



**Results of Operations  
for the First Half of the Fiscal Year  
Ending August 2019 (1H FY8/2019)**

**2019.04.18(Thu)**

**KOSHIDAKA HOLDINGS Co.,LTD.**



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# What is Koshidaka Holdings?

## A comprehensive leisure service provider

### Karaoke Business



**533**

locations in Japan



- ✓ 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 and Malaysia

### Curves Fitness Business



**1,946**

locations in Japan

**819**

thousand members

- ✓ First in our industry in terms of volume of business, number of locations and number of members
- ✓ A 30-minute fitness class exclusively for women
- ✓ Acquired Curves International Holdings, Inc. in March 2018

### Bath House Business

**5**

locations in Japan



まねきの湯

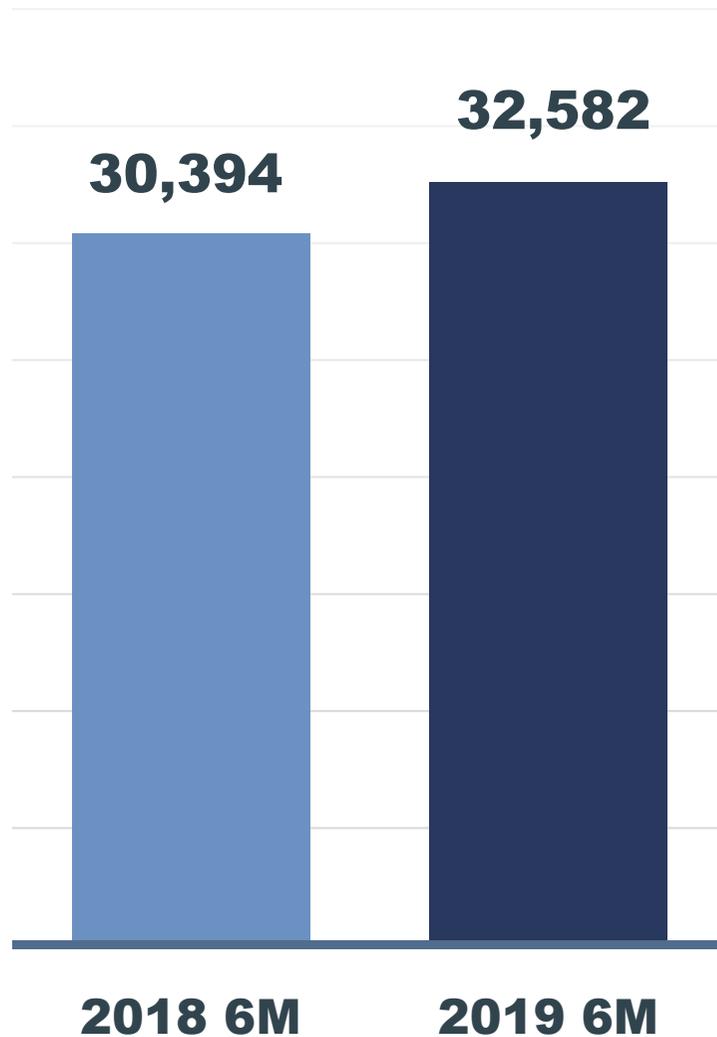
らんぷの湯



**1H FY8/2019**  
**Consolidated Results**  
**of Operations**

# Financial Highlights (Net Sales)

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## Net sales

1<sup>st</sup> Six Months

**JPY 32.5 bn**

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**12<sup>th</sup> consecutive year of sales growth to a record high**

**Up 7.2% YoY**

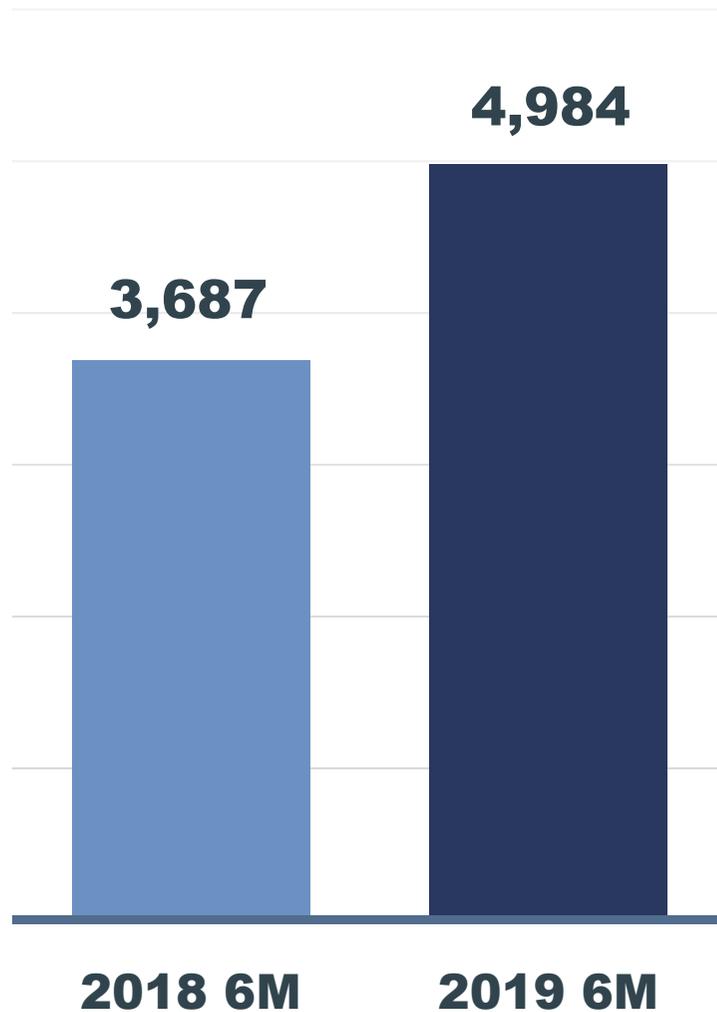
**Record-high sales at Karaoke and Curves fitness businesses**

**(Millions of yen)**

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

# Financial Highlights (Operating Profit)

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## Operating profit

1<sup>st</sup> Six Months

JPY

**4.9** bn

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Record-high operating profit

Up 35.2% YoY

(Millions of yen)

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

# 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.

	1st 6M FY8/2018	1st 6M FY8/2019	YoY change		Vs. forecast	
			Ratio	Amount	Forecast	Achievement rate
<b>Net sales</b>	<b>30,394</b>	<b>32,582</b>	<b>+7.2%</b>	<b>+2,187</b>	<b>31,961</b>	<b>101.9%</b>
<b>Cost of sales</b>	<b>22,421</b>	<b>22,579</b>	<b>+0.7%</b>	<b>+158</b>		
<b>Gross profit</b>	<b>7,973</b>	<b>10,003</b>	<b>+25.5%</b>	<b>+2,029</b>		
<b>SG&amp;A expenses</b>	<b>4,286</b>	<b>5,018</b>	<b>+17.1%</b>	<b>+732</b>		
<b>Operating profit</b>	<b>3,687</b>	<b>4,984</b>	<b>+35.2%</b>	<b>+1,297</b>	<b>4,123</b>	<b>120.9%</b>
<b>Ordinary profit</b>	<b>3,860</b>	<b>4,992</b>	<b>+29.3%</b>	<b>+1,131</b>	<b>4,109</b>	<b>121.5%</b>
<b>Extraordinary income</b>	<b>0</b>	<b>3</b>	<b>+745.8%</b>	<b>+2</b>		
<b>Extraordinary loss</b>	<b>78</b>	<b>278</b>	<b>+253.8%</b>	<b>+199</b>		
<b>Profit attributable to owners of parent</b>	<b>2,320</b>	<b>2,931</b>	<b>+26.3%</b>	<b>+610</b>	<b>2,258</b>	<b>129.8%</b>

