



April 10, 2024

Summary of Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending August 31, 2024
(Six Months Ended February 29, 2024)

[Japanese GAAP]

Company name: KOSHIDAKA HOLDINGS Co., LTD. Listing: Tokyo Stock Exchange
 Stock code: 2157 URL: <https://www.koshidakaholdings.co.jp/>
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 Scheduled date of filing of Quarterly Report: April 11, 2024
 Scheduled date of payment of dividend: May 9, 2024
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter Ended February 29, 2024 (Sep. 1, 2023 – Feb. 29, 2024)

(1) Consolidated results of operations (Percentages are year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Feb. 29, 2024	30,578	19.4	4,834	37.1	5,542	50.5	3,896	55.9
Six months ended Feb. 28, 2023	25,609	54.9	3,525	-	3,683	23.9	2,499	32.7

Note: Comprehensive income (million yen) Six months ended Feb. 29, 2024: 3,874 (up 56.1%)
 Six months ended Feb. 28, 2023: 2,481 (up 35.5%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended Feb. 29, 2024	47.79		43.72	
Six months ended Feb. 28, 2023	30.66		28.15	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of Feb. 29, 2024	59,188		28,697		48.5	
As of Aug. 31, 2023	57,007		25,394		44.5	

Reference: Shareholders' equity (million yen) As of Feb. 29, 2024: 28,689 As of Aug. 31, 2023: 25,385

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen				
Fiscal year ended Aug. 31, 2023	-	5.00	-	7.00	12.00
Fiscal year ending Aug. 31, 2024	-	7.00	-	-	-
Fiscal year ending Aug. 31, 2024 (forecast)	-	-	-	7.00	14.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending August 31, 2024 (Sep. 1, 2023 – Aug. 31, 2024)

(Percentages are year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
Full year	62,728	14.8	9,278	21.0	9,939	28.0	6,753	(5.0)	Yen 82.83

Note: Revisions to the most recently announced earnings forecast: Yes

For more information about revisions to the consolidated earnings forecast, see the April 10, 2024 press release titled "Notice of Forecast Revision for the Fiscal Year Ending August 31, 2024" (Japanese version only).

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Application of special accounting methods in the preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Feb. 29, 2024:	82,300,000 shares	As of Aug. 31, 2023:	82,300,000 shares
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2) Number of treasury shares at the end of the period

As of Feb. 29, 2024:	767,377 shares	As of Aug. 31, 2023:	767,376 shares
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3) Average number of shares outstanding during the period

Six months ended Feb. 29, 2024:	81,532,623 shares	Six months ended Feb. 28, 2023:	81,532,681 shares
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* The current financial report is not subject to quarterly review by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the Company's management at the time the materials were prepared. These materials are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to page 4 of the attachments "(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements" for forecast assumptions and notes of caution for usage.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first half of the current fiscal year, prices remained high as the rising cost of international logistics was added to the effects of concerns involving the supply of energy and food. Major reasons are the prolonged Russo-Ukraine war and the Israel-Hamas conflict in the Middle East and associated attacks on cargo vessels. In Japan, the yen is moving up and down somewhat but remaining weak, which has an impact on prices, as U.S. and Japanese monetary authorities consider the timing of a change in their policies.

While there are many sources of uncertainty, including the upcoming U.S. presidential election, slowing economic growth in China and tension involving China and Taiwan, in Japan, foreign tourists have returned and salaries are increasing, although mainly at large companies. With prices expected to increase steadily, Japan appears to be about to end its “lost 30 years” with the Nikkei Average at a record high and other positive signs emerging.

Business segment performance is as follows. Beginning with the first quarter of the current fiscal year, the former Bath House segment is moved to the newly established Other segment. This change was made because the size of the bath house business became much smaller following the closing of Tokyo Kenko Land Maneki-no-Yu Bath House, which was the main facility of this business. In addition, food and beverage stores that do not include karaoke and were previously included in the Karaoke segment have been moved to the Other segment. The reclassified operations are four Gindaco Highball stores, one CAFÉ ECLA store and two locations using the new Canop business model.

The year-on-year figures below have been reclassified into the new segments for comparison purposes.

Karaoke

The core Karaoke business continued to open many stores during the first half as 28 stores were added, including 11 locations in rather less cultivated Osaka and Nagoya regions. In addition, investments were made for new equipment and other improvements at existing locations. The prices remained at about the same level following price revisions during the first half of the previous fiscal year. Following continuous adjustments in prices to reflect general price trends in Japan, sales per customer have been lower than planned but the number of customers has exceeded the plan. As a result, sales in this business were generally as planned.

