

KOSHIDAKA HOLDINGS Co., LTD.

(TSE Prime Market 2157)

Results of Operations

**for the First Nine Months of the
Fiscal Year Ending August 2024
(3Q FY8/2024)**

Agenda

- 1 Executive Summary**
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- 3 FY8/2024 Consolidated Forecast**
- 4 Shareholder Return Policy**
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1. Executive Summary

3Q FY8/2024 Overview

- Record-high sales and earnings in the first nine months on a Curves spinned-off basis
- Continuing to open stores in the Kinki region (12 locations), including the first in the city of Kyoto (1 location in November and 2 in December)
- Speeding up growth outside Japan (3 locations in Malaysia, 1 in Thailand and 1 in Indonesia), totaling 22 overseas locations

Accelerate EIP (Entertainment Infrastructure Plan^{*1})/Intermediate target in sight -FY8/2024 revised sales forecast is 96.5% of FY8/2025 intermediate EIP target of 65 billion yen

- Operate karaoke Manekineko throughout Japan

Continuing to open stores aggressively in the Kinki region

Continuing to add many new stores (Station front/cozy commercial area/Relocation projects)

→ Continuing pace for 50 stores in a year in Japan

- Make entertainment a vital part of everyone's life

Continuing development to expand PER (Private Entertainment Room^{*2}) → ONEREC VK

- An outstanding entertainment experience for people worldwide

Aggressive store openings overseas, in Southeast Asia

Collaboration with Japanese animation contents in Japan and overseas

- Utilizing Customer base for B to B business as marketing supporting tools

“Neko no Te” trial starts

Entertainment as
Infrastructure

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

*2. PER: 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.

2. 3Q FY8/2024 Financial Summary

3Q FY8/2024 Consolidated Results of Operations

- Sales and operating profit in the first nine months were consistent with the plan
- (1) Even after the rapid recovery sales continue to increase as operations enter a phase of steady growth.
Revising prices as needed to reflect market trends.
- (2) Contribution of stores opened steadily even during the pandemic
- (3) Increased efficiency through larger stores

(Million yen)

Item	1Q-3Q FY8/2023	1Q-3Q FY8/2024	YoY change		Vs. 1Q-3Q forecast	
			Amount	Ratio	Forecast	Achievement ratio
Net sales	39,981	46,384	+6,403	+16.0%	46,404	100.0%
Gross profit	9,976	12,083	+2,107	+21.1%	-	-
SG&A expenses	4,021	5,035	+1,015	+25.2%	-	-
Operating profit	5,955	7,047	+1,092	+18.3%	6,864	102.7%
(Operating profit to net sales)	14.9%	15.2%				
Ordinary profit	6,143	7,801	+1,658	+27.0%	7,548	103.4%
(Ordinary profit to net sales)	15.4%	16.8%				
Profit attributable to owners of parent	6,843	5,367	-1,476	-21.6%	5,199	103.2%
(Profit to net sales)	17.1%	11.6%				
Net income per share (Yen)	83.94	65.84	-18.10	-21.6%	63.78	103.2%

Consolidated Results of Operations by Segment (YoY Change)

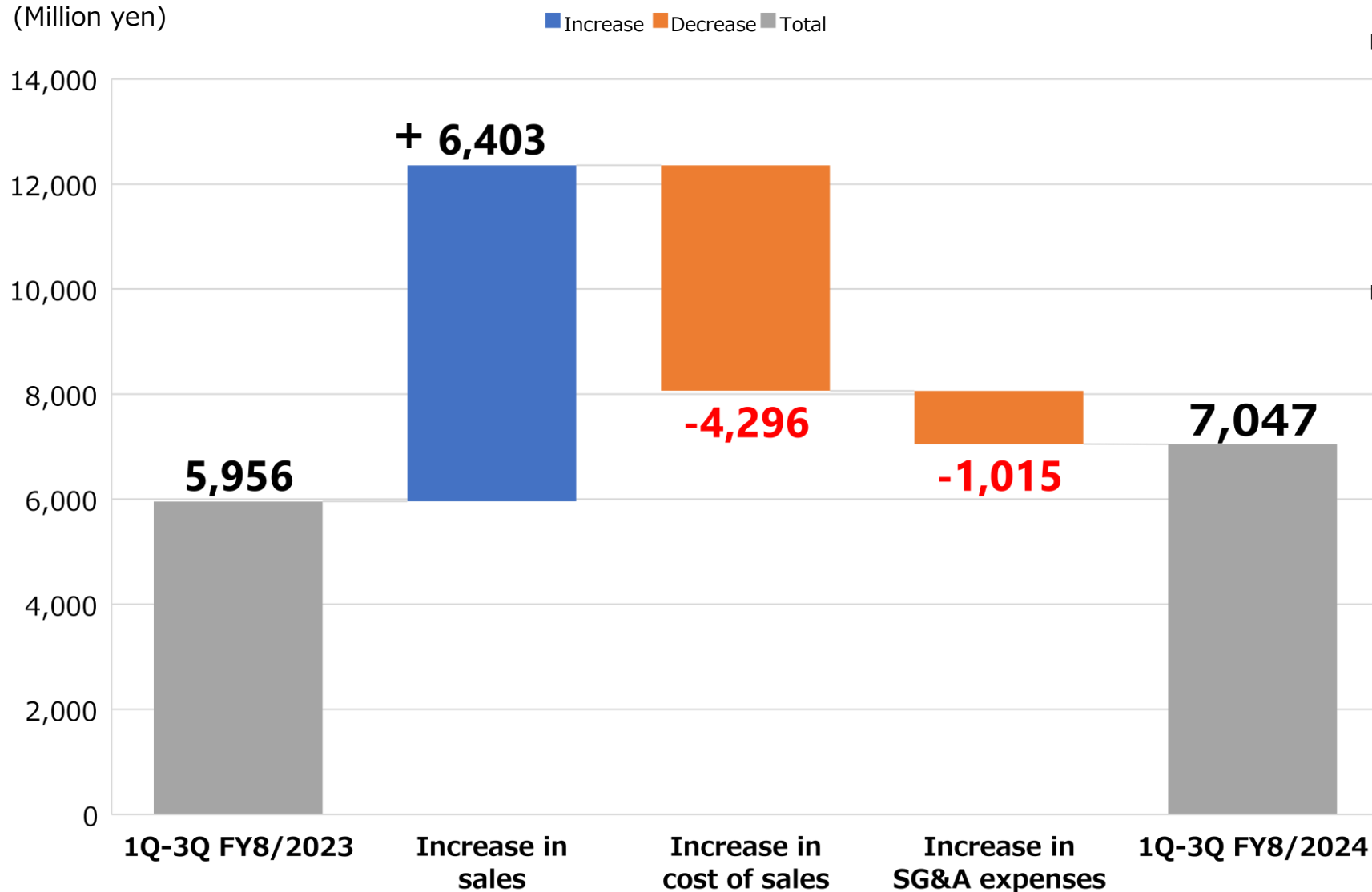
- Karaoke: Sales up 18.3% and operating profit up 19.1% due to continuation of opening many stores and growth in the number of customers and sales per customer at existing stores. Profit ratios increased despite expenditures for new stores, upgraded equipment at existing stores and expenses due to higher salaries (Workstyle Innovation Plan).
- Real Estate Management: Sales unchanged as the decline due to the sale of Sport Nagoya was offset by new properties.
- Other: Sales down because of the closing of Tokyo Kenko Land Maneki-no-Yu Bath House (former Bath House Segment).