# 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.

	1st 6M FY8/2018	1st 6M FY8/2019	YoY change		Vs. forecast	
			Ratio	Amount	Forecast	Achievement rate
<b>Net sales</b>	<b>30,394</b>	<b>32,582</b>	<b>+7.2%</b>	<b>+2,187</b>	<b>31,961</b>	<b>101.9%</b>
<b>Karaoke</b>	<b>15,706</b>	<b>17,740</b>	<b>+12.9%</b>	<b>+2,033</b>	<b>17,131</b>	<b>103.6%</b>
<b>Curves fitness</b>	<b>13,711</b>	<b>13,863</b>	<b>+1.1%</b>	<b>+151</b>	<b>13,818</b>	<b>100.3%</b>
<b>Bath house</b>	<b>819</b>	<b>822</b>	<b>+0.4%</b>	<b>+3</b>	<b>855</b>	<b>96.1%</b>
<b>Real estate mgt</b>	<b>157</b>	<b>156</b>	<b>(0.6%)</b>	<b>(0)</b>	<b>155</b>	<b>100.6%</b>
<b>Operating profit</b>	<b>3,687</b>	<b>4,984</b>	<b>+35.2%</b>	<b>+1,297</b>	<b>4,123</b>	<b>120.9%</b>
<b>Karaoke</b>	<b>1,571</b>	<b>2,389</b>	<b>+52.0%</b>	<b>+817</b>	<b>1,578</b>	<b>151.4%</b>
<b>Curves fitness</b>	<b>2,431</b>	<b>2,985</b>	<b>+22.8%</b>	<b>+553</b>	<b>2,769</b>	<b>107.8%</b>
<b>Bath house</b>	<b>45</b>	<b>31</b>	<b>(31.5%)</b>	<b>(14)</b>	<b>90</b>	<b>34.4%</b>
<b>Real estate mgt</b>	<b>63</b>	<b>28</b>	<b>(54.8%)</b>	<b>(34)</b>	<b>78</b>	<b>35.9%</b>
<b>Adjustment</b>	<b>(425)</b>	<b>(449)</b>			<b>(393)</b>	

# Consolidated Balance Sheet

(Millions of yen)

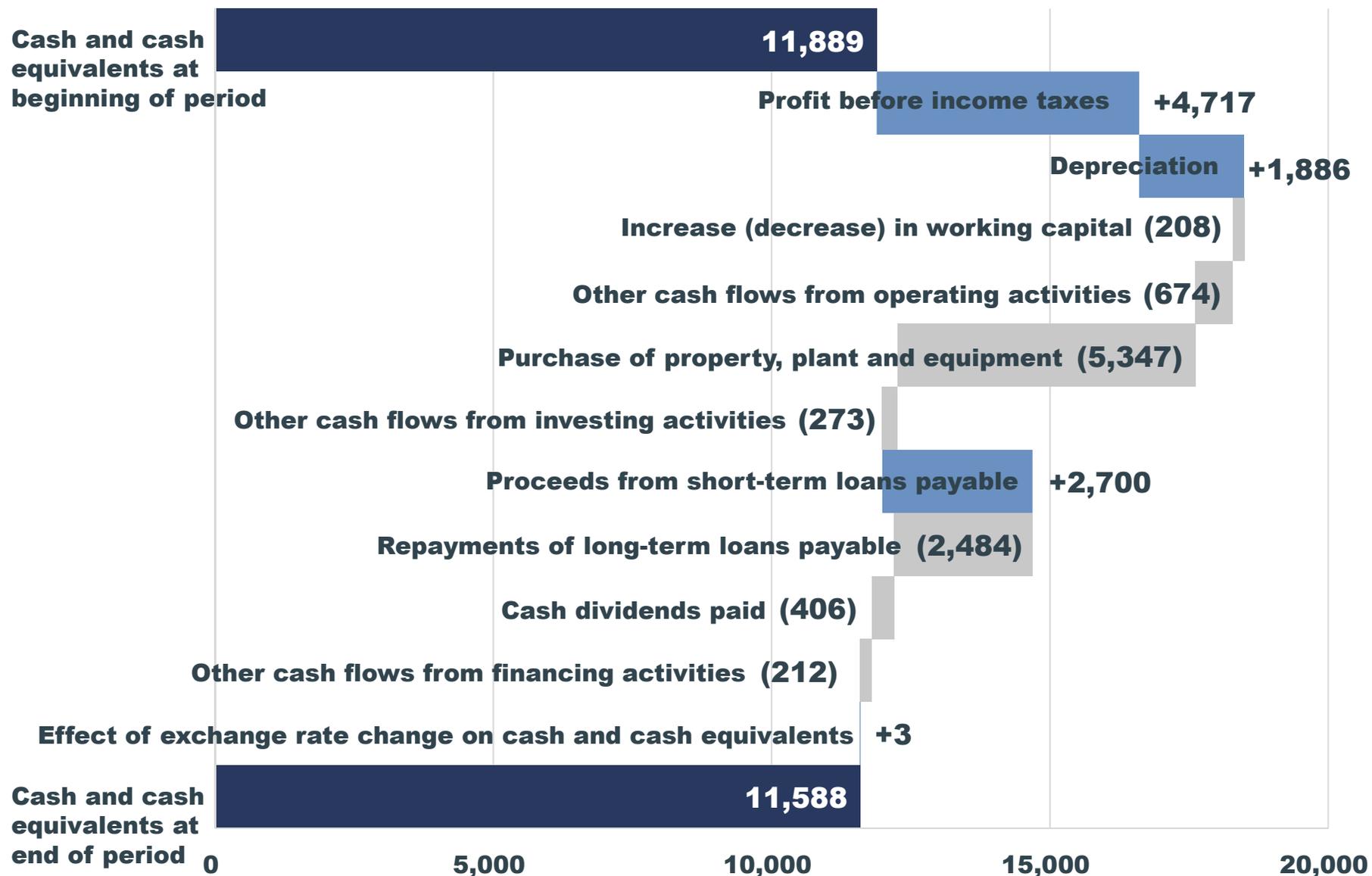
Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.

