

Consolidated Financial Results for the Six Months Ended October 31, 2021(Q2 FY2022)

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 Listing: Tokyo Stock Exchange
 Securities code: 2751
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 Scheduled date to file quarterly securities report: -
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the/six months ended October 31, 2021 (from May 1, 2021-October 31, 2021)

(1) Consolidated operating results (cumulative) (Percentages indicate over the same period of the previous year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
October 31, 2021	13,997	9.3	754	140.6	1,487	266.7	900	527.3
October 31, 2020	12,809	(15.8)	313	(74.4)	405	(71.1)	143	(81.6)

Note: Comprehensive profit For the six months ended October 31, 2021: ¥1,003 million [-%]
 For the six months ended October 31, 2020: (¥114 million) [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
October 31, 2021	75.82	75.03
October 31, 2020	12.02	11.90

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	
Six months ended				
October 31, 2021	17,485	12,208	61.5	905.16
October 31, 2020	16,902	11,168	58.4	832.08

Reference: Equity
 As of October 31, 2021: ¥10,762 million
 As of October 31, 2020: ¥9,884 million

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended April 30, 2021	-	0.00	-	8.00	8.00
Fiscal year ending April 30, 2022	-	0.00			
Fiscal year ending April 30, 2022 (Forecast)			-	10.00	10.00

Note: Revisions to divided forecasts published most recently: None

3. Consolidated Forecasts for the Fiscal Year Ending April 30, 2022 (May 1, 2021 – April 30, 2022)

	Net sales		Operating profit		Ordinary profit		Profit attributable to Owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending April 30, 2022	30,000	11.0	1,857	89.0	2,338	61.3	1,478	641.3	124.31

Note: Revisions to financial forecasts published most recently: None

* Notes

(1) Changes in important subsidiaries during the current quarterly consolidated cumulative period : None

(Changes in specified subsidiaries due to changes in the scope of consolidation)

New company (company name), excluded company (company name)

(2) Application of accounting policies specific to the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies, changes in accounting estimates, and restatements of revisions

1.Changes in accounting policies due to revisions to accounting standards, etc. : Yes

2.Changes in accounting policies other than 1. : None

3.Change of accounting estimate : None

4.Restatement of corrections : None

(4) Number of issued shares (common stock)

1. Number of issued shares at the end of the period (including treasury stock)

2Q for the fiscal year ending April 2022	14,314,800 shares	April 2021	14,314,800 shares
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2. Number of treasury stock at the end of the period

2Q for the fiscal year ending April 2022	2,425,112 shares	April 2021	2,435,949 shares
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3. Average number of shares during the period (cumulative quarterly)

2Q for the fiscal year ending April 2022	11,882,006 shares	April 2021 2Q	11,951,198 shares
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* Quarterly financial statements are not subject to quarterly reviews by certified accountants or audit corporations.

* Explanation on proper use of earnings forecasts and other special notes

The statements regarding the future, such as the business outlook, described in this material are based on the information currently available to the Company and certain assumptions that are judged to be reasonable. The actual business performance could differ due to various factors. In use of earnings forecasts, refer to the note [1. Summary of business results, etc. (3) Information on the Future Outlook, Including Consolidated Business Results Forecasts]

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1. Qualitative Information on Quarterly Financial Results

(1) Details of Operating Results

The Japanese economy is on a recovery trend, with the total net profit of listed companies for the period from April to September 2021 reaching a record high, but services such as transportation, hotels and inns, including the restaurant industry, are still facing the difficult market situation.

When a gold mine was discovered near San Francisco 170 years ago, people rushed from all over the United States and the population swelled, but not many people made a fortune. Only tool shops who sold pickaxes and shovels, jeans shops and bars were prosperous. In the midst of the spread of coronavirus infections, some companies are working on changing their business model to ghost restaurants, mobile sales, delivery, fried food specialty stores, etc., but not many of them are making money. (Quoted from the post on the yahoo bulletin board). However, our group, being in the restaurant industry, is one of the group companies that doing quite well. In spite of the fact that the sales of "Asakuma Group", our restaurant business operators, declined to 2,441 million yen (down 22.5% from the same period of the previous year) in the first half of the current fiscal year, our group, as a whole, is about to reach the sales goal of 30 billion yen in this fiscal year, which exceeds the full-year sales of 29,195 million yen for the fiscal year ended April 30, 2020, before the coronavirus infections.

Consolidated operating results for the first half of the fiscal year are net sales of 13,997 million yen (up 9.3% over the same period of the previous year), operating profit of 754 million yen (up 140.6%), and ordinary profit of 1,487 million yen (up 266.7%). Net profit attributable to owners of the parent was 900 million yen (up 527.4%).