(Million yen)

Item	1Q-3Q FY8/2023	1Q-3Q FY8/2024	YoY change		Vs. 1Q-3Q forecast	
			Amount	Ratio	Forecast	Achievement ratio
Net sales	39,981	46,384	+6,403	+16.0%	46,404	100.0%
Karaoke	37,935	44,887	+6,952	+18.3%	44,920	99.9%
Real Estate Management	1,131	1,154	+23	+2.0%	1,159	99.6%
Other	1,087	651	-436	-40.1%	577	112.7%
Adjustment	-173	-308	-135	-	-252	-
Operating profit	5,955	7,047	+1,092	+18.3%	6,864	102.7%
Karaoke	6,802	8,104	+1,302	+19.1%	7,893	102.7%
(Operating profit to net sales)	(17.9%)	(18.1%)			(17.6%)	
Real Estate Management	204	60	-144	-	82	73.2%
(Operating profit to net sales)	(18.0%)	(5.2%)			(7.1%)	
Other	-24	-45	-21	-	-36	-
(Operating profit to net sales)	(-2.2%)	(-6.9%)				
Adjustment	-1,025	-1,072	-47	-	-1,074	-

YoY Change in Operating Profit

(Million yen)



■ Major increase in sales

- ✓ New stores(Karaoke): +4,078
- ✓ Existing stores(Karaoke): +3,113
- ✓ Other: -436
- ✓ Adjustment: -135