Many activities are under way to accomplish the medium-term corporate vision of “Entertainment as Infrastructure.” Major initiatives are forms of entertainment other than karaoke, many types of content collaboration, and measures to upgrade and expand recruiting and training activities. In addition, we have been developing and making progress in introducing DX to enhance operating efficiency and offer new types of entertainment. At some locations, the ONOREC VK virtual character karaoke service was installed on a trial basis as a new private entertainment room measure. Furthermore, there were actions such as salary increases involving the Workstyle Innovation Plan in order to strengthen the framework for business operations.

In other countries, store openings in Southeast Asia that resumed in the previous fiscal year continued. During the first half of the current fiscal year, three Karaoke Manekineko store were opened in Malaysia including one in the second quarter of this fiscal year, one in Thailand and another in Indonesia.

At the end of February 2024, the number of karaoke locations in Japan was 646, 26 more than at the end of the previous fiscal year. The number of overseas karaoke stores was 22 in four countries, consisting of four in South Korea, 13 in Malaysia, three in Thailand and two in Indonesia, five more than at the end of the previous fiscal year.

Sales in the Karaoke segment were 29,590 million yen, up 22.0% year on year, and there was a segment profit of 5,549 million yen, an increase of 1,484 million yen, up 36.5% year on year.

Real Estate Management

Occupancy was almost 100% at both of the major properties in this segment, the AQERU Maebashi commerce & business complex and the Fleuret Hanasaki Building in Yokohama. First half performance reflected the absence of revenue from Sport Nagoya, which was sold in the third quarter of the previous fiscal year, and new acquisition expenses.

Sales in the Real Estate Management segment were 749 million yen, down 0.5% year on year, and the segment profit was 40 million yen, a decrease of 88 million yen, down 68.5% year on year.

Other

In this segment, there was no revenue from Tokyo Kenko Land Maneki-no-Yu Bath House due to its closing in the first quarter of the current fiscal year. The performance of the five food and beverage stores moved to this segment from the Karaoke segment improved.

Sales in the Other segment were 434 million yen, down 39.5% year on year, and the segment loss was 39 million yen expanded from one year earlier.

Overall, the Koshidaka Group (KOSHIDAKA HOLDINGS Co., LTD. and its consolidated subsidiaries) had sales of 30,578 million yen, up 19.4% year on year. The operating profit was 4,834 million yen, up 37.1% year on year, the ordinary profit was 5,542 million yen, up 50.5% year on year, and the profit attributable to owners of parent was 3,896 million yen, up 55.9% year on year.

(2) Explanation of Financial Position

1) Assets, liabilities, and net assets

Assets

Current assets decreased 2,186 million yen (17.7%) to 10,187 million yen. This was mainly due to a decrease of 2,266 million yen in cash and deposits.

Property, plant and equipment increased 2,521 million yen (7.9%) to 34,553 million yen. This was mainly due to an increase of 2,158 million yen in buildings and structures, net because of new store openings.

Intangible assets increased 133 million yen (26.1%) to 644 million yen.

Investments and other assets increased 1,711 million yen (14.2%) to 13,802 million yen. This was mainly due to increases of 594 million yen in leasehold and guarantee deposits and 316 million yen in investment securities.

Total non-current assets increased 4,366 million yen (9.8%) to 49,000 million yen.

As a result, total assets increased 2,180 million yen (3.8%) to 59,188 million yen.

Liabilities

Current liabilities decreased 1,057 million yen (7.6%) to 12,906 million yen. This was mainly due to decreases of 697 million yen in accounts payable-other, 310 million yen in income taxes payable and 463 million yen in other current liabilities, while there was an increase of 354 million yen in deposits received.

Non-current liabilities decreased 65 million yen (0.4%) to 17,583 million yen. This was mainly due to a decrease of 555 million yen in long-term borrowings and an increase of 481 million yen in asset retirement obligations.

As a result, total liabilities decreased 1,122 million yen (3.6%) to 30,490 million yen.

Net assets

Net assets increased 3,303 million yen (13.0%) to 28,697 million yen. This was mainly due to an increase of 3,325 million yen in retained earnings.

2) Cash flows

Cash and cash equivalents (hereinafter "net cash") at the end of the second quarter of the current fiscal year decreased 2,272 million yen from the end of the previous fiscal year to 5,582 million yen.

The cash flow components during the first half and the main reasons for changes are as described below.