The "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29, March 31, 2020; hereinafter referred to as "Revenue Recognition Accounting Standard") has been applied from the beginning of the first quarter consolidated cumulative period. As a result, sales for the first half of the current consolidated cumulative period decreased by 194 million yen, cost of sales decreased by 79 million yen, and selling, general and administrative expenses decreased by 115 million yen. There is no impact on profit, recurring profit and net income before adjustment for taxes.

Operating profit				(Unit: million yen)	
Segment name	Period form May 1, 2020 To October 31, 2020	Period form May 1, 2021 To October 31, 2021	difference	Growth Rate	
Product sales business	855	1,174	319	37.3%	
Information and service business	(77)	12	89	—	
Food service business	(426)	(392)	33	—	
total	351	793	442	125.8%	

(note)The above amounts are before consolidation crimation.

A summary of each segment business is as follows.

1.Product sales

In the product sales business, net sales rose 21.5% over the same period of the previous year, to 10.3 billion yen, and segment profit increased 37.3%, to 1,174 million, owing to an increase in news store openings in hopes of economic recovery and due to the success of sales activities and strong replacement demand for the kitchen appliances taking advantage of government subsidies. Both "TENPOS BUSTERS," "TENPOS.COM," and "KITCHEN TECHNO" which belong to the product sales, recorded higher results that in the previous two quarters.

[Store Sales of used kitchen equipment, etc. Tenpos Busters Co., Ltd.]

Net sales of 7,940 million yen (up 24.2% over the same period of the previous year) Operating profit of 975 million yen (up 27.3% over the same period)

TENPOS BUSTERS Co., Ltd., Japan's largest seller of used kitchen equipment, is working to increase customers and sales per customer by "Dr. TENPOS" providing useful information and service for restaurant management, in addition to sales. As a result, the number of customers for new store opening increased to 11,959 (up 24.4% over the same period), and sales from new store opening increased to 3,078 million yen (up 29.7%). In addition, the positive impact of the external environment, such as an increase in the number of

customers who purchased kitchen equipment by taking advantage of subsidies for shortening operation, resulted in a bottom-up increase in sales.

On the other hand, we did not take measures to increase the number of employees by hiring, but instead, we worked to increase the productivity of the current workforce. At the "Recycle Center," which purchases and repairs kitchen appliances, the number of refurbished used kitchen appliance rose 5.2% over the said period, and the "Recycle Center" division returned to profitable operation.

As a new initiative, in order to increase the number of sales per customer opening the new stores, we focused on DIY activities, in which customers worked on store construction by themselves, and activities to take orders to undertake all interior work in collaboration with other companies. The purpose of this strategy is to increase the amount of time to interact with customers from the early stage of opening a new store by taking orders for interior work in collaboration with other companies. The purpose of this strategy is to increase the amount of time to interact with customers from the early stage of opening a new store by taking orders for interior design work, and to obtain "total orders" for kitchen equipment, chairs, tables, and tableware. With this strategy, we aim to increase the amount of sales per customer on new store openings. At present, 253 employees are taking 5 hours of training per week, in order to acquire comprehensive orders. We did not open new stores of our own during the second quarter of the current fiscal year. We plan to open one store in the third quarter.

[Direct sales of kitchen appliance to major food service companies KITCHEN TECHNO CORPORATION]
Net sales 1,401 million yen (up 9.5% over the same period of the previous year) with operating profit 96 million yen (up 39.3% over the same period)

Sales activities to education boards throughout Japan led to an increase in the number of new customers, as well as an increase in sales of orders for renovation work at major supermarkets and food service companies. In addition, by strengthening sales of our in-house product, Smokeless Yakiniku Roaster Tetsujin 29 (Nik) at our regional sales offices, which was previously sold mainly in the Tokyo metropolitan area, unit sales increased 141.9% over the same period. We also increased gross profits by purchasing and reselling kitchen equipment delivered to the Olympic Village and the venues for the Tokyo 2020 Olympic Games. As a new initiative, we have established the industry's first website for noodle production equipment, "Noodle maker.com."

[Sales of kitchen appliances and food products for consumers through web-based shopping TENPOS.COM Co., Ltd.]