■ Major increase in cost of sales

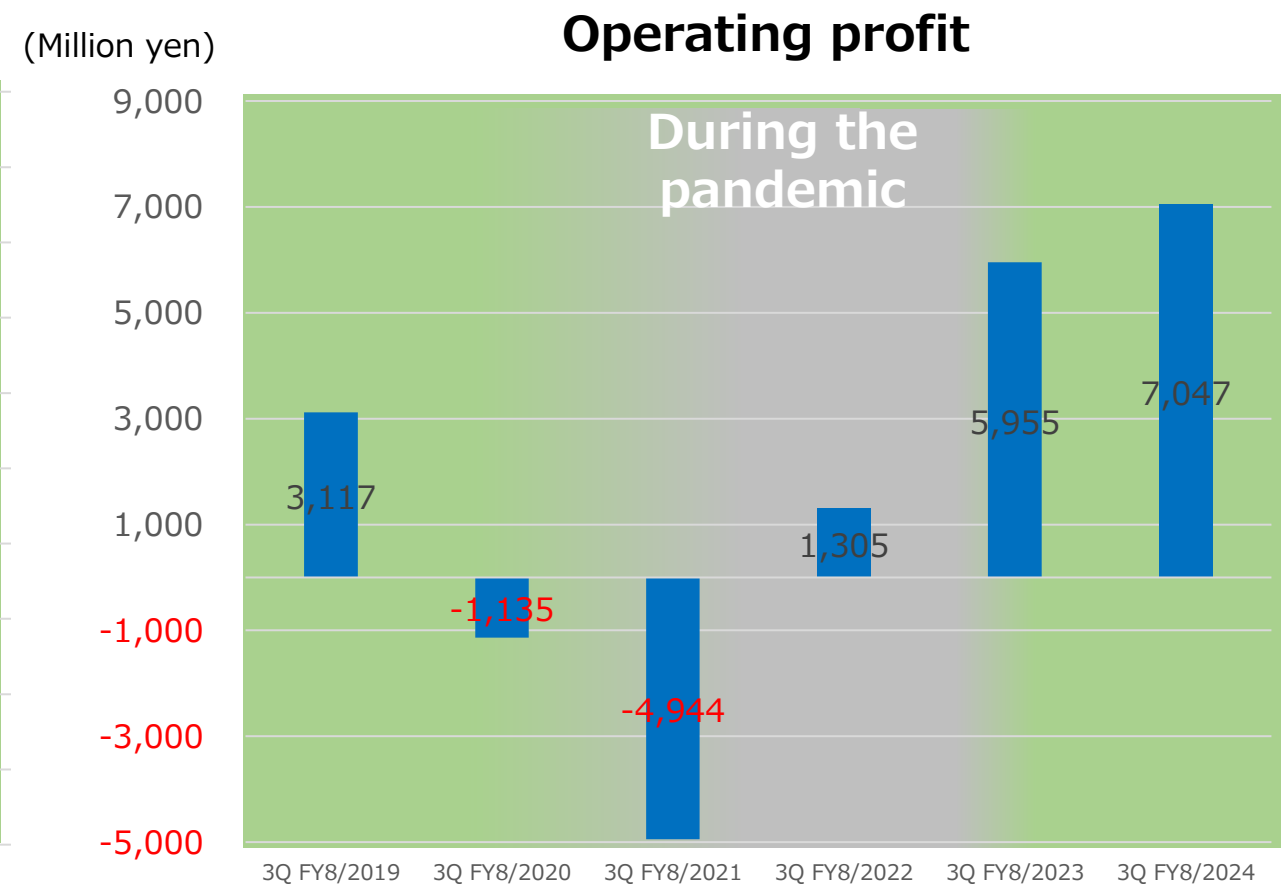
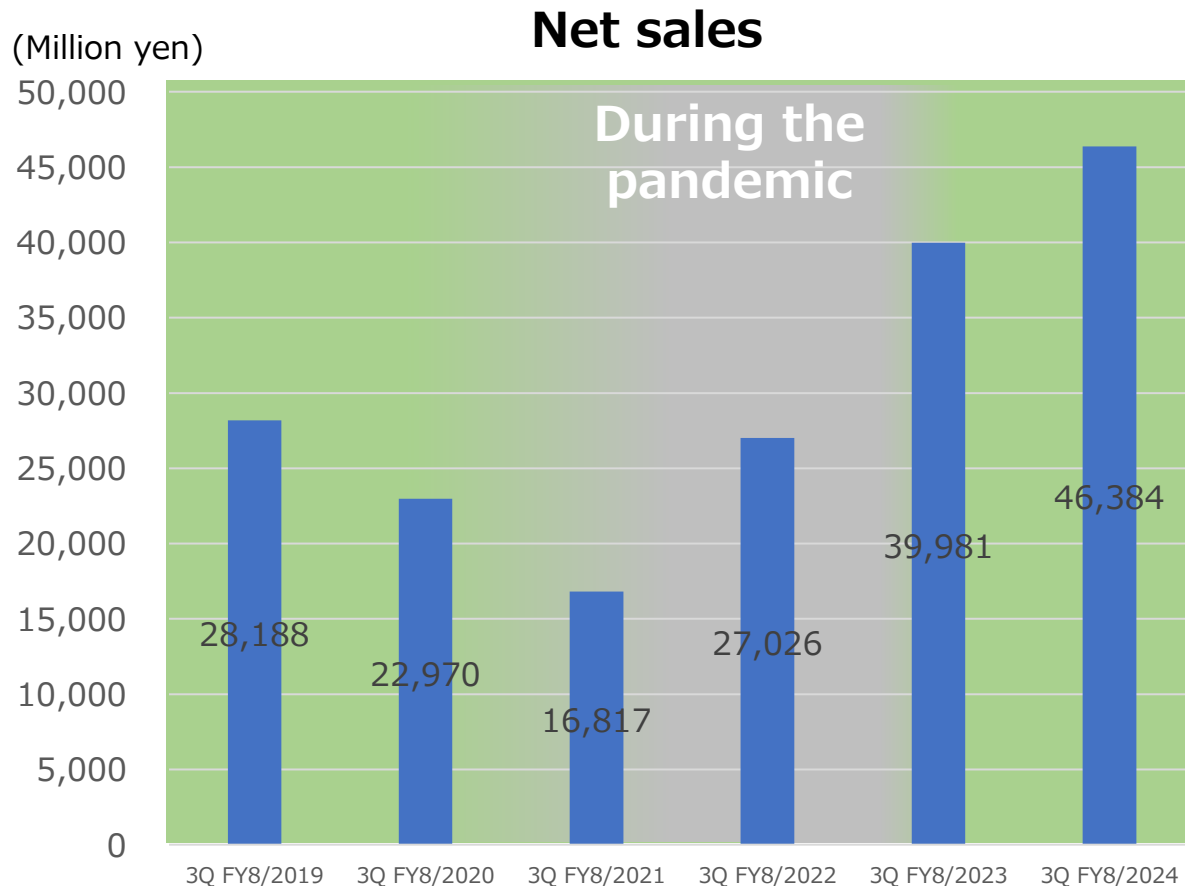
- ✓ Personnel: +1,436 (+14.7%)
- ✓ Rents: +1,033 (+15.4%)
- ✓ Cost of merchandise: +632 (+20.6%)
- ✓ Fees and commissions: +211 (+25.5%)
- ✓ Utilities: -201 (-8.0%)
- ✓ Distribution fees: +185 (+13.3%)

■ Major increase in SG&A expenses

- ✓ Advertising Expenses: +317 (+93.6%)
- ✓ Personnel: +255 (+19.9%)
- ✓ Opening expenses: +127 (+20.7%)

(*Reference) **Changes in Net Sales and Operating Profit in the First Nine Months**

- Growth is continuing even after the rapid recovery of sales and operating profit to higher than the pre-pandemic levels. (after Curves spin-off basis)



Karaoke Business

Karaoke Business

- Number of customers increased as patronage at existing stores increased and customers at newly opened stores are added.
- Renewed menu and revised room rates (from December 2022) → Average sales per customer increased (decreased vs. plan).
- Higher profit margin as the growth in the volume and sales per customer of this business more than offset higher salaries and benefits for employees

