

KOSHIDAKA HOLDINGS Co., LTD.

(TSE Prime Market 2157)

Results of Operations

**for the First Half of the Fiscal Year
Ending August 2024 (1H FY8/2024)**

April 11, 2024

Agenda

- 1 Executive Summary**
- 2 1H FY8/2024 Financial Summary**
- 3 FY8/2024 Consolidated Forecast**
- 4 Shareholder Return Policy**
- 5 Strategies and Actions**

1. Executive Summary

1H FY8/2024 Overview

- Record-high first half ordinary profit and profit attributable to owners of parent
All-time high sales and operating profit on a Curves spinned-off basis
- Continuing to open stores in the Kinki region (8 locations)
- 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 -FY08/2024 revised sales forecast is 96.5% of FY08/2025 Intermediate EIP Target of ¥65 Billions

- Operate karaoke Manekineko throughout Japan
Continuing to add stores rapidly in the Kinki region
Continued to open 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
Continued development to expand PER (Private Entertainment Room^{*2}) ⇒ ONEREC VK
- An outstanding entertainment experience for people worldwide
Aggressive store openings overseas, in South East 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. 1H FY8/2024 Financial Summary

1H FY8/2024 Consolidated Results of Operations

- First half sales and operating profit were mostly consistent with the plan
- Ordinary profit and profit attributable to owners of parent exceeded the forecast as non-operating income increased
- Record-high first half ordinary profit and profit attributable to owners of parent, and first half sales and earnings also archived a record high on a Curves spinned-off basis

(Million yen)

Item	1H FY8/2023	1H FY8/2024	YoY change		Vs. 1H forecast	
			Amount	Ratio	Forecast	Achievement ratio
Net sales	25,609	30,578	+4,969	+19.4%	29,826	102.5%
Gross profit	6,079	8,086	+2,007	+33.0%	-	-
SG&A expenses	2,554	3,251	+697	+27.3%	-	-
Operating profit	3,525	4,834	+1,309	+37.1%	4,561	106.0%
(Operating profit to net sales)	13.8%	15.8%				
Ordinary profit	3,683	5,542	+1,859	+50.5%	4,514	122.8%
(Ordinary profit to net sales)	14.4%	18.1%				
Profit attributable to owners of parent	2,499	3,896	+1,396	+55.9%	2,934	132.8%
(Profit to net sales)	9.8%	12.7%				
Net income per share (Yen)	30.66	47.79	+17.13	+55.9%	35.99	132.8%

Consolidated Results of Operations by Segment (YoY Change)

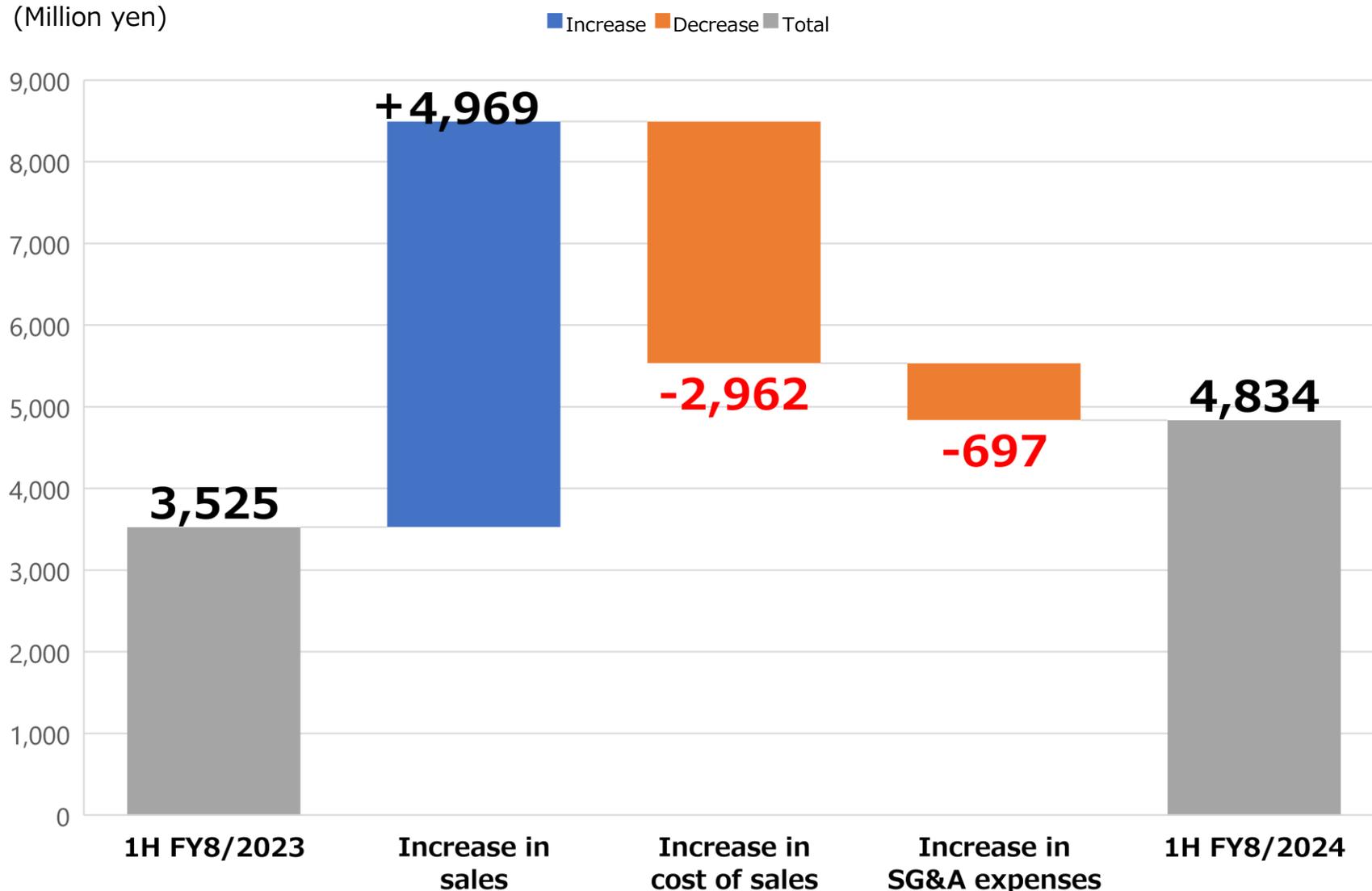
- Karaoke: Existing store sales up 22% and operating profit up 36.5% due to continuation of opening many stores and growth in the number of customers and sales per customer. Profit ratios increased despite expenditures for new stores, upgraded equipment at existing stores and expenses due to higher salaries (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). Sales of 227 million yen and loss of 19 million yen transferred from the Karaoke segment.