Sales of 1,337 million yen (up 14.3% over the same period of the previous year) Operating profit of 51 million yen (up 21.8% over the same period)

TENPOS.COM which operates Japan's largest commercial kitchen equipment mail order site in Japan, is focusing on attracting customers not only by "product searches" but also by "information searches". In the "Information Retrieval" initiative, we opened the restaurant support media "Tenpos Food Media" in the first quarter of this year and have been disseminating information related to the opening restaurants. The number of accesses is current first quarter accounting period. The number of visitors to 5,962 in the first quarter has increased by 6 times to 35,924 in the second quarter. Tenpos Food Media is to provide unparalleled useful information covering wide range of customer opinions from customer opening the outlets or closing them. "I am convinced that this can only be made by our group, which has both a real TENPOS BUSTERS store and a website. Our goal is to have 500,000 visitors per month", Says President Emi Shinagawa.

In terms of product sales, the purchase rate (conversion rate) for the number of accesses improved by 12.7% over the same period of the previous year by improving the method of posting 50 items and 1,250 products each month and keywords. In addition, we also reviewed the product categories and improved the top page of the product categories from the viewpoint of "easy searching and purchasing". The global shortage of semiconductors has caused delays and shortages in some hot-selling products, but instead, sales of used kitchen appliances increased by 20.0% over the same period. We are currently taking advance orders for the coming periods.

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

amount of sales (Unit: million yen)

company name	Period from May 1, 2020 To October 31, 2020	Period from May 1, 2021 To October 31, 2021	difference	Growth Rate
Tempos Busters Co., Ltd.	6,394	7,940	1,545	24.1%
Kitchen Techno Co., Ltd.	1,280	1,401	121	9.4%
Tempos.com Co., Ltd.	1,169	1,337	167	14.2%
total	8,845	10,679	1,834	20.7%

(note)The above amounts are before consolidation elimination.

Operating profit (Unit: million yen)

company name	Period from May 1, 2020 To October 31, 2020	Period from May 1, 2021 To October 31, 2021	difference	Growth Rate
Tempos Busters Co., Ltd.	766	975	209	27.3%
Kitchen Techno Co., Ltd.	68	96	27	39.3%
Tempos.com Co., Ltd.	42	51	9	21.8%
total	877	1,123	245	28.0%

(note) The above amounts are before consolidation elimination.

2.Information and service business

The real estate business and interior designing business are showing signs of recovery due to the increase in the number of restaurant new openings, expecting recovery in economic activity as a result of recent decline of coronavirus infections. In spite of the surroundings which prevent active promotive investment by the existing restaurants, the operating profit of the our Group improved in this as against the first quarter. Sales in the information and service business reached 1,458 million yen.(20.5% increase from the same period of the previous year), Segment profit was 12 million yen. (Segment loss was 77 million yen in the same period)

[Interior Works and Designing, STUDIO TENPOS Co., Ltd.]

Net sales of 465 million yen (up 34.2% over the same period of the previous year) with operating profit 24 million yen (down 0.3% of the said period)

The number of construction contracts increased 17.1% over the same period of the previous year due to an increase in renovation and repair works and increase in new store openings in anticipation of economic recovery. Among these, the number of construction contracts for new stores increased 69.2% of the said period. Although Studio Tenpos previously focused on contracting profitable business, it expanded its sales to meet the group's drive for quick expansion this year. As the result, its sales increased by 34.2% in this period but the operating profit declined 0.3% in this period due to an increase in subcontracting and other expenses to compensate the gap of company's business capacity.

[POS system and ASP sales TENPOS INFORMATION CENTER Co., Ltd.]

Net sales of 337 million yen (up 17.7% over the same period of the previous year) with operating profit of 28 million yen (operating loss of 1 million yen in the said period)

As a result of strong demand caused by "IT investment subsidies" introduced to prevent further coronavirus infections, the number of sales of POS cash registers, including self-checkout and semi-self-checkout registers, increased 46.7% over the same period of the previous year, and the number of sales of table order systems and

mobile order systems increased 123.5% over the said period. However, when compared with the second quarter of the year ending April 30, 2020, full recovery has not been achieved yet. New initiatives, include product improvements such as the integration of LINE function into the mobile order system, and the opening of Tokai sales office has been carried out in the second quarter. We will continue to open new sales offices and increase the number of agents.

[Financial Services and Real Estate Brokerage TENPO FINANCIAL TRUST Co., Ltd.]

Sales of 415 million yen (up 31.5% over the same period of the previous year) with operating profit of 22 million yen (up 57.8% over the said period)

In financial services, we were certified by the government as a “Management Innovation Support Organization” and provided consulting services for receiving subsidies and grants, which led to sales increase of restaurant operation goods. As a result, transaction volume in the credit and leasing business increased 45.0% over the said period. However, commission for the use of card payment remained almost unchanged, namely 3.5% down over the said period. In the real estate business, amid the spread of coronavirus infections, we focused on sales proposals for property and business transfers based on information on store closures, which is one of the strength of TENPO FINANCIAL TRUST. As a new initiative, the company began working on an internet strategy to develop the buyer side of business transfer. As for operating profit, although the number of employees decreased, operating profit reached a record high as a result of improving operating efficiency by focusing the sales targets.