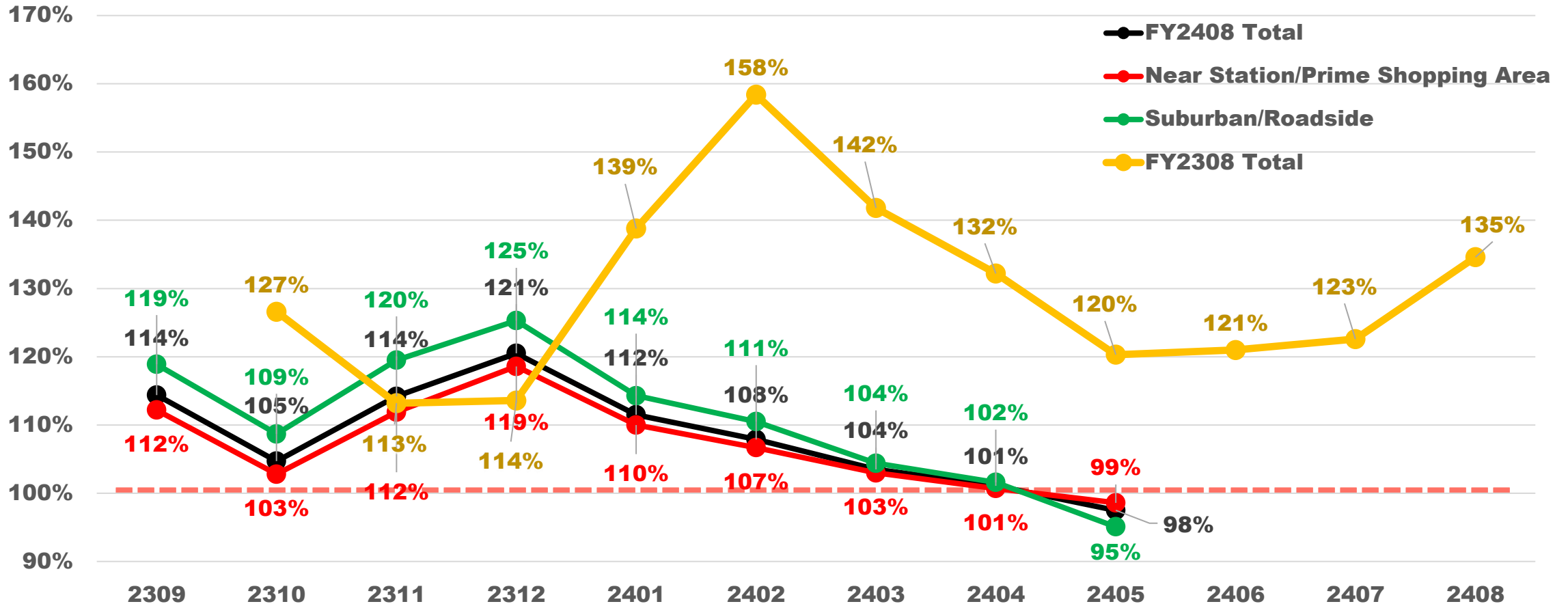
(Million yen)

	1Q-3Q FY8/2021 Previous classification		1Q-3Q FY8/2022 Previous classification		1Q-3Q FY8/2023 Previous classification		1Q-3Q FY8/2023 New classification		1Q-3Q FY8/2024*	
	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.
Net sales	15,590	-	25,705	-	38,234	-	37,935	-	44,887	-
Cost of sales	17,800	114.2%	21,640	84.2%	28,527	74.6%	28,196	74.3%	32,873	73.2%
Gross profit	(2,210)	-	4,065	15.8%	9,707	25.4%	9,738	25.7%	12,013	26.8%
SG&A expenses	1,926	12.4%	2,215	8.6%	2,950	7.7%	2,936	7.7%	3,909	8.7%
Operating profit	(4,137)	-	1,849	7.2%	6,758	17.7%	6,802	17.9%	8,104	18.1%

*Starting at this FY, several pure restaurant/bar stores which do not provide with Karaoke service is newly categorized into "Other" business segment

