



Results of Operations

for the First Half of Fiscal Year Ended August 2020 (1H FY8/2020)

April 10, 2020

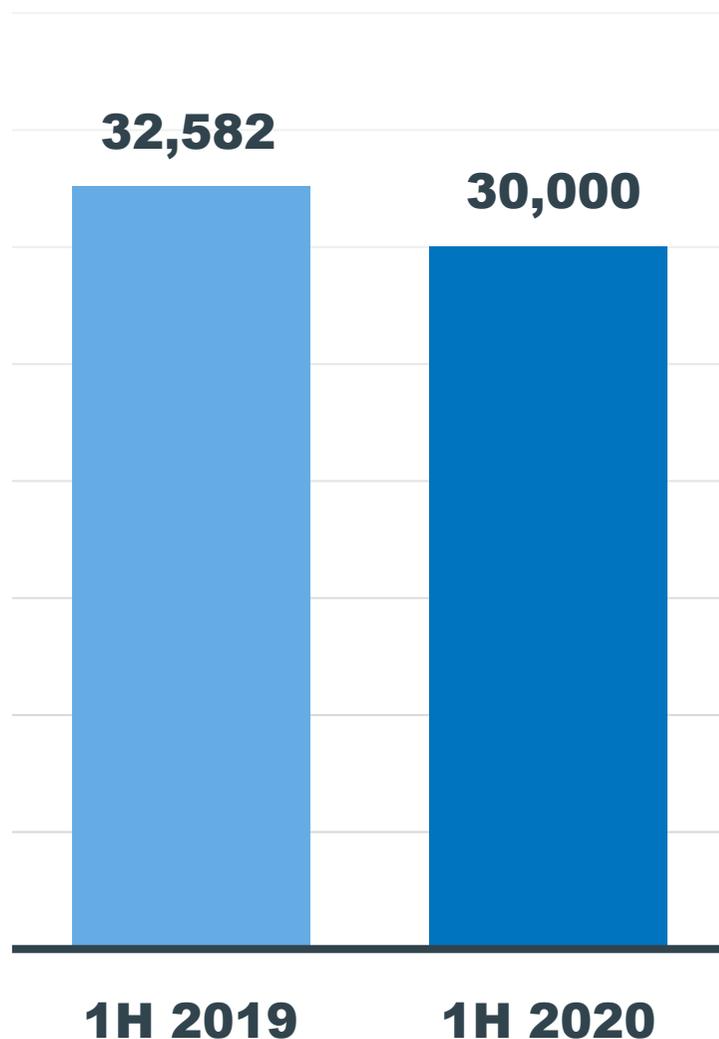
KOSHIDAKA HOLDINGS Co., Ltd. (TSE 2157)

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1H FY8/2020 Highlights

Financial Highlights (Net Sales)



(Millions of yen)

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

Net sales (1H)

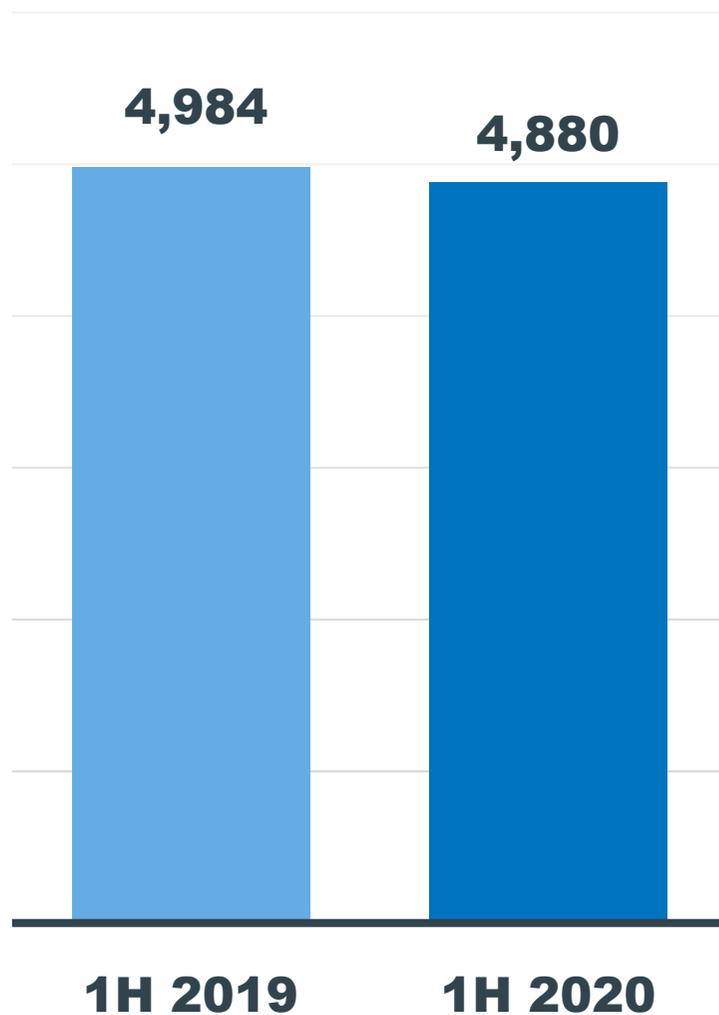
JPY **33.9** bn

13rd consecutive year of sales growth to a record high

Up 4.3% YoY

Karaoke -6.4% vs. plan
Curves fitness -0.8% vs. plan

Financial Highlights (Operating Profit)



Operating profit (1H)

JPY 4.8 bn

Down 2.1% YoY

Karaoke -10.0% vs. plan
Curves fitness +6.6% vs. plan

(Millions of yen)