Cash flows from operating activities

Net cash provided by operating activities totaled 5,181 million yen, compared with 4,936 million yen provided in the same period of the previous fiscal year. Main factors include profit before income taxes of 5,410 million yen,

depreciation of 2,064 million yen, and 2,049 million yen in income taxes paid.

Cash flows from investing activities

Net cash used in investing activities totaled 6,325 million yen, compared with 8,970 million yen used in the same period of the previous fiscal year. Main factors include purchase of property, plant and equipment of 4,747 million yen, payments of leasehold and guarantee deposits of 621 million yen, and purchase of investment securities of 318 million yen.

Cash flows from financing activities

Net cash used in financing activities totaled 1,062 million yen, compared with 2,419 million yen provided in the same period of the previous fiscal year. Main factors include proceeds from long-term loans payable of 500 million yen, repayments of long-term borrowings of 991 million yen and dividends paid of 570 million yen.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

While first half sales per customer were less than expected, the number of customers was more than expected. Based on the outlook for no change in these trends in the second half, the fiscal year forecasts have been increased to reflect first half sales and earnings that were higher than the forecasts.

Overall, we forecast consolidated net sales of 62,728 million yen, up 14.8% year on year, operating profit of 9,278 million yen, up 21.0% year on year, ordinary profit of 9,939 million yen, up 28.0% year on year, and profit attributable to owners of parent of 6,753 million yen, down 5.0% year on year.

We have positioned (1) expansion of the store network and increase in the number of karaoke rooms, (2) provision of various types of entertainment, and (3) recruitment and training of human resources as our three priority tasks under our medium-term corporate vision, “Entertainment as Infrastructure” (Entertainment Infrastructure Plan).

Many activities are under way involving these priority tasks. We are a) actively recruiting high-level human resources and building an organizational structure capable of sustaining growth, b) leveraging DX to create new customer experiences that transcend the limitations of location and space by fusing real and digital entertainment and increase the number of Private Entertainment Rooms (PER), and c) developing “well-tainment,” a new business model, that combines entertainment and wellness. Our goal is to move forward with these initiatives in order to raise our corporate value. In the current fiscal year, we are introducing “ONEREC VK,” a new DX-based PER initiative, and taking actions to enhance operational efficiency.

The consolidated earnings forecast is based on assumptions judged to be valid and information currently available at the time the forecasts were established. Actual results may differ significantly from these forecasts for a number of reasons.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	FY8/23 (As of Aug. 31, 2023)	Second Quarter of FY8/24 (As of Feb. 29, 2024)
Assets		
Current assets		
Cash and deposits	8,437,076	6,170,413
Notes and accounts receivable-trade	947,213	897,488
Merchandise	169,363	170,216
Raw materials and supplies	384,959	328,309
Other	2,438,031	2,624,132
Allowance for doubtful accounts	(2,575)	(2,584)
Total current assets	12,374,069	10,187,976
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,587,377	24,745,699
Vehicles, tools, furniture and fixtures, net	2,792,752	2,919,443
Land	6,627,123	6,627,123
Construction in progress	25,029	261,702
Total property, plant and equipment	32,032,282	34,553,968
Intangible assets		
Goodwill	1,290	638
Software	364,271	435,457
Other	145,345	208,065
Total intangible assets	510,907	644,161
Investments and other assets		
Investment securities	288,714	605,567
Shares of subsidiaries and associates	10,404	183,960
Long-term loans receivable	2,205,026	2,173,296
Long-term prepaid expenses	603,846	656,898
Leasehold and guarantee deposits	7,507,557	8,102,145
Deferred tax assets	2,068,785	2,249,847
Other	151,916	427,108
Allowance for doubtful accounts	(745,706)	(596,669)
Total investments and other assets	12,090,543	13,802,156
Total non-current assets	44,633,733	49,000,287
Total assets	57,007,803	59,188,263

(Thousands of yen)