Existing Store Sales

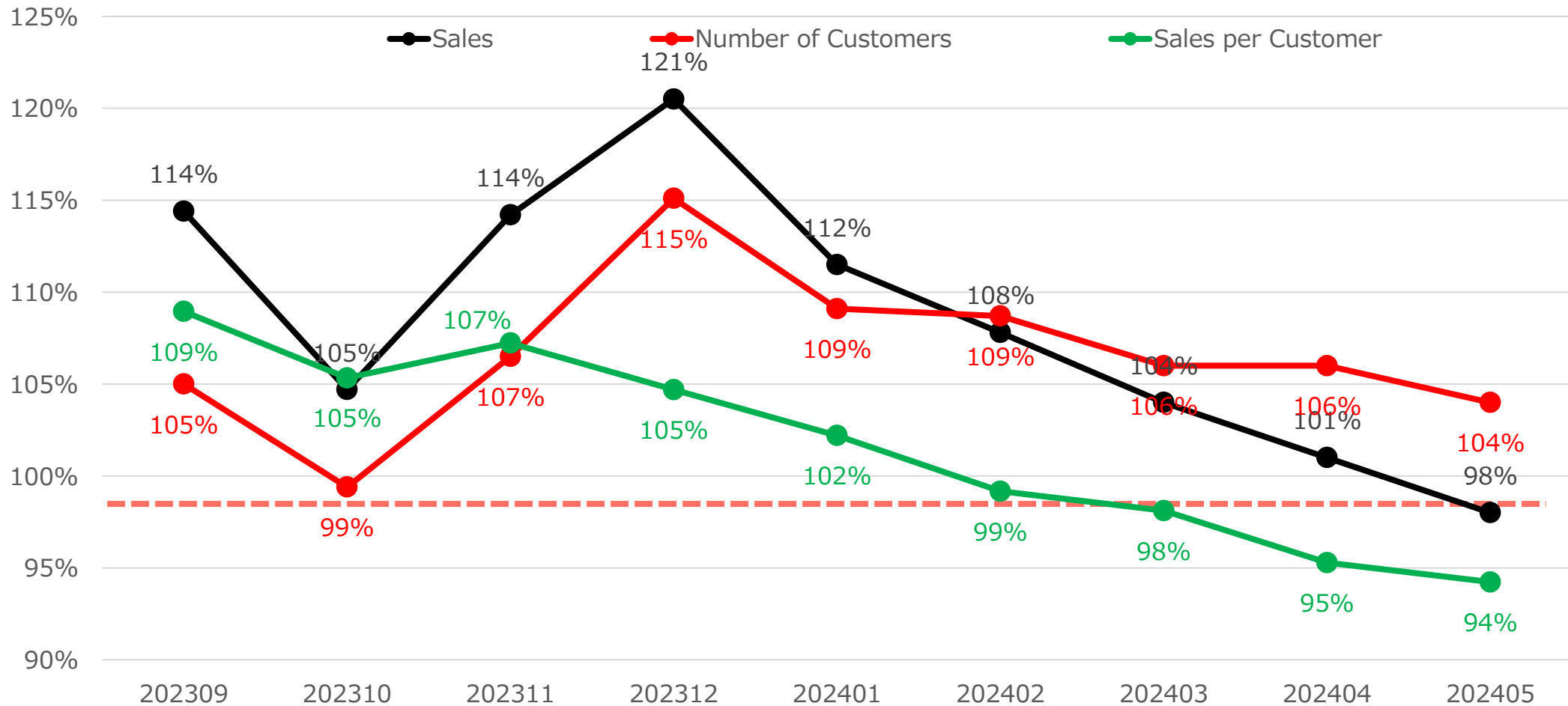
- Existing store sales increased 8.3% in the first nine months compared with the same period of FY8/2023 and up 14.5% compared with the sum of the same months in 2019 (existing stores are defined on a monthly basis). In November and December sees rather high growth rate, since this FY business was back to normal busy year end season compared to sluggish last year due to last (8th) pandemic wave.
- Sales increased 7.2% YoY at near station/prime shopping area stores due to revenge consumption that emerged in 2Q FY8/2023. Sales at these locations were 22.7% higher than that in 2019.
- At suburban/roadside stores, where revenge consumption began to emerge later, sales increased 10.6% which is higher than that of near station/prime shopping area, Sales were 5.1% higher than in 2019.



Sales at Existing Stores/Number of Customers/Sales Per Customer

- The contribution of price increases in Feb. 2023 reached one year in Feb. 2024, ending the effect on YoY comparisons. Revising prices to reflect changes in the market conditions of individual stores.
- The number of customers continues to increase, except in October.

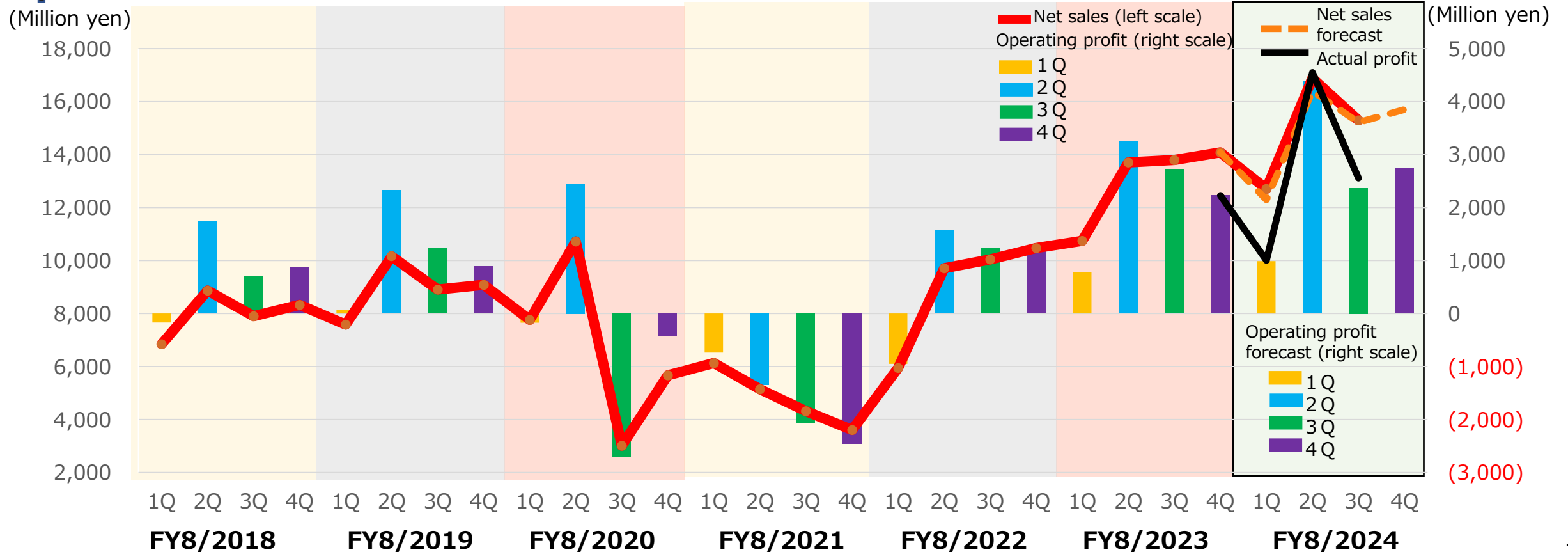
[Existing store sales compared with same month in 1Q-3Q FY8/2023]



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 sales and earnings became profitable from 1Q FY8/2023 and were even higher in 1Q FY8/2024.