	August 31 2018	February 28 2019	Change
<b>Current assets</b>	<b>19,963</b>	<b>18,973</b>	<b>(989)</b>
<b>Non-current assets</b>	<b>48,394</b>	<b>51,282</b>	<b>+2,888</b>
<b>Property, plant and equipment</b>	<b>17,552</b>	<b>21,137</b>	<b>+3,585</b>
<b>Intangible assets</b>	<b>24,627</b>	<b>23,924</b>	<b>(702)</b>
<b>Investments and doubtful accounts</b>	<b>6,214</b>	<b>6,220</b>	<b>+5</b>
<b>Current liabilities</b>	<b>14,827</b>	<b>16,120</b>	<b>+1,293</b>
<b>Short-term loans payable</b>	<b>-</b>	<b>2,700</b>	<b>+2,700</b>
<b>Non-current liabilities</b>	<b>26,832</b>	<b>24,854</b>	<b>(1,978)</b>
<b>Long-term loans payable</b>	<b>19,533</b>	<b>17,377</b>	<b>(2,155)</b>
<b>Total liabilities</b>	<b>41,660</b>	<b>40,974</b>	<b>(686)</b>
<b>Shareholders' equity</b>	<b>25,219</b>	<b>28,711</b>	<b>+3,491</b>
<b>Total net assets</b>	<b>26,697</b>	<b>29,281</b>	<b>+2,584</b>
<b>Total assets / Total liabilities and net assets</b>	<b>68,357</b>	<b>70,256</b>	<b>+1,898</b>

# 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.



# FY8/2019 Forecast

(Millions of yen)

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

	FY8/2018	FY8/2019	YoY change		Progress status	
			Ratio	Amount	1st 6M	vs. forecasts
<b>Net sales</b>	<b>61,771</b>	<b>66,044</b>	<b>+6.9%</b>	<b>+4,273</b>	<b>32,582</b>	<b>49.3%</b>
<b>Operating profit</b>	<b>7,858</b>	<b>9,345</b>	<b>+18.9%</b>	<b>+1,487</b>	<b>4,984</b>	<b>53.3%</b>
<b>Ordinary profit</b>	<b>8,207</b>	<b>9,307</b>	<b>+13.4%</b>	<b>+1,100</b>	<b>4,992</b>	<b>53.6%</b>
<b>Profit attributable to owners of parent</b>	<b>4,426</b>	<b>5,205</b>	<b>+17.6%</b>	<b>+779</b>	<b>2,931</b>	<b>56.3%</b>
<b>Dividend per share</b>	<b>10.0</b>	<b>12.0</b>	<b>+20.0%</b>	<b>+2.0</b>	<b>6.0</b>	

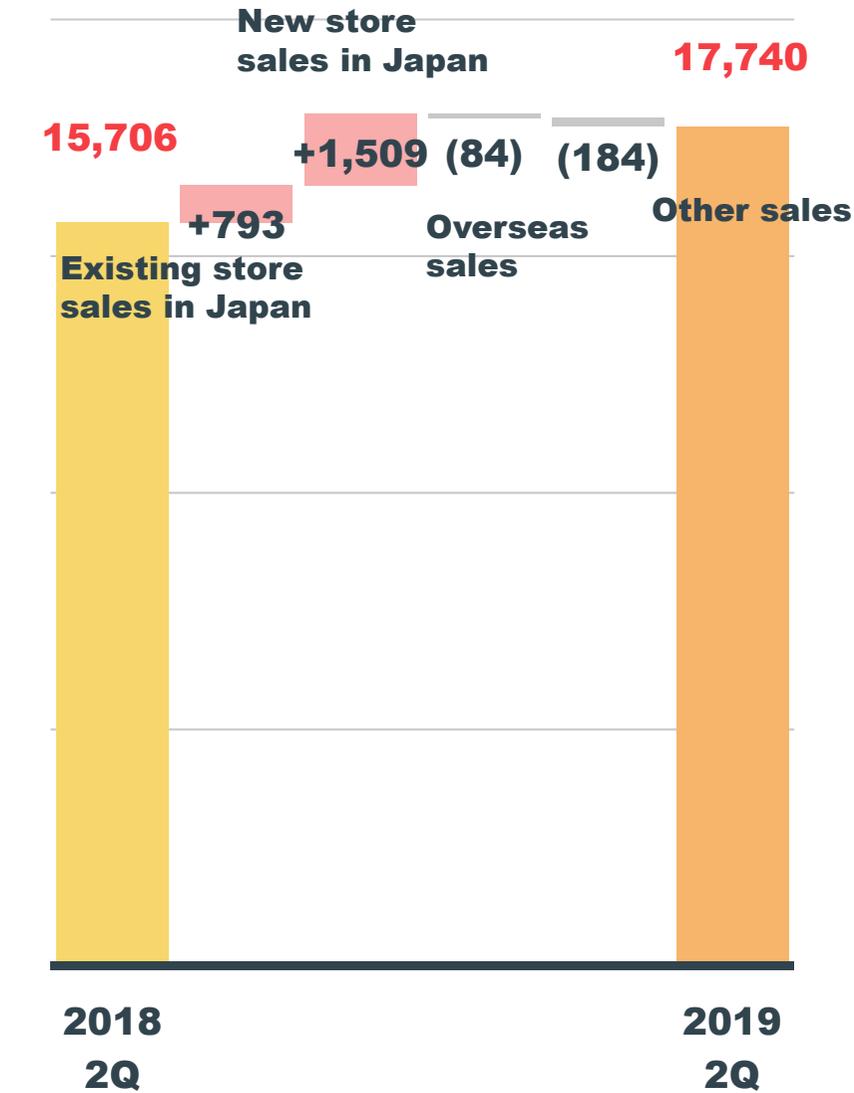


**1H FY8/2019**  
**Results by Segment**

# Karaoke



# Net Sales



## Net sales

1st Six Months

JPY

**17.7** bn

Opened 14 locations

Up 12.9% YoY

Strong existing-store sales

(Millions of yen)

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

# Operating Profit



## Operating profit

1<sup>st</sup> Six Months

JPY

**2.3** bn

**Gross profit margin**  
From 20.4% to 22.9%

### Major changes in SG&A expenses

Amortization of goodwill	(134)
R&D expenses	(36)
Advertising costs	+56
IT-related expenses	+18

(Millions of yen)

