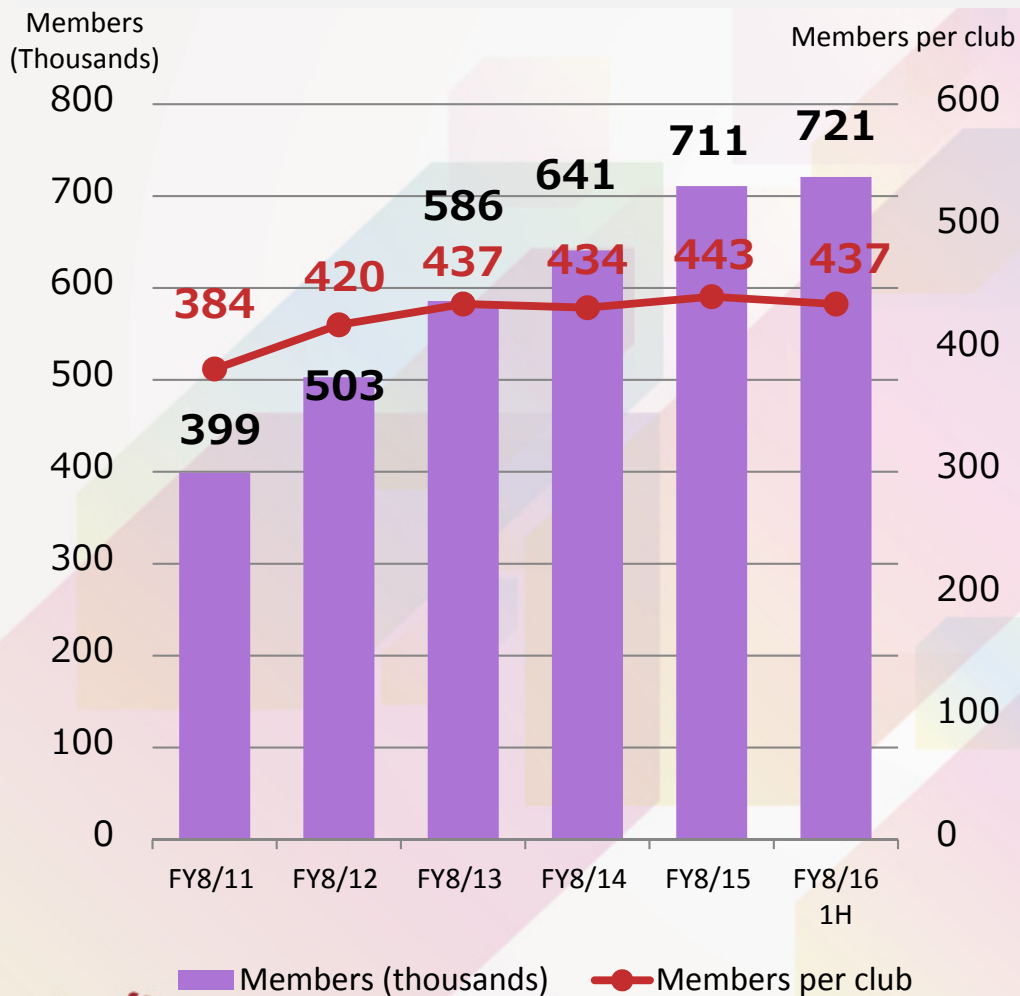


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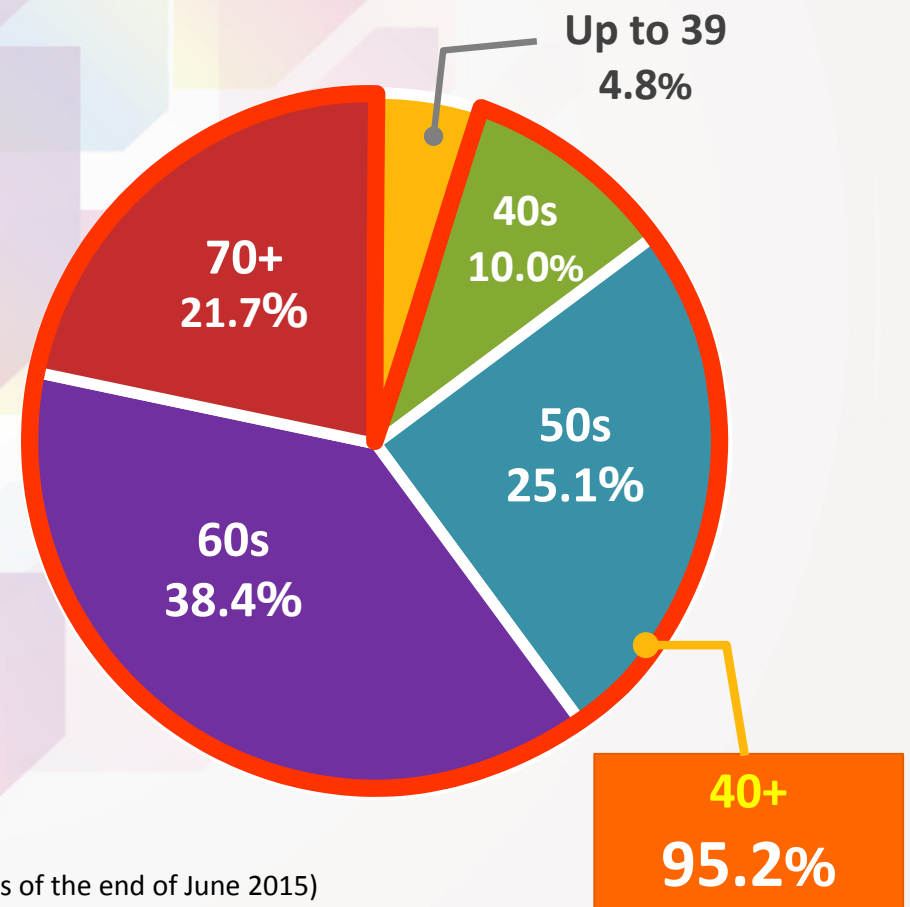
Growth in Number of Curves Members