[Customer Attraction Support Profit Laboratory Co., Ltd.]

Net sales of 50 million yen (down 20.4% over the same period of the previous year) with operating loss of 8 million yen (operating loss of 15 million yen in the said period)

Profit Laboratory Co., Ltd. is the company most affected by coronavirus infections. As sales of our mainstay FAXDM service "MANSEKI FAX" declined by 41.1% over the same period, the company focused on our agency service for reregistering restaurant on delivery sites and to develop FAXDM service "Mikoget" in B to B market. As a result, sales of “Mikoget” increased 15.1% over the said period, and the service for registering restaurants on delivery sites generated sales of 7 million yen, making it as a new source of earnings. However, as such business covers only a small share of business, it did not push up the overall sales.

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

Net sales of 314 million yen (up 41.3% over the same period of the previous year) with operating loss of 29 million yen (operating loss of 70 million yen in the said period)

The temporary business for the company main customers, commercial facilities and food service companies, is gradually recovering, with that for food and beverage companies, in particular increasing 76.1% over the said period. In the business of “essential workers “in medical, nursing care, welfare, and transportation industries, which has been a focus of the company since the previous year, sales grew steadily and up 69.3% over the same of the previous year. However, the business remained in a difficult situation as short-term temporary staffing for clerical work for vaccinations and subsidy applications, which can be described as “corona special demand”, as well as staffing for information services at Olympic venues came to an end. Against this backdrop, the delivery subcontracting business posted good sales in the first half with net sales of 44 million yen and operating profit of 7 million yen. Because of its high profit margin compared with the temporary staffing business, the company plans to expand business in the Tokai, Kyusyu, and Tohoku regions to service TENPO BUSTERS business in such regions.

[WEB service / Dr. TENPO, new business development TENPO FOOD PLACE Co., Ltd.]

Net sales of 58 million yen (up 50.7% over the same period of the previous year) with operating loss of 15 million yen (operating loss of 21 million yen in the said period)

The number of “Dr. TENPO” totaled 35,182 (up 138.0% over said period). We focused on KPIs to the number of services per customers, services acquired per visit, and the ration of customer served, and set up new targets every month. We also revised application forms, service talks and contents of such services.

From the third quarter, we will start a paid plan, starting from the minimum plan of 20,000 yen to the high plan of 500,000 yen or more, to create a "beautiful" website. But creation of a “beautiful” website is not the end, we continue to provides support for updating the content every month to keep the website "alive". Emi Shinagawa, the president of the company, is full of hope, saying, "After three years of working in cold sweat, we are finally going to see the light of day."

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

amount of sales

(Unit: million yen)

company name	Period from May 1, 2020 To October 31, 2020	Period from May 1, 2021 To October 31, 2021	difference	Growth Rate
Studio Tempos Co., Ltd.	346	465	118	34.2%
Tempos Information Center Co., Ltd.	286	337	50	17.7%
Tempos Financial Trust Co., Ltd.	316	415	99	31.5%
Profit Laboratory Co., Ltd.	63	50	(12)	(20.4%)
D Spark Co., Ltd.	222	314	91	41.3%
Tempos Food Place Co., Ltd.	39	58	19	50.7%
total	1, 274	1, 642	367	28.8%

(note) The above amounts are before consolidation elimination.

Operating profit

(Unit: million yen)

company name	Period from May 1, 2020 To October 31, 2020	Period from May 1, 2021 To October 31, 2021	difference	Growth Rate
Studio Tempos Co., Ltd.	24	24	△0	(0.2%)
Tempos Information Center Co., Ltd.	(1)	28	29	-
Tempos Financial Trust Co., Ltd.	14	22	8	57.8%
Profit Laboratory Co., Ltd.	(15)	(8)	6	-
D Spark Co., Ltd.	(70)	(29)	40	-
Tempos Food Place Co., Ltd.	(21)	(15)	6	-
total	(69)	22	92	-

(note) The above amounts are before consolidation elimination.

3. Food service business

Sales in the food and beverage business were 2,368 million yen (down 26.3% over the same period of the previous year), and the segment loss was 392 million yen (segment loss was 426 million yen in the said period). However, thanks to subsidies, ordinary profit was 173 million yen. The "Steak Asakuma" store, which have been hit hard by the spread of coronavirus infections, have begun to launch five high-cost products such as "Morimori hamburger steak", but the performance is not good enough so far.