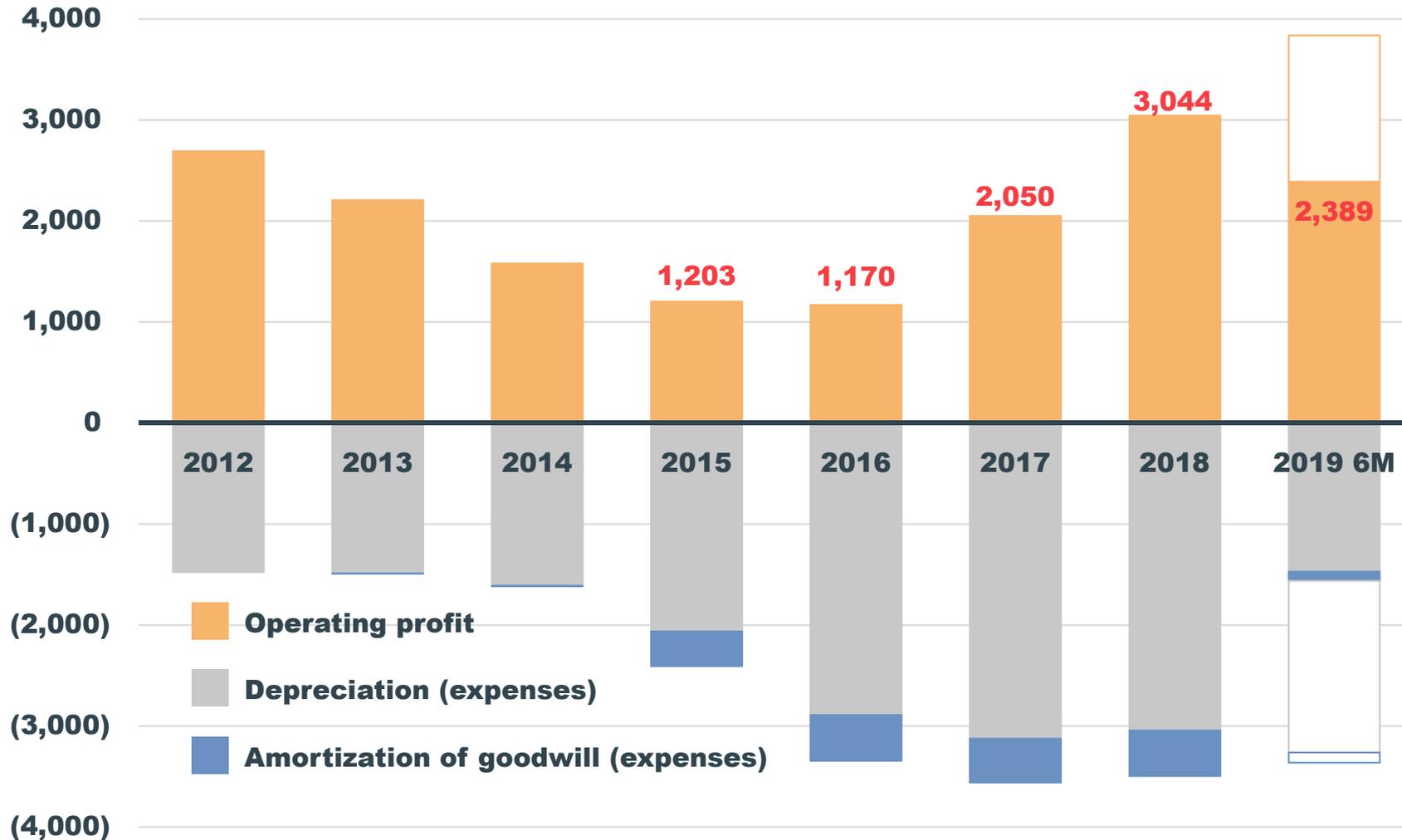
Note: All amounts are rounded down to the nearest million yen; all percentages are rounded to one decimal place.

# Significant Increase in Cash Flows

(Millions of yen)

5,000

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

FY8/2017	FY8/2018	FY8/2019
32 / 44	18 / 31	1st 6M 8 / 14

# 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.

	FY8/2018		FY8/2019
	1st 6M	Full Year	1st 6M
<b>Net sales</b>	<b>1,052</b>	<b>1,755</b>	<b>968</b>
<b>Singapore</b>	<b>836</b>	<b>1,509</b>	<b>799</b>
<b>Korea</b>	<b>216</b>	<b>246</b>	<b>169</b>
<b>Operating profit</b>	<b>46</b>	<b>(58)</b>	<b>(36)</b>
<b>Singapore</b>	<b>76</b>	<b>12</b>	<b>(7)</b>
<b>Korea</b>	<b>(30)</b>	<b>(70)</b>	<b>(28)</b>
<b>Number of facilities</b>	<b>24</b>	<b>23</b>	<b>23</b>
<b>Singapore</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Korea</b>	<b>14</b>	<b>12</b>	<b>10</b>
<b>Malaysia</b>	<b>-</b>	<b>1</b>	<b>2</b>
<b>Thailand</b>	<b>-</b>	<b>-</b>	<b>1</b>

