

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending April 30, 2023

December 8, 2022

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 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (Web-based meeting for institutional investors)

(Amounts are rounded down to million yen)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending April 30, 2023

(May 1, 2022 - October 31, 2022)

(1) Consolidated Operating Results (Cumulative) (Percentages represent changes from the same period of the previous year.)

	Sales		Operating income		Ordinary profit		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Second Quarter								
April 30, 2023	15,161	8.3	1,079	43.1	1,112	△25.2	706	△21.6
April 30, 2022	13,997	9.3	754	140.6	1,487	266.7	900	527.3

(Note) Comprehensive income April 30, 2023 670 Millions of yen (△33.1%) April 30, 2022 1,003 Millions of yen (-%)

	Basic earnings per share	Diluted earnings per share
Second Quarter	Yen	Yen
April 30, 2023	59.31	58.61
April 30, 2022	75.82	75.03

(2) Consolidated Financial Position

	total assets	net assets	Capital adequacy ratio	Net assets per share
Second Quarter	Yen	Yen	%	Yen
April 30, 2023	18,368	13,426	65.8	1,014.34
April 30, 2022	18,826	12,883	61.1	965.12

(Reference) net worth April 30, 2023 12,092 Millions of yen April 30, 2022 11,499 Millions of yen

2. Dividends

	Annual dividend				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	total amount
	Yen	Yen	Yen	Yen	Yen
April 30, 2022	-	0.00	-	10.00	10.00
April 30, 2023	-	0.00	-	-	-
April 30, 2023 (forecast)	-	-	-	11.00	11.00

(Note) Revision of the most recently announced dividend forecast: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending April 30, 2023 (May 1, 2022 - April 30, 2023)

(Percentage figures are comparisons with the previous year)

	Sales		Operating income		Ordinary profit		Profit attributable to owners of the parent		profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
full year	33,931	17.0	2,884	54.1	3,081	5.6	1,875	19.6	157.75

(Note) Revisions to the most recently announced earnings forecasts: Yes

Notes

- (1) Changes in significant subsidiaries during the period : None
 (Changes in specified subsidiaries resulting in changes in scope of consolidation)
 New company (Company name), Excluded company (Company name)
- (2) Adoption of accounting methods specific to the preparation of quarterly consolidated financial statements : None
- (3) Changes in accounting policies, changes in accounting estimates, and restatements
- (1) Changes in accounting policies due to revisions of accounting standards, etc. : Yes
 - (2) Changes in accounting policies other than (1) above : None
 - (3) Changes in accounting estimates : None
 - Restatement of corrections : None

(4) Number of shares issued and outstanding (common stock)

(1)Number of shares issued and outstanding at the end of the period (including treasury stock)	Apr. 2023 2Q	14,314,800 shares	April 30, 2022	14,314,800 shares
(2)Number of treasury stock at end of period	Apr. 2023 2Q	2,393,410 shares	April 30, 2022	2,400,132 shares
(3)Average number of shares during the period (cumulative quarterly period)	Apr. 2023 2Q	11,916,944 shares	Apr. 2022 2Q	11,882,006 shares

Quarterly financial results are not subject to quarterly review by a certified public accountant or auditing firm.

Explanation of appropriate use of earnings forecasts and other special notes

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Please refer to "1. Business Results (3) Forward-looking Statements, including Earnings Forecasts" on page 7 of the attached materials for precautions regarding the use of earnings forecasts and other related matters.

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1. Qualitative Information on Financial Results for the Current Quarter

(1) Explanation of Operating Results

In the domestic economy, the restaurant market is still in a difficult environment, as the easing of restrictions on going out and government measures to support tourism are bringing back customers, but at the same time, profits are being squeezed by soaring raw material prices.

The Group, which sells kitchen appliances to restaurants, provides support for restaurant management, and manages restaurants, reported consolidated net sales of 15,161 million yen (up 8.3% year-on-year), operating income of 1,079 million yen (up 43.1% year-on-year), ordinary income of 1,112 million yen (down 25.2% year-on-year), and net income attributable to parent company shareholders of 706 million yen (down 21.6% year-on-year) for the first half of the fiscal year under review. Net income attributable to shareholders of the parent company was 706 million yen (down 21.6%).