[Restaurant management Asakuma Co., Ltd.]

Net sales of 2,441 million yen (down 22.5% over the same period of the previous year) with operating loss of 258 million yen (operating loss of 488 million yen in the said period)

Based on the unwavering target of being an "entertainment restaurant that proposes excitement to customers through food," the ASAKUMA Group has been offering products with the quality and value of a steakhouse. In this context, some of our restaurants are selling "Morimori Hamburge steak" and "Chopped Steak" (250 grams of meat) with salad, soup, rice or bread. This is the second phase of the "Yappari Asakuma" program, which is currently being tested at 17 restaurants. We will expand the number of stores selling these products in the future. We have also resumed offering the salad bar, which had been suspended in some stores to prevent infection.

In terms of store development, the company has begun renovating two directly operated stores. As for the number of stores, Asakuma operates 62 directly managed stores and 5 franchise stores, and Asakuma Succession Inc. operates 10 directly managed stores. The total number of stores in the ASAKUMA Group is 77 (including 5 franchise stores).

[Restaurant Management Dream Dining Co., Ltd.]

Sales 55 million yen (down 12.8% over the same period of the previous year) with operating loss 16 million yen (operating loss 17 million yen in the said period)

Dream Dining Co., Ltd., which serves seafood bowls under the names of "Kaisen-oh" and "Osaka Dojima Toroya" centered in commercial facilities, has continued to focus on delivery and acquisition of repeaters. However, the closure of stores and the shortened business hours resulted in a decline in sales. On the other hand, while the prices of fish ingredients were soaring, we were able to secure the gross profit amount by selecting new suppliers and use of new supplies. We will continue to work to establish a business model that does not depend heavily on commercial facilities for attracting the visitors.

(2) Details of Financial Position

(1) Analysis of financial position

Total assets as of the end of the second quarter of the current consolidated fiscal year were 17,485 million yen, an increase of 583 million yen compared to the end of the previous consolidated fiscal year. The details are as follows.

(Current assets)

The balance of current assets at the end of the second quarter of the current fiscal year was 14,376 million yen, an increase of 510 million yen compared to the end of the previous fiscal year. This was mainly due to an increase of 356 million yen in cash and deposits.

(Fixed assets)

The balance of fixed assets at the end of the second quarter of the current fiscal year was 3,109 million yen, an increase of 73 million yen compared to the end of the previous fiscal year. This was mainly due to an increase of 57 million yen in investment securities.

(Current liabilities)

The balance of current liabilities at the end of the second quarter of the current fiscal year was 4,873 million yen, a decrease of 269 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 100 million yen in short-term loans payable and a decrease of 100 million yen in income taxes payable.

(Long-term liabilities)

The balance of long-term liabilities at the end of the second quarter of the current fiscal year was 404 million yen, a decrease of 186 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 141 million yen in long-term loans payable.

(Net assets (Millions of yen))

Total net assets as of the end of the second quarter of the current consolidated fiscal year were 12,208 million yen, an increase of 1,040 million yen compared to the end of the previous consolidated fiscal year. The main factor was an increase of 807 million yen in retained earnings.

(2) Status of cash flows

Cash and cash equivalents at the end of the second quarter of the current fiscal year increased by 356 million yen compared to the end of the previous fiscal year, to 9,057 million yen. The status of cash flow by activity and its factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities in the first half of the current fiscal year was 774 million yen. This was mainly due to the posting of income before income taxes and minority interests of 1,501 million yen and the posting of subsidy income of 578 million yen.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities amounted to 82 million yen in the first half of the current fiscal year, mainly due to 54 million yen used for the purchase of investment securities.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 322 million yen in the first half of the current fiscal year. This was mainly due to the repayment of short-term loans payable of 250 million yen.

(3) Information on the Future Outlook, Including Consolidated Business Results Forecasts

There is no change to the full-year earnings forecast which we announced in the "Notice of Revision of Earnings Forecast for the Fiscal Year Ending April 30, 2022" released on June 24, 2021.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Unit: million yen)