2018  
Jul

**Malaysia**  
Opened the first  
location

2018  
Nov

**Malaysia**  
Opened the second  
location (The first  
Manekineko store)

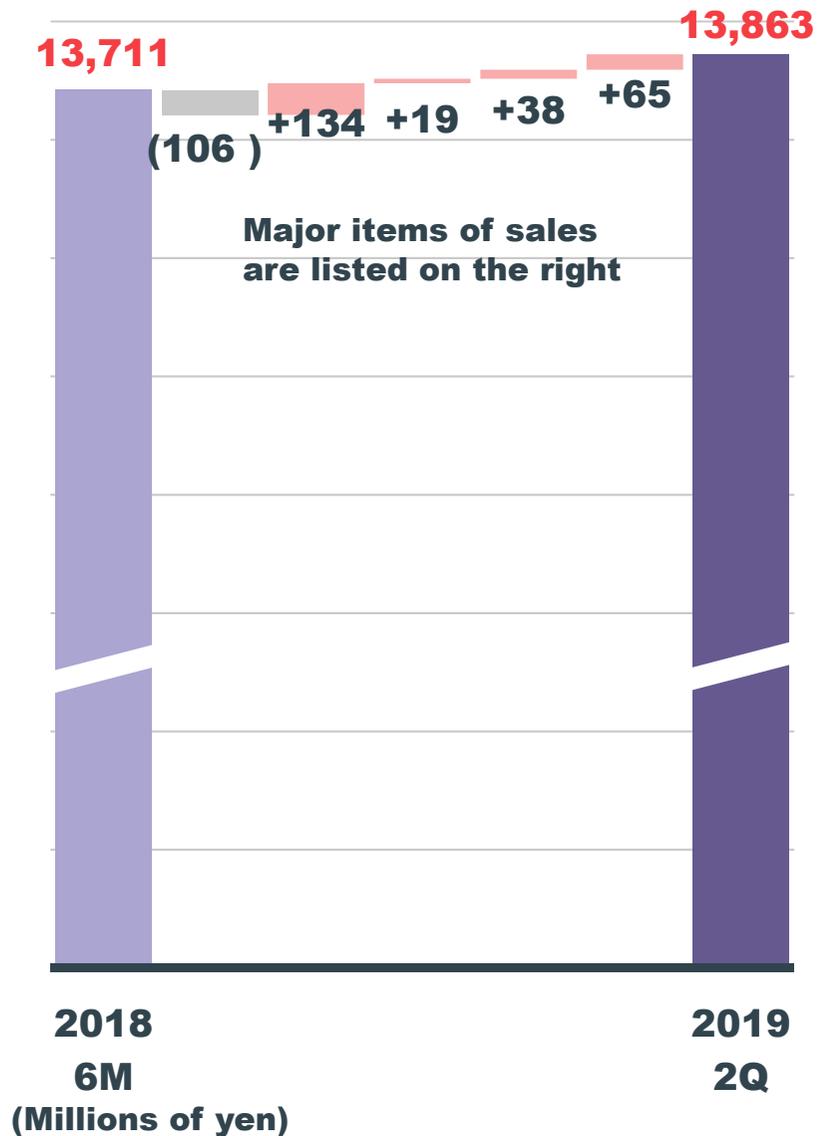
2019  
Feb

**Thailand**  
Opened the first  
location (The first  
Manekineko store)



# Curves Fitness

# Net Sales



## Net sales

1<sup>st</sup> Six Months

JPY **13.8** bn

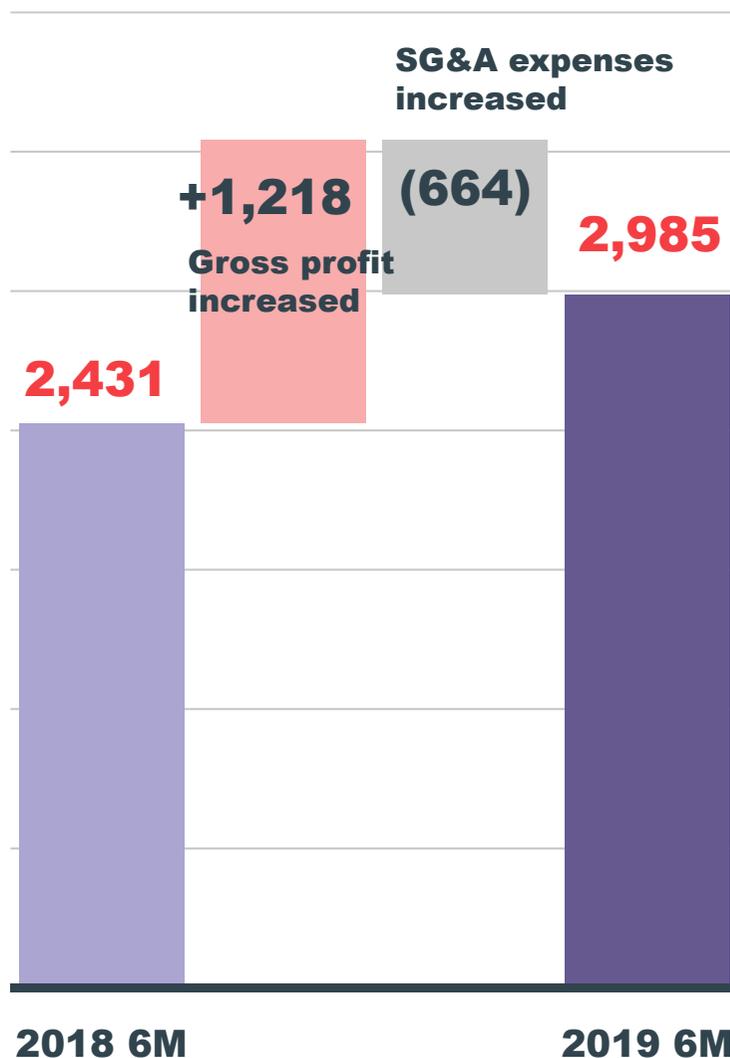
Opened 34 locations

Up 1.1% YoY

Opening store	(106)
Running	+134
Merchandise sales	+19
Store	+38
Other	+65

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

# Operating Profit



(Millions of yen)

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

## Operating profit

1<sup>st</sup> Six Months

JPY **2.9** bn

### Gross profit margin

From 33.7% to 42.1%

Cost of merchandise sales (469)

Royalties and other costs (416)

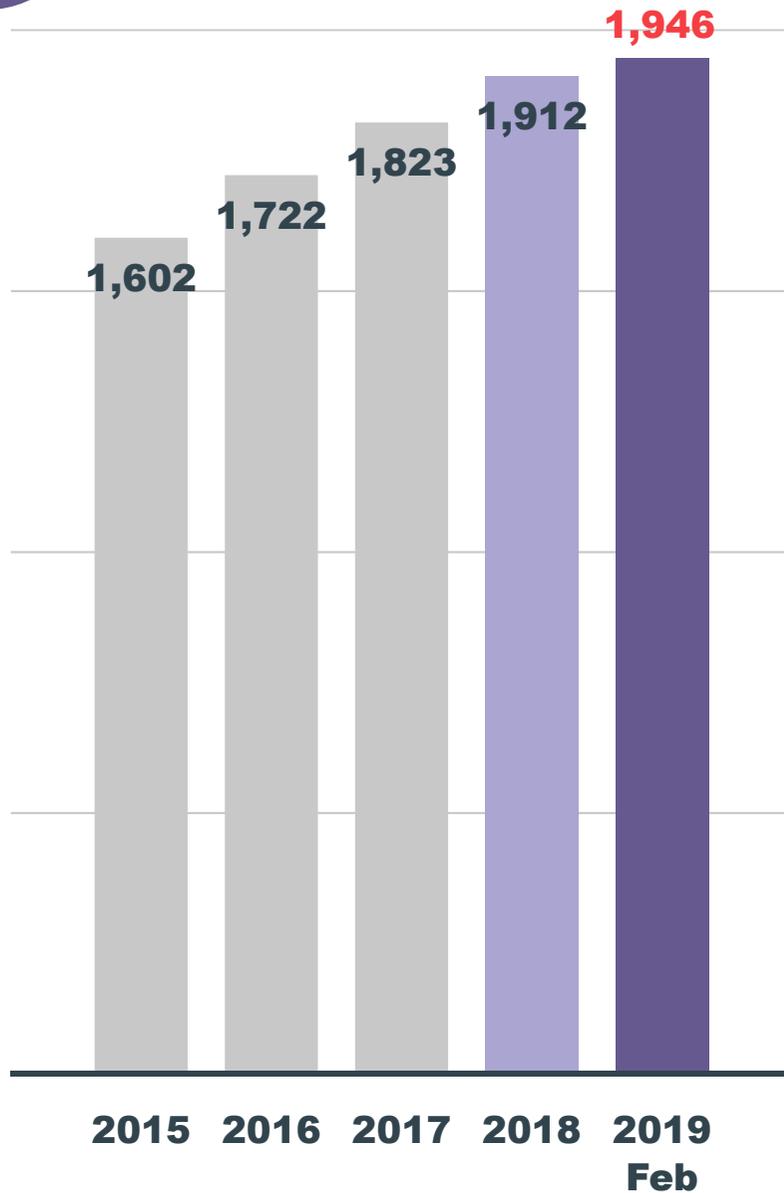
### Major changes in SG&A expenses

Amortization of trademarks +540

Depreciation +153

Fees and commissions (260)