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

Stock Distribution Spin-off

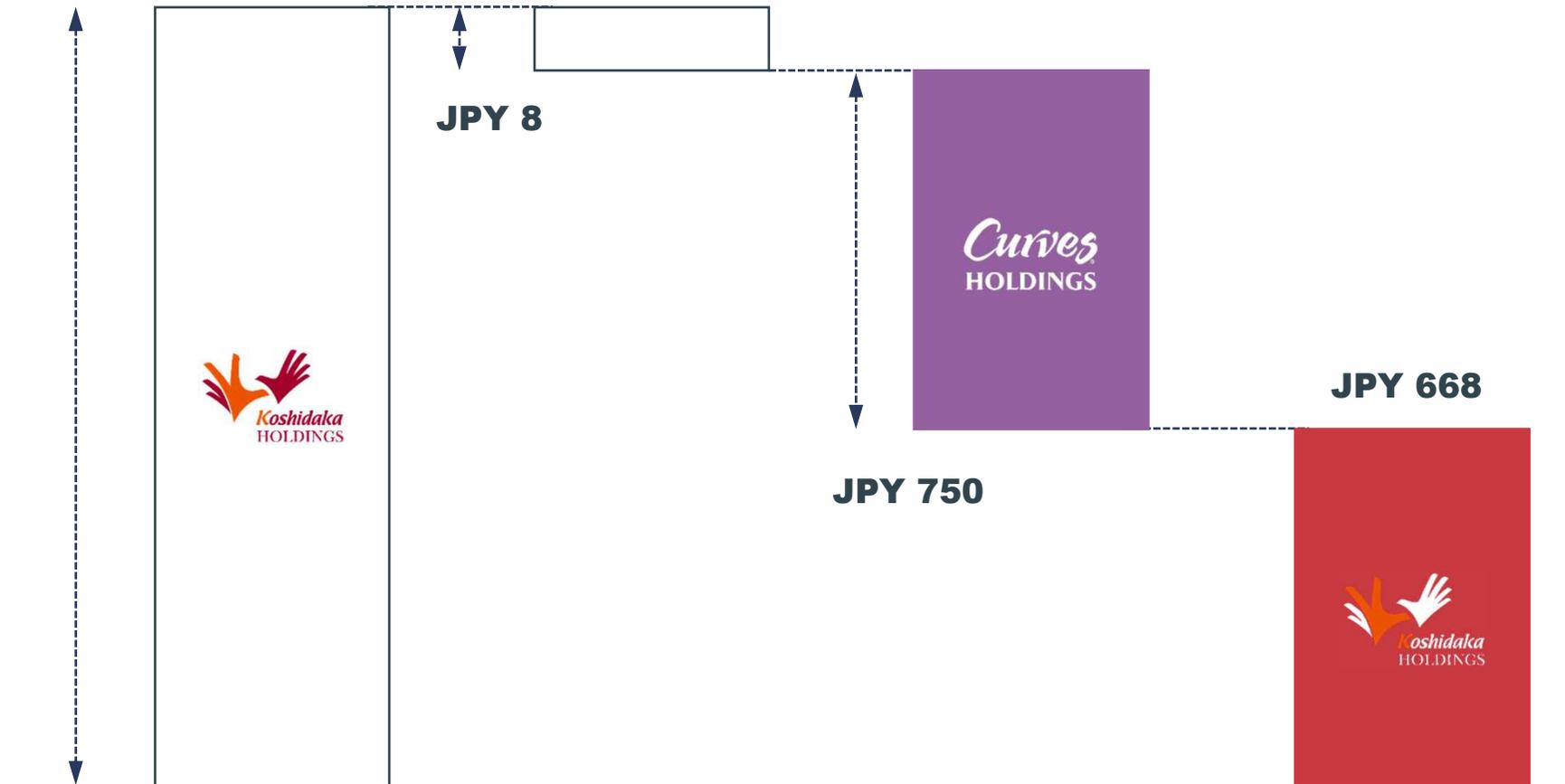


The spin-off (separation/independence) of the Curves Business was implemented

Curves Holdings was listed on the TSE 1st Section on March 2, 2020

Stock Price at the Spin-off

JPY 1,426 (as of Feb. 26)



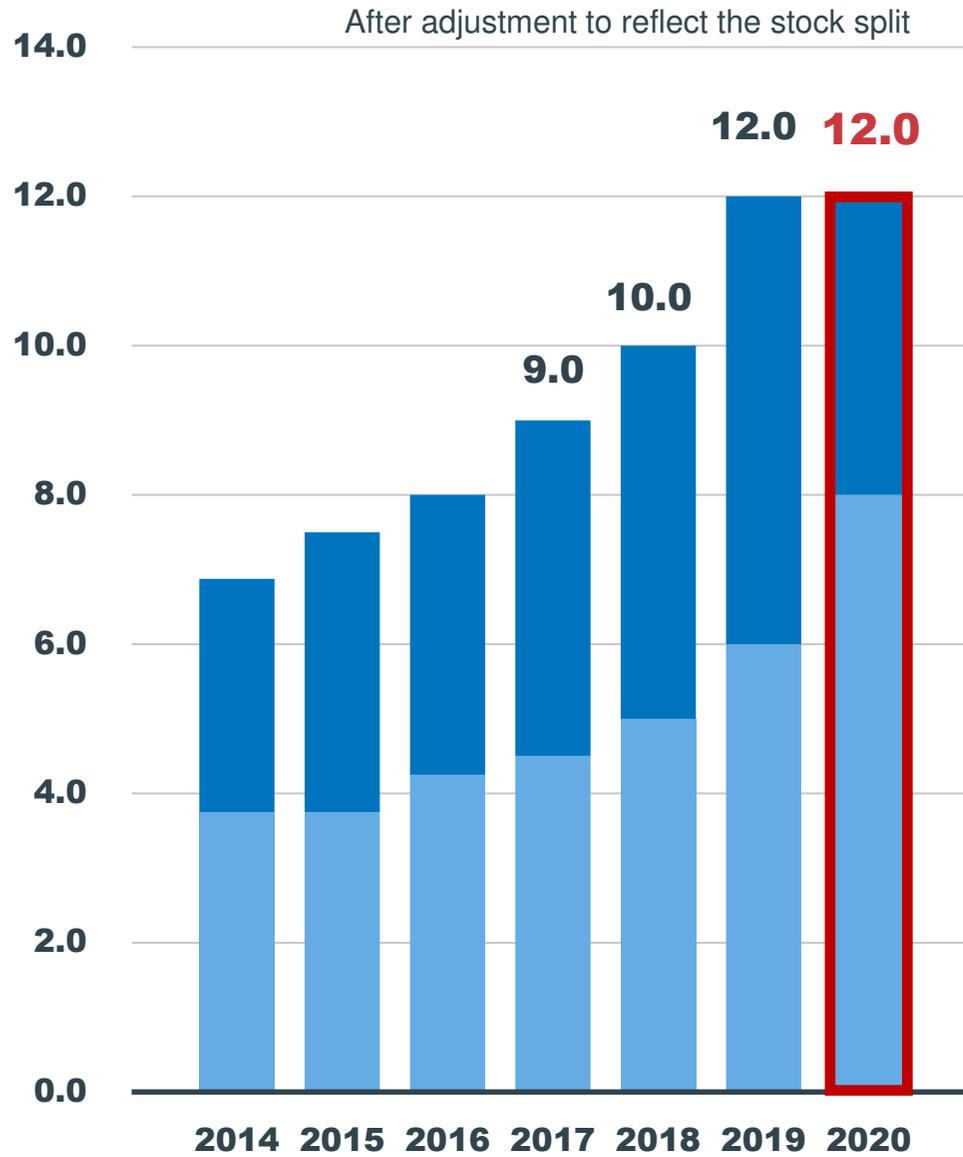
Closing price of the current Koshidaka shares on the last trading date with dividend right (Feb. 26, 2020)

Current Koshidaka interim dividend for FY8/2020

Public offering price of the Curves shares

Base price of Koshidaka stock after spin-off (ex-div) (Feb. 27, 2020)

FY8/2020 Dividend



FY8/2020(forecast)

JPY 12.00



Shareholder Benefits

Shareholder coupons that can be used at facilities* operated by the Koshidaka Group

	Less than 3 years	3 years or more
100 shares or more	Coupon worth about JPY 2,000	Coupon worth about JPY 4,000
400 shares or more	Coupon worth about JPY 5,000	Coupon worth about JPY 10,000
1,000 shares or more	Coupon worth about JPY 10,000	Coupon worth about JPY 20,000

Note: Karaoke Manekineko, One Kara (locations solely for people who sing alone) and bath house facilities all over Japan

1H FY8/2020 Consolidated Results of Operations

Consolidated Statement of Income

(Millions of yen)