Karaoke Segment Quarterly Net Sales and Operating Profit



Number of Locations and Rooms

- Continued to increase store size and open new stores in prime shopping areas near railway stations
→ Improved efficiency of store operations

Number of locations/rooms		FY8/2023		1Q-3Q FY8/2024		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	340	9,411	376	10,496	+36	+1,085
	Suburban/roadside locations	274	6,563	276	6,690	+2	+127
	Total	614	15,974	652	17,186	+38	+1,212
One Kara		6	212	6	207	-	-5
Total		620	16,186	658	17,393	+38	+1,207

Number of locations opened/closed		1Q FY8/2024	2Q FY8/2024	3Q FY8/2024	FY8/2024
No. of locations opened	Near railway stations/ prime shopping areas	12	15	12	39
	Suburban/roadside locations	0	1	3	4
	Total	12	16	15	43
No. of locations closed		0	2	3	5

[New Stores in Japan]

- Of the 43 stores opened in the first nine months, 16 were in the Kinki region and Nagoya area, 13 in Tokyo Metropolitan area, and 2 in Fukuoka Prefecture.
- Continuing to add many stores in the Kinki region and more stores in the Tokyo Metropolitan area. Also targeting areas rather less cultivated areas.

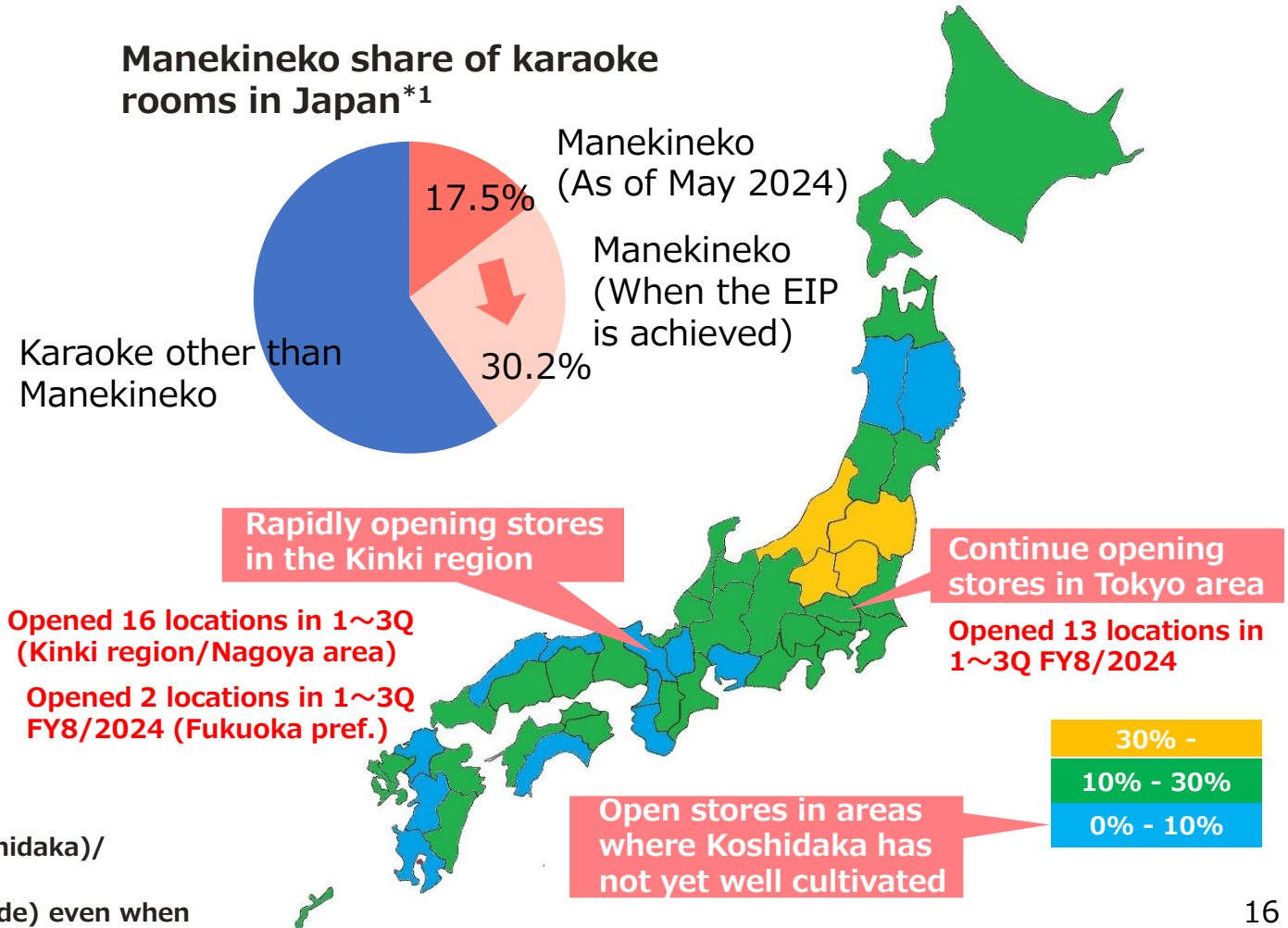
Strategy for new stores

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

Manekineko share of karaoke rooms in Japan*1



*1 Calculated based on the number of rooms as of May 31, 2024 (Koshidaka)/ Karaoke White Paper as of March 31, 2022
Assumes no change in the total number of rooms (99,441 nationwide) even when the EIP is achieved.