(Million yen)

Item	1H FY8/2023	1H FY8/2024	YoY change		Vs. 1H forecast	
			Amount	Ratio	Forecast	Achievement ratio
Net sales	25,609	30,578	+4,969	+19.4%	29,826	102.5%
Karaoke	24,249	29,590	+5,342	+22.0%	28,687	103.2%
Real Estate Management	753	749	-4	-0.5%	747	100.3%
Other	717	434	-284	-39.5%	505	86.0%
Adjustment	(111)	(196)	-85	-	(113)	-
Operating profit	3,525	4,834	+1,309	+37.1%	4,561	106.0%
Karaoke	4,074	5,549	+1,485	+36.5%	5,372	103.3%
(Operating profit to net sales)	(16.8%)	(18.8%)			(18.7%)	
Real Estate Management	129	40	-88	-	4	-
(Operating profit to net sales)	(17.1%)	(5.4%)			(0.5%)	
Other	(24)	(39)	-24	-	(48)	-
(Operating profit to net sales)	(-)	(-)			(-)	
Adjustment	(653)	(716)	-63	-	(767)	-

YoY Change in Operating Profit

(Million yen)



■ Major increase in sales

- ✓ New stores: +2,241
- ✓ Existing stores: +3,018
- ✓ Real Estate/Other: -288
- ✓ Closed stores/Adjustment: -2

■ Major increase in cost of sales

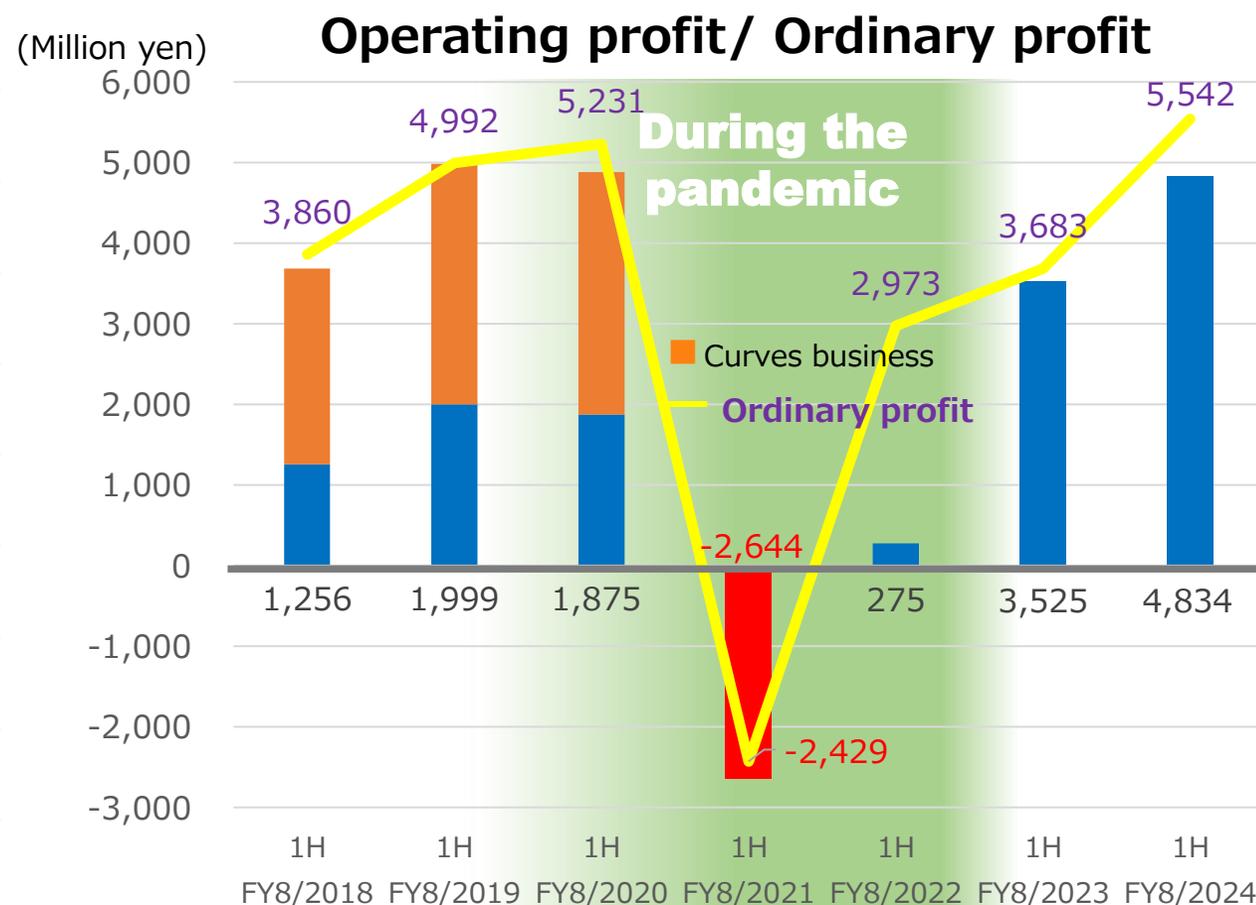
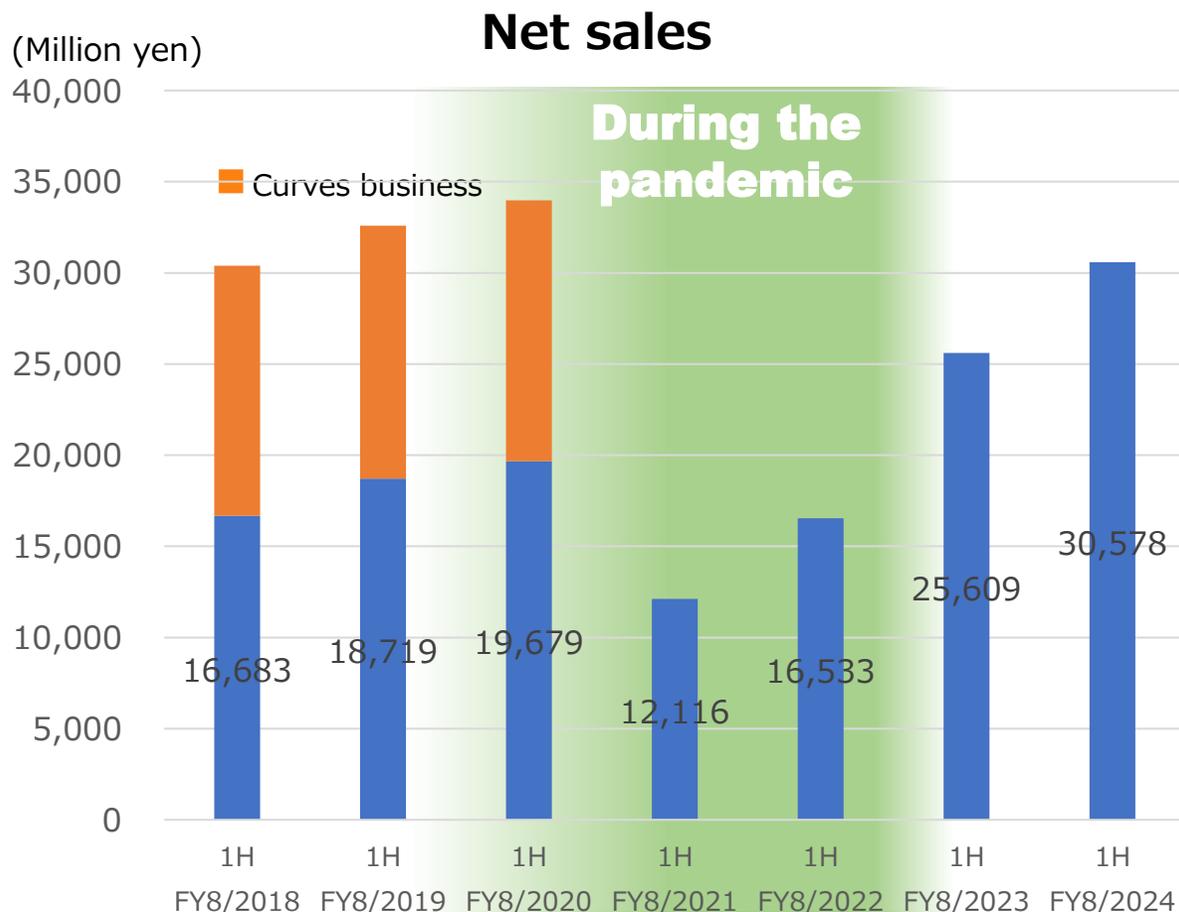
- ✓ Personnel: +891 (+13.8%)
- ✓ Rents: +694 (+15.9%)
- ✓ Cost of merchandise: +519 (+26.8%)
- ✓ Depreciation: +210 (+11.9%)
- ✓ Distribution fees: +178 (+20.7%)
- ✓ Utilities: -160 (-9.2%)