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

	1H FY8/2019	1H FY8/2020	YoY change		Vs. forecast	
			Ratio	Amount	Forecast	Achievement rate
Net sales	32,582	33,981	+4.3%	+1,399	35,290	96.3%
Cost of sales	22,579	23,668	+4.8%	+1,089		
Gross profit	10,003	10,313	+3.1%	+309		
SG&A expenses	5,018	5,432	+8.3%	+414		
Operating profit	4,984	4,880	(2.1%)	(104)	5,204	93.8%
Ordinary profit	4,992	5,231	+4.8%	+239	5,229	100.0%
Extraordinary income	3	21	+565.4%	+18		
Extraordinary loss	278	128	(53.7%)	(149)		
Profit attributable to owners of parent	2,931	3,425	+16.9%	+494	3,489	98.2%

Results by Segment

(Millions of yen)

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

	1H	1H	YoY change		Vs. forecast	
	FY8/2019	FY8/2020	Ratio	Amount	Forecast	Achievement rate
Net sales	32,582	33,981	+4.3%	+1,399	35,290	96.3%
Karaoke	17,740	18,482	+4.2%	+742	19,750	93.6%
Curves fitness	13,863	14,302	+3.2%	+438	14,416	99.2%
Bath house	822	812	(1.2%)	(10)	843	96.3%
Real estate mgt	156	384	+146.1%	+228	280	137.1%
Operating profit	4,984	4,880	(2.1%)	(104)	5,204	93.8%
Karaoke	2,389	2,279	(4.6%)	(109)	2,531	90.0%
Curves fitness	2,985	3,005	+0.7%	+20	2,819	106.6%
Bath house	31	58	+89.8%	+27	84	69.0%
Real estate mgt	28	8	(71.0%)	(20)	13	61.5%
Adjustment	(449)	(472)			(244)	

Consolidated Balance Sheet

(Millions of yen)

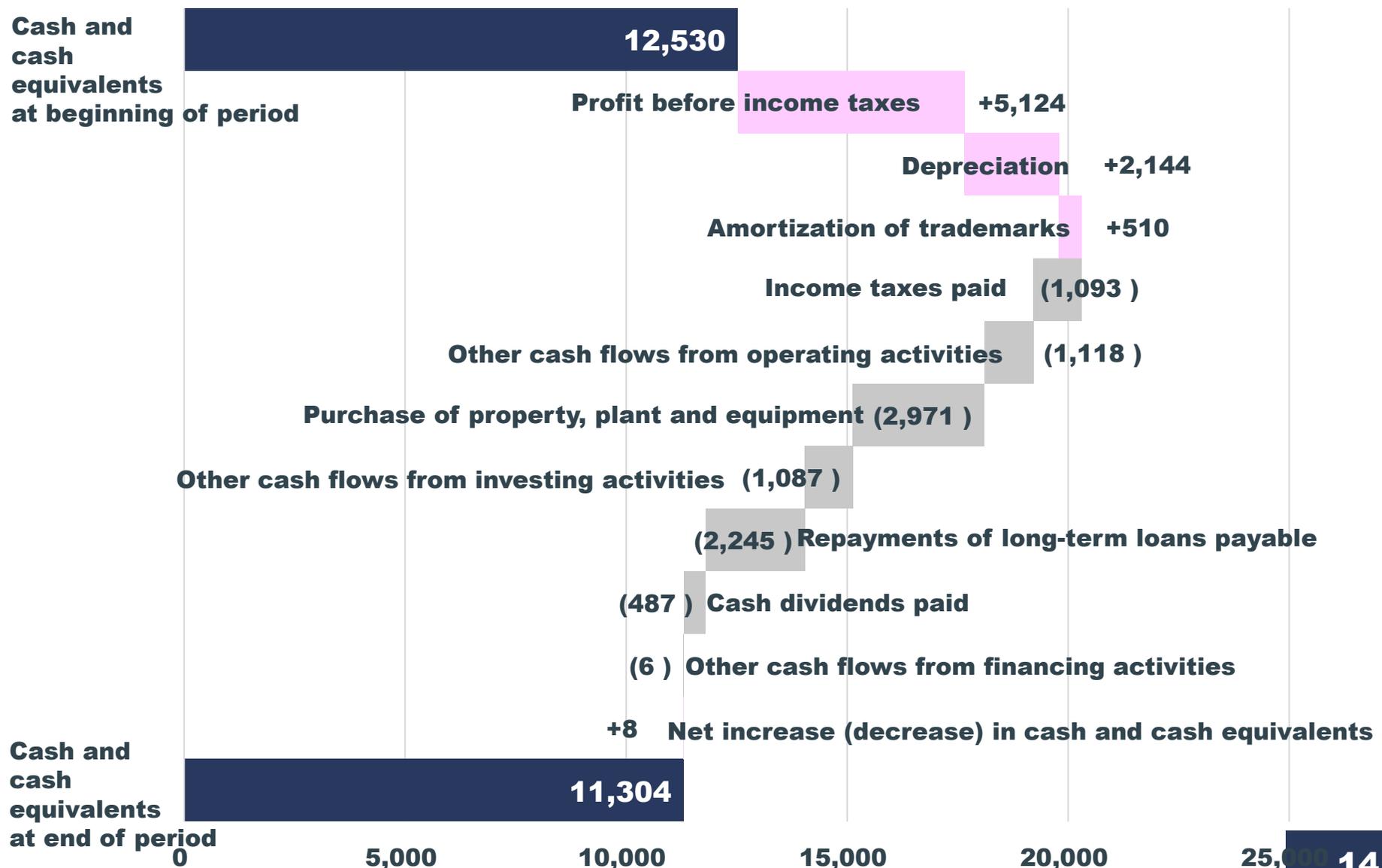
Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.

	August 31 2019	February 29 2020	Change
Current assets	20,762	19,285	(1,477)
Non-current assets	51,324	53,051	+1,726
Property, plant and equipment	22,192	23,566	+1,373
Intangible assets	22,536	22,189	(347)
Investments and doubtful accounts	6,596	7,295	+699
Current liabilities	15,023	13,572	(1,450)
Non-current liabilities	25,249	23,810	(1,438)
Long-term loans payable	18,097	16,380	(1,716)
Total liabilities	40,272	37,383	(2,888)
Shareholders' equity	31,518	34,522	+3,003
Total net assets	31,815	34,953	+3,138
Total assets / Total liabilities and net assets	72,087	72,336	+249

Consolidated Statement of Cash Flows

(Millions of yen)

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



1H FY8/2020 Results by Segment



Karaoke



Net Sales (Karaoke)



Net sales (1H)

JPY 18.4 bn

Record-high Up 4.2% YoY



Opened 22 locations in Japan (closed 13)

Longer than usual 2020 New Year holiday

Coming of age ceremony for the ZERO Kara generation

Presented as one segment of a popular variety show



Temporary closures due to a large typhoon

Popularity of the Rugby World Cup 2019

Consumption tax rate hike

1H 2019 (Millions of yen)

1H 2020

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



Operating Profit (Karaoke)



Operating profit

JPY 2.2 bn

Down 4.6% YoY



Major changes in SG&A expenses

Opening expenses (117)

Recruitment fee (68)



Gross profit margin

From 22.9% to 22.7%

(Millions of yen)