721,000 members at the end of February 2016

Growth in the Number of Curves Members



Age Composition of Members



(As of the end of June 2015)



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Results of the Bath House Business

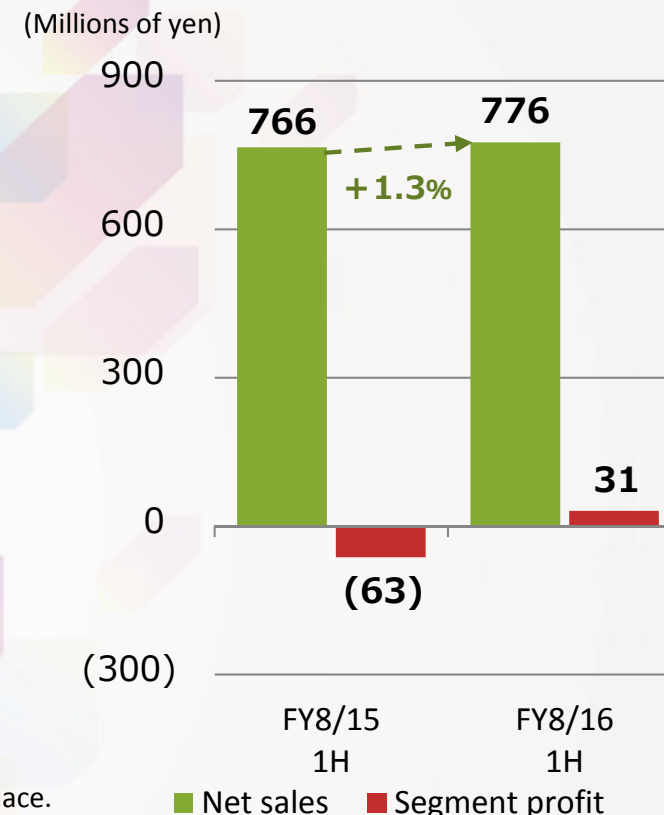


KOSHIDAKA HOLDINGS Co., LTD.

Results of the Bath House Business

Became profitable in the first half of FY8/16!

	FY8/15 1H		FY8/16 1H		YoY change (%)
	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)	
Net sales	766	100.0%	776	100.0%	101.3%
Cost of sales	804	105.0%	712	91.8%	88.6%
Gross profit	(37)	(4.8)%	64	8.2%	-
SG&A expenses	25	3.3%	32	4.1%	128.0%
Segment profit	(63)	(8.2)%	31	4.0%	-