Unlike the previous period, ordinary income declined in the current period due to a decrease in subsidy income from the food and beverage business, but operating income increased 43.1% y-o-y. The main market for our group companies is the food and beverage industry, which is struggling amid the Corona disaster, but profits are steadily increasing.

Segment name	Period from May 1, 2021 to October 31, 2021	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Product sales business	1,174	1,119	△55	△ 4.7
Information and services business	12	114	102	823.9%
Food and Beverage	△392	△91	301	Deficit Improvement
Total	793	1,142	348	43.9%

(Note) The above figures are the results of the segment on a non-consolidated basis and do not correspond to the results of the segment information.

Segment name	Period from May 1, 2021 to October 31, 2021	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Product sales business	1,321	1,161	△159	△ 12.1%
Information and services business	32	118	86	267.5%
Food and Beverage	173	△111	△285	turning a deficit
Total	1,527	1,168	△359	△23.5%

(Note) The above figures are the results of the segment on a non-consolidated basis and do not correspond to the results of the segment information.

A summary by business segment is as follows.

(1) Product sales business

The core business of merchandise sales, Tenpos Busters Co., Ltd. achieved increases in both sales and income by strengthening sales from single-item sales to comprehensive orders. On the other hand, the online shopping business TENPOS.com Inc. and the direct sales company Kitchen Techno Co., Ltd. suffered lower sales due to delays in deliveries by kitchen equipment manufacturers caused by the recent economic situation. Ltd. was unable to absorb the increase in expenses resulting from a strategic increase in the number of employees from 14 to 28, resulting in a decline in earnings. As a result, segment sales in the merchandise sales business increased 3.5% to 10,731 million yen, and segment income decreased 4.7% to 1,119 million yen.

Storefront and used kitchen equipment sales Tenpos Busters Co., Ltd.

Sales: 8,319 million yen (+4.8% YoY) Operating income: 1,033 million yen (+5.9% YoY)

Tenpos Busters Co., Ltd, the largest used kitchen equipment sales company in Japan, will launch "Dr. Tenpos," an information and service useful for restaurant management as well as product sales, in 2019. Tenpos Busters' growth strategy is to attract new restaurant opening customers and increase the number of customers per customer by providing "Dr. Tenpos. This is because while new store openings account for only 4% of the 613,000 annual customer visits, or 24,000, they are a customer segment with growth potential, accounting for 37.9% of total sales. However, the doctor's road is still very far, and we are not in a position to say that we are providing very good support for restaurant management.

During the period under review, the number of customers who came to the store slightly declined, but the number of customers who passed through the cash register increased due to thorough efforts to call out to customers in the store, and the number of new store opening customers increased to 13,536 (up 13.1% year-on-year). Going forward, the Company will continue its efforts to increase the number of new store opening customers from the early stage of preparation for opening a new store, in order to obtain comprehensive orders and increase the average spend per customer.

As a new initiative, we have started an outside sales force, which consists of employees with extensive experience in supporting restaurant management, to accompany customers who are opening new restaurants on property visits, attend meetings with interior decorators, and discuss kitchen equipment on site. Selected outside sales staff are given sales training in such areas as closing and interviewing, and the project is commonly referred to as "Dr. Nagashima" as it aims to increase sales per customer through practice. The external sales employees who have received "Dr. Nagashima" training are working to raise the level of all employees by providing guidance to those who are engaged in customer service at stores. Although this has not yet led to an increase in sales per customer, the closing rate for new store openings is gradually increasing.

In other cases, when we received purchase requests from restaurants that were opening new restaurants in vacant properties and selling the unneeded kitchen equipment remaining in the properties, our purchase staff started sales activities to acquire comprehensive orders as a new restaurant producer, proposing sales promotion services, etc. necessary for new restaurant preparation at the same time as purchasing the equipment. However, despite the fact that we receive information on more than 200 vacant properties every month, we are not on track at all, with only about seven projects in progress each month.

In May 2022, Gurunavi, Inc. (hereinafter referred to as "Gurunavi") in May 2022, and personnel expenses amounted to 124 million yen in the first half of the consolidated fiscal year. Now that we have a system in place to earn gross profit equivalent to the personnel cost, we intend to aggressively utilize human resources for their original purpose, which is to take advantage of the restaurant management support know-how possessed by employees seconded to Gurunavi.

