



Results of Operations

**For the First Half of the Fiscal Year
Ending August 2022 (1H FY8/2022)**

April 15, 2022

KOSHIDAKA HOLDINGS Co., LTD. (TSE 2157)

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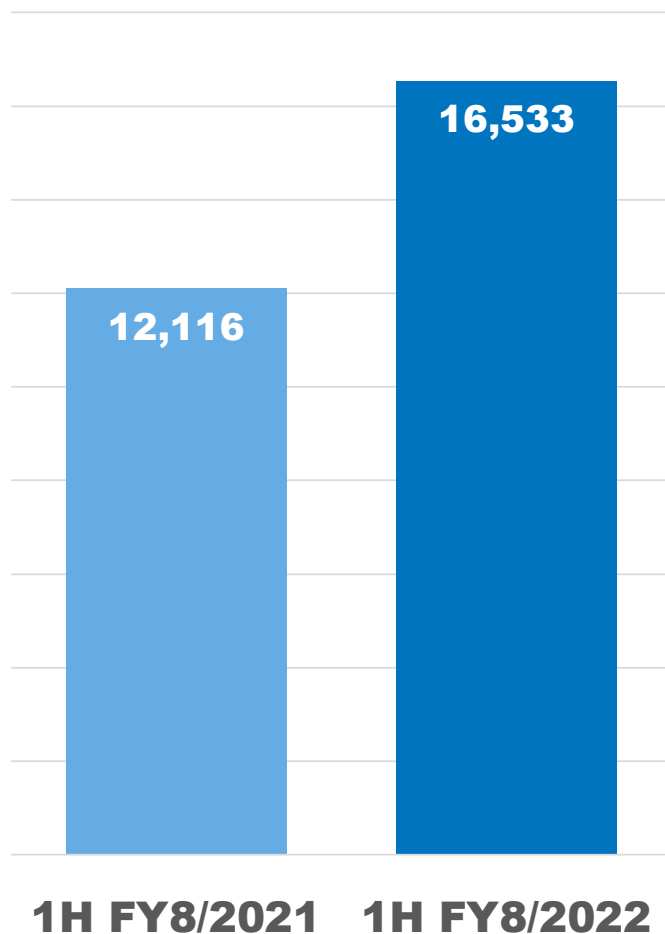
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1H FY8/2022

Highlights

- 1** In the aftermath of COVID-19 **Back in operating profitability after two years of losses**
- 2** Accelerate EIP **Capital and business alliance with Advantage Advisors**
 - ①** **Recruit people with outstanding skills and strengthen organization**
 - ②** **Accelerate installation of private entertainment rooms**
 - ③** **Financing ¥4 billion from capital market**
- 3** Chance for higher market share **Continue aggressive & careful investment for increasing the number of stores**

Financial Highlights (Net Sales)



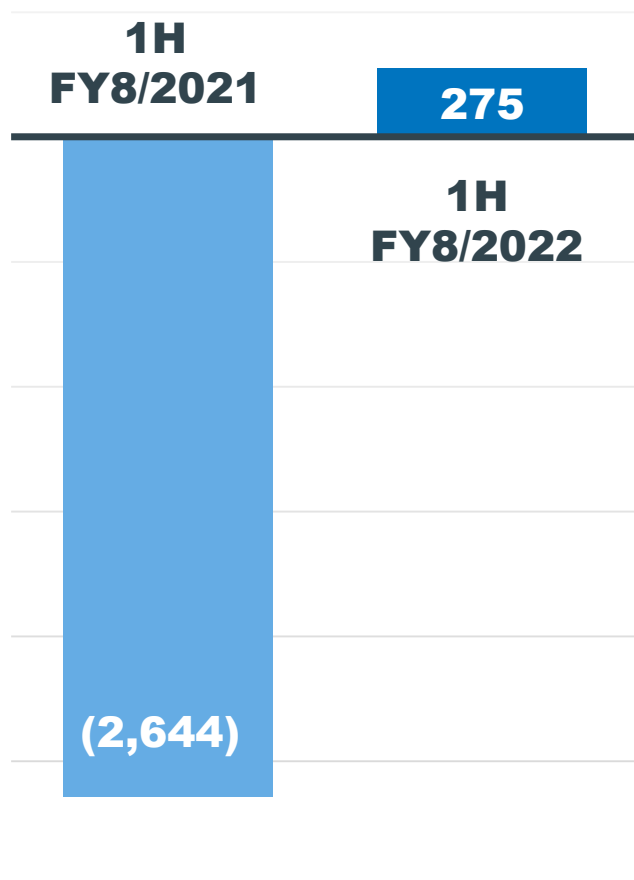
**1H FY8/2022
Net Sales** **¥16.5 bn**

Up ¥4.4 bn YoY

Up 36.5% YoY

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

Financial Highlights (Operating Profit)



1H FY8/2022
Operating Profit **¥0.3** bn

Up ¥2.9 bn YoY

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

1H FY8/2022

**Consolidated Results
of Operations**

Subsidy Income (Non-operating Income)

(Million yen)

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

| | FY8/2021 | 1H FY8/2022 | Total | Amount Applied on March 31, 2022 |
|--|-----------------|--------------------|--------------|---|
| Subsidy for shorter/non-operating hours | 2,922 | 2,365 | 5,287 | 5,529 |
| Subsidy for employment adjustment | 892 | 272 | 1,164 | 1,164 |
| Subsidy Total | 3,814 | 2,637 | 6,451 | 6,693 |

Consolidated Statement of Income

(Million yen)

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

| | 1H FY8/2021 | 1H FY8/2022 | YoY Change | | Vs. forecast | |
|--|----------------|----------------|---------------|---------------|---------------|----------------------|
| | | | Ratio | Amount | Forecast | Achievement Ratio |
| Net sales | 12,116 | 16,533 | +36.5% | +4,417 | 16,305 | 101.4% |
| Cost of sales | 13,117 | 14,407 | +9.8% | +1,290 | | |
| Gross profit | (1,001) | 2,126 | - | +3,127 | | |
| SG&A expenses | 1,642 | 1,850 | +12.7% | +208 | | |
| Operating profit | (2,644) | 275 | - | +2,919 | 29 | 948.3% |
| Ordinary profit | (2,429) | 2,973 | - | +5,402 | 2,549 | 116.6% |
| Extraordinary income | 131 | 84 | -35.9% | -47 | | |
| Extraordinary losses | 107 | 90 | -15.9% | -17 | | |
| Profit attributable to owners of parent | (1,680) | 1,883 | - | +3,563 | 1,744 | 108.0% |