■ Major increase in SG&A expenses

- ✓ Personnel: +203 (+24.8%)
- ✓ Advertising costs: +187 (+92.5%)
- ✓ Opening expenses: +98 (+25.7%)
- ✓ Recruiting advertisement: +71 (+57.6%)
- ✓ Reception and communication fee: +39 (+10 times)

(*Reference) Changes in First Half Net Sales and Operating Profit

- Sales and operating profit are near the peaks prior to the Curves spin-off and rose to new all-time highs on a post-spinoff basis.
- Record-high first half ordinary profit and profit attributable to owners of parent.



Karaoke Business

Karaoke Business

- Existing store sales are up and there are also sales from new stores as store openings continue; the number of customers is increasing too.
- Renewed menu and revised room rates (from December 2023 to February 2024) → Average sales per customer increased.
- 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

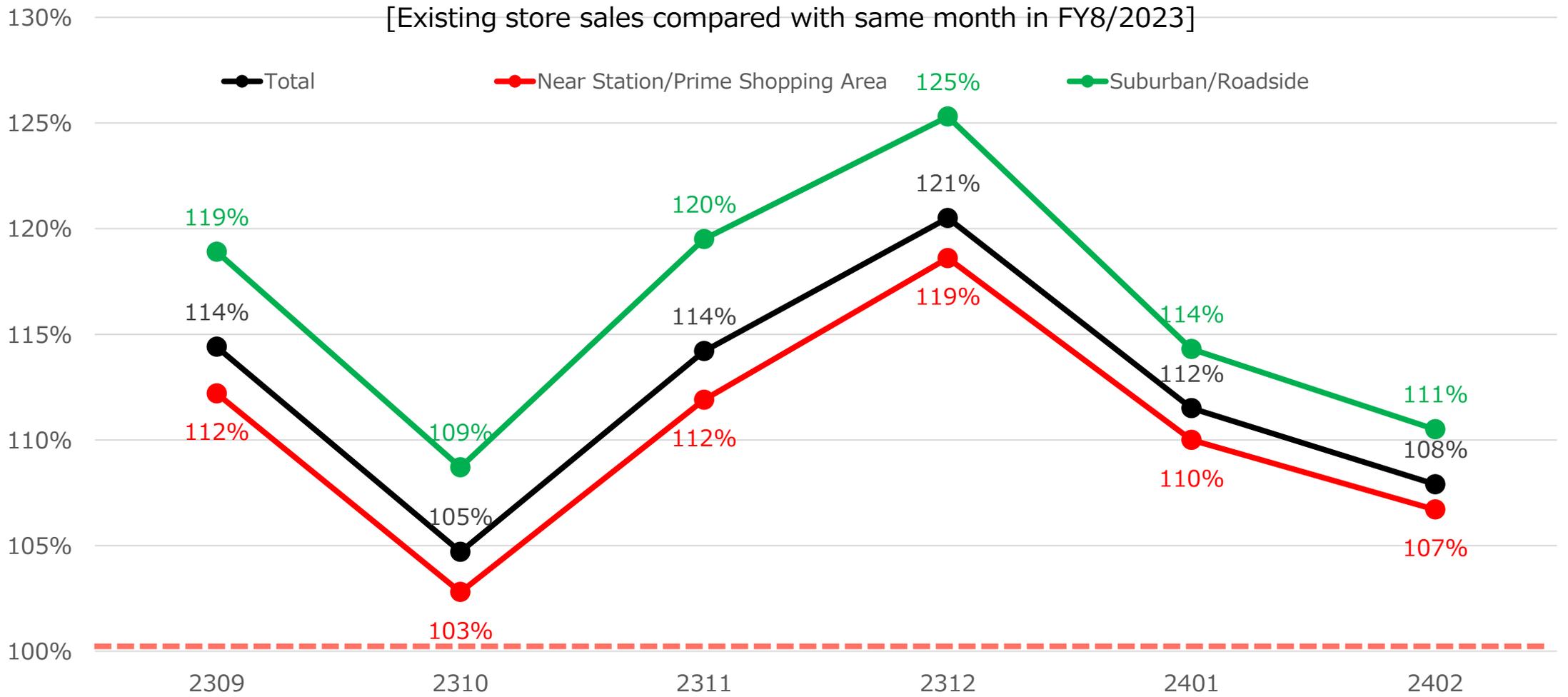
(Million yen)

	1H FY8/2021 Previous classification		1H FY8/2022 Previous classification		1H FY8/2023 Previous classification		1H FY8/2023 New classification		1H FY8/2024	
	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.
Net sales	11,274	-	15,660	-	24,442	-	24,249	-	29,590	-
Cost of sales	12,090	107.2%	13,578	86.7%	18,531	75.8%	18,320	75.6%	21,540	72.8%
Gross profit	(815)	-	2,082	13.3%	5,910	24.2%	5,928	24.5%	8,049	27.2%
SG&A expenses	1,266	11.2%	1,461	9.3%	1,872	7.7%	1,863	7.7%	2,500	8.4%
Operating profit	(2,062)	-	620	4.0%	4,038	16.5%	4,065	16.8%	5,549	18.8%