Direct sales of kitchen equipment to major restaurant companies Kitchen Techno Corporation

Sales: 1,434 million yen (+2.4% YoY) Operating income: 83 million yen (-12.6% YoY)

Net sales increased 2.4% year-on-year in the first half of the current fiscal year, but operating income decreased 12.6% due to higher personnel expenses. There are no other special items to report.

Sales of kitchen equipment and consumer food products via web-based mail order Tenpos.com Co., Ltd.

Sales: 1,257 million yen (-6.0% YoY) Operating income: 22 million yen (-55.8% YoY)

Due to continued delays in the delivery of kitchen cooling equipment, which accounts for a high percentage of sales, that began in the early fall of the previous fiscal year, sales in the mail-order division declined 6.7% in the first half of the current fiscal year compared to the same period last year. In addition, operating income fell 55.8% due to an increase in the number of employees from 14 to 28, as the company actively accepted personnel from Gurunavi to build an administrative structure and strengthen its sales organization. Results from access improvement measures were up 20.0% year-on-year, due in part to the efforts of employees seconded to Guru-Navi who are well versed in the web. In particular, total access to industry-specific specialty sites (e.g., ramenya-openings.com) and industry-specific business startup support sites (providing information necessary to start a business) grew by 544.2%.

With a thicker human resource pool, we expect to enter the stage of annual sales from 2.5 billion yen to 5 billion yen as early as the third quarter of the consolidated fiscal year or later, or at the latest in the next fiscal year or later.

The results of each company in the merchandise sales business are as follows.

Amount of sales

(Millions of yen)

Company Name	Period from May 1, 2021 to October 31, 2021	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Tenpos Busters Co., Ltd	7,940	8,319	379	4.8%
Kitchen Techno Corporation	1,401	1,434	32	2.4%
Tenpos.com Co., Ltd.	1,337	1,257	△80	△ 6.0%
Total	10,679	11,011	332	3.1%

(Note) The above figures are the results of the Company's subsidiaries on a non-consolidated basis and do not correspond to the results in the segment information.

Operating income (Millions of yen)

Company Name	Period from May 1, 2021 to October 31, 2021	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Tenpos Busters Co., Ltd	975	1,033	57	5.9%
Kitchen Techno Corporation	96	83	△12	△ 12.6%
Tenpos.com Co., Ltd.	51	22	△28	△55.8
Total	1,123	1,140	16	1.5%

(Note) The above figures are the results of the Company's subsidiaries on a non-consolidated basis and do not correspond to the results in the segment information.

Ordinary profit (Millions of yen)

Company Name	Period from May 1, 2021 to October 31, 2021	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Tenpos Busters Co., Ltd	979	1,042	62	6.4%
Kitchen Techno Corporation	98	86	△11	△ 12.1%
Tenpos.com Co., Ltd.	51	22	△28	△55.3%
Total	1,129	1,151	22	2.0%

(Note) The above figures are the results of the Company's subsidiaries on a non-consolidated basis and do not correspond to the results in the segment information.

(2) Information and services business

The increase in the number of restaurants investing in sales promotion, human resources, and equipment as they recover from the Corona disaster led to a significant increase in sales to 1,983 million yen (up 22.4% y-o-y) and operating income to 114 million yen (up 823.9% y-o-y). Driving the earnings growth were the POS system sales business and the temporary staffing services business. Among the new businesses launched in the Corona Disaster, the delivery contracting business performed well.

POS system and ASP sales Tenpos Information Center Co., Ltd.

Sales: 487 million yen (+44.5% YoY) Operating income: 60 million yen (+113.0% YoY)

Orders related to table order, mobile order, and self-service cash registers increased due to a shortage of labor caused by the Corona disaster and an increase in the number of restaurants working to save labor. Furthermore, amid the shortage of new POS cash registers in circulation due to the shortage of semiconductors, Tenpos Information Center Co., Ltd. purchases and sells used POS, resulting in an increase in sales volume (+35.0% YoY) and boosting gross profit amount.

As a new initiative, we accepted seven personnel from Gurunavi, Inc. who are well versed in web sales promotion, and have been working on website renovation, SNS advertising, and SEO (search engine optimization) measures. Although expenses increased (up 26.2% y-o-y) due to the increase in personnel, sales growth exceeded the increase, and operating income rose sharply to 60 million yen (up 113.0% y-o-y).