Segment Results

(Million yen)

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

| | 1H FY8/2021 | 1H FY8/2022 | YoY Change | | Vs. forecast | |
|-------------------------|----------------|----------------|---------------|---------------|---------------|----------------------|
| | | | Ratio | Amount | Forecast | Achievement Ratio |
| Net sales | 12,116 | 16,533 | +36.5% | +4,417 | 16,305 | 101.4% |
| Karaoke | 11,274 | 15,660 | +38.9% | +4,386 | | |
| Bath House | 536 | 437 | -18.5% | -99 | | |
| Real Estate Mgt | 305 | 536 | +75.7% | +231 | | |
| Adjustment | | (101) | | -101 | | |
| Operating profit | (2,644) | 275 | - | +2,919 | 29 | 948.3% |
| Karaoke | (2,082) | 620 | - | +2,702 | | |
| Bath House | (58) | (46) | - | +12 | | |
| Real Estate Mgt | (162) | 68 | - | +230 | | |
| Adjustment | (341) | (368) | | -27 | | |

Consolidated Balance Sheet

(Million yen)

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

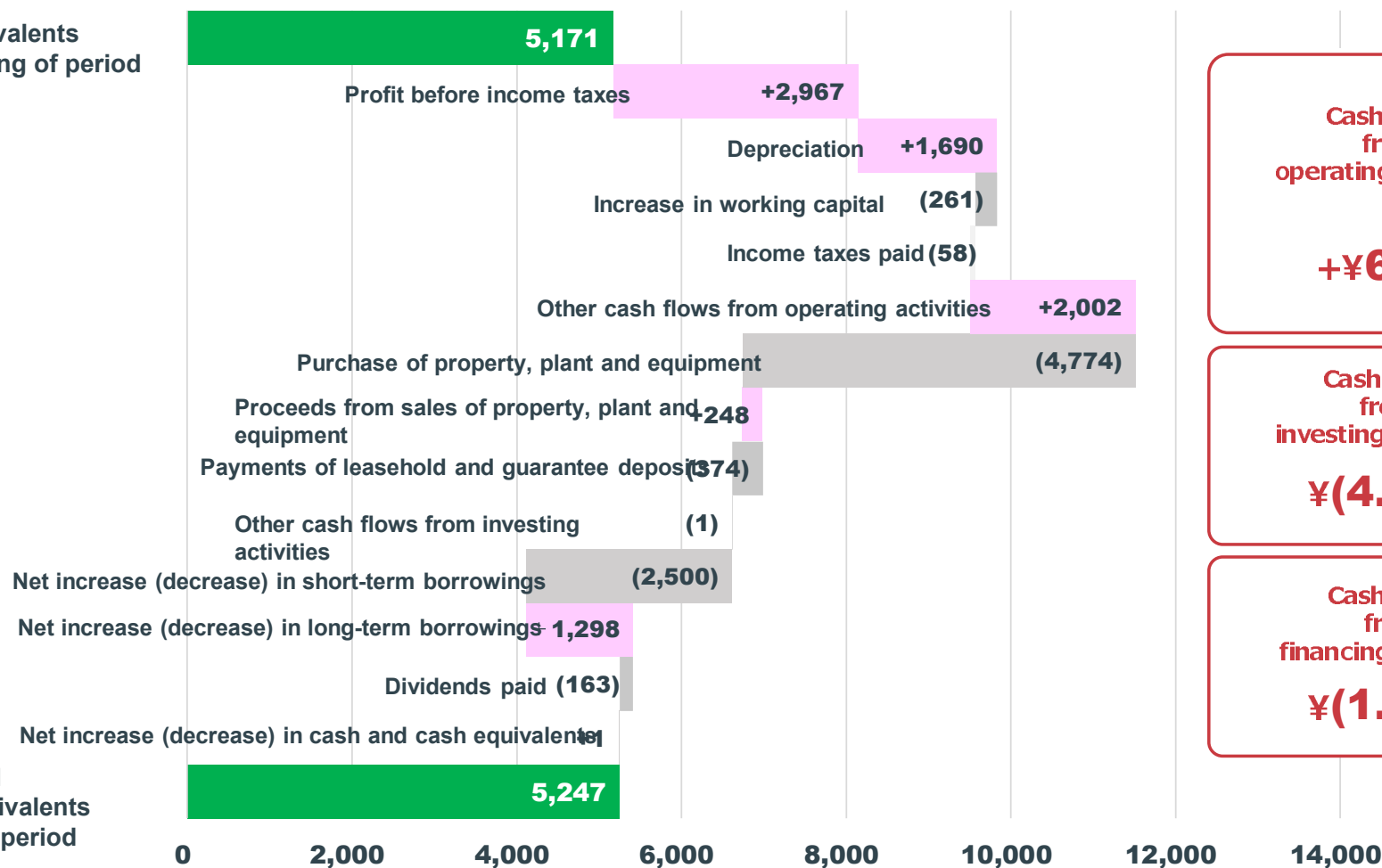
| | August 31, 2021 | February 28, 2022 | Change |
|--|--------------------|----------------------|---------------|
| Current assets | 9,388 | 8,077 | -1,311 |
| Non-current assets | 32,584 | 35,784 | +3,200 |
| Property, plant and equipment | 23,543 | 26,931 | +3,388 |
| Intangible assets | 238 | 244 | +6 |
| Investments and other assets | 8,803 | 8,608 | -195 |
| Current liabilities | 10,098 | 9,988 | -110 |
| Short-term borrowings | 4,500 | 2,000 | -2,500 |
| Current portion of long-term borrowings | 2,956 | 2,938 | -18 |
| Non-current liabilities | 13,697 | 15,597 | +1,900 |
| Long-term borrowings | 9,313 | 10,630 | +1,317 |
| Total liabilities | 23,795 | 25,585 | +1,790 |
| Shareholders' equity | 18,107 | 18,257 | +150 |
| Total net assets | 18,178 | 18,276 | +98 |
| Total assets/Total liabilities and net assets | 41,973 | 43,861 | +1,888 |

Consolidated Statement of Cash Flows

(Million yen)