	End of previous fiscal year (April 30, 2021)	End of first half of the fiscal Year under review (October 31, 2021)
Assets		
current assets		
Cash and deposits	8,701	9,057
Notes and accounts receivable-trade	1,407	1,412
Securities	100	100
Inventory	3,057	2,901
other	633	915
Allowance for doubtful accounts	(34)	(11)
Total current assets	13,865	14,376
Non-current asset		
Property, plant and equipment		
Buildings and structures (net)	713	660
Mechanical equipment and vehicles (net amount)	89	78
land	87	87
Other (net amount)	114	122
Total property, plant and equipment	1,005	950
Intangible assets		
others	117	111
Total intangible assets	117	111
Investment and other assets		
Investment securities	24	82
Affiliated company stock	782	884
Long-term loans receivable	518	514
Security deposit and security deposit	925	891
Deferred tax asset	126	126
others	64	874
Allowance for doubtful accounts	(528)	(1,326)
Total investment and other assets	1,913	2,047
Total non-current assets	3,036	3,109
Total assets	16,902	17,485
Liabilities		
Current Liabilities		
Notes and accounts payable -trade	1,839	1,761
Short-term borrowings	400	300
Long-term borrowing scheduled to be repaid within one year	71	83
Accrued corporate tax, etc.	603	503
Provision for shareholder benefit program	176	97
Provision for bonus	227	277
Product warranty reserve	28	35
Asset retirement obligations	64	6
other	1,730	1,806
Total current liabilities	5,142	4,873
Non-current liabilities		
Long-term borrowings	357	215
Retirement Benefit Revenue	5	5
Asset retirement obligations	69	67
other	158	115
Total non-current liabilities	591	404
Total liabilities	5,733	5,277

(Unit: million yen)

	End of previous fiscal year (April 30, 2021)	End of first half of the fiscal Year under review (October 31, 2021)
Net assets		
Shareholders' equity		
ShareCapital	509	509
Capital surplus	785	785
Retained earnings	9,616	10,487
Treasury shares	(1,027)	(1,022)
Total shareholders' equity	9,883	10,759
Accumulated other comprehensive profit		
Valuation difference on other securities	0	2
Total other comprehensive profit	0	2
Stock acquisition right	192	191
Non-controlling interests	1,092	1,255
Total net assets	11,168	12,208
Total liabilities and net assets	16,902	17,485

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Second quarter consolidated cumulative period

(Unit: million yen)

	First six-month period of Previous fiscal year (May 1, 2020 – October 30, 2020)	First six-month period of The fiscal year under review (May 1, 2021 – October 30, 2021)
Net sales	12,809	13,997
Cost of sales	7,684	8,883
Gross profit	5,124	5,114
Selling, general and administrative expenses	4,810	4,360
Operating profit	313	754
Non-operating income		
Interest income	2	2
Dividend income	1	0
Investment gain on equity method	45	102
Subsidy income	20	578
other	34	57
Total non-operating income	104	740
Non-operating expenses		
Interest expense	1	2
Provision of allowance for doubtful accounts	5	-
other	5	3
Total non-operating expenses	12	6
Ordinary profit	405	1,487
Extraordinary income		
Loss on sale of non-current assets	-	8
Loss on retirement of non-current assets	-	12
Settlement receipt	12	-
Subsidy profit	37	15
other	7	5
Total extraordinary income	57	41
Extraordinary losses		
Loss on sale of non-current assets	16	-
Loss on retirement of non-current assets	0	4
Store closure loss	26	10
Impairment loss	117	-
Loss due to temporary closure, etc.	57	8
other	-	4
Total extraordinary losses	218	27
Profit (loss) before income taxes	244	1,501
Income taxes	410	501
Corporate tax adjustment amount	(50)	(0)
Total corporate tax, etc.	359	500
Quarterly net profit or quarterly net loss (Δ)	(114)	1,000
Net profit attributable to non-controlling interests or net loss attributable to non-controlling interests (Δ)	(258)	100
Quarterly net profit attributable to owners of the parent company	143	900

(Unit: million yen)

	First six-month period of Previous fiscal year (May 1, 2020 – October 30, 2020)	First six-month period of The fiscal year under review (May 1, 2021 – October 30, 2021)
Quarterly net profit or quarterly net loss (Δ)	(114)	1,000
Other comprehensive profit		
Valuation difference on other securities	(1)	2
Total other comprehensive profit	(1)	2
Quarterly comprehensive profit (breakdown)	(115)	1,003
Quarterly comprehensive profit for parent company shareholders	142	903
Quarterly comprehensive profit for non-controlling interests	(258)	100

(3) Quarterly Consolidated Statements of Cash Flows
Second quarter consolidated cumulative period

(Unit: million yen)