Temporary staffing, placement and contracting services D-Spark Co., Ltd.

Sales: 516 million yen (+64.4% YoY) Operating income: 14 million yen (vs. an operating loss of 29 million yen in the same period last year)

Demand for customer service sales temporary staffing services was high amid the first summer vacation in three years with no restrictions on activity and increased movement of people, and sales to apparel and food retailers, which are our main customers, among others, exceeded those before the Corona disaster (fiscal year ended April 30, 2020). The new "contract delivery service business," launched in the wake of the Corona disaster, has grown into a breadwinner with operating income of 13 million yen as a result of the company's focus on expanding its sales bases and other efforts. For these reasons, operating income was 14 million yen, the highest ever recorded in the first half of a fiscal year.

As a new initiative, we have acquired industrial waste transportation and disposal business in Tokyo and three prefectures in advance, and will start waste collection and transportation from the third quarter of the consolidated cumulative period.

WEB Service, Dr. Tenpos New Business Development Tenpos Food Place Co., Ltd.

Sales: 88 million yen (+49.6% YoY) Operating income: 0 million yen (vs. an operating loss of 15 million yen in the same period of the

previous fiscal year)

Due to an increase in the number of doctor service acquisitions, net sales for the first half of the current fiscal year increased 49.6% year-on-year, and operating income become profitable for the first time since establishment in the same period. While we contribute to our group companies as an active member of their web-based sales promotion team, our main business, the development of new businesses for "Dr. Tenpos" has been a major focus of our efforts. However, we have not been able to provide any significant services in the development of new businesses for "Dr. Tenpos", our core business.

The results of each company in the information and services business are as follows.

Net sales (Millions of yen)

Company Name	Period from May 1, 2021 to October 31, 2021	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Studio Tenpos Co., Ltd.	465	430	△34	△ 7.4
Tenpos Information Center Co., Ltd.	337	487	150	44.5%
Tempo Financial Trust Co., Ltd.	415	424	9	2.2%
Profit Laboratory Co., Ltd.	50	51	0	1.6%
D-Spark Co., Ltd.	314	516	202	64.4%
Tenpos Food Place Co., Ltd.	58	88	29	49.6%
Total	1,642	1,999	357	21.8%

(Note) The above figures are the results of the Company's subsidiaries on a non-consolidated basis and do not correspond to the results in the segment information.

Operating income (Millions of yen)

Company Name	Period from May 1, 2021 to October 31, 2021	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Studio Tenpos Co., Ltd.	24	12	△12	△ 48.8%
Tenpos Information Center Co., Ltd.	28	60	31	113.0%
Tempo Financial Trust Co., Ltd.	22	26	4	21.1%
Profit Laboratory Co., Ltd.	△8	0	8	returning to profit
D-Spark Co., Ltd.	△29	14	43	returning to profit
Tenpos Food Place Co., Ltd.	△15	0	15	returning to profit
Total	22	114	91	405.4%

(Note) The above figures are the results of the Company's subsidiaries on a non-consolidated basis and do not correspond to the results in the segment information.

Ordinary profit (Millions of yen)

Company Name	Period from May 1, 2021 to October 31, 2021	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Studio Tenpos Co., Ltd.	24	14	△10	△42.8%
Tenpos Information Center Co., Ltd.	28	60	31	112.1%
Tempo Financial Trust Co., Ltd.	21	26	4	22.6%
Profit Laboratory Co., Ltd.	△4	0	4	returning to profit
D-Spark Co., Ltd.	△14	14	29	returning to profit
Tenpos Food Place Co., Ltd.	△15	1	16	returning to profit
Total	40	117	76	190.4%

(Note) The above figures are the results of the Company's subsidiaries on a non-consolidated basis and do not correspond to the results in the segment information.

(3) Food and Beverage Business

In the restaurant industry, segment sales for the first half of the current fiscal year in the food and beverage business were 2,899 million yen (up 21.9% year-on-year) and segment loss was 91 million yen (segment loss of 392 million yen in the same period last year), as restrictions on travel and drinking have been eased.

Restaurant Management Asakuma Co., Ltd.