Overseas Performance

- Continued aggressive store openings in the Southeast Asia:
Opened 3 stores in Malaysia, 1 in Thailand and 1 in Indonesia.
- Local personnel opened his first Manekineko store in Indonesia
→ Utilize local human resources

SETAPAK CENTRAL MALL
Malaysia



(Million yen)

Silom Edge, Thailand



Lippo Mall Puri, Indonesia



	FY8/2023						FY8/2024		
	3Q			Full year			3Q		
	Net sales	Operating profit	No. of locations	Net sales	Operating profit	No. of locations	Net sales	Operating profit	No. of locations
Overseas	473	9	17	779	(2)	17	874	53	22
South Korea	73	(7)	4	99	(14)	4	93	(10)	4
Malaysia	286	23	10	452	17	10	503	32	13
Thailand	86	(1)	2	185	11	2	221	34	3
Indonesia	28	(5)	1	43	(16)	1	56	(3)	2

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

Real Estate Management Other Businesses

Real Estate Management Business

- Sales decreased because of the sale of “Sport Nagoya”
- Occupancy was almost 100% at both of the major properties
→ AQERU Maebashi, Fleuret Sakuragicho
- Increase in expenses due to acquisition and opening of new properties for leasing

(Million yen)

	1Q-3Q FY8/2020		1Q-3Q FY8/2021		1Q-3Q FY8/2022		1Q-3Q FY8/2023		1Q-3Q FY8/2024	
	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.
Net sales	518	-	495	-	814	-	1,131	-	1,154	-
Cost of sales	532	102.7%	661	133.5%	696	85.5%	906	80.1%	1,071	92.8%
Gross profit	(13)	-	(165)	-	117	14.4%	225	19.9%	82	7.1%
SG&A expenses	10	1.9%	12	2.4%	14	1.7%	21	1.9%	21	1.8%
Operating profit	(24)	-	(179)	-	104	12.7%	203	17.9%	60	5.2%

Other Businesses

- Closing of Tokyo Kenko Land Maneki-no-Yu Bath House (former Bath House segment) eliminated revenue from this facility.
- Sales of 348 million yen and loss of 19 million yen transferred from Karaoke Segment. An improvement in food/beverage store performance offset expenses for preparations to open many new locations, the launch of a new business format and other activities.

(Million yen)

	1Q-3Q FY8/2021 Previous classification		1Q-3Q FY8/2022 Previous classification		1Q-3Q FY8/2023 Previous classification		1Q-3Q FY8/2023 New classification		1Q-3Q FY8/2024	
	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.
Net sales	731	-	663	-	789	-	1,087	-	651	-
Cost of sales	825	112.9%	697	105.1%	745	94.5%	1,074	98.8%	663	101.8%
Gross profit	(93)	-	(33)	-	44	5.5%	12	1.1%	(12)	-
SG&A expenses	32	4.4%	20	3.0%	24	3.0%	36	3.3%	33	5.1%
Operating profit	(126)	-	(54)	-	20	2.5%	(24)	-	(45)	-

Balance Sheet

(Million yen)

	August 31, 2023	May 31, 2024	Change
Current assets	12,374	9,896	-2,478
Non-current assets	44,633	50,351	+5,718
Property, plant and equipment	32,032	35,885	+3,853
Intangible assets	510	653	+143
Investments and other asset	12,090	13,811	+1,721
Total assets	57,007	60,248	+3,241
Current liabilities	13,964	13,313	-651
Short-term borrowings	0	0	-
Current portion of long-term borrowings	1,911	1,961	+50
Non-current liabilities	17,648	17,288	-360
Long-term borrowings	6,937	5,891	-1,046
Total liabilities	31,613	30,602	-1,011
Shareholders' equity	25,722	29,949	+4,227
Net assets	25,394	29,645	+4,251
Total liabilities and net assets	57,007	60,248	+3,241

3. FY8/2024 Consolidated Forecast

FY8/2024 Forecast

- Profit attributable to owners of parent decreased because earnings in 3Q FY8/2023 include extraordinary income. (Posted 4,330 million yen in extraordinary income in 3Q FY8/2023 for the sale of property owned by Koshidaka Products.)
- Maintain the full-year forecast which was raised at the time of announcement of 2Q results

Consolidated Forecast

(Million yen)

Items	FY8/2023 Result	FY8/2024 Revised Forecast	Vs. FY8/2023	
			Change	Ratio
Net sales	54,629	62,728	+8,099	14.8%
Operating profit	7,667	9,278	+1,611	21.0%
(Operating profit to net sales)	(14.0%)	(14.8%)		
Ordinary profit	7,767	9,939	+2,172	28.0%
(Ordinary profit to net sales)	(14.2%)	(15.8%)		
Profit attributable to owners of parent	7,104	6,753	-351	-4.9%
(Profit to net sales)	(13.0%)	(10.8%)		

Forecast by Segment

(Million yen)

Items	FY8/2023 Result	FY8/2024 Revised Forecast	Vs. FY8/2023 Change
Net sales	54,629	62,728	+8,099
Karaoke	52,319	60,502	+8,183
Bath House	1,488	1,567	+79
Real Estate Management	1,057	968	(89)
Adjustment	(235)	(309)	(74)
Operating profit	7,667	9,278	+1,611
(Operating profit to net sales)	(14.0%)	(14.8%)	
Karaoke	9,006	10,649	+1,643
(Operating profit to net sales)	(17.2%)	(17.6%)	
Bath House	149	127	(22)
(Operating profit to net sales)	(10.0%)	(8.1%)	
Real Estate Management	52	(63)	(115)
(Operating profit to net sales)	(4.9%)	-	
Adjustment	(1,540)	(1,435)	+105

4. Shareholder Return Policy

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 restarting 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.

- Increased the year-end dividend by 4 yen to 11 yen in consideration of our performance trends. Plans to pay a full-year dividend of 18 yen per share.

Dividend per share/Payout ratio

(Yen)

	FY8/2019	FY8/2020	FY8/2021	FY8/2022	FY8/2023	FY8/2024 (forecast)
Interim	6.0	8.0	2.0	4.0	5.0	7.0
Year-end	6.0	4.0	2.0	4.0	7.0	11.0
Annual	12.0	12.0	4.0	8.0	12.0	18.0
Payout ratio	15.7%	-	-	17.9%	13.9%	21.9%

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

5. Strategies and Actions

Medium/Long-term Plan and Strategic Initiatives

Initiative 1

Accelerate the Entertainment Infrastructure Plan*1

- A) Aggressively open stores: Continue opening stores in Tokyo Metropolitan area and expand store opening areas to less cultivated markets
- B) More private entertainment rooms*2: Improve existing services and develop new services
- C) A sound organizational structure: Introduce a new personnel system (increase in employee salaries), enhance training and recruitment capabilities, recruit human resources with advanced skills and continue activities to help accomplish the SDGs

Initiative 2

Improve profitability by increasing productivity

- Increase labor productivity in order to both raise salaries for employees and lower labor's share of income
- Development of private entertainment rooms (PER) and the faster digital transformation of store and head office operations.