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

Cash and cash equivalents at beginning of period



Cash flows from operating activities

+¥6.3 bn

Cash flows from investing activities

¥(4.9) bn

Cash flows from financing activities

¥(1.4) bn

1H FY8/2022

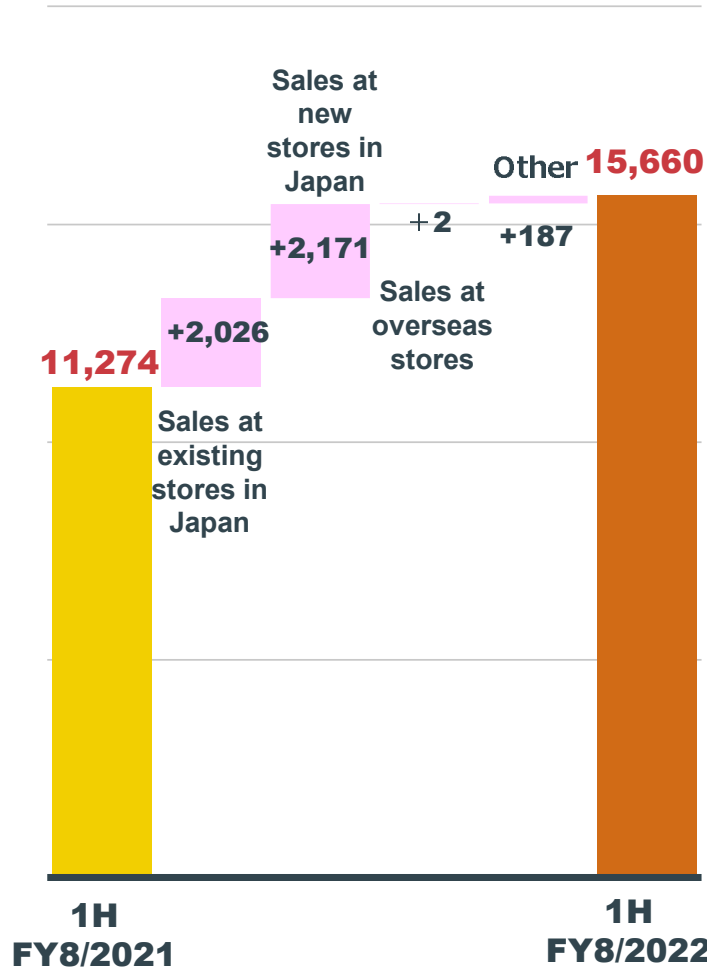
Segment Results



Karaoke



Net Sales



1H FY8/2022
Net Sales ¥15.7 bn

Up ¥4.4 bn YoY

Up 38.9% YoY



Opened 34 locations in Japan (closed 9 locations)
Started ONEREC and live viewing services
Gindaco Highball bars are included in new locations.
No anti-COVID-19 restrictions on operating hours between October 1st 2021 and January 8th 2022.

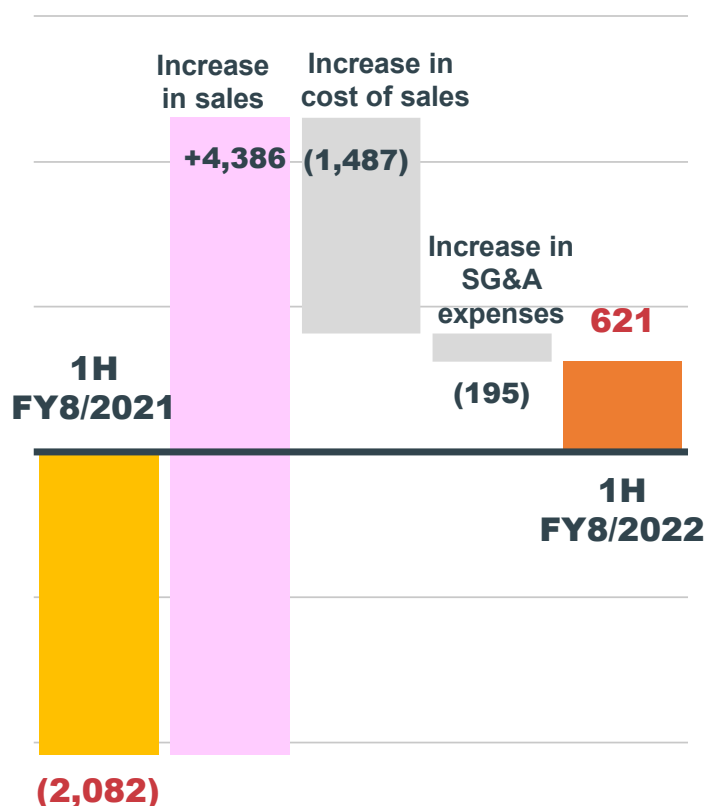


Over 500 locations were closed or shortened operating hours in September 2021.
Roughly 200 locations shortened operating hours from January 9th to March 21st.

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



Segment Profit



1H FY8/2022
Segment Profit (Loss) ¥0.6 bn

Up ¥2.7 bn YoY



Gross profit margin
(7.2) → 13.3%



Major increase in cost of sales

| | |
|---------------------|------|
| Cost of merchandise | +221 |
| Employees' salaries | +628 |
| Utilities | +656 |

Major increase in SG&A expenses

| | |
|--------------------------|-----|
| Recruiting Advertisement | +69 |
|--------------------------|-----|

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



Overseas Performance (by Region)

(Million yen)

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

| | FY8/2021 | | 1H |
|-----------------------------|--------------|--------------|------------|
| | 1H | Full Year | FY8/2022 |
| Net sales | 50 | 99 | 52 |
| Singapore | - | - | - |
| South Korea | 50 | 99 | 52 |
| Operating profit | (201) | (266) | (9) |
| Singapore | (186) | (231) | - |
| South Korea | (14) | (35) | (9) |
| Number of facilities | 18 | 12 | 12 |
| Singapore | 5 | - | - |
| South Korea | 5 | 4 | 4 |
| Malaysia | 6 | 6 | 6 |
| Thailand | 1 | 1 | 1 |
| Indonesia | 1 | 1 | 1 |

Note: Subsidiaries in Malaysia, Thailand and Indonesia are not consolidated.