Sales: 2,935 million yen (+20.2% YoY) Operating loss: 29 million yen (vs. operating loss of 258 million yen in the same period of the previous year)

Although sales and operating income both improved significantly, the Asakuma Group focused on activities to attract customers and cut expenses, as the number of customers visiting the store remained at 70% of the level before the Corona disaster (FY04/2020). In the first quarter, we worked to reduce labor costs as part of our cost-cutting efforts, but we received numerous complaints from customers due to a lack of employee training. We have therefore worked to improve our services with the aim of "never making customers wait" and "never making customers dissatisfied," but we have not yet achieved the level of service we are aiming for.

One of the reasons for the lack of recovery in sales may be that customers avoid the salad buffet, which are touched by an unspecified number of people due to the Corona disaster, so we have been experimenting with offering an "order buffet" system, where items are brought to the table, since the second quarter of the consolidated fiscal year. In addition, we have been working on the development of other magnet products that will be the centerpiece of our efforts to attract customers. For example, we have started selling a "BIG hamburger steak," which looks impressive and weighs 300 grams, with a salad bar for 1,380 yen excluding tax, at all our restaurants so that all customers can fill their stomachs. We will make further efforts based on the future results.

In terms of store development, since there were no store exits, the total number of stores for the Asakuma Group will be 76, including 61 directly managed stores and 5 franchise stores for Asakuma Corporation and 10 directly managed stores for Asakuma Succession Co.

The results of each company in the food and beverage business are as follows.

Amount of sales

(Millions of yen)

Company Name	Period from May 1, 2021 to October 31, 2021	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Asakuma Co., Ltd.	2,441	2,935	494	20.2%
Dream Dining Co., Ltd.	55	76	21	38.0%
Total	2,497	3,012	515	20.6%

(Note) The above figures are the results of the Company's subsidiaries on a non-consolidated basis and do not correspond to the results in the segment information.

Operating income

(Millions of yen)

Company Name	Period from May 1, 2021 to October 31, 2021	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Asakuma Co., Ltd.	△258	△29	228	Deficit Improvement
Dream Dining Co., Ltd.	△16	△8	8	Deficit Improvement
Total	△275	△38	237	Deficit Improvement

(Note) The above figures are the results of the Company's subsidiaries on a non-consolidated basis and do not correspond to the results in the segment information.

Ordinary profit

(Millions of yen)

Company Name	Period from May 1, 2021 to October 31, 2021	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Asakuma Co., Ltd.	257	△60	△317	turning a deficit
Dream Dining Co., Ltd.	13	1	△11	△87.4%
Total	270	△58	△329	turning a deficit

(Note) The above figures are the results of the Company's subsidiaries on a non-consolidated basis and do not correspond to the results in the segment information.

(2) Explanation of Financial Condition

(1) Analysis of Financial Condition

Total assets at the end of the second quarter of the current consolidated fiscal year amounted to 18,368 million yen, down 458 million yen from the end of the previous consolidated fiscal year. The details are as follows.

(Current assets)

Total current assets at the end of the second quarter amounted to 15,332 million yen, down 437 million yen from the end of the previous fiscal year. The main factors were a decrease of 741 million yen in cash and deposits and an increase of 596 million yen in inventories.

(Fixed assets)

Fixed assets totaled 3,035 million yen at the end of the second quarter, down 20 million yen from the end of the previous fiscal year. The main factor was a decrease of 31 million yen in property, plant and equipment.

(Current liabilities)

The balance of current liabilities at the end of the second quarter was 4,616 million yen, a decrease of 929 million yen from the end of the previous fiscal year. The main factors were a 281 million yen decrease in income taxes payable and a 250 million yen decrease in short-term loans payable.

(Long-term liabilities)

The balance of noncurrent liabilities at the end of the second quarter of the current consolidated fiscal year was 326 million yen, a decrease of 71 million yen from the end of the previous consolidated fiscal year. The main factor was a 74 million yen decrease in long-term loans payable.

(Net Assets)

Total net assets amounted to 13,426 million yen at the end of the second quarter of the current consolidated fiscal year, up 542 million yen from the end of the previous consolidated fiscal year. The main factor was a 587 million yen increase in retained earnings.