*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

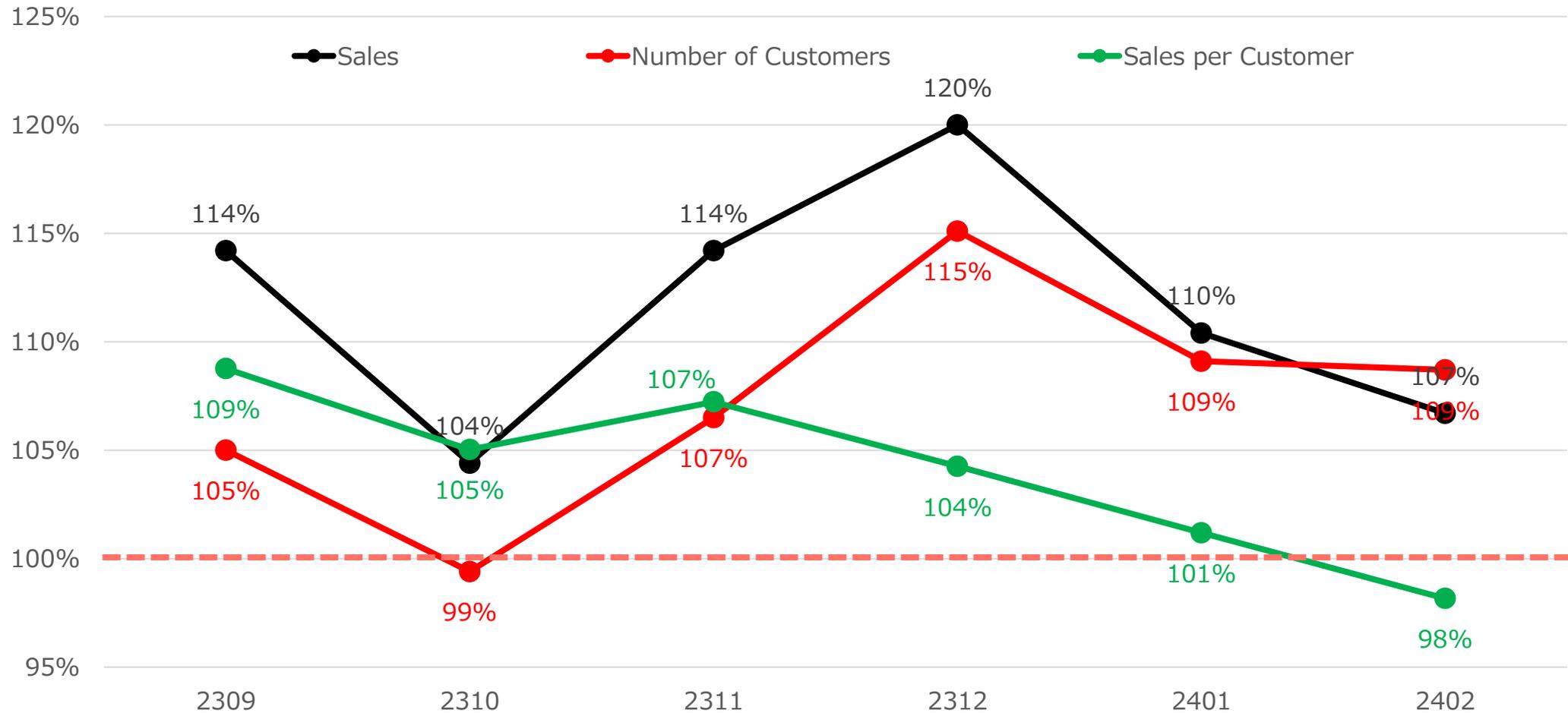
- First half existing store sales were 12.7% higher than in 1H FY8/2023 and up 16.0% compared with the same period before the pandemic (1H FY8/2019) (existing stores are defined on a monthly basis). In November and December sees rather high growth rate, since this FY business was back to normal busy year end season compared to sluggish last year due to last (8th) pandemic wave.
- Sales increased 10.9% YoY at near station/prime shopping area stores due to revenge consumption that emerged in 2Q FY8/2023. Sales at these locations were 23.6% higher than in the same period of FY8/2019.
- At suburban/roadside stores, where revenge consumption began to emerge later, sales increased 16.5% which is higher than that of near station/prime shopping area, Sales were 7.0% higher than in the same period of FY8/2019.



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.
- The number of customers continues to increase, climbing steadily by about 10% YoY during the first half except in October.
- First half sales are up by about 10% to 20% compared with one year earlier because of higher sales per customer and more customers.

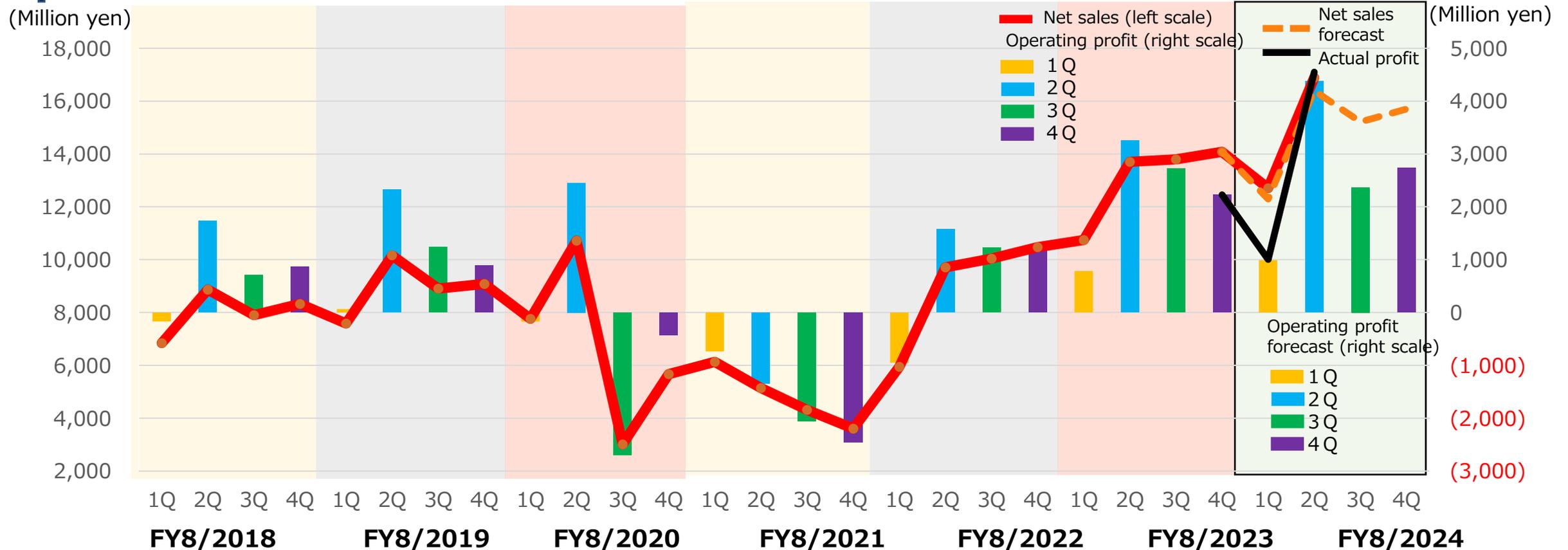
[Existing store sales compared with same month in 1H FY8/2023]



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.
- In the 2Q of FY8/2024, supported by a “normal” year-end/New Year holiday season performance, sales and earnings set new records.

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		1H 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	366	10,202	+26	+791
	Suburban/roadside locations	274	6,563	274	6,642	-	+79
	Total	614	15,974	640	16,844	+26	+870
One Kara		6	212	6	208	-	-4
Total		620	16,186	646	17,052	+26	+866

Number of locations opened/closed		1Q FY8/2024	2Q FY8/2024	1H FY8/2024
No. of locations opened	Near railway stations/ prime shopping areas	12	15	27
	Suburban/roadside locations	0	1	1
	Total	12	16	28
No. of locations closed		0	2	2

[New Stores in Japan]

- Of the 28 stores opened in the first half, 11 were in the Kinki region and Nagoya area, 9 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.