## Number of Curves Fitness Clubs

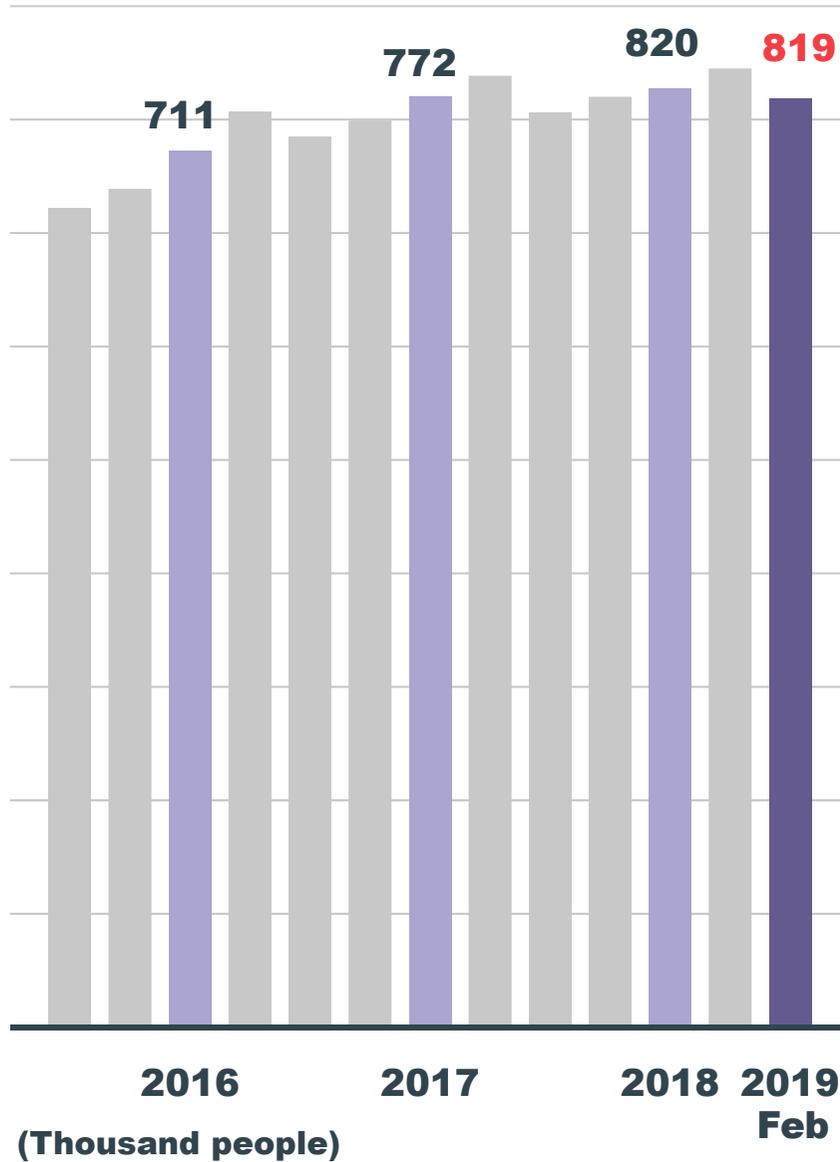


**1,946**

**locations in Japan**

**Increasing Steadily**

# Number of Curves Members



# 819

**Thousand members**

The number of members decreased in 2Q due to seasonal factors

## Strong Merchandise Sales

**Protein supplements continued to make  
a contribution to sales growth**

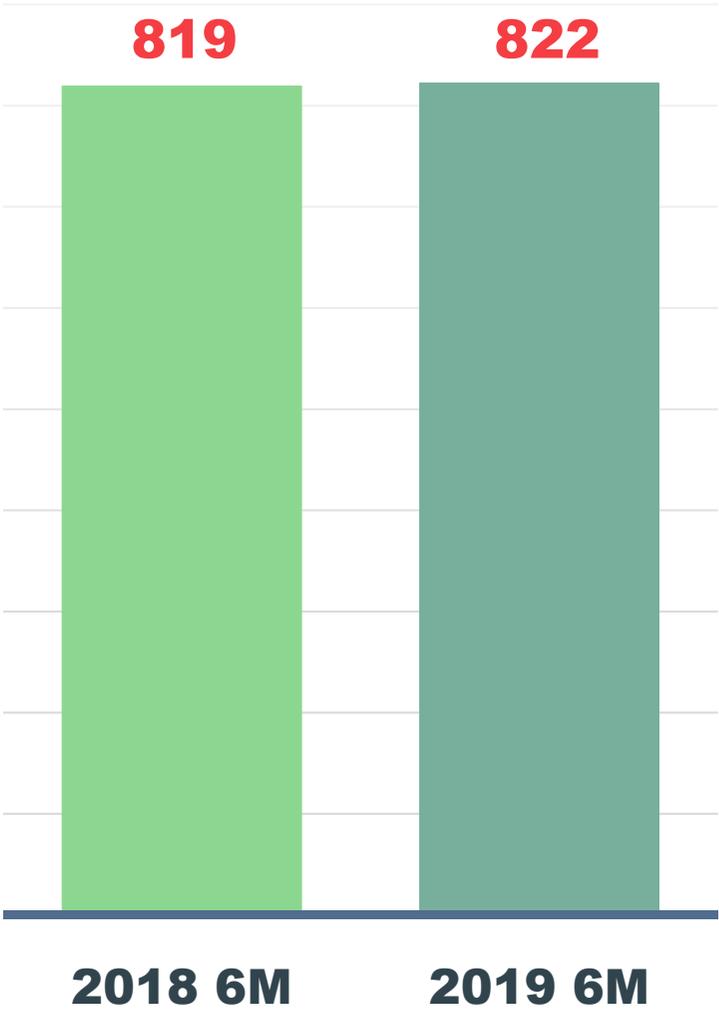
<b>FY8/2017 6M</b>	<b>FY8/2018 6M</b>	<b>FY8/2019 6M</b>
<b>JPY 4.7 bn</b>	<b>JPY 7.1 bn</b>	<b>JPY 7.2 bn</b>
<b>Full year JPY 10.1 bn</b>	<b>Full year JPY 14.4 bn</b>	



# Bath House



# Net Sales



## Net sales

1<sup>st</sup> Six Months

JPY

**0.8** bn

Up 0.4% 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



**2018 6M**  
**(Millions of yen)**

**2019 6M**

## Operating profit

1<sup>st</sup> Six Months

**JPY 0.03 bn**

**Gross profit margin**  
**From 9.0% to 8.1%**

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



# **Strategic Objectives**

# Karaoke



# 1. Scrap-and-build Programs

**Target : 35 new locations**

	FY8/2018	FY8/2019				
		Sep-Nov	Dec-Feb	March	April	Total
Manekineko stores opened	+31	+11	+3	+1	+5	+20
Manekineko stores closed	(7)	+0	+0	(17)	(5)	(22)
Number of Manekineko stores	512	523	526	510	511	511
Number of One Kara stores	8	8	8	8	8	8
Total number of karaoke locations in Japan	520	531	534	518	519	519

## 2. Opening of Large Stores and Closure of Small Stores

**Opened larger stores to increase ability to attract customers**

FY8/2018	April 2019	April 2019
Average number of karaoke rooms of new locations	Average number of karaoke rooms of closed locations	Average number of karaoke rooms of new locations
<b>25.5</b> rooms	<b>15.2</b> rooms	<b>33.3</b> rooms