(2) Cash Flows

Cash and cash equivalents at the end of the second quarter decreased 791 million yen from the end of the previous fiscal year to 9,641 million yen. The status of cash flows by each activity and their factors are as follows.

(Cash flows from operating activities)

Net cash used in operating activities amounted to 173 million yen in the first half of the current fiscal year. This was mainly due to income before income taxes and minority interests of 1,112 million yen, a decrease due to an increase in inventories of 596 million yen, and income taxes paid of 651 million yen.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 75 million yen in the first half of the current fiscal year. This was mainly due to the purchase of property, plant and equipment in the amount of 67 million yen.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 541 million yen in the first half of the current fiscal year. This was mainly due to 250 million yen used for repayment of short-term loans payable and 148 million yen used for repayment of long-term loans payable.

(3) Explanation of consolidated earnings forecasts and other forward-looking information

We have revised the consolidated earnings forecast for the fiscal year ending April 30, 2022, which was announced on June 10, 2022. For details, please refer to the "Notice of Revision of Full-Year Earnings Forecasts for the Fiscal Year Ending April 30, 2023" released on December 8, 2022.

Quarterly consolidated financial statements and key notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	End of previous fiscal year (April 30, 2022)	Current Consolidated Second Quarter (October 31, 2022)
Assets		
Current assets		
cash on hand and in banks	10,356	9,614
Notes and accounts receivable-trade	1,498	1,460
inventories	3,175	3,772
Other	743	488
Allowance for doubtful accounts	weak2	weak2
Total current assets	15,770	15,332
fixed assets		
property, plant and equipment		
Buildings and structures, net	448	486
Machinery, equipment and vehicles, net	57	63
lot	87	87
Other, net	152	77
Total property, plant and equipment	746	714
Intangible fixed assets		
Other	111	109
Total intangible fixed assets	111	109
Investments and other assets		
Investments in securities	86	87
Shares of subsidiaries and affiliates	936	962
long-term loans	394	391
Lease and guarantee deposits	906	897
deferred tax asset	196	187
Bankruptcy reorganization claims, etc.	812	814
Other	118	110
Allowance for doubtful accounts	△1,254	△1,240
Total investments and other assets	2,198	2,212
Total fixed assets	3,056	3,035
total assets	18,826	18,368
Liabilities		
current liabilities		
Notes and accounts payable-trade	1,842	1,886
Short-term debt	250	-
Current portion of long-term debt	83	9
Income taxes payable	719	438
Allowance for shareholder special benefit	195	106
Allowance for bonuses	267	293
Allowance for product warranties	31	33
Other	2,156	1,847
Total current liabilities	5,546	4,616
fixed liabilities		
Long-term debt	173	99
Liabilities for retirement benefits	5	5
Asset retirement obligations	90	90
Other	126	130
Total long-term liabilities	397	326
total liabilities	5,943	4,942

(Millions of yen)

	End of previous fiscal year (April 30, 2022)	Current Consolidated Second Quarter (October 31, 2022)
Total net assets		
capital stock		
capital stock	509	499
Capital surplus	843	856
Retained earnings	11,150	11,738
treasury stock	△1,009	△1,006
Total shareholders' equity	11,494	12,087
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	5	5
Total accumulated other comprehensive income	5	5
subscription warrant	199	208
Noncontrolling interest	1,185	1,125
Total net assets	12,883	13,426
Total liabilities and net assets	18,826	18,368

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Consolidated Quarterly Statements of Income

Second Quarter consolidated cumulative period

(Millions of yen)

	Six months period of Previous year From: May 1, 2021 To: October 31, 2021)	Six months period of Current year From: May 1, 2022 To: October 31, 2022
Sales	13,997	15,161
cost of sales	8,883	9,248
Gross profit	5,114	5,913
Selling, general and administrative expenses	4,360	4,833
Operating income	754	1,079
Non-operating income		
interest income	2	0
Dividends received	0	0
Equity in earnings of affiliates	102	26
Subsidy income	578	11
Other	57	35
Total non-operating income	740	74
Non-operating expenses		
Loss on reduction of grants	-	37
interest expense	2	1
Other	3	1
Total non-operating expenses	6	41
Ordinary income	1,487	1,112
Extraordinary income		
Reversal of unsettled special account for advanced depreciation	-	13
Gain on sales of fixed assets	8	0
Difference on fulfillment of asset retirement obligations	12	-
Subsidy income	15	-
Other	5	6
Total extraordinary income	41	20
Extraordinary loss		
Loss on store closures	10	9
Losses due to temporary closures, etc.	8	-
settlement money	-	8
Other	8	1
Total extraordinary loss	27	20
Income before income taxes and minority interests	1,501	1,112
Corporate, inhabitant and enterprise taxes	501	431
Income taxes-deferred	△0	9
Total income taxes	500	441
Net income	1,000	670
Net income (loss) attributable to noncontrolling interests	100	△35
Net income attributable to owners of the parent	900	706