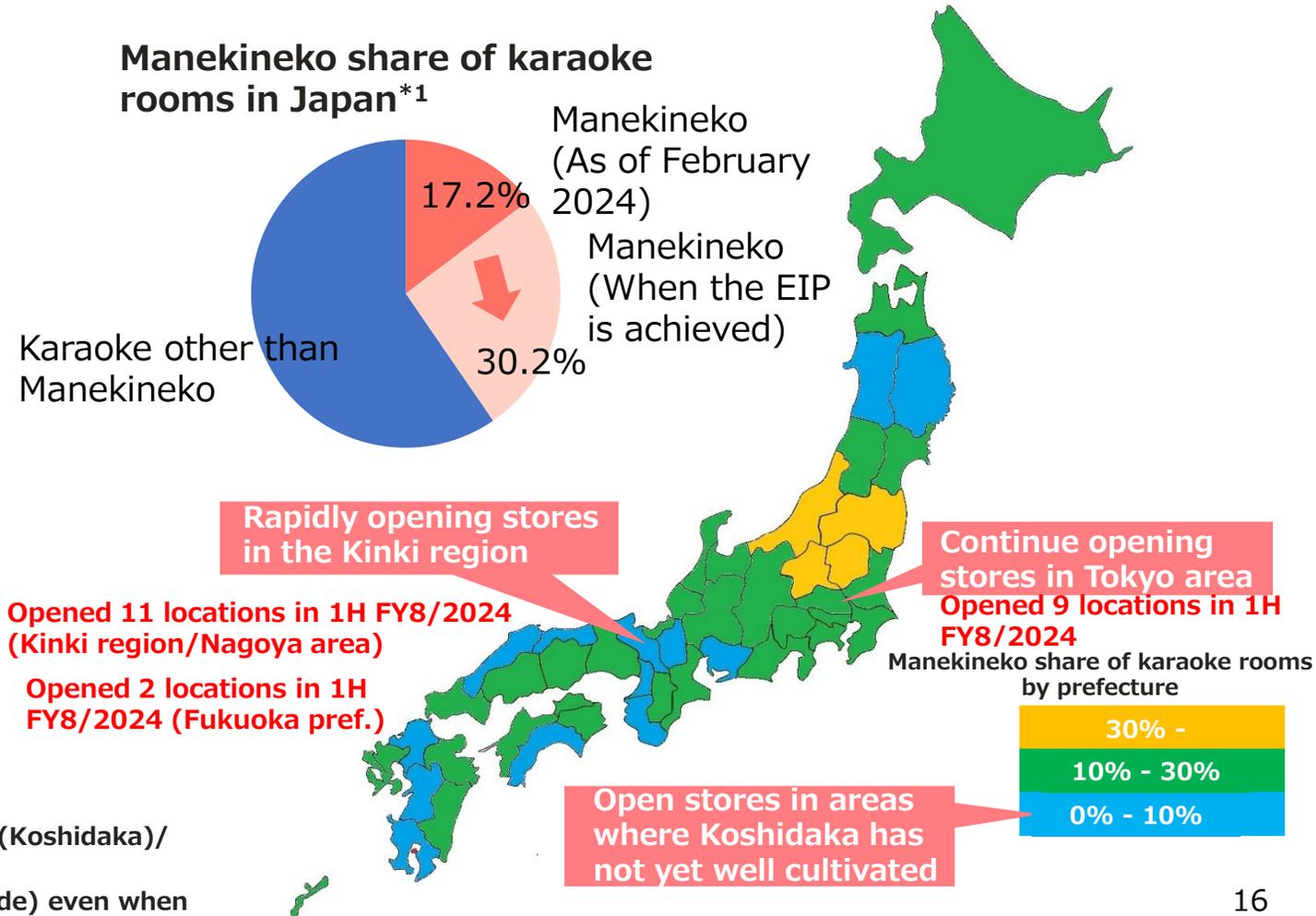
Strategy for new stores

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 February 29, 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

(Million yen)

	FY8/2023						FY8/2024		
	2Q			Full-year			2Q		
	Net sales	Operating profit	No. of locations	Net sales	Operating profit	No. of locations	Net sales	Operating profit	No. of locations
Overseas	296	11	16	779	(2)	17	554	27	22
South Korea	50	(4)	4	99	(14)	4	65	(5)	4
Malaysia	181	21	9	452	17	10	327	19	13
Thailand	44	(6)	2	185	11	2	133	15	3
Indonesia	21	0	1	43	(16)	1	28	(2)	2

*Sales and operating profit in Malaysia, Thailand and Indonesia are not consolidated; sales and operating profit in all periods are the sum of monthly figures.

SETAPAK CENTRAL MALL
Malaysia



Silom Edge, Thailand



Lippo Mall Puri, Indonesia



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)

	1H FY8/2020		1H FY8/2021		1H FY8/2022		1H FY8/2023		1H FY8/2024	
	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.
Net sales	384	-	305	-	536	-	753	-	749	-
Cost of sales	369	96.1%	456	149.5%	460	85.8%	610	81.0%	697	92.9%
Gross profit	15	3.9%	(151)	-	76	14.2%	143	19.0%	52	7.1%
SG&A expenses	7	1.8%	11	3.6%	7	1.3%	14	1.9%	12	1.6%
Operating profit	8	2.1%	(162)	-	68	12.7%	129	17.1%	40	5.4%

Other Businesses

- Closing of Tokyo Kenko Land Maneki-no-Yu Bath House (former Bath House segment) eliminated revenue from this facility.
- Sales of 227 million yen and loss of 19 million yen transferred from Karaoke Segment (193 million yen and 35 million yen in 1H FY8/2023). 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)

	1H FY8/2021 Previous classification		1H FY8/2022 Previous classification		1H FY8/2023 Previous classification		1H FY8/2023 New classification		1H FY8/2024	
	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.	Result	Comp.
Net sales	536	-	437	-	524	-	717	-	434	-
Cost of sales	570	106.3%	470	107.6%	499	95.2%	710	99.0%	450	103.8%
Gross profit	(34)	-	(32)	-	25	4.8%	7	1.0%	(16)	-
SG&A expenses	23	4.3%	13	3.0%	14	2.7%	23	3.2%	23	5.4%
Operating profit	(58)	-	(46)	-	10	1.9%	(15)	-	(39)	-

*Starting at this FY, several pure restaurant/bar stores which do not provide with Karaoke service and included in Karaoke Segment is included in this segment