Continue Aggressive Opening of Stores

| | 2021 | FY8/2022 | | | | | | | |
|----------------------------------|----------|----------|------|------|------|------|------|------|------|
| | End-Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| # of Manekineko opening | | | 16 | 7 | 5 | 1 | 3 | 4 | 3 |
| # of Manekineko closure | | (2) | (1) | | | | (2) | (2) | |
| # of Manekineko stores | 539 | 537 | 552 | 559 | 564 | 565 | 566 | 568 | 571 |
| # of "One Kara" stores | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| # of Karaoke stores in Japan | 545 | 543 | 558 | 565 | 570 | 571 | 572 | 574 | 577 |
| # of non-karaoke stores in Japan | 14 | 14 | 15 | 12 | 12 | 12 | 12 | 12 | 12 |
| # of non-karaoke opening | | | 1 | 1 | | | | | |
| # of non-karaoke closure | | | | (4) | | | | | |
| # of Karaoke segment stores | 559 | 557 | 573 | 577 | 582 | 583 | 584 | 586 | 589 |



Open Stores Faster in Prime Shopping Areas/Near Railway Stations

New locations in prime shopping areas/near railway stations / Total

| FY8/2020 | FY8/2021 | 1H FY8/2022 |
|----------|----------|-------------|
| 27 / 31 | 41 / 48 | 27 / 32 |



PG (PlayGarden)

Manekineko stores with billiards and darts





Collaborations with Attractive Contents



Appealing and innovative services with holders of attractive contents





Mirror Pon!

Mirror Pon!

Enjoy content in your smartphone/tablet on big screen
and speakers at Karaoke rooms



**Installed at all
locations**





Other New Contents Services

ONEREC

At “ONEREC” recording booths with professional equipment, you can enjoy first take and share it coming to stores only with yourself



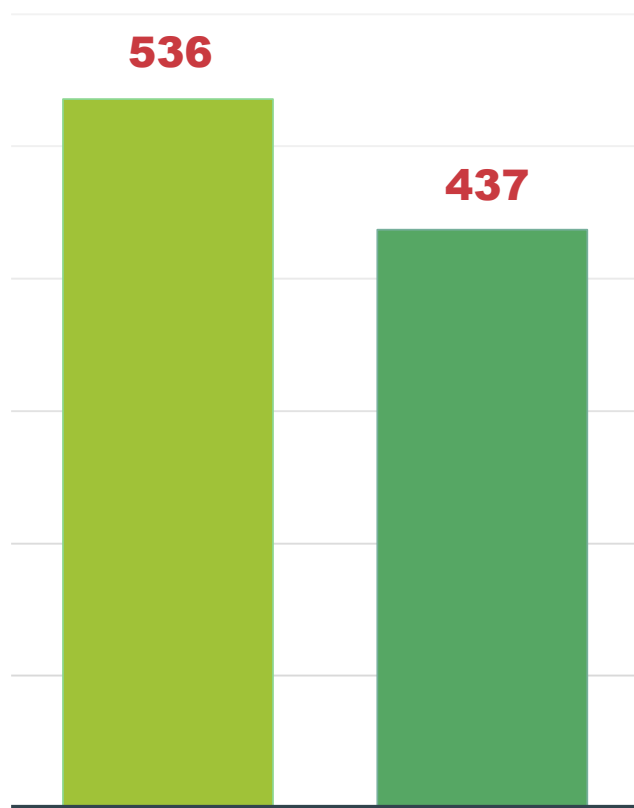
Live Viewing

Enjoy our original contents at Karaoke Manekineko locations all over Japan





Net Sales



1H FY8/2021 **1H FY8/2022**

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

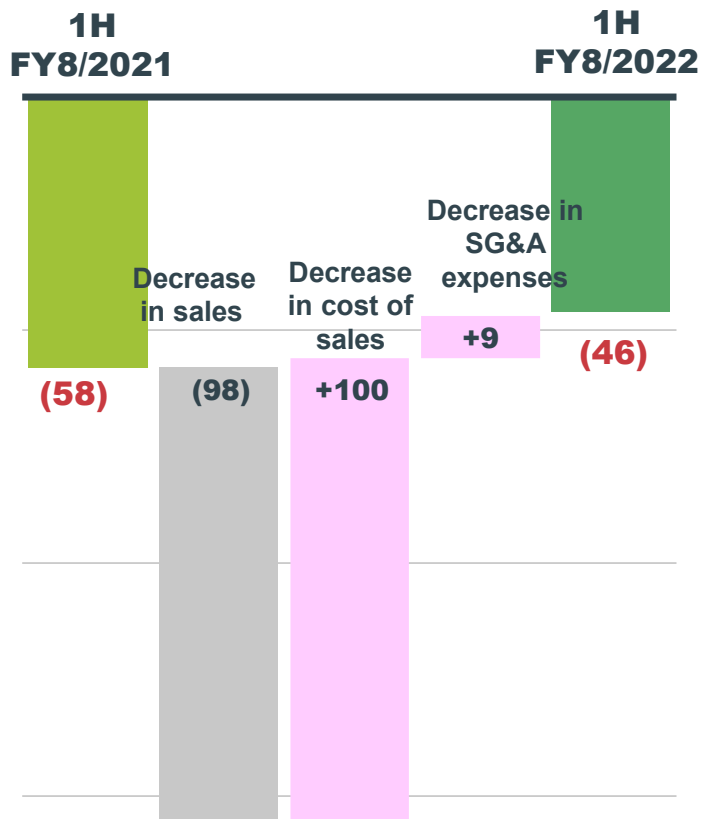
1H FY8/2022
Net Sales **¥0.44 bn**

Down ¥0.1 bn YoY

Down 18.5% YoY



Segment Profit (Loss)



1H FY8/2022
Segment Profit (Loss) **¥[0.05] bn**

Up ¥0.01 bn YoY

Major decrease in cost of sales

| | |
|---------------------|------|
| Cost of merchandise | (11) |
| Personnel | (32) |
| Utilities | (4) |
| Advertisement | (8) |

Gross profit margin
 (6.5)% → (7.4)%

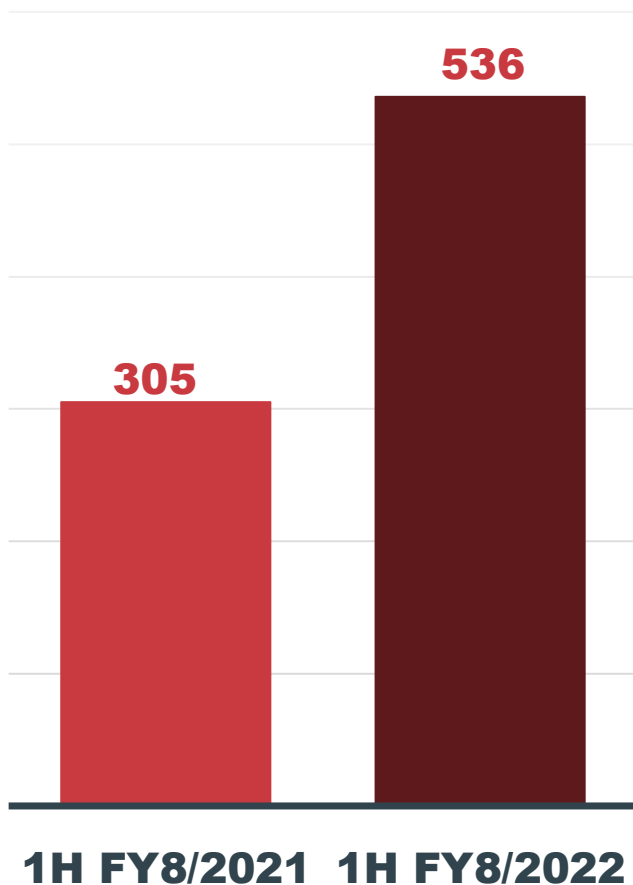
(Million yen) Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place