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



Continue to Actively Open Stores in Prime Shopping Areas near Railway Stations

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

FY8/2018	FY8/2019	1H FY8/2020
18 /31	16 /33	18 /22



Overseas Performance (by Region)

(Millions of yen)

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

	FY8/2019		FY8/2020
	1st 6M	Full Year	1st 6M
Net sales	968	1,656	886
Singapore	799	1,477	706
Korea	169	179	180
Operating profit	(36)	(131)	24
Singapore	(7)	(106)	41
Korea	(28)	(25)	(17)
Number of facilities	24	21	22
Singapore	10	9	9
Korea	10	8	6
Malaysia	2	3	6
Thailand	1	1	1
Indonesia	-	-	-



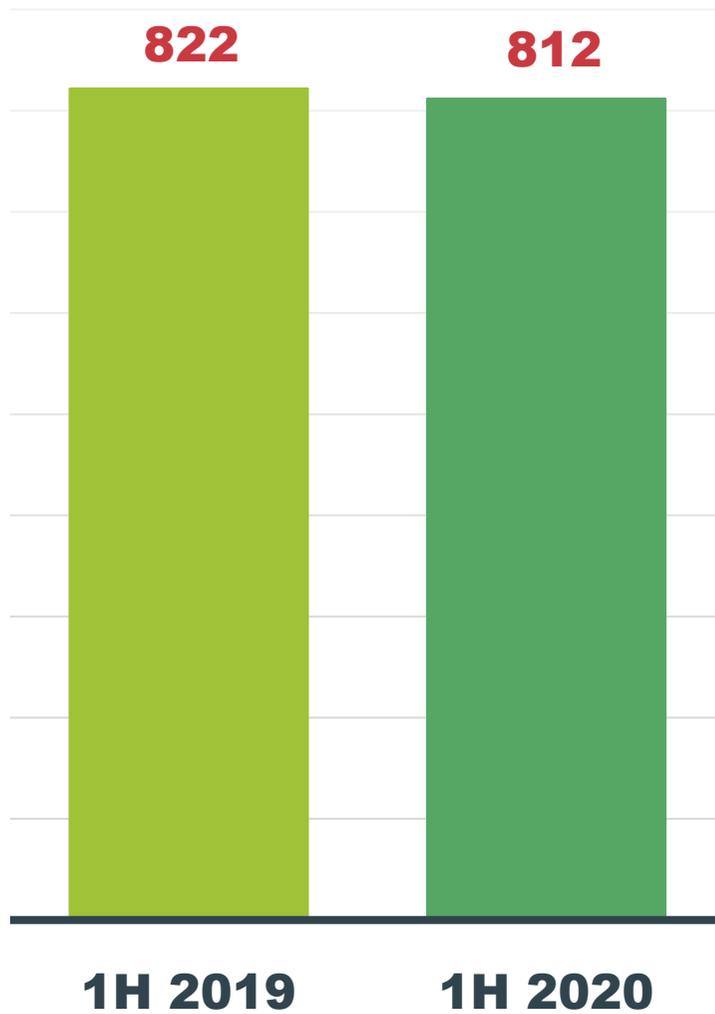
Indonesia
Opened the first location (The first Manekineko store)

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





Net Sales (Bath House)



Net sales (1H)

JPY **0.81** bn

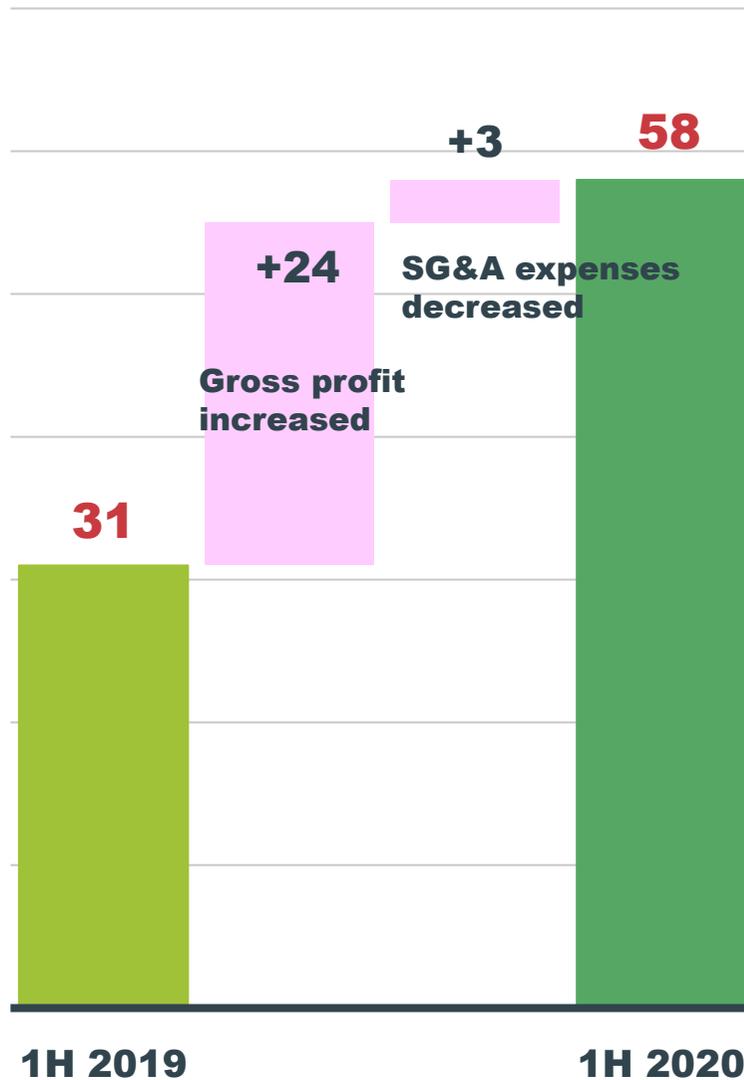
Down 1.2% YoY

(Millions of yen)

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



Operating Profit (Bath House)



1H 2019
(Millions of yen)

1H 2020

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

Operating profit (1H)