Consolidated Quarterly Statements of Comprehensive Income
Six Months Ended September 30, 2012

(Millions of yen)

	Six months period of Previous year From: May 1, 2021 To: October 31, 2021)	Six months period of Current year From: May 1, 2022 To: October 31, 2022
Net income	1,000	670
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	2	0
Total other comprehensive income	2	0
Comprehensive income	1,003	670
(Breakdown)		
Comprehensive income attributable to owners of the parent	903	706
Comprehensive income attributable to noncontrolling interests	100	△35

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six months period of Previous year From: May 1, 2021 To: October 31, 2021)	Six months period of Current year From: May 1, 2022 To: October 31, 2022
Cash flows from operating activities		
Income before income taxes and minority interests	1,501	1,112
Depreciation and amortization	90	68
Equity in (earnings) losses of affiliated companies	△102	△26
Loss on disposal of fixed assets	4	1
Loss (gain) on sales of fixed assets	△8	△0
Subsidy income	△578	△11
Subsidy income	△15	-
(Gain) loss on fulfillment of asset retirement obligations	△12	-
Increase (decrease) in allowance for doubtful accounts	△38	△13
Increase (decrease) in accrued bonuses	49	26
Increase (decrease) in provision for product warranties	7	2
Increase (decrease) in provision for shareholders' benefits	△79	△88
Interest and dividend income	△2	△1
Provision for special account for unsettled advanced depreciation	-	△13
interest expense	2	1
Stock compensation expense	-	16
Decrease (increase) in trade receivables	192	17
(Increase) decrease in inventories	156	△596
(Increase) decrease in other current assets	151	△13
Increase (decrease) in notes and accounts payable-trade	△76	49
Increase (decrease) in accrued consumption taxes	△32	△74
Increase (decrease) in other current liabilities	37	△153
Other	9	12
subtotal	1,258	315
Interest and dividends received	2	1
Interest payments	△2	△1
Income taxes paid	△700	△651
Amount of grants received	217	162
Cash flows from operating activities	774	△173

(Millions of yen)

	Six months period of Previous year From: May 1, 2021 To: October 31, 2021)	Six months period of Current year From: May 1, 2022 To: October 31, 2022
Cash flows from investing activities		
Proceeds from collection of short-term loans receivable	0	-
Proceeds from collection of long-term loans receivable	1	3
Purchases of property, plant and equipment	△30	△67
Proceeds from sales of property, plant and equipment	11	0
Payments for acquisition of intangible assets	△4	△8
Payments for purchase of investment securities	△54	△0
Payment for lease and guarantee deposits	△11	weak2
Proceeds from collection of lease and guarantee deposits	24	10
Payments for fulfillment of asset retirement obligations	△20	△9
Other	△0	△0
Cash flows from investing activities	△82	△75
Cash flows from financing activities		
Proceeds from short-term borrowings	150	-
Repayment of short-term loans payable	△250	△250
Repayment of long-term debt	△129	△148
Purchase of treasury stock of consolidated subsidiaries	-	△30
Dividends paid	"Day 95.	△119
Proceeds from exercise of stock options	2	5
Other	-	0
Cash flows from financing activities	△322	△541
Net increase (decrease) in cash and cash equivalents	369	△791
Cash and cash equivalents at beginning of year	8,701	10,432
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	△13	-
Cash and cash equivalents at end of period	9,057	9,641

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on premise of a going concern)

Not applicable.