Real Estate Management



Net Sales



1H FY8/2022
Net Sales **¥0.54** bn

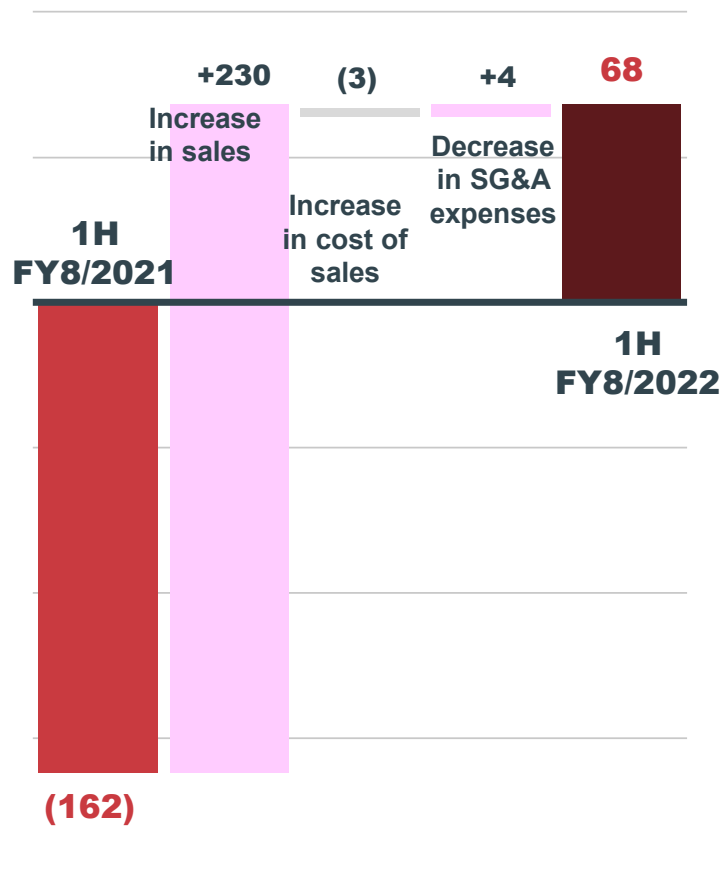
Up **¥0.23** bn YoY

Up **75.4%** YoY

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



Segment Profit (Loss)



1H FY8/2022
Segment Profit (Loss) **¥0.07 bn**

Up ¥0.23 bn YoY

↑ Gross profit margin (49.4)% → 14.2%

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



Example of Utilization of Acquired Premises Fluret Hanasaki Building (JR Sakuragi-cho, Yokohama)

Up to Sep. 2021
Manekineko
as tenant

| | |
|---------------|--|
| 7F - 5F | Non-group Tenant |
| 4F | Non-group tenant |
| 3F |  Manekineko |
| 2F - B1 | Non-group tenant |

Oct. 2021
Acquisition of
this building

| | |
|---------------|--|
| 7F - 5F | Non-group Tenant |
| 4F | Non-group tenant |
| 3F |  Manekineko |
| 2F - B1 | Non-group tenant |

Nov. 2021
Expansion of floors
of Manekineko

| | |
|---------------|--|
| 7F - 5F | Non-group Tenant |
| 4F |  Manekineko |
| 3F |  Manekineko |
| 2F - B1 | Non-group tenant |

FY8/2022

Consolidated Forecast

FY8/2022 Forecast

(Million yen)

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

| | FY8/2021 Result | FY8/2022 Forecast | YoY Change | | Progress | |
|---|--------------------|----------------------|------------|---------|----------|----------------|
| | | | Ratio | Amount | 1H | Progress ratio |
| Net sales | 20,791 | 40,093 | +92.8% | +19,302 | 16,533 | 41.2% |
| Operating profit | (7,628) | 2,701 | - | +10,329 | 275 | 10.2% |
| Ordinary profit | (3,092) | 5,380 | - | +8,472 | 2,973 | 55.3% |
| Profit attributable to owners of parent | (4,144) | 3,228 | - | +7,372 | 1,883 | 58.3% |
| Dividend per share (yen) | 4.0 | 8.0 | 100.0% | 4.0 | 4.0 | 50.0% |

FY8/2022 Forecast by Segment

(Million yen)