Initiative 3

Full-scale expansion outside Japan

Open stores faster in countries in Southeast Asia with enormous potential for growth

Initiative 4

Create new sources of earnings

1. Contents collaboration business
2. Utilization of Karaoke customer base for B to B business as marketing supporting tools

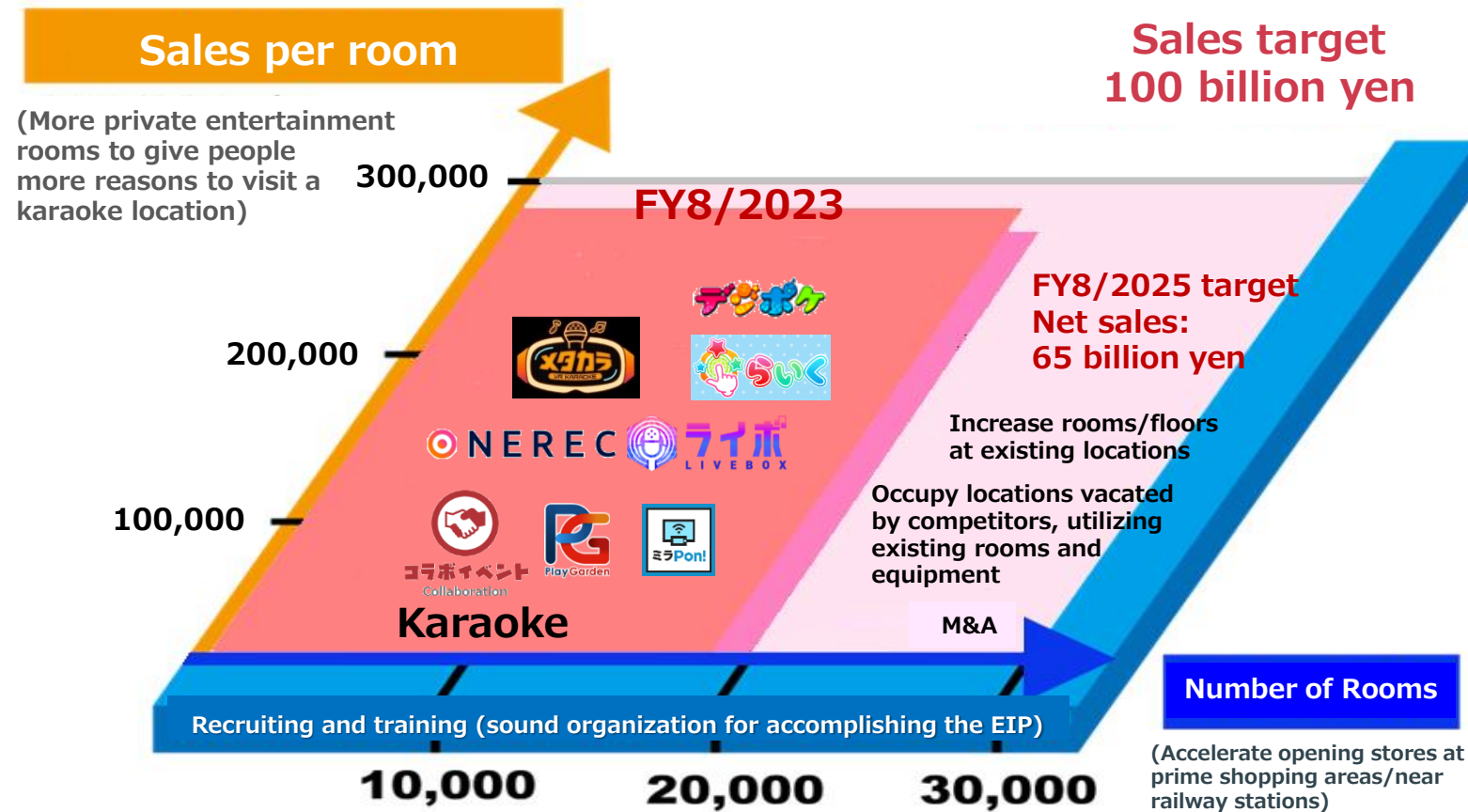
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*2 Private Entertainment Rooms, which are part of the "entertainment as infrastructure" vision, are a platform for providing karaoke along with many other forms of entertainment.

1 Accelerate the EIP: Action Plan

For the Entertainment Infrastructure Plan*1, focus on actions for business growth (rapidly open stores / more and upgraded PER) and building a sound organizational structure needed for the first two actions. The final goal is sales of 100 billion yen.

On track to reach the FY8/2025 sales target of 65 billion yen (Achieved 96.5% of FY8/2024 revised forecast)



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

2 More DX to Develop and Introduce Systems to Increase Productivity

- Enhance efficiency of outlet operation/back office operation
 - Automated shift preparation system
 - Automated ordering system
 - Remote store operations support
 - Invoice and payment system
- Improve service to customers
 - New POS system
 - Reservation system
 - Automatic reception: “Remote concierge system”
 - Self-checkout units

3 Full-scale Expansion Outside Japan

- Growth using the “Family Karaoke” business format in Southeast Asia

4 Create New Sources of Earnings

- Contents collaboration business
 - Increase the number of contents
 - Contents for overseas market
 - Expand EC business overseas
- Marketing research support business
 - “Neko no Te” service

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 nine months of the fiscal year ending August 31, 2024. This is not a solicitation to purchase securities issued by Koshidaka Holdings.

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