(Notes on significant changes in shareholders' equity)

Six months ended October 31, 2021 (May 1, 2021 - October 31, 2021)

Dividends paid

resolution	Type of shares	Total amount of dividends (Millions of yen) Dividend per share (yen)	Dividend per share Dividend per share (yen)	Reference Date	effective date	Source of dividends
June 10, 2021 Board of Directors	common stock	95	8	April 30, 2021	July 29, 2021	Retained earnings

Dividends with a record date in the first half of the current fiscal year but an effective date after the end of the first half of the current fiscal year

Not applicable.

Significant changes in shareholders' equity

The Company disposed of treasury stock as restricted stock compensation in accordance with the resolution of the Board of Directors meeting held on July 15, 2021. As a result of this disposal, treasury stock decreased by 18 million yen and amounted to 1,022 million yen at the end of the second quarter of the current fiscal year.

Six months ended October 31, 2022 (May 1, 2022 - October 31, 2022)

Dividends paid

resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (yen)	Reference Date	effective date	Source of dividends
June 10, 2022 Board of Directors	common stock	119	10	April 30, 2022	July 28, 2022	Retained earnings

Dividends with a record date in the first half of the current fiscal year but an effective date after the end of the first half of the current fiscal year

Not applicable.

Significant changes in shareholders' equity

Not applicable.

(Change in accounting policy)

(Guidance on Accounting Standard for Measurement of Fair Value)

The "Guidance on Accounting Standard for Measurement of Fair Value" (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as "Guidance on Accounting Standard for Measurement of Fair Value") The "Guidance on Accounting Standard for Measurement of Fair Value" (ASBJ Guidance No. 31, June 17, 2021) The new accounting policy prescribed by the "Guidance on Accounting Standard for Measurement of Fair Value" (ASBJ Guidance No. 31, June 17, 2021) is applied from the beginning of the first quarter of the current fiscal year, and the new accounting policy prescribed by the Guidance is applied prospectively in accordance with the transitional treatment prescribed in Paragraph 27-2 of the Guidance on Accounting Standard for Measurement of Fair Value. There is no impact on the quarterly consolidated financial statements.

(Segment Information, etc.)

Segment information

I. Six months ended October 31, 2021 (May 1, 2021 - October 31, 2021)

1. Information on sales and profit or loss by reportable segment and decomposition of earnings

(Millions of yen)

	Reportable Segment				Adjustment	Quarterly consolidated profit statement (Note)
	Product sales business	Information & Services Business	Food and Beverage	Total		
Sales						
Revenue from contracts with customers	10,171	1,458	2,368	13,997	-	13,997
Other revenues	-	-	-	-	-	-
To outside customers sales	10,171	1,458	2,368	13,997	-	13,997
Intersegment sales and transfers	193	161	11	366	△366	-
Total	10,364	1,620	2,379	14,364	△366	13,997
Segment profit (loss)	1,174	12	△392	793	△39	754

(Note) Segment income (loss) is adjusted with operating income in the quarterly consolidated statements of income. The segment income (loss) adjustment of -39 million yen includes -39 million yen in corporate expenses that are not allocated to each reportable segment. Corporate expenses mainly consist of expenses related to the administration division of the head office that do not belong to any reportable segment.

II. Current Consolidated Cumulative Second Quarter (May 1, 2022 - October 31, 2022)

1. Information on sales and profit or loss by reportable segment and decomposition of earnings

(Millions of yen)

	Reportable Segment				Adjustment	Quarterly consolidated profit statement (Note)
	Product sales business	Information & Services Business	Food and Beverage	Total		
Sales						
Revenue from contracts with customers	10,508	1,765	2,887	15,161	-	15,161
Other revenues	-	-	-	-	-	-
To outside customers Sales	10,508	1,765	2,887	15,161	-	15,161
Intersegment sales and transfers	223	217	11	452	△452	-
Total	10,731	1,983	2,899	15,614	△452	15,161
Segment profit (loss)	1,119	114	△91	1,142	△63	1,079

(Note) Segment income (loss) is adjusted with operating income in the quarterly consolidated statements of income. The segment income (loss) adjustment amount of -63 million yen includes -63 million yen in corporate expenses that are not allocated to any reportable segment. Corporate expenses mainly consist of expenses related to the administration division of the head office that do not belong to any reportable segment.

(Revenue Recognition)

Information that breaks down revenue from contracts with customers is presented in the "Notes (Segment Information)" section.

3. other

Significant events regarding premise of a going concern

Not applicable.