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

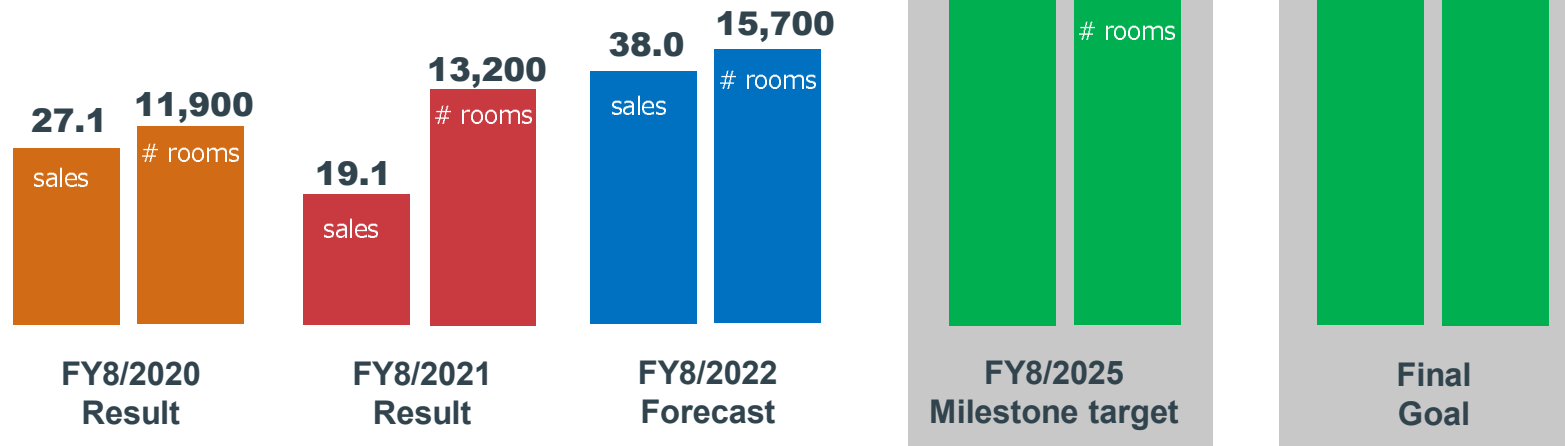
| | FY8/2021 Result | FY8/2022 Forecast | YoY Change | | Progress | |
|-------------------------|--------------------|----------------------|---------------|----------------|---------------|----------------|
| | | | Ratio | Amount | 1H | Progress ratio |
| Net sales | 20,791 | 40,093 | +92.8% | +19,302 | 16,533 | 41.2% |
| Karoke | 19,195 | 37,999 | +98.0% | +18,804 | 15,660 | 41.2% |
| Bath House | 897 | 1,069 | +19.2% | +172 | 437 | 40.9% |
| Real Estate Mgt | 698 | 1,024 | +46.7% | +326 | 536 | 52.3% |
| Operating profit | (7,628) | 2,701 | - | +10,329 | 275 | 10.2% |
| Karoke | (6,591) | 3,133 | - | +9,724 | 620 | 19.8% |
| Bath House | (203) | 35 | - | +238 | (46) | -131.4% |
| Real Estate Mgt | (181) | 182 | - | +363 | 68 | 37.4% |
| Adjustment | (651) | (650) | | | (368) | 56.6% |

Strategic Objectives

3rd Year of the Medium-term Management Plan

Entertainment as Infrastructure

Milestones were postponed by one year to FY8/2025 due to COVID-19 negative effects, with the numerical targets unchanged.



Note: Karaoke segment sales in Japan in ¥ bn; # of rooms in Japan at the end of the period