	FY8/23 (As of Aug. 31, 2023)	Second Quarter of FY8/24 (As of Feb. 29, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	644,739	559,876
Current portion of long-term borrowings	1,911,240	1,975,240
Accounts payable-other	2,785,751	2,088,524
Accrued expenses	1,610,478	1,610,586
Income taxes payable	2,262,994	1,952,062
Provision for bonuses	347,162	427,294
Deposits received	263,142	617,609
Other	4,138,895	3,675,695
Total current liabilities	13,964,404	12,906,888
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	4,000,000	4,000,000
Long-term borrowings	6,937,210	6,381,590
Deferred tax liabilities	690,852	670,156
Asset retirement obligations	5,137,733	5,619,014
Other	883,089	912,781
Total non-current liabilities	17,648,884	17,583,542
Total liabilities	31,613,289	30,490,430
Net assets		
Shareholders' equity		
Share capital	2,070,257	2,070,257
Capital surplus	3,302,786	3,302,786
Retained earnings	20,455,244	23,780,526
Treasury shares	(105,741)	(105,742)
Total shareholders' equity	25,722,546	29,047,827
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	47,576	49,846
Foreign currency translation adjustment	(384,231)	(408,463)
Total accumulated other comprehensive income	(336,654)	(358,617)
Share acquisition rights	8,622	8,622
Total net assets	25,394,514	28,697,832
Total liabilities and net assets	57,007,803	59,188,263

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Six-month Period)**

(Thousands of yen)

	First six months of FY8/23 (Sep. 1, 2022 – Feb. 28, 2023)	First six months of FY8/24 (Sep. 1, 2023 – Feb. 29, 2024)
Net sales	25,609,214	30,578,453
Cost of sales	19,529,911	22,492,093
Gross profit	6,079,302	8,086,360
Selling, general and administrative expenses	2,554,199	3,251,823
Operating profit	3,525,102	4,834,537
Non-operating income		
Interest and dividend income	17,657	12,569
Foreign exchange gains	147,858	131,119
Reversal of allowance for doubtful accounts	-	39,812
Cancellation income	-	504,715
Other	59,560	123,416
Total non-operating income	225,076	811,633
Non-operating expenses		
Interest expenses	20,737	15,573
Provision of allowance for doubtful accounts	39,289	-
Rent expenditure	-	69,264
Other	6,600	18,666
Total non-operating expenses	66,627	103,504
Ordinary profit	3,683,551	5,542,665
Extraordinary income		
Gain on sale of non-current assets	296	-
Total extraordinary income	296	-
Extraordinary losses		
Loss on retirement of non-current assets	35,736	14,533
Impairment losses	2,018	117,418
Loss on valuation of investment securities	8,023	-
Total extraordinary losses	45,778	131,952
Profit before income taxes	3,638,070	5,410,713
Income taxes-current	543,048	1,717,463
Income taxes-deferred	595,192	(202,759)
Total income taxes	1,138,241	1,514,703
Profit	2,499,828	3,896,010
Profit attributable to owners of parent	2,499,828	3,896,010

Quarterly Consolidated Statement of Comprehensive Income**(For the Six-month Period)**

(Thousands of yen)

	First six months of FY8/23 (Sep. 1, 2022 – Feb. 28, 2023)	First six months of FY8/24 (Sep. 1, 2023 – Feb. 29, 2024)
Profit	2,499,828	3,896,010
Other comprehensive income		
Valuation difference on available-for-sale securities	8,860	2,270
Foreign currency translation adjustment	(27,338)	(24,232)
Total other comprehensive income	(18,477)	(21,962)
Comprehensive income	2,481,350	3,874,047
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,481,350	3,874,047

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of FY8/23 (Sep. 1, 2022 – Feb. 28, 2023)	First six months of FY8/24 (Sep. 1, 2023 – Feb. 29, 2024)
Cash flows from operating activities		
Profit before income taxes	3,638,070	5,410,713
Depreciation	1,816,175	2,064,297
Impairment losses	2,018	117,418
Amortization of goodwill	2,054	651
Increase (decrease) in provision for bonuses	94,968	80,131
Increase (decrease) in allowance for doubtful accounts	4,191	(150,819)
Interest and dividend income	(17,657)	(12,569)
Interest expenses	20,737	15,573
Loss (gain) on sale of property, plant and equipment	(296)	-
Loss on retirement of non-current assets	35,736	14,533
Decrease (increase) in trade receivables	(157,470)	49,990
Decrease (increase) in inventories	(65,591)	55,979
Decrease (increase) in accounts receivable-other	(3,158)	-
Increase (decrease) in trade payables	36,555	(85,470)
Increase (decrease) in accounts payable-other, and accrued expenses	25,289	(761,436)
Other, net	161,010	372,799
Subtotal	5,592,634	7,171,792
Interest and dividends received	17,657	12,569
Interest paid	(20,899)	(15,573)
Income taxes paid	(652,894)	(2,049,833)
Net cash provided by (used in) operating activities	4,936,497	5,118,955
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,367,241)	(4,747,149)
Proceeds from sale of property, plant and equipment	50,741	-
Purchase of intangible assets	(124,809)	(231,571)
Purchase of investment securities	(50,000)	(318,967)
Payments for investments in non-consolidated subsidiaries	-	(173,529)
Proceeds from sales of investment securities	5,520	2,600
Payments of leasehold and guarantee deposits	(889,945)	(621,064)
Proceeds from collection of leasehold and guarantee deposits	13,458	25,506
Loan advances	(613,476)	(281,610)
Proceeds from collection of loans receivable	5,323	20,090
Other, net	(40)	-
Net cash provided by (used in) investing activities	(8,970,469)	(6,325,696)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,198,730	-
Proceeds from long-term borrowings	700,000	500,000
Repayments of long-term borrowings	(1,153,286)	(991,620)
Purchase of treasury shares	(33)	(1)
Dividends paid	(326,130)	(570,728)
Net cash provided by (used in) financing activities	2,419,279	(1,062,349)
Effect of exchange rate change on cash and cash equivalents	157,633	(2,941)
Net increase (decrease) in cash and cash equivalents	(1,457,059)	(2,272,032)
Cash and cash equivalents at beginning of period	6,379,401	7,854,269
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	13,878	-
Cash and cash equivalents at end of period	4,936,220	5,582,237