### 3. No Smoking at All Karaoke Locations and Rooms (Announced on January 15, 2019)

Percentage of non-smoking rooms (April 2019) **80.3%**

No smoking at all  
karaoke locations  
and rooms starting in  
September 2019



## 4. Marketing Strategy Superior to Other Companies

Jan

**Mafu**

Started in the Kanto area

Feb

**Mafu**

Expansion to nationwide coverage

Mar

**Mafu**

Decision has been made to continue offering this service after March

Apr

**Maneki de Family Discount**

Simultaneous nationwide launch

May

**Mafu**  
(Manekineko flat-fee time)



**Maneki de Family Discount**  
(new service for families)



## 5. Use Food and Beverages to Differentiate from Competitors

**In addition to Tsukiji Gindako, Go Go Curry will be added to menus of karaoke locations nationwide**



## 6. Continuous efforts

Use new technologies to create innovative services



Automate operations and take other steps to improve efficiency



## 7. Consistent Growth at Overseas Locations

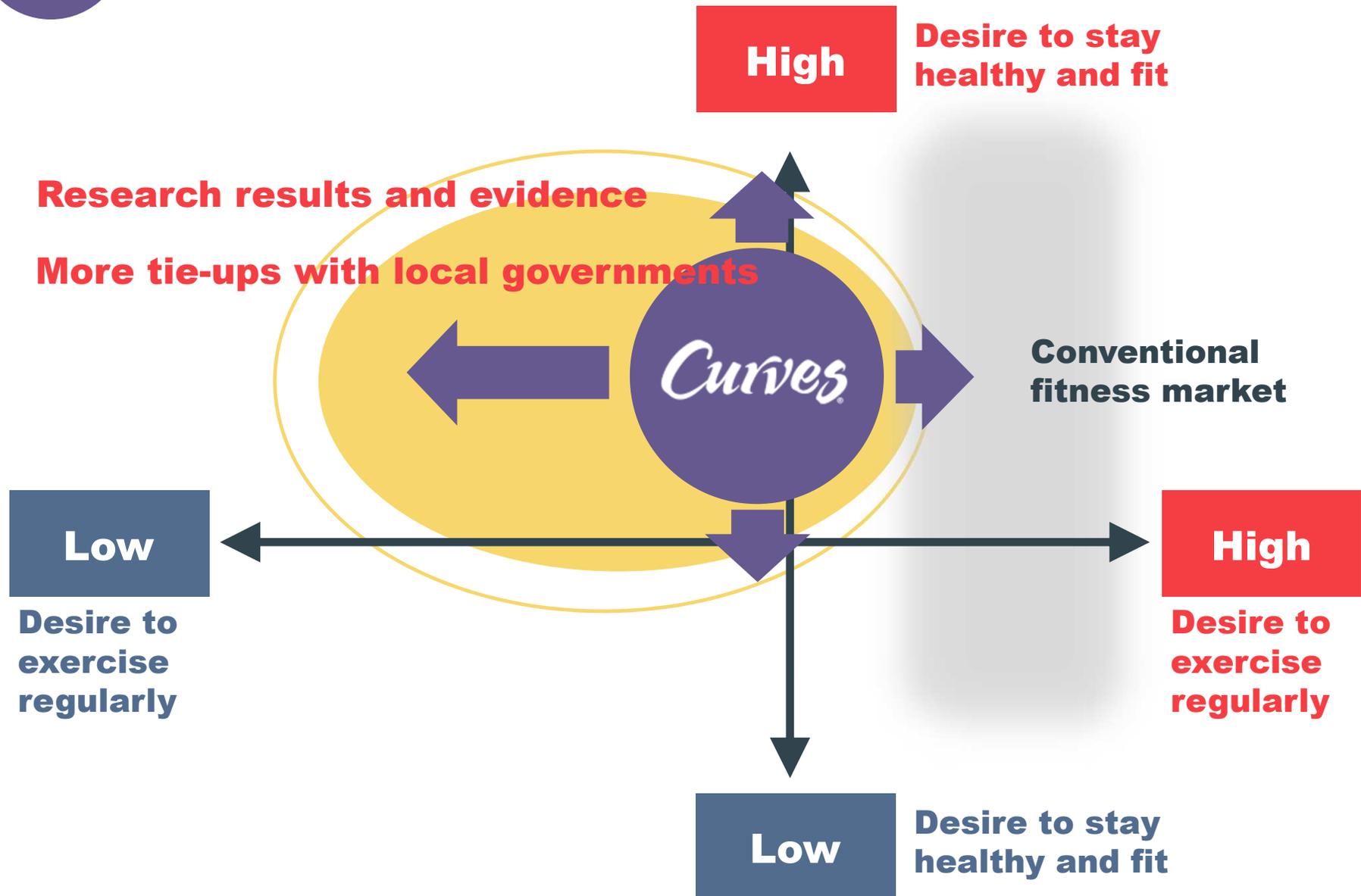
**Start operations in “blue oceans”  
– new markets with no competition**





# Curves Fitness

# 1. Growth of the health and fitness market



### Customer churn rate

2017 Jan-Mar	2018 Jan-Mar	2019 Jan-Mar
<b>Average</b> <b>2.85</b> %	<b>Average</b> <b>2.86</b> %	<b>Average</b> <b>2.69</b> %