JPY **0.05** bn

Up 89.8% YoY



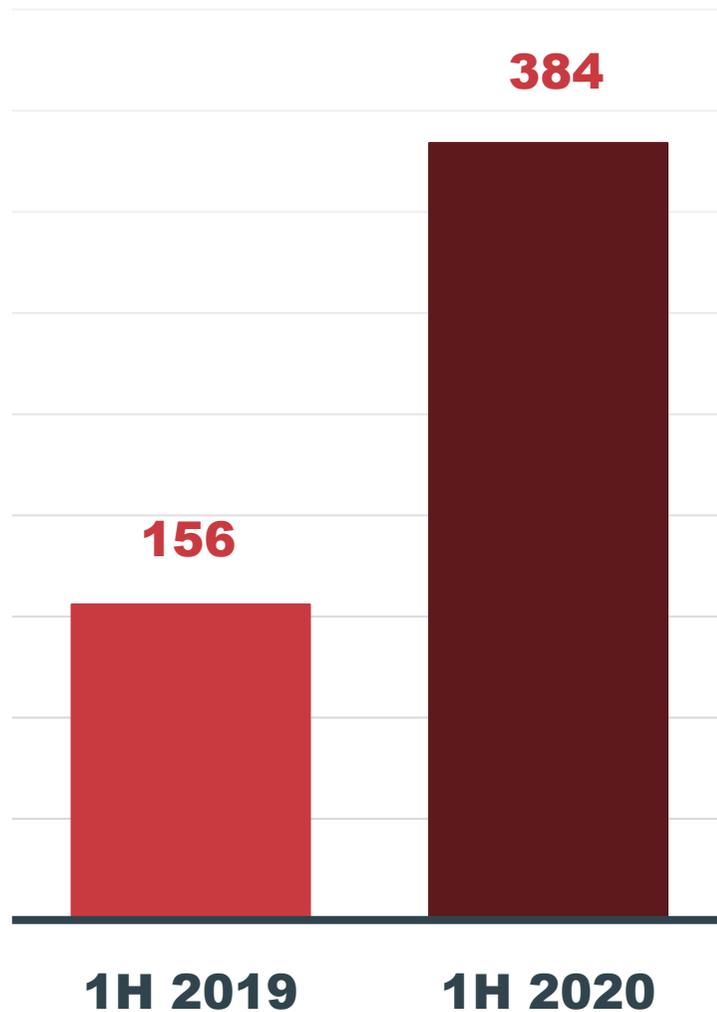
Gross profit margin
From 8.1% to 11.2%



Real Estate Management



Net Sales (Real Estate Mgt)



Net sales (1H)

JPY **0.38** bn

Up 146.1% YoY



An increase in properties owned

(Millions of yen)

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



Operating Profit (Real Estate Mgt)



1H 2019
(Millions of yen)

1H 2020

Operating profit (1H)

JPY 8 M (0.008 bn)

Down 71.0% YoY



Gross profit margin
From 21.1% to 4.0%

Major changes in cost of sales

Depreciation	+69
Rents	+58

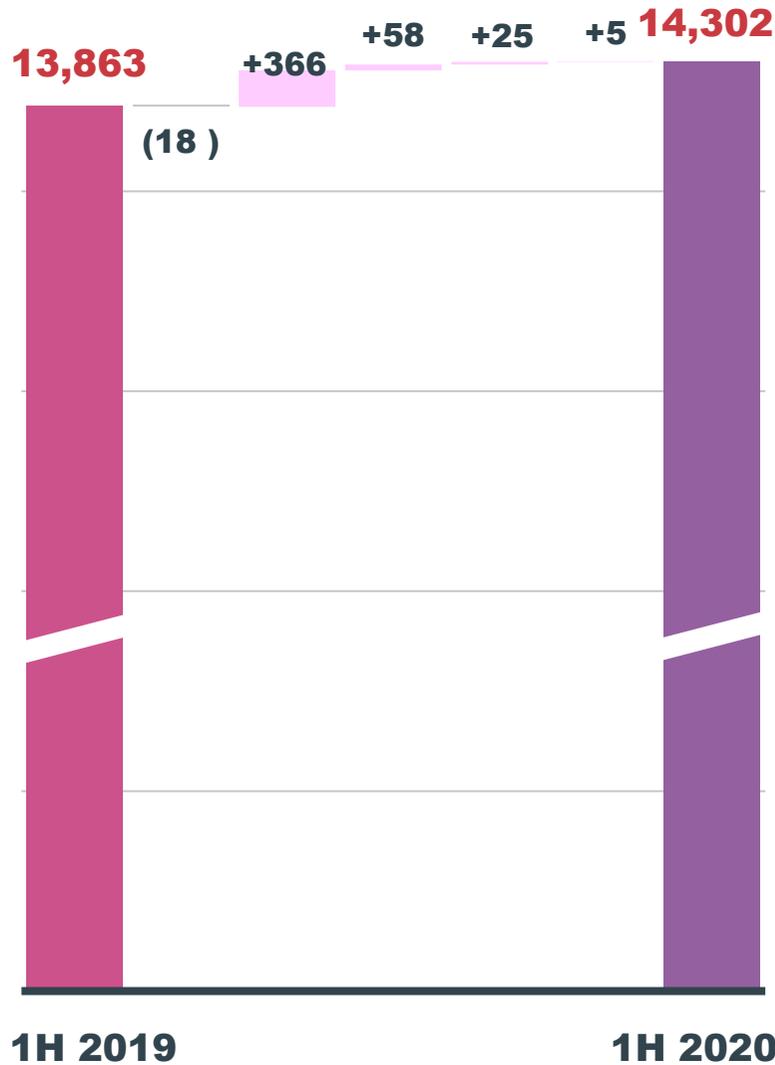
Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.



Curves Fitness



Net Sales (Curves Fitness)



Net sales (1H)

JPY 14.3 bn

**Record-high
Up 3.2% YoY**

Opening new locations	(152)
Operating expenses	+55
Merchandise sales	+103
Store	+62
Other	+34

1H 2019
(Millions of yen)

1H 2020

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



Operating Profit (Curves Fitness)



Operating profit (1H)

JPY 3.0 bn

Record-high

Up 0.7% YoY



**Gross profit margin
From 42.1% to 42.0%**

(Millions of yen)

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

Strategic Objectives



**Impact of the
Novel Coronavirus
(COVID-19)
Pandemic**

Actions by the Koshidaka Group "Store Operations"

Our measures to prevent the COVID-19 infection

1. All employees wear face masks.
2. Temperatures of all employees are checked when arriving for work and everyone is required to wash hands and gargle regularly.
3. Alcohol-based hand sanitizers are placed in reception areas.
4. Alcohol-based solutions are used for disinfecting common areas and karaoke rooms (microphones, remote control units, door knobs, interphones, tables, chairs, menus and other items).
5. A large group of customers may be asked to divide into smaller groups using separate rooms.
6. We may decline to provide services to individuals who have an obvious problem involving their health.

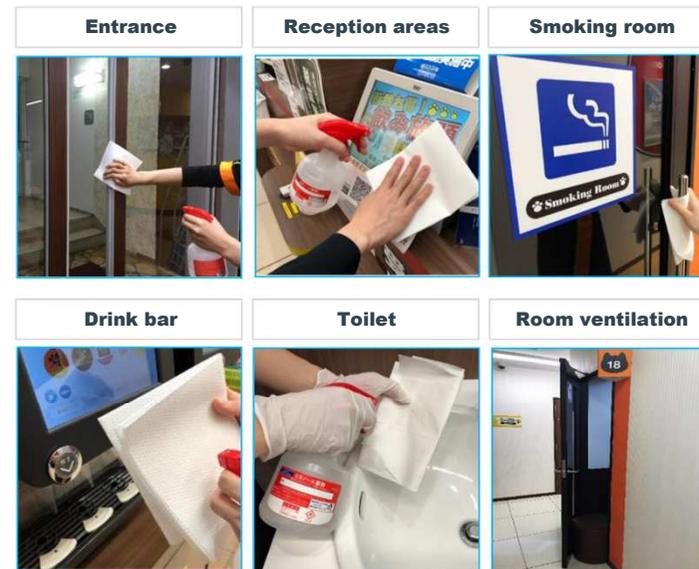
Due to the COVID-19 pandemic, we will not provide services to elementary and junior high school students who are not accompanied by an adult.

Although these measures create inconveniences, we ask customers for their understanding and cooperation.