Vision

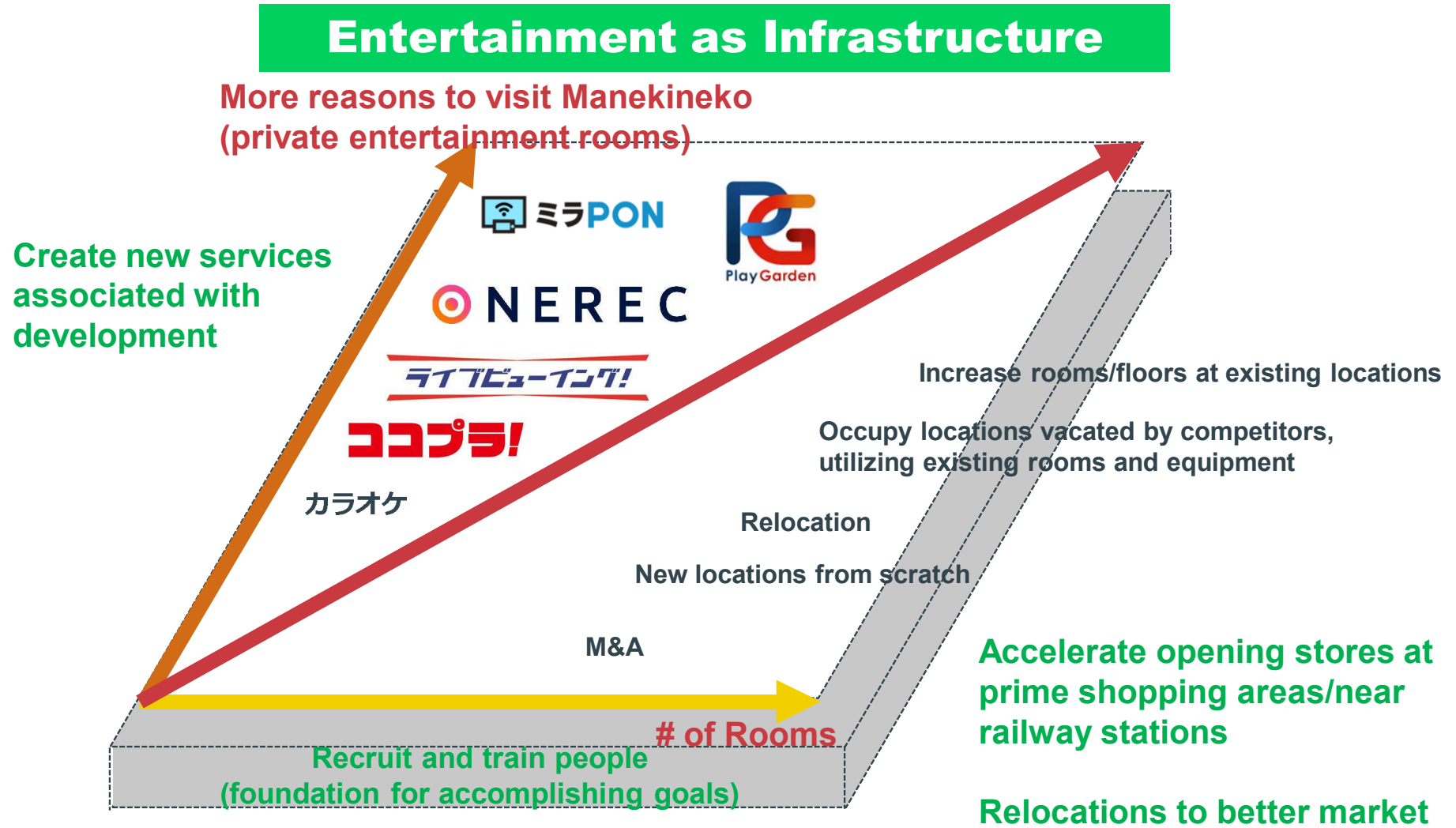
Entertainment as Infrastructure

Make entertainment
a vital part
of everyone's life

An outstanding
entertainment
experience for
people worldwide

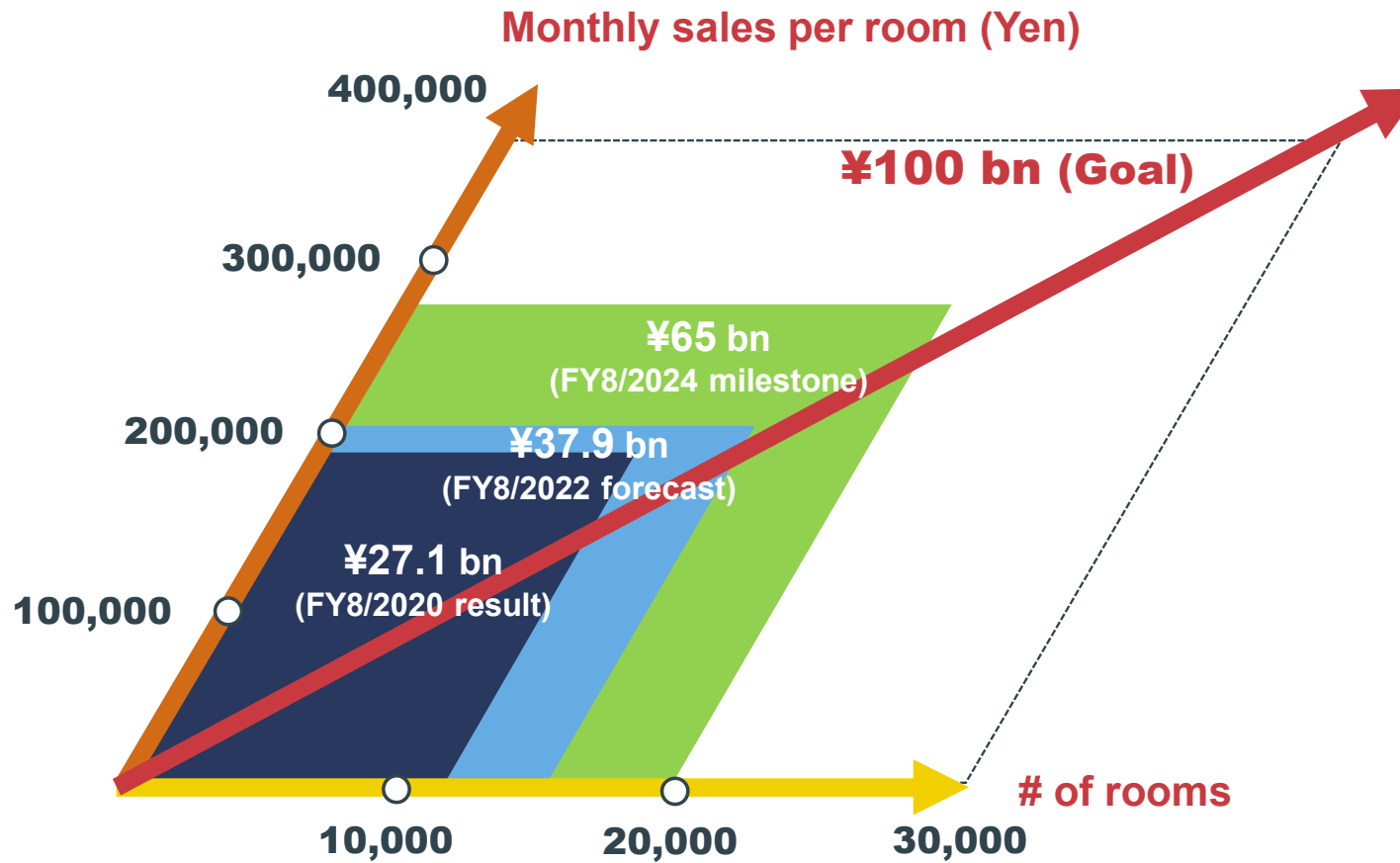
Operate karaoke facilities
throughout Japan

Issues and Actions for Accomplishing Goals



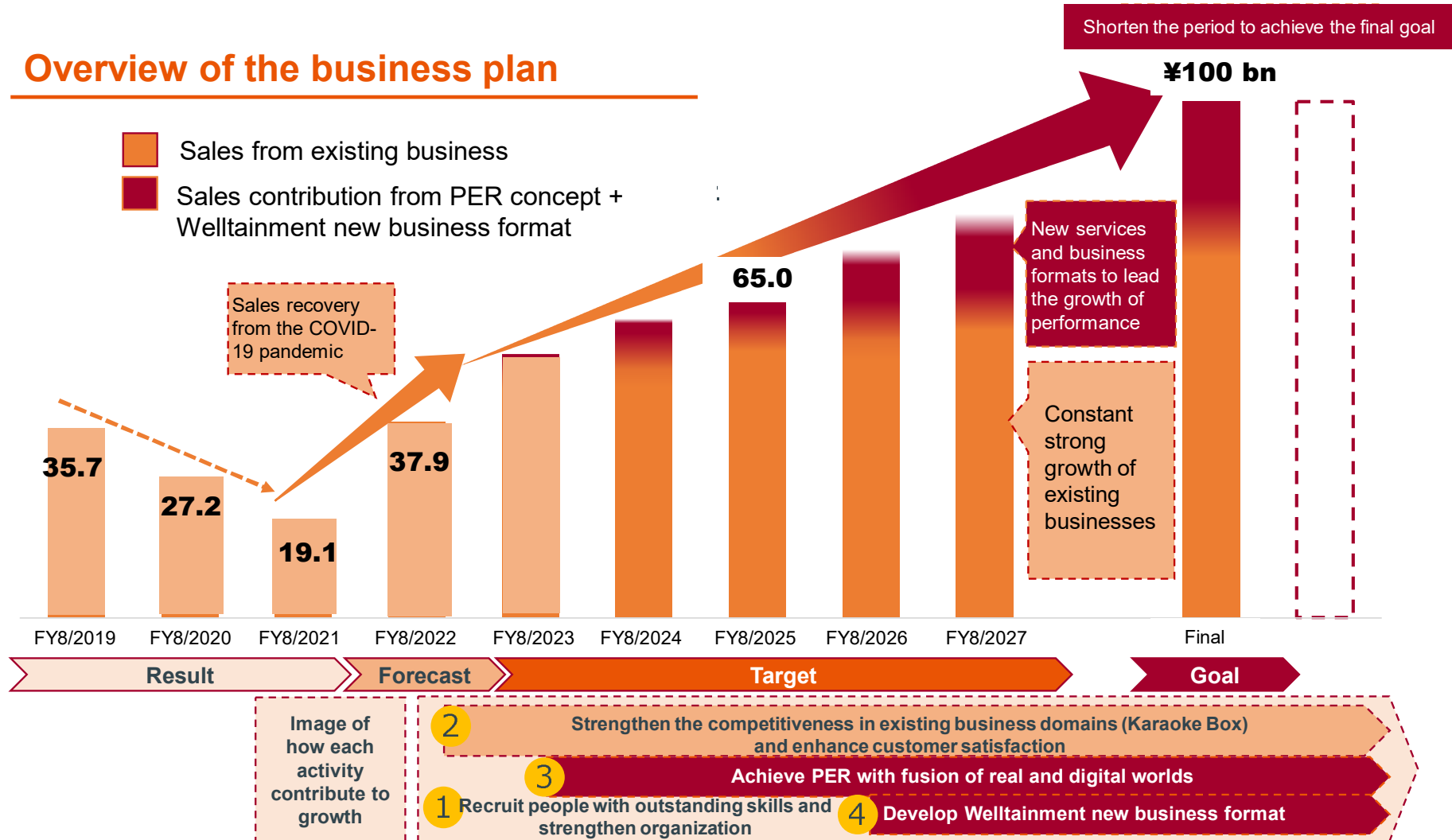
Quantitative Targets (Karaoke Sales in Japan)