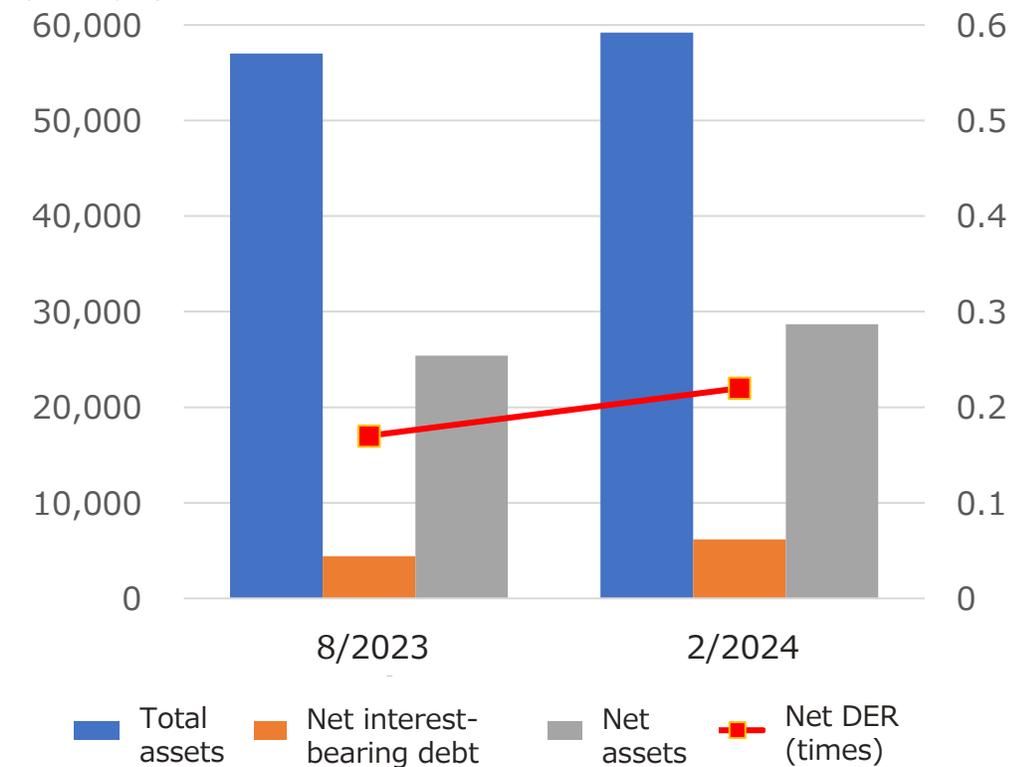
Balance Sheet and Cash Flows

Balance Sheet

(Million yen)

	August 31, 2023	February 29, 2024	Change
Current assets	12,374	10,187	-2,186
Non-current assets	44,633	49,000	+4,367
Total assets	57,007	59,188	+2,180
Current liabilities	13,964	12,906	-1,058
Non-current liabilities	17,648	17,583	-65
Net assets	25,394	28,697	+3,303
Net interest-bearing debt	4,411	6,186	1,755
Equity ratio	44.5%	48.5%	Up 3.9pt
Net DER (times)	0.17	0.22	UP 0.04
ROE (1H)	12.2%	14.4%	Up 2.2pt

(Million yen)

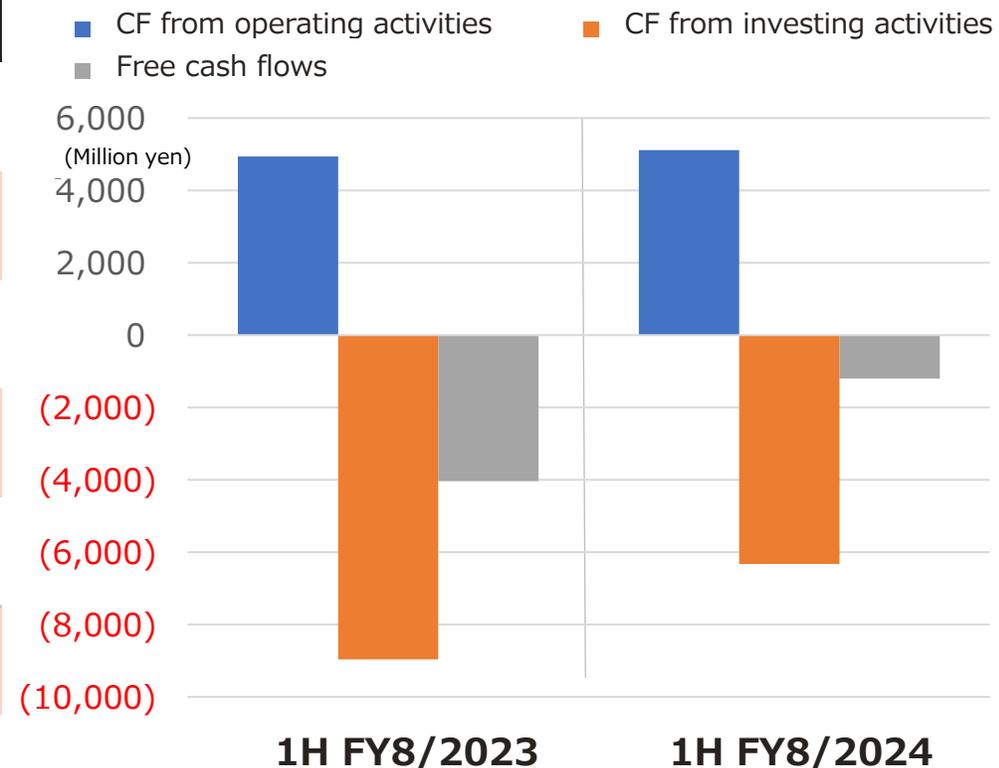


- Non-current assets continue to increase as more stores are opened. Cash decreased due to higher tax payments as earnings increased. A small increase in the net debt-equity ratio (DER).
- The equity ratio increased despite higher assets because of an increase in equity due to earnings.
- Earnings growth raised the return on equity (ROE) even as Net assets increased during the first half.

Cash Flows

(Million yen)

	1H FY8/2023	1H FY8/2024	Change
Cash flows from operating activities	4,936	5,118	+182
Cash flows from investing activities	(8,970)	(6,325)	+2,645
(Free cash flows)	(4,033)	(1,206)	+2,827
Cash flows from financing activities	2,419	(1,062)	-3,462
Change in Cash and cash equivalents	(1,457)	(2,272)	-815
Opening balance of Cash and cash equivalents	6,379	7,854	+1,475
Cash and cash equivalents at end of period	4,936	5,582	+646



Operating cash flows increased as higher earnings more than offset an increase in income taxes paid. Although expenditures for opening many stores continued, net cash used in investing activities was less than one year earlier when there was a large real estate acquisition.

After loans repayment, free cash flows kept negative though decreased, resulting in a 2.2 billion yen decrease in cash and cash equivalents during the first half.

3. FY8/2024 Consolidated Forecast

FY8/2024 Forecast

Consolidated Forecast

(Million yen)

Item	FY8/2024 Initial forecast	FY8/2024 Revised forecast	Vs. initial forecast	
			Change	Ratio
Net sales	61,976	62,728	+752	+1.2%
Operating profit	9,004	9,278	+274	+3.0%
(Operating profit to net sales)	(14.5%)	(14.8%)		
Ordinary profit	8,910	9,939	+1,029	+11.5%
(Ordinary profit to net sales)	(14.4%)	(15.8%)		
Profit attributable to owners of parent	5,791	6,753	+962	+16.6%
(Profit to net sales)	(9.3%)	(10.8%)		
Net income per share (Yen)	71.03	82.83	+11.80	+16.6%

- The fiscal year forecasts have been increased as first half sales and earnings were higher than the previous forecast.
- Big increases in the forecasts for ordinary profit and profit attributable to owners of parent because of higher than planned non-operating income, including a foreign exchange gain and income from contract cancellation fees.