## 3. Men's Curves

# Cleared breakeven sales



**Increasing Steadily**

**Launch a second store this year**

**Under consideration of multi-store development**

# Understand the situation in each country

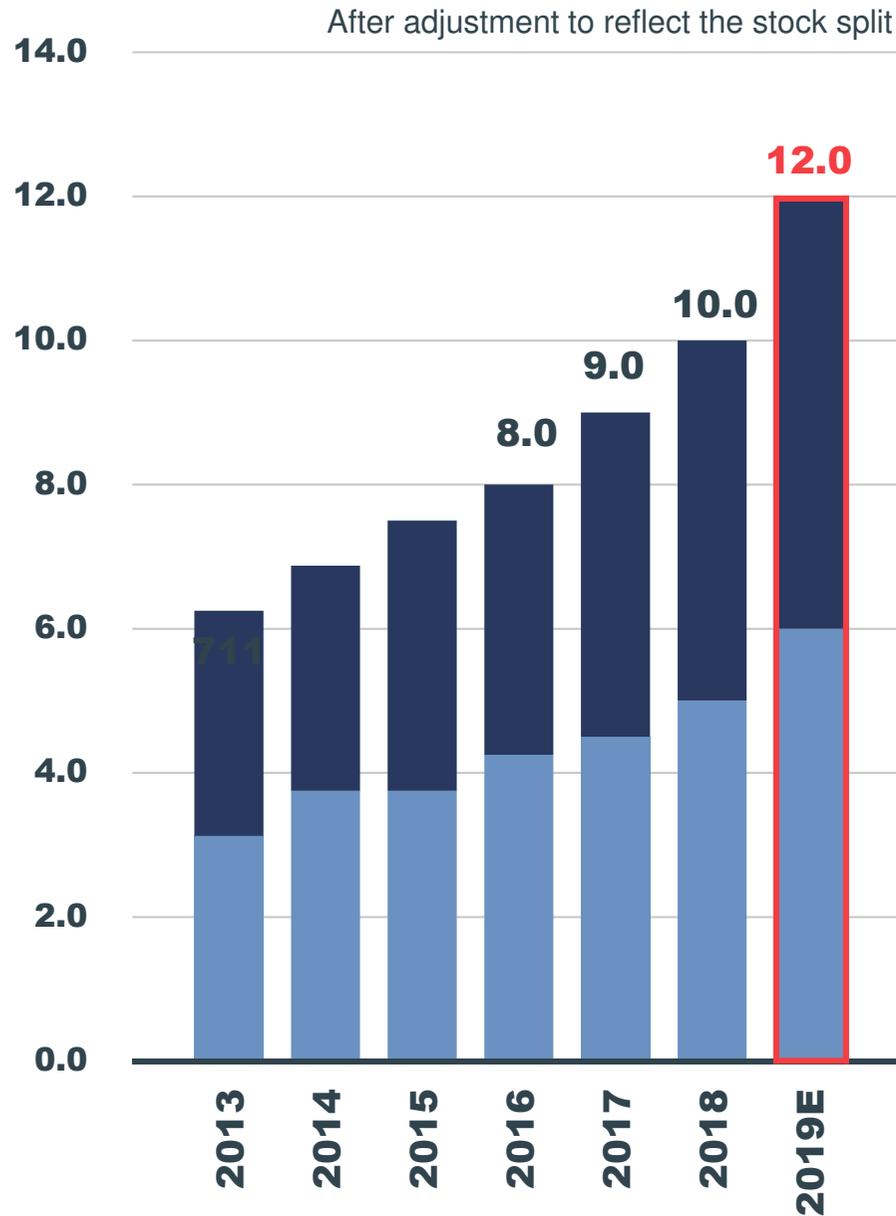


**Grasping the current situation is over**  
**Developing a specific strategy**



# **Shareholder Distributions and Benefits**

# Shareholder Distributions and Benefits (Dividends)



**FY8/2019 (forecast)**

**JPY 12.00**

**11<sup>th</sup> consecutive year of higher dividend since the IPO**

■ Year-end  
■ Interim

## Shareholder Distributions and Benefits (Shareholder Benefits)

	Less than 3 years	3 years or more
100 shares or more	Coupon worth about JPY <b>2,000</b>	Coupon worth about JPY <b>4,000</b>
400 shares or more	Coupon worth about JPY <b>5,000</b>  Catalogue gift worth about JPY <b>3,000</b>	Coupon worth about JPY <b>10,000</b>  Catalogue gift worth about JPY <b>3,000</b>
4,000 shares or more	Coupon worth about JPY <b>5,000</b>  Catalogue gift worth about JPY <b>5,000</b>	Coupon worth about JPY <b>10,000</b>  Catalogue gift worth about JPY <b>5,000</b>

## **The Goal of the Koshidaka Group**

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

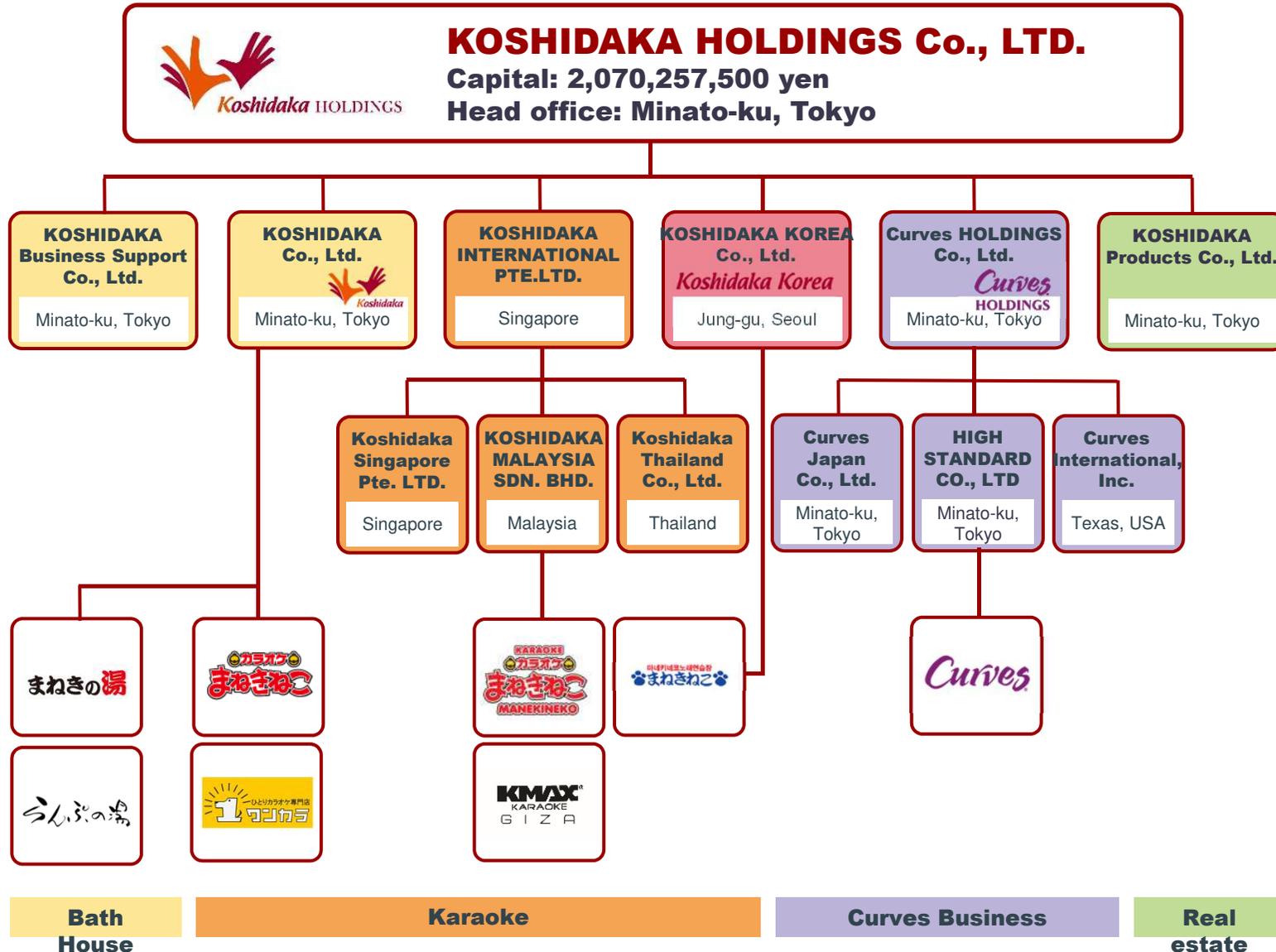
# Appendix



# Corporate Overview

<b>Company name</b>	KOSHIDAKA HOLDINGS Co., LTD
<b>Business</b>	Oversight of operating companies, business development and other activities
<b>Established</b>	March 1967
<b>Tokyo Head Office</b>	World Trade Center Building 23F, 2-4-1 Hamamatsucho, Minato-ku, Tokyo, Japan
<b>Maebashi Head Office</b>	1-5-1 Odomomachi, Maebashi-shi, Gunma, Japan
<b>Capital</b>	JPY 2,070,257,500
<b>Employees</b>	4,215 (all group companies, as of the end February 2019)
<b>Consolidated subsidiaries</b>	KOSHIDAKA Co., Ltd. / Curves HOLDINGS Co., Ltd. / Curves Japan Co., Ltd. HIGH STANDARD CO., LTD. / KOSHIDAKA PRODUCTS Co., Ltd. KOSHIDAKA Business Support Co., Ltd. / KOSHIDAKA INTERNATIONAL PTE. LTD. KOSHIDAKA SINGAPORE PTE. LTD. / KOSHIDAKA KOREA Co., Ltd. Curves International, Inc.
<b>Corporate Philosophy</b>	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



# Inquiries

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## ▶ IR Contact

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**Stock code** : 2157

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