Entertainment as Infrastructure



Capital and Business Alliance with Advantage Partners

Overview of the business plan



The Goal of the Koshidaka Group

**We are dedicated to constantly
creating and expanding
new business models in
existing industries.**

Question-and-answer Session

Appendix

What is Koshidaka Holdings?



Karaoke Business

The second industry leader in terms of No. of locations
(No. of directly operated stores ranks the first)
Quality services at low prices set us apart from competitors.
Operates in South Korea, Singapore, Malaysia, Thailand and Indonesia.

Karaoke locations **572** in Japan
12 overseas

Karaage-no-Tensai and other non-karaoke locations **12** in Japan

Bath House Business

Natural hot springs at all locations
Place to come and soak in bath,
enjoy meals and relax **3** in Japan

Real Estate Management Business

Ownership and operations of premises

- AQERU Maebashi
- Fluret Hanasaki Building
- Sport Nagoya
- Hotel Vista Atsugi, etc.

Sub-leasing of commercial buildings

Organization



Corporate Overview

| | |
|----------------------------------|---|
| Company Name | KOSHIDKA HOLDINGS Co., LTD. |
| Business | Oversight and management of operating companies, business development and other activities of the Koshidaka Group |
| Established | March 1967 |
| Tokyo Head Office | Kamiyacho MT Building 17F, 4-3-20 Toranomom, Minato-ku, Tokyo, Japan |
| Maebashi Head Office | 1-5-1 Odomomachi, Maebashi-shi, Gunma, Japan |
| Capital | ¥2,070,257,500 |
| Employees | 3,548 (all group companies, as of the end of Feb, 2022) |
| Consolidated Subsidiaries | KOSHIDAKA Co., Ltd. / KOSHIDAKA Products Co., Ltd. KOSHIDAKA Business Support Co.,LTD. / KOSHIDAKA Amusement Co., Ltd. KOSHIDAKA International KL SDN. BHD / KOSHIDAKA KOREA Co., Ltd. |
| Management Philosophy | Our mission is to contribute to the realization of lifestyles full of leisure and to the establishment of a peaceful world filled with hope by continuing to create, offer and provide the world with new and meaningful products and services. |

Detailed Segment Results

(Million yen)

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

| | FY8/2018 | | FY8/2019 | | FY8/2020 | | FY8/2021 | | FY8/2022E | |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|---------------|
| | 1H | FY | 1H | FY | 1H | FY | 1H | FY | 1H | FY |
| Net sales | 30,394 | 61,771 | 32,582 | 65,840 | 33,981 | 43,303 | 12,116 | 20,791 | 16,533 | 40,093 |
| Karaoke | 15,706 | 31,936 | 17,740 | 35,732 | 18,842 | 27,156 | 11,274 | 19,195 | 15,660 | 37,999 |
| Bath House | 819 | 1,587 | 822 | 1,640 | 812 | 1,207 | 536 | 897 | 437 | 1,069 |
| Real Estate Mgt | 157 | 313 | 156 | 431 | 384 | 637 | 305 | 698 | 435 | 1,024 |
| Curves | 13,711 | 27,933 | 13,863 | 28,036 | 14,302 | 14,302 | | | | |
| Cost of sales | 22,421 | 45,064 | 22,579 | 46,077 | 23,668 | 35,048 | 13,117 | 25,310 | 14,407 | |
| Karaoke | 12,498 | 25,447 | 13,678 | 27,737 | 14,279 | 24,821 | 12,090 | 23,383 | 13,578 | |
| Bath House | 745 | 1,460 | 756 | 1,465 | 721 | 1,231 | 570 | 1,062 | 470 | |
| Real Estate Mgt | 89 | 175 | 123 | 343 | 369 | 698 | 456 | 864 | 359 | |
| Gross profit | 7,973 | 16,706 | 10,003 | 19,762 | 10,313 | 8,254 | (1,001) | (4,518) | 2,126 | |
| Karaoke | 3,207 | 6,489 | 4,061 | 7,994 | 4,202 | 2,335 | (815) | (4,188) | 2,082 | |
| Bath House | 74 | 127 | 66 | 174 | 91 | (24) | (34) | (164) | (32) | |
| Real Estate Mgt | 67 | 154 | 33 | 88 | 15 | (60) | (151) | (165) | 76 | |
| SG&A expenses | 4,286 | 8,848 | 5,018 | 10,254 | 5,432 | 7,107 | 1,642 | 3,109 | 1,850 | |
| Karaoke | 1,635 | 3,336 | 1,672 | 3,475 | 1,923 | 3,174 | 1,266 | 2,402 | 1,461 | |
| Bath House | 28 | 55 | 35 | 65 | 32 | 45 | 23 | 38 | 13 | |
| Real Estate Mgt | 4 | 18 | 4 | 28 | 7 | 16 | 11 | 16 | 7 | |
| Operating profit | 3,687 | 7,858 | 4,984 | 9,507 | 4,880 | 11,054 | (2,644) | (7,628) | 275 | 2,701 |
| Karaoke | 1,571 | 3,153 | 2,389 | 4,518 | 2,279 | (839) | (2,082) | (6,591) | 620 | 3,133 |
| Bath House | 45 | 71 | 31 | 108 | 58 | (70) | (58) | (203) | (45) | 35 |
| Real Estate Mgt | 63 | 133 | 28 | 59 | 8 | (77) | (162) | (181) | 68 | 182 |
| Curves fitness | 2,431 | 5,345 | 2,985 | 5,679 | 3,005 | 3,005 | | | | |

Inquiries



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