Manekineko hygiene management

Thorough cleaning periodically every day



Rooms are disinfected after each use



Actions by the Koshidaka Group

1

Full cooperation with measures to slow the spread of infections

Rigorous hygiene programs, mainly in the karaoke business, temporary closures and other actions

2

Measures to ensure the safety of all employees

Shifts of job starting and ending times to avoid busiest periods for public transportation

3

Establishment of business continuity framework based on outlook for a prolonged crisis

Stepped up cost-cutting activities (using a zero-base review of all expenses)



Karaoke

1

Temporary 2 days closures of 182 locations

including 179 karaoke facilities and 3 other facilities

From 6:00 on March 28 to 9:00 on March 30

Tokyo, Kanagawa, Chiba, Saitama

2

Temporary 10 days closures of 201 locations

including 200 karaoke facilities and 1 other facilities

From 6:00 on April 3 to 9:00 on April 13

Tokyo, Kanagawa, Chiba, Saitama, Osaka, Kyoto, Hyogo, Nara, Aichi

3

Temporary 1 month closures of 213 locations

including 212 karaoke facilities and 1 other facilities

From 0:00 on April 8 to 9:00 on May 7

Tokyo, Kanagawa, Chiba, Saitama, Osaka, Hyogo, Fukuoka



4

Overseas locations: Temporary closures of 23 locations in 5 countries

Other measures in compliance with restrictions and guidelines of individual countries

South Korea: 6, Singapore: 9 (operated by a consolidated subsidiary), Malaysia: 6, Thailand: 1, Indonesia: 1 (non-consolidated)

5

Existing store sales in March decreased 30%

6

A reexamination of the plan for new openings is under way, including the suspension



Karaoke



Scrap-and-build Programs

FY8/2020

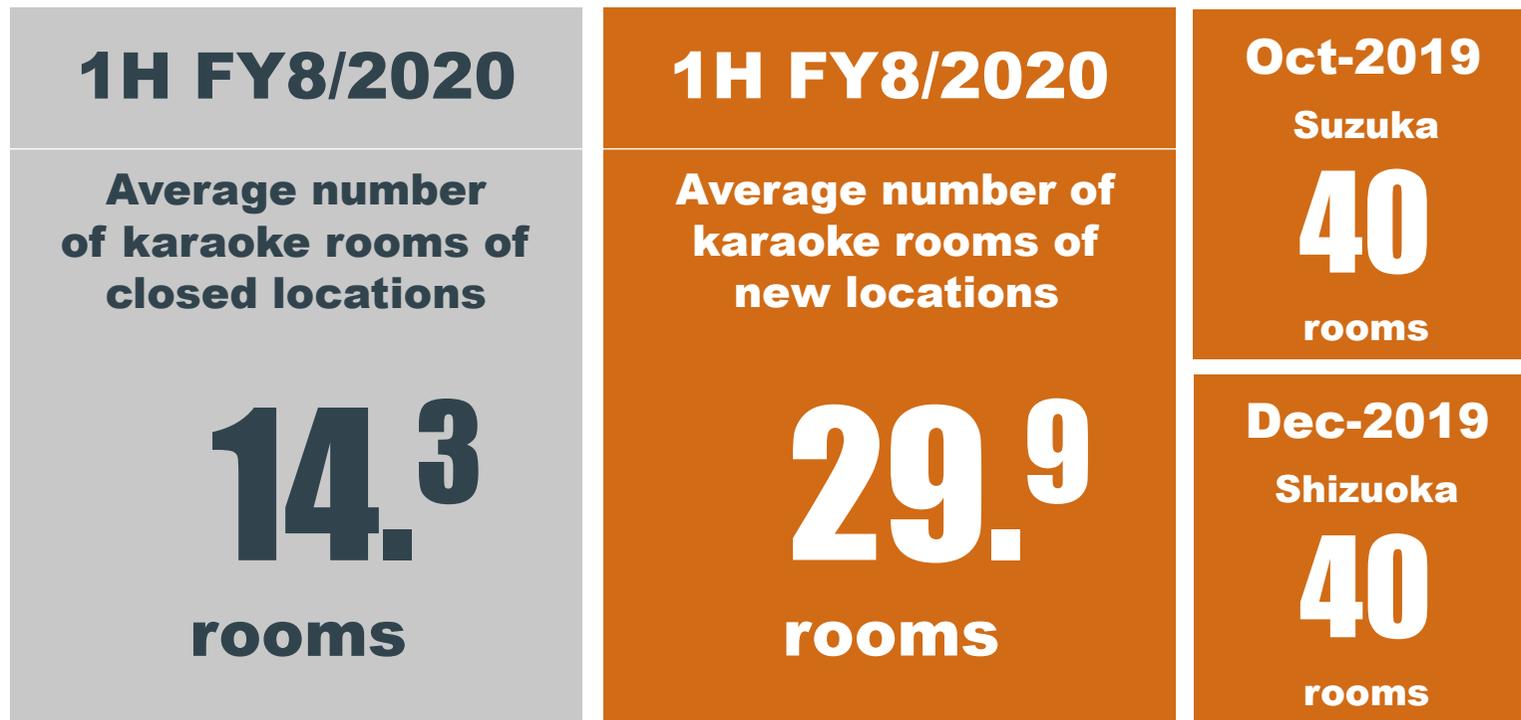
Target : 30 new locations

	FY8/2019	FY8/2020					
		Sep-Nov	Dec	Jan	Feb	Mar	Total
Manekineko stores opened	+33	+12	+4	+2	+4	+3	+25
Manekineko stores closed	(28)	(4)		(1)	(6)	(1)	(12)
Number of Manekineko stores	517	525	529	530	528	530	530
One Kara stores closed		(1)		(1)			(2)
Number of One Kara stores	8	7	7	6	6	6	6
Total number of karaoke locations in Japan	525	532	536	536	534	536	536



Continuing to Close Small Facilities

Operating larger karaoke facilities in regions other than the Tokyo area too



Note: Excludes actions due to decisions by owners



Viewing of Live Entertainment

Provision of entertainment other than karaoke



**Exclusive distribution of
Karaoke Manekineko content**

Price of event ticket + Room fee

**Use of Miruhaco (JOYSOUND) for the
provision of content by karaoke machines**



Nominity and Weekend Mafu

New fee structure aimed at increasing the number of customers

From January 14, 2020



Free unlimited beverages for women* in mixed-gender groups

Note: Free beverages for a number of women up to the number of adult men in the group

From January 17, 2020



Mafu free time is offered to students* on Fridays and Saturdays

Note: University, junior college and business school students



Karaoke Facilities Combined with **Karaage-no-Tensai Chicken Restaurants**

**A new approach that combines
a new business format with a restaurant**



Franchising contract with Watami

**Karaage-no Tensai features perfectly
made karaage (Japanese fried chicken)
and Terry Ito's special rolled eggs**

**Locations combining Karaoke Manekineko
with Karaage-no-Tensai**





The First Karaoke Location in Indonesia

The start of operations in the fifth country outside Japan

Opened on Friday, March 13, 2020



7th floor of Baywalk Mall,
a complex facility in Jakarta

Karaoke Manekineko 28rooms



The Goal of the Koshidaka Group

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

Appendix

What is Koshidaka Holdings?