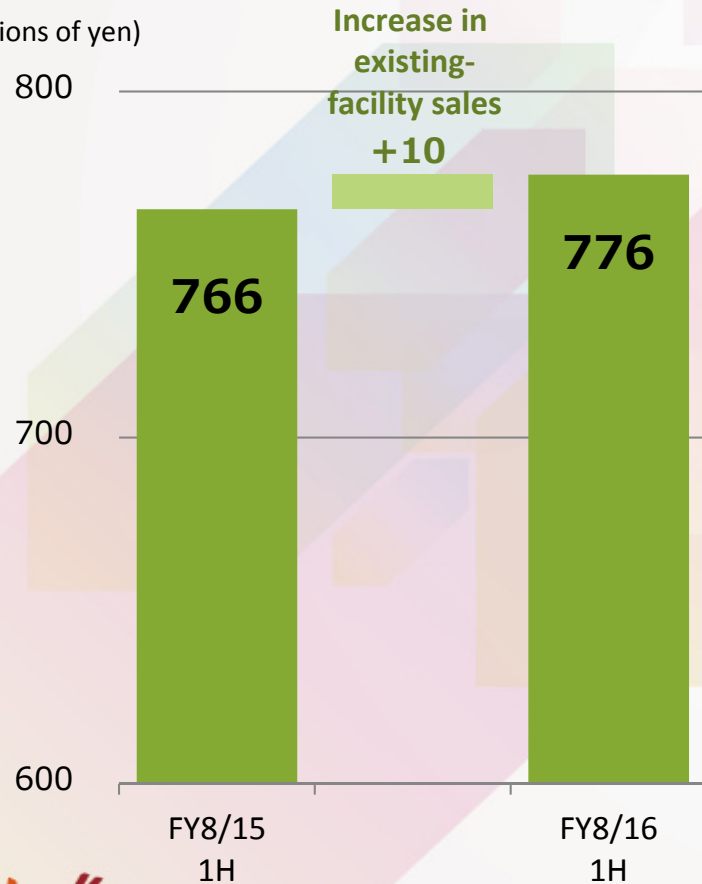
Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.

A variety of marketing campaigns, including events for specific days of the week
 Larger selection of comic books to attract new customer segments
 Cut electricity and water use by purchasing filters using advanced technology
 Started using a demand surveillance system for visualization of the proper level of electricity and water use

Components of Change

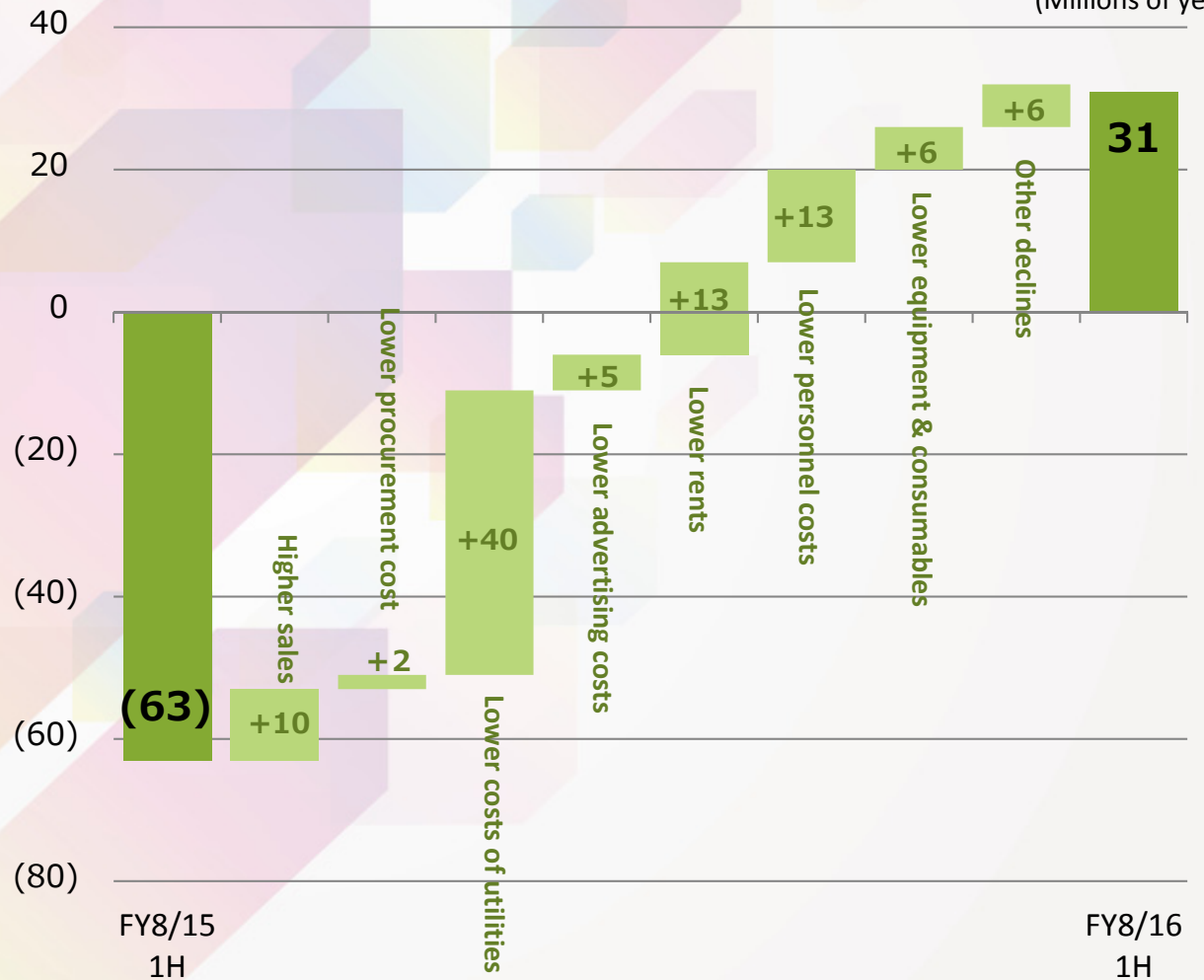
Change in Net Sales

(Millions of yen)



Change in Operating Income

(Millions of yen)



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FY8/16 Consolidated Forecast



KOSHIDAKA HOLDINGS Co., LTD.