	First six-month period of Previous fiscal year (May 1, 2020 – October 30, 2020)	First six-month period of The fiscal year under review (May 1, 2021 – October 30, 2021)
Cash flow from operating activities		
Profit before income taxes	244	1,501
Depreciation	131	90
Goodwill amortization	37	-
Equity method investment gain / loss (profit)	(45)	(102)
Loss on retirement of fixed assets	0	4
Gain / loss on sale of fixed assets (profit)	16	(8)
Impairment losses	117	-
Grant profit	(20)	(578)
Subsidy profit	(37)	(15)
Asset retirement obligation performance difference (profit)	-	(12)
Increase / decrease in allowance for doubtful accounts (decrease)	(0)	(38)
Increase / decrease in bonus reserve (decrease)	7	49
Increase / decrease in product warranty reserve (decrease)	17	7
Increase / decrease in allowance for shareholder benefits (decrease)	(73)	(79)
Interest profit and dividend profit	(3)	(2)
Interest expense	1	2
Increase / decrease in trade receivables (increase)	160	192
Increase / decrease in inventories (increase)	98	156
Increase / decrease in other current assets (increase)	73	151
Increase / decrease in trade payables (decrease)	(15)	(76)
Increase / decrease in accrued consumption tax, etc. (decreases)	(22)	(32)
Increase / decrease in other current liabilities (decrease)	2	37
other	3	9
subtotal	690	1,258
Amount of interest and dividends received	3	2
Interest paid	(1)	(2)
Income taxes paid	(352)	(700)
Amount of grant received	43	217
Net cash provided by operating activities	384	774

(Unit: million yen)

	First six-month period of Previous fiscal year (May 1, 2020 – October 30, 2020)	First six-month period of The fiscal year under review (May 1, 2021 – October 30, 2021)
Cash flow from investing activities		
Payments into time deposits	56	-
Profit from collection of short-term loans	3	0
Expenditure on short-term loans	(5)	-
Profit from collection of long-term loans	2	1
Expenditure on acquisition of property, plant and equipment	(34)	(30)
Profit from the sale of property, plant and equipment	4	11
Expenditure on acquisition of intangible fixed assets	(92)	(4)
Expenditure on acquisition of investment securities	(0)	(54)
Proceeds from sale of investment securities	16	-
Expenditure by depositing security deposit and security deposit	(24)	(11)
Profit from collection of security deposit and security deposit	45	24
Expenditures for fulfilling asset retirement obligations	-	(20)
others	1	(0)
Net cash provided by investing activities	(27)	(82)
Cash flows from financial activities		
Proceeds from short-term borrowings	330	150
Repayment of short-term borrowings	(30)	(250)
Profit from long-term borrowing	460	-
Expenditure for repayment of long-term debt	(10)	(129)
Purchase of treasury shares	(213)	-
Expenditure on the acquisition of treasury stock of a consolidated subsidiary	(48)	-
Dividend payment amount	(120)	(95)
Profit from exercising stock options	3	2
Dividend paid to non-controlling interests	(14)	-
Repayment of lease obligations	(10)	-
Profit from payments from non-controlling interests associated with the capital increase of a consolidated subsidiary	7	-
Cash flows from financial activities	354	(322)
Net Increase / decrease in cash and cash equivalents	712	369
Cash and cash equivalents at beginning of period	6,990	8,701
Decrease in cash and cash equivalents due to consolidation exclusion	(8)	(13)
Cash and cash equivalents at end of period	7,694	9,057

(4) Notes on Quarterly Consolidated Financial Statements

(Note on Going Concern Assumption)

Not applicable.

(Notes when there is a significant change in the amount of shareholders' equity)

Previous second quarter consolidated cumulative period (from May 1, 2020 to October 31, 2020)

1. Dividend payment amount

resolution	Stock type	Total dividend (One million yen)	Per share Dividend amount (yen)	Reference date	Effective date	Source of dividends
June 10, 2020 board of directors	Common stock	120	10	April 30, 2020	July 28, 2020	retained earnings

2. Of the dividends whose record date belongs to the current second quarter consolidated cumulative period, the effective date of the dividend is after the last day of the current second quarter consolidated accounting period.
Not applicable.

3. Significant fluctuations in shareholders' equity

Based on the board meeting held on March 11, 2020, the Company has acquired 150,000 treasury stock. As a result, treasury stock increased by 212 million yen during the second quarter of the current consolidated cumulative period, and treasury stock increased by 1,028 million yen at the end of the second quarter of the consolidated fiscal year.

Consolidated cumulative period for the second quarter (from May 1, 2021 to October 31, 2021)

1. Dividend payment amount

resolution	Stock type	Total dividend (One million yen)	Per share Dividend amount (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

2. Of the dividends whose record date belongs to the current second quarter consolidated cumulative period, the effective date of the dividend is after the last day of the current second quarter consolidated accounting period.
Not applicable.

3. Significant fluctuations in shareholders' equity

Based on the resolution of the Board of Directors held on July 15, 2021, the Company disposes of treasury stock as transfer-restricted share compensation. As a result of this disposal, treasury stock decreased by 18 million yen, and treasury stock was 1,022 million yen at the end of the second quarter of the current consolidated fiscal year.