Entertainment as infrastructure

Karaoke Business

534

locations in Japan

22

Oversea locations



- ✓ Second largest number of locations in our industry
- ✓ Quality services at low prices set us apart from competitors
- ✓ An international organization with operations in South Korea, Singapore, Malaysia, Thailand and Indonesia

Bath House Business



まねきの湯

5

らんぷの湯 locations in Japan

- ✓ Natural hot springs at all locations
- ✓ Place to come and soak in a bath, enjoy a meal and relax

Real Estate Mgt Business



「水と緑と詩のまち」前橋の
学びや遊び、あるいはビジネスの
接点となり
出会う場となる
思いを込めて

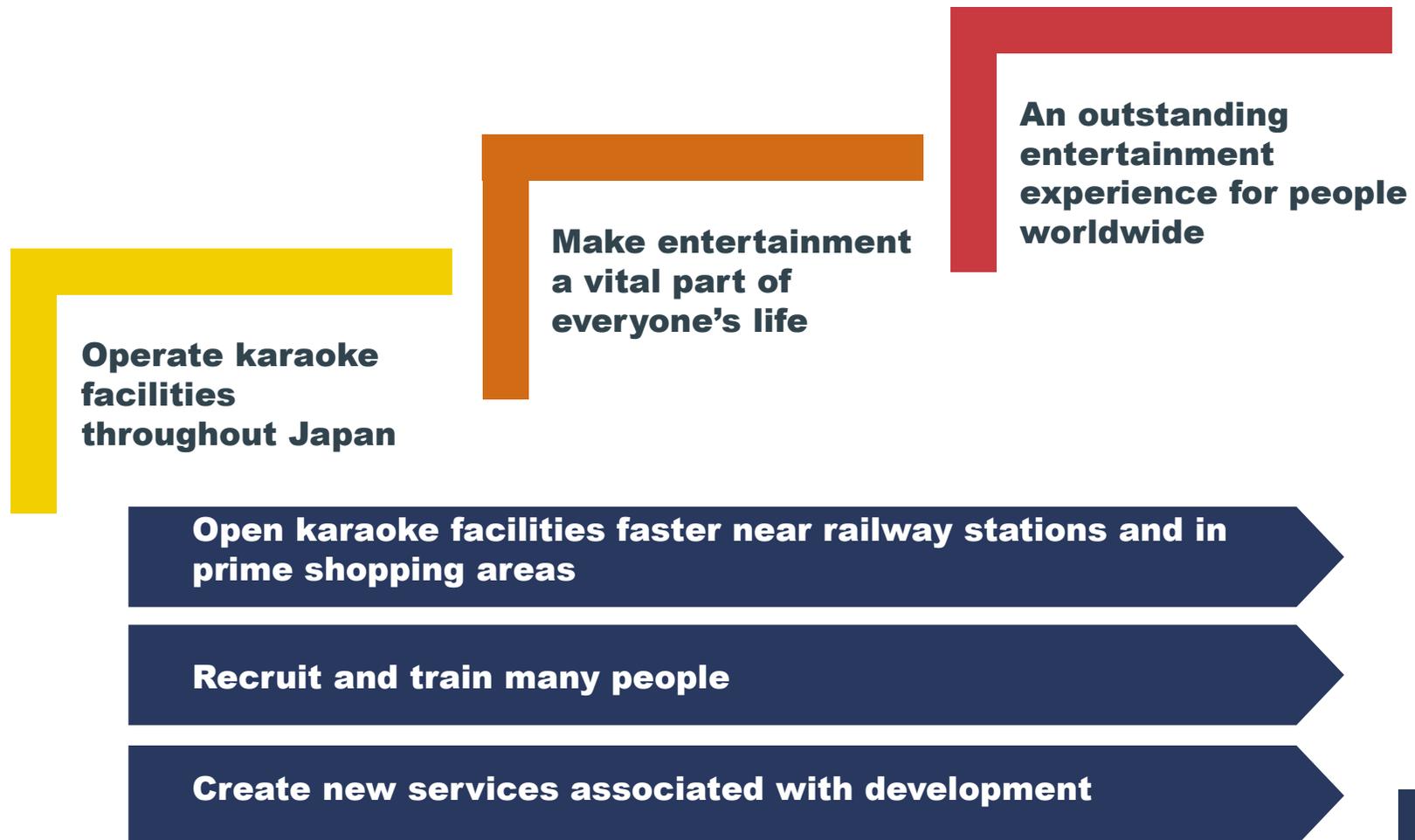
ア ク エ ル
AQERU
AQUA (水) + 会える

- ✓ Ownership and operation of AQERU Maebashi, the Maebashi Station North Exit Building
- ✓ Subleasing business of commercial buildings



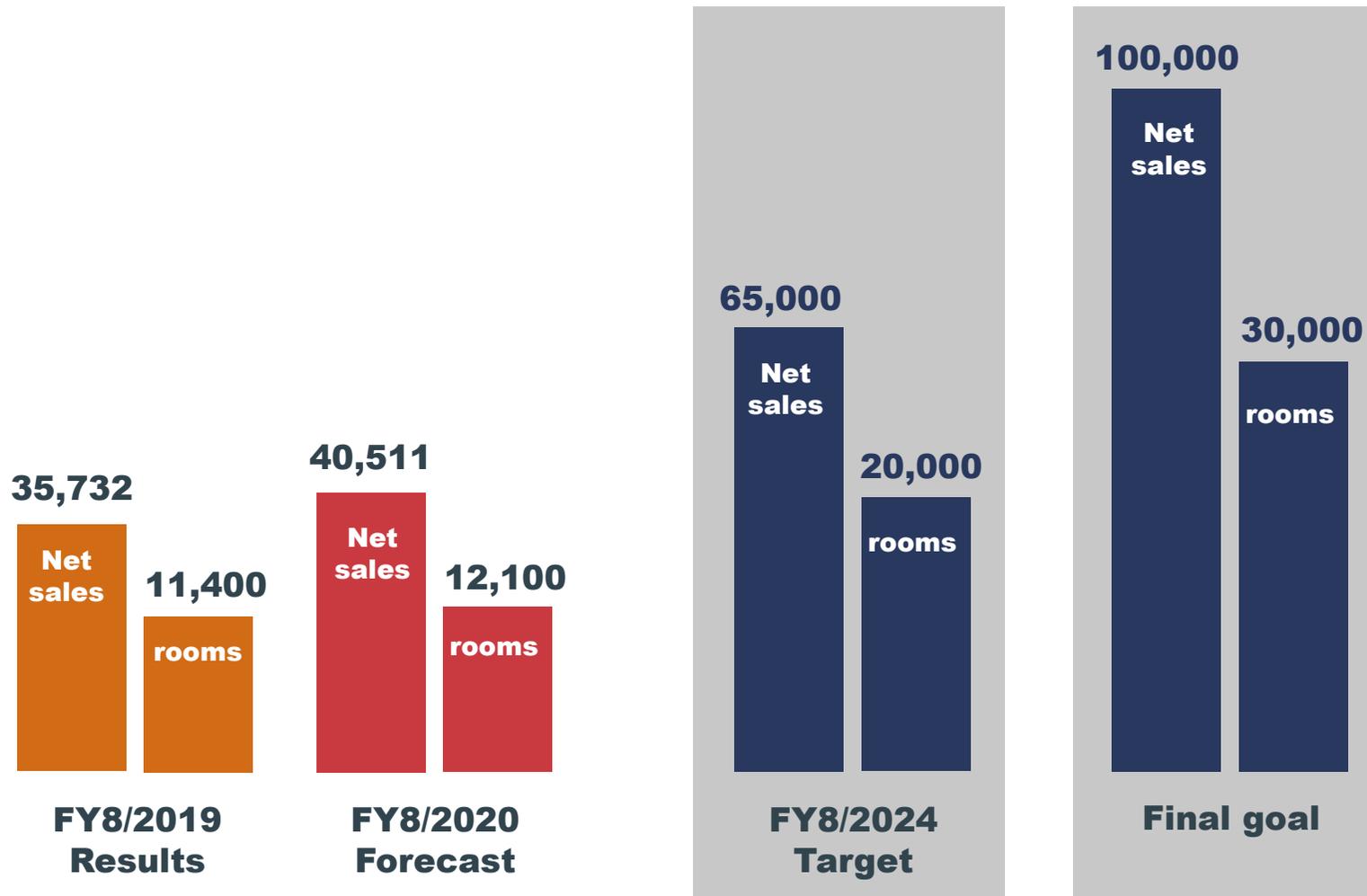
1. Medium-term Management Plan – The Entertainment Infrastructure Plan