[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. These rights and bonds are equivalent to 10,387,936 shares at 675 yen per share.

FY8/2024 Forecast by Segment

Forecast by Segment

(Million yen)

Item	FY8/2024	FY8/2024	Vs. initial forecast
	Initial forecast	Revised forecast	Change
Net sales	61,976	62,728	+752
Karaoke	59,598	60,502	+904
Real Estate Management	1,565	1,567	+2
Other	1,039	968	-71
Adjustment	(226)	(309)	-83
Operating profit	9,004	9,278	+274
(Operating profit to net sales)	(14.5%)	(14.8%)	
Karaoke	10,471	10,649	+178
(Operating profit to net sales)	(17.6%)	(17.6%)	
Real Estate Management	90	127	+37
(Operating profit to net sales)	(5.8%)	(8.1%)	
Other	(71)	(63)	+8
(Operating profit to net sales)	(-)	(-)	
Adjustment	(1,486)	(1,435)	+51

■ In FY8/2024, restaurant operations without Karaoke services were moved from the Karaoke segment to Other. In FY8/2023, these operations had sales of 401 million yen and an operating loss of 41 million yen. The FY8/2024 forecast is sales of 473 million yen and an operating loss of 52 million yen.

■ Segment sales and earnings for FY8/2023 have been restated to reflect the reclassification of restaurant operations.

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.

- Plans to pay interim and year-end dividends of 7 yen each, for a total full-year dividend of 14 yen per share, by adding a commemorative dividend to celebrate the 33rd anniversary of Karaoke business to an ordinary dividend.

Dividend per share/Payout ratio/Dividend yield

(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	7.0
Annual	12.0	12.0	4.0	8.0	12.0	14.0
Payout ratio	15.7%	-	-	17.9%	13.8%	16.9%
Stock Price (as of the end of each period)	839	458	561	873	1,337	934 ^{*2}
Dividend yield	1.43%	2.62%	0.71%	0.91%	0.89%	1.49%

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

*2 As of February 29, 2024

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 benefit yield	Number of shares held	100 shares	400 shares	1,000 shares
	Under three years	2.14%	1.33%	1.07%
	Three years or more	4.28%	2.67%	2.14%

Total yield including shareholder benefit yield	Number of shares held	100 shares	400 shares	1,000 shares
	Under three years	3.63%	2.82%	2.56%
	Three years or more	5.77%	4.16%	3.63%

* 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.

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
Establish Koshidaka Digital for the 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

Welltainment business*3
Contents collaboration business
Utilization of Karaoke customer base for To B marketing research business

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

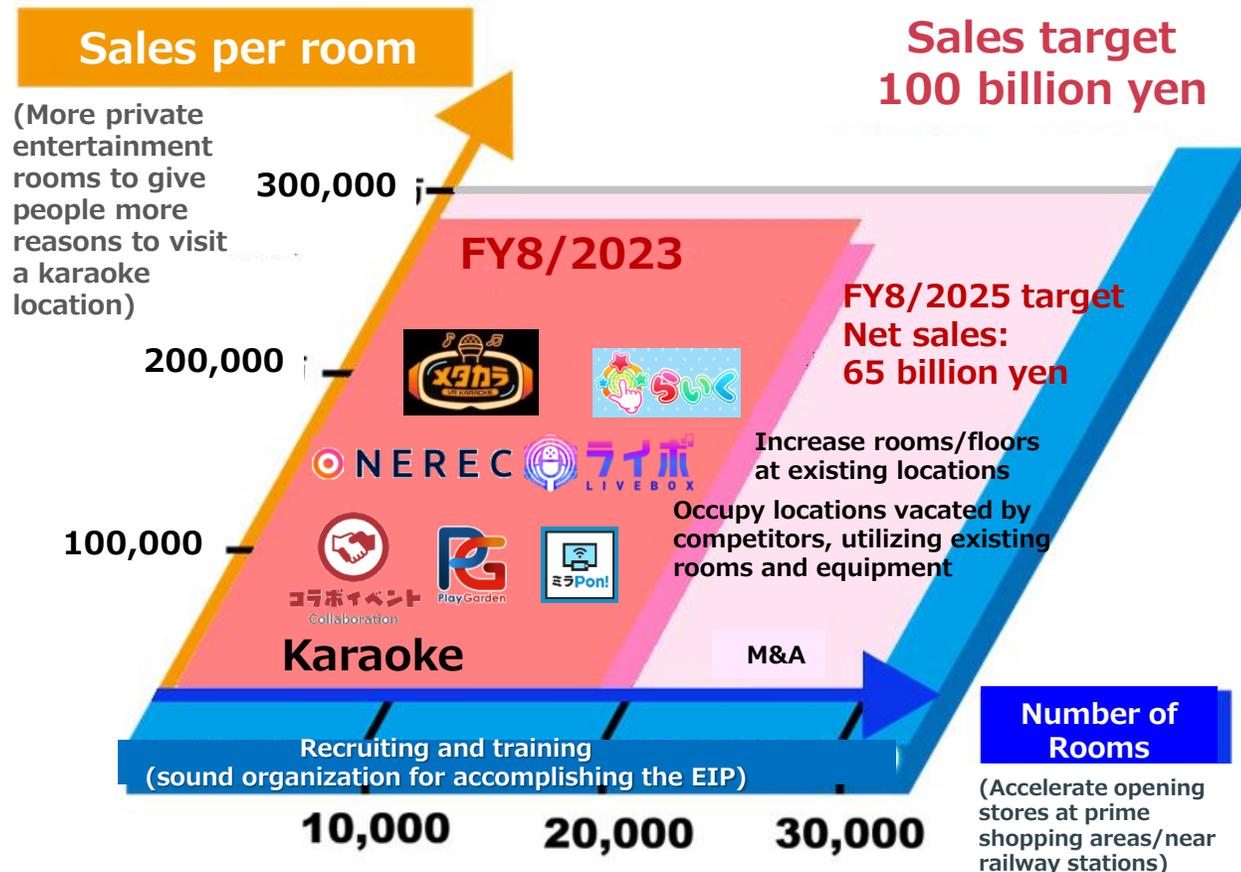
*2 Private Entertainment Rooms, which are part of the "entertainment as infrastructure" vision, are a platform for providing karaoke along with many other forms of entertainment.

*3 Welltainment (wellness and entertainment) is a concept for wellness measures incorporating enjoyment (entertainment) for a healthy life.

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.”

1 Accelerate the EIP: Action Plan

Explanation of strategic actions

- A** Open stores rapidly
(More rooms)

Continue opening stores in prime shopping areas near railway stations, increase store size, rapidly increase the number of stores in the Kinki region where there is enormous potential for growth, and open stores in areas where Koshidaka does not yet operate:
- B** More and upgraded PER
(Increase sales per room)

Increase room utilization and sales per customer by using advanced digital technologies for new services that give customers more forms of entertainment to enjoy.
- C** A sound organizational structure
(Recruiting and training)

Recruit more people from other companies for the skills needed to implement the above strategic actions.

Increase employees' skills and motivation and their salaries by completely reexamining the personnel system.