(4) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

Segment Information

I. First six months of FY8/23 (Sep. 1, 2022 – Feb. 28, 2023)

1. Information related to net sales and profit/loss and disaggregation of revenue for each reportable segment

(Thousands of yen)

	Reportable segment			Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Karaoke	Real Estate Management	Other			
Net sales						
Revenue from contracts with customers	24,249,354	87,044	717,988	25,054,388	-	25,054,388
Other revenue	-	554,825	-	554,825	-	554,825
External sales	24,249,354	641,870	717,988	25,609,214	-	25,609,214
Inter-segment sales and transfers	-	111,373	-	111,373	(111,373)	-
Total	24,249,354	753,244	717,988	25,720,588	(111,373)	25,609,214
Segment profit (loss)	4,065,050	129,069	(15,710)	4,178,408	(653,305)	3,525,102

Notes: 1. The -653,305 thousand yen adjustment to segment profit (loss) mainly includes general and administrative expenses that cannot be attributed to reportable segments.

2. Segment profit (loss) is adjusted to be consistent with operating profit shown on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

No applicable items.

II. First six months of FY8/24 (Sep. 1, 2023 – Feb. 29, 2024)

1. Information related to net sales and profit/loss and disaggregation of revenue for each reportable segment

(Thousands of yen)

	Reportable segment			Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Karaoke	Real Estate Management	Other			
Net sales						
Revenue from contracts with customers	29,590,979	139,578	434,294	30,164,852	-	30,164,852
Other revenue	-	413,601	-	413,601	-	413,601
External sales	29,590,979	553,179	434,294	30,578,453	-	30,578,453
Inter-segment sales and transfers	-	196,156	-	196,156	(196,156)	-
Total	29,590,979	749,336	434,294	30,774,610	(196,156)	30,578,453
Segment profit (loss)	5,549,848	40,712	(39,726)	5,550,834	(716,297)	4,834,537

Notes: 1. The -716,297 thousand yen adjustment to segment profit (loss) mainly includes general and administrative expenses that cannot be attributed to reportable segments.

2. Segment profit (loss) is adjusted to be consistent with operating profit shown on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

No applicable items.

3. Information related to revisions for reportable segments

Reportable segments were revised beginning with the first quarter of the current fiscal year. This revision was made for the purpose of using reportable segments that appropriately show the business activities of the Koshidaka Group. The goals are to speed up and strengthen strategic initiatives based on the medium-term corporate vision, properly make decisions about the allocations of resources and manage results of operations, and accurately evaluate the benefits of synergies and other items. One revision is the move of the Bath House segment to the new Other segment because the importance of the Bath House segment decreased following the closing on September 3, 2023 of Tokyo Kenko Land Maneki-no-Yu Bath House, its main facility. In addition, business activities other than karaoke (note 1) that were included in the Karaoke segment have been moved to the Other segment.

Segment information for the first six months of FY8/23 has been restated for consistency with the revised segments.

Note 1: Business activities other than karaoke that were previously included in the Karaoke segment: Gindaco Highball, Canop, CAFÉ ECLA

Revenue Recognition

Information related to disaggregation of revenue from contracts with customers is described in the Segment and Other Information section.

Material Subsequent Events

Not applicable.

This summary report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.