Entertainment as infrastructure





2. Medium-term Management Plan – Milestones



Net sales (millions of yen)
Number of rooms

* All amounts are rounded down to the nearest million yen

* See page 75 of the Appendix for information about market size.

Organization


KOSHIDAKA HOLDINGS Co., LTD.
 Capital: 2,070,257,500 yen
 Head office: Minato-ku, Tokyo


KOSHIDAKA Business Support Co., Ltd.
 Minato-ku, Tokyo


KOSHIDAKA Co., Ltd
 Minato-ku, Tokyo


KOSHIDAKA INTERNATIONAL PTE.LTD.
 Singapore


KOSHIDAKA KOREA Co., Ltd.
 Jung-gu, Seoul


KOSHIDAKA Products Co., Ltd.
 Minato-ku, Tokyo


まねきのこ


まねきのこ


まねきの湯


まねきの湯


Koshidaka Singapore Pte. LTD.
 Singapore


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KOSHIDAKA MALAYSIA SDN. BHD.
 Malaysia


Koshidaka Thailand Co., Ltd.
 Thailand


PT Koshidaka International Indonesia
 Indonesia


まねきのこ


SUITE2
 Karaoke Suites


KMAX KARAOKE GIZA


Bistro S

Bath House

Real Estate Mgt

Karaoke

“Spin-off”


Curves HOLDINGS Co., Ltd.
 Minato-ku, Tokyo


Curves Japan Co., Ltd.
 Minato-ku, Tokyo


HIGH STANDARD CO., LTD
 Minato-ku, Tokyo


Curves International, Inc.
 Texas, USA


CFW International Management B.V.
 Nederland


Curves


Mens Curves

Curves Fitness

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
Maebashi Head Office	1-5-1 Odomomachi, Maebashi-shi, Gunma, Japan
Capital	JPY 2,070,257,500
Employees	4,656 (all group companies, as of the end Feb. 2020)
Consolidated subsidiaries	KOSHIDAKA Co., Ltd. / KOSHIDAKA PRODUCTS Co., Ltd. KOSHIDAKA Business Support Co., Ltd. / KOSHIDAKA INTERNATIONAL PTE. LTD. KOSHIDAKA SINGAPORE PTE. LTD. / KOSHIDAKA KOREA Co., Ltd. CURVES HOLDINGS Co., Ltd. / Curves Japan Co., Ltd. / HIGH STANDARD CO., LTD. Curves International, Inc.
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.

Results by Segment (Details)

*The FY8/2020 forecast does not reflect the planned divestiture of Curves.

(Millions of yen)

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

	FY8/2017		FY8/2018		FY8/2019		FY8/2020E	
	1H	FY	1H	FY	1H	FY	1H	FY
Net sales	26,860	55,283	30,394	61,771	32,582	65,840	33,981	72,029
Karaoke	14,685	29,614	15,706	31,936	17,740	35,732	18,842	40,511
Curves fitness	11,192	23,720	13,711	27,933	13,863	28,036	14,302	29,236
Bath house	827	1,637	819	1,587	822	1,640	812	1,664
Real estate mgt	154	312	157	313	156	431	384	618
Cost of sales	19,621	40,998	22,421	45,064	22,579	46,077	23,668	
Karaoke	11,634	23,630	12,498	25,447	13,678	27,737	14,279	
Curves fitness	7,175	15,740	9,087	17,985	8,021	16,531	8,298	
Bath house	720	1,452	745	1,460	756	1,465	721	
Gross profit	7,238	14,284	7,973	16,706	10,003	19,762	10,313	
Karaoke	3,050	5,983	3,207	6,489	4,061	7,994	4,202	
Curves fitness	4,016	7,979	4,623	9,947	5,842	11,505	6,003	
Bath house	107	184	74	127	66	174	91	
SG&A expenses	4,088	8,138	4,286	8,848	5,018	10,254	5,432	
Karaoke	1,969	3,933	1,635	3,336	1,672	3,475	1,923	
Curves fitness	1,646	3,306	2,191	4,602	2,856	5,826	2,997	
Bath house	29	61	28	55	35	65	32	
Operating profit	3,149	6,146	3,687	7,858	4,984	9,507	4,880	11,054
Karaoke	1,081	2,050	1,571	3,153	2,389	4,518	2,279	5,557
Curves fitness	2,370	4,672	2,431	5,345	2,985	5,679	3,005	5,790
Bath house	77	122	45	71	31	108	58	176
Real estate mgt	58	126	63	133	28	59	8	19



Karaoke Business –Growth in the Number of Locations

	Aug-10	Aug-11	Aug-12	Aug-13	Aug-14	Aug-15	Aug-16	Aug-17	Aug-18	Aug-19
Total number of karaoke locat	309	315	323	338	366	412	457	499	520	525
Manekineko	305	313	317	332	353	381	425	486	510	515
One Kara			6	6	13	10	10	11	8	8
Other	4	2				21	22	2	2	2
Number of locations opened	17	15	13	22	37	53	47	44	31	33
Manekineko	15	14	7	21	30	32	46	43	31	33
One Kara			6	1	7			1		
Other	2	1				21	1			
Number of locations closed	2	9	5	7	9	7	2	2	10	28
Manekineko	2	6	3	6	9	4	2	2	7	28
One Kara				1		3			3	
Other		3	2							
Number of overseas locations		1	2	3	14	19	24	24	23	21
Singapore					11	10	11	10	10	9
Korea		1	2	3	3	9	13	14	12	8
Malaysia									1	3
Thailand										1

Inquiries

▶ IR Contact



KOSHIDAKA HOLDINGS Co., LTD.

TEL : +81-3-6403-5710
e-Mail : i-koshidaka@koshidaka.co.jp
URL : <https://www.koshidakaholdings.co.jp>
Stock code : 2157



CURVES HOLDINGS Co., LTD.

TEL : +81-3-6453-8752
e-Mail : curves-ir@curves.co.jp
URL : <https://www.curvesholdings.co.jp>
Stock code : 7085

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