Recent Progress

- 28 new store openings in 1H FY8/2024**
- 11 stores in Kinki region and Nagoya area
 - 9 stores in Tokyo Metropolitan area
 - 2 stores in Fukuoka pref.

- Meta-Kara
- ONEREC VK
- Live viewing



- Work Style Innovation Program is installed October 2023**
- plan to increase average annual salary of employees by 25% during 2 years (FY8/2024 and FY8/2025) through semi-annual performance appraisal

2 More DX to Develop and Introduce Systems to Increase Productivity

Established Koshidaka Digital for the purpose of developing a variety of systems for higher productivity of store operations and back office tasks as well as starting to benefit from these advances even faster

Measures to increase productivity

Enhance efficiency 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



Image of “Remote Concierge”



Reservation screen on Application

3 Full-scale Expansion Outside Japan: Resume Acceleration of Karaoke Business Growth

The market for leisure activities is expected to grow rapidly in Southeast Asia as personal income in many countries increases. The market is likely to expand along with populations in a long-run; there is substantial potential for opening more stores even based on the current size of economies of countries in this region.

Strategies for growth of the karaoke business outside Japan

Business climate

- Inadequate supply of entertainment opportunities due to fast growth of middle-income population
- The medium-term outlook is for market growth in proportion to population as economies of SE Asian countries continue to become stronger

Koshidaka Manekineko5

- Facilities of local competitors target evening and nighttime use. Local customers favor Manekineko Karaoke as authentic “Family Karaoke” where they can actually take their family together.
- In FY8/2023, average monthly sales were about 5 million yen at Southeast Asia stores.
- Examining type of business for faster expansion in the future

	Stores at end of FY				
	FY8/2020	FY8/2021	FY8/2022	FY8/2023	FY8/2024
Overseas	21	12	11	17	22
South Korea	5	4	4	4	4
Singapore	8	0	0	0	0
Malaysia	6	6	6	10	13
Thailand	1	1	0	2	3
Indonesia	1	1	1	1	2



4 Create New Sources of Earnings: Welltainment Business



FY8/202X
The Welltainment business becomes the second core business of Koshidaka Holdings

FY8/2024
1. Confirm viability of the business model

- Game playing environment with 20-minute brain exercise and oxygen exercise studio
- Open second location: Canop Yukigaya Otsuka store

FY8/2023

Confirmed success of the services ▶ Achieved high customer retention rate

Opened Canop Maebashi flagship store on August 2, 2022

- ✓ 20-minute program (Brain and Body)
- ✓ Formation of a community (Mind)



4 Create New Sources of Earnings: Contents Collaboration Business



FY8/2024

Increase the number of contents and channels

Number of contents 65
 of which also for overseas 4 (Korea, Malaysia, Thailand & Indonesia)
 Domestic Sales of Goods, drinks ¥900mm (of which EC ¥100mm)
 Cross border EC Sales of Goods ¥200mm (preparing non-EC distribution underway)

FY8/2023

With strong outlet network, obtaining powerful contents

Number of content 40
 of which also for overseas 2 (Korea, Malaysia, Thailand)
 Sales of Goods, drinks ¥400mm (of which EC 50 ¥mm)

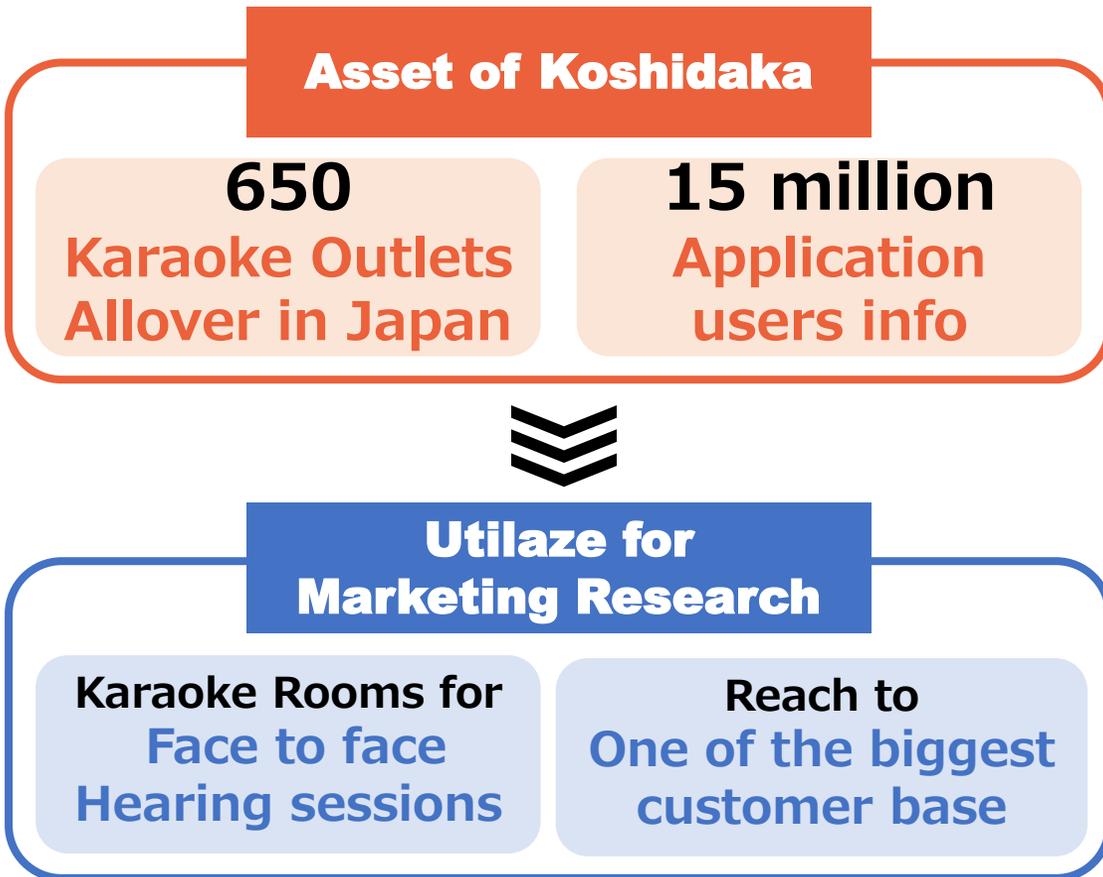
FY8/202X

Contents Collaboration business becomes the third core business of Koshidaka Holdings

Powerful "Japan" Contents For Overseas Market

4 Create New Sources of Earnings: Marketing Reserch Business

Matching B to B corporate customers and “Karaoke Manekineko” customers at Karaoke Rooms, “Neko no Te” service trial starts



Matching Marketers and Customers at Karaoke Rooms



Don't you wanna hear the “Voice” of Z Generation?

Face to Face User Interview at Karaoke Rooms

招二の手

The advertisement features a white cat illustration on the left and a man in a suit holding a microphone on the right. Below the text are two photographs showing people sitting at tables in a karaoke room, engaged in a conversation.

“Neko no Te” literally means “Cats’ hands”. In Japanese it is said that those who are extremely busy would say “I require even cats’ hands to deal with this hectic situations!” Karaoke Manekineko, “fortune cats,” will support those who are very busy in marketing research tasks.

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

This presentation is based on information as of April 10, 2024. 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.