FY8/16 Forecast

Expect growth in sales and earnings to continue

(Millions of yen)

	FY8/15 Results	FY8/16 Forecast	Amount of change	YoY change (%)
Net sales	44,257	49,607	5,350	112.1%
Operating income	4,394	4,939	545	112.4%
Ordinary income	4,492	5,019	527	111.7%
Net income	2,098	2,410	312	114.9%
Dividend (yen)	30.00	30.00	-	-

Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.

- No change to the store opening plan
- Dividend forecast for FY8/16 is 30 yen



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2H FY8/16 Strategic Goals and Future Outlook



KOSHIDAKA HOLDINGS Co., LTD.

2H FY8/16 Strategic Goals (Karaoke Business)

1 Network expansion

- 40 new locations (30 newly constructed, 10 at existing buildings)
- Outside the Tokyo area, shifted focus from suburban roadside locations to prime shopping areas near railway stations
- Higher pct. of new locations at newly constructed buildings = Higher capital equipment ratio
- Make all One Kara locations profitable and resume opening new locations
- Start working on expansion to 1,000 locations

2 New services and other initiatives

- Evolve ZERO Kara
 - ZERO Kara+
- Make One Kara profitable in FY8/16
- Use SKIT for upgrading content of all types
- Use operational expertise gained from using existing buildings and activities outside the Tokyo area for making newly constructed karaoke locations more competitive by offering appealing designs and other building features

3 Overseas growth

- Korea
 - Become profitable on a monthly basis
- Singapore
 - Implement renovation and reinvigoration of K BOX Manekineko facilities
- Establish a unified strategy for Southeast Asia



2H FY8/16 Strategic Goals (Curves Business)

1 Network expansion strategy

- Continue to add about 100-120 clubs every year
- Build a club infrastructure for one million members



2 New services and other initiatives

- Further enhance customer satisfaction by upgrading skills of coaches
 - ☆ Placed first in the FY15 Japan Customer Satisfaction Index survey for the second consecutive year in the fitness category (ranked first in all evaluation items)
- Create new products and develop new business categories
- Strengthen infomercial activities (30 minutes TV commercial)



Award ceremony

3 More activities with local governments

- The Curves Daisen-cho Health Center (Tottori) is working with the local government to encourage people to exercise more

2H FY8/16 Strategic Goals (Bath House Business)

1 Measures to become profitable for the full fiscal year

- Strengthen marketing activities
 - Continue and upgrade marketing campaigns, such as free entry for elementary school students and bingo events
 - Start offering a carbonated spring bath, which is very popular at Tokyo Kenko Land ManekinoYu, at other bath house locations
 - Add facilities and services that meet new customer needs



Premium Super Bingo

2 More energy conservation

- Improve energy efficiency by replacing HVAC systems, filters, boilers and other basic equipment

3 Immediate goals

- Aim for an operating margin of 10%



Family Bath
(Hanazono Store)



Highly Concentrated Artificial
Carbonated Spring Bath
(Tokyo Kenko Land)

Shareholder Distributions and Benefits

Shareholder benefits

Shareholder Gift Catalog



Shareholders of 100 or more KOSHIDAKA Holdings shares:
Catalogue gift worth about 3,000 yen

Shareholders of 1,000 or more KOSHIDAKA Holdings shares:
Catalogue gift worth about 5,000 yen

Shareholder Coupon



Shareholders of 100 or more KOSHIDAKA Holdings shares:
Coupon worth about 5,000 yen

◆ **Forecast for FY8/16 dividend is 30 yen.**

Basic Policy for Profit Distribution

Returning profits to shareholders is one of the highest priorities of Koshidaka Holdings. The basic policy is to make stable and consistent dividend payments while taking into consideration securing retain earnings for future business operations and building a sounder base of operations.

The Goal of the Koshidaka Group

**We are dedicated to constantly
creating and expanding new
formats in existing business sectors.**

Inquiries



▶ IR Contact
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URL :<http://www.koshidakaholdings.co.jp>

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 that ending in August 2016. This is not a solicitation to purchase securities issued by Koshidaka Holdings.

This presentation is based on information as of April 15, 2016. Opinions, forecasts and other information that is not a fact 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.

Information about other companies and industries in this presentation use public information and other sources. Koshidaka Holdings does not guarantee the accuracy of this information.



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