(Change in accounting policy)

(Application of accounting standards for revenue recognition)

Promised goods or services by applying "Accounting Standards for Revenue Recognition" (Corporate Accounting Standard No. 29, March 31, 2020; hereinafter referred to as "Revenue Recognition Accounting Standards") from the beginning of the first quarter consolidated accounting period. When the control of is transferred to the customer, the revenue will be recognized by the amount expected to be received in exchange for the goods or services. As a result, the amount equivalent to payment fees, etc. recorded in selling, general and administrative expenses is deducted from sales as a sales discount.

Regarding the application of Revenue Recognition Accounting Standards, etc., the transitional treatment stipulated in the proviso of Section 84 of Revenue Recognition Accounting Standards is followed, and cumulative when the new accounting policy is retroactively applied before the beginning of the first quarter consolidated cumulative period. The amount of impact is adjusted to the retained earnings at the beginning of the first quarter consolidated accounting period, and the new accounting policy is applied from the balance at the beginning of the period.

As a result, net sales for the first quarter of the current consolidated cumulative period decreased by 194 million yen, cost of sales decreased by 79 million yen, and selling, general and administrative expenses decreased by 115 million yen. There is no effect on the beginning balance of retained earnings.

In accordance with the transitional treatment stipulated in Section 89-2 of the Accounting Standard for Revenue Recognition, we have not reclassified the previous consolidated fiscal year using the new presentation method. In addition, in accordance with the transitional treatment stipulated in "Accounting Standards for Quarterly Financial Statements" (Accounting Standard No. 12, March 31, 2020, Paragraph 28-15,) arises from contracts with customers for the previous second quarter consolidated cumulative period. Information that decomposes revenue is not listed.

(Application of accounting standards for calculation of market value)

"Accounting Standard for Calculation of Market Value" (Corporate Accounting Standard No. 30, July 4, 2019; hereinafter referred to as "Accounting Standard for Market Value Calculation"), etc. will be applied from the beginning of the first quarter consolidated accounting period, and the Accounting Standard for Market Value Calculation will be applied. 19th and "Accounting Standards for Financial Instruments" (Corporate Accounting Standards No. 10, July 4, 2019) In accordance with the transitional treatment stipulated in Paragraph 44-2, the new accounting policies stipulated by the Market Value Accounting Standards, etc. We have decided to apply it in the future. There is no impact on the quarterly consolidated financial statements.

(Segment information, etc.)

[Segment information]

I Previous Q2 consolidated cumulative period (from May 1, 2020 to October 31, 2020)

1. Information on the amount of sales and profits or losses by reporting segment

(Unit: million yen)

	Reporting segment			Total	Adjustment amount	Quarterly consolidated profit statement (Note)
	Product business	Information and service business	Food service business			
amount of sales						
To external customers	8,384	1,210	3,214	12,809	-	12,809
amount of sales						
Internal sales or transfers between segments	145	55	-	200	(200)	-
Total	8,529	1,265	3,214	13,009	(200)	12,809
Segment profit Or loss ()	855	(77)	(426)	351	(38)	313

(Note) Segment profit or loss () is adjusted with operating profit in the quarterly consolidated profit statement.

The adjustment amount of segment profit or loss () of (38 million) yen includes company-wide expenses of (38 million) yen that are not allocated to each reportable segment. Company-wide expenses are mainly expenses related to the management department of the head office that do not belong to the reporting segment.

2. Matters concerning changes in reporting segments, etc.

Not applicable.

3. Information on impairment loss or goodwill of fixed assets for each reporting segment

(Significant impairment loss on fixed assets)

An impairment loss of 117 million yen was recorded in the "Food and Beverage Business" segment.

II Consolidated cumulative period for the second quarter (from May 1, 2021 to October 31, 2021)

1. Information on the amount of sales and profits or losses by reporting segment

(Unit: million yen)

	Reporting segment				Adjustment amount	Quarterly consolidated profit statement (Note)
	Product sales business	Information and service business	Food service business	Total		
amount of sales						
Revenue from contracts with customers	10,171	1,458	2,368	13,997	-	13,997
Other earnings	-	-	-	-	-	-
To external customers amount of sales	10,171	1,458	2,368	13,997	-	13,997
Internal sales or transfers between segments	193	161	11 11	366	(366)	-
Total	10,364	1,620	2,379	14,364	(366)	13,997
Segment profit Or loss ()	1,174	12	(392)	793	(39)	754

(Note) Segment profit or loss () is adjusted with operating profit in the quarterly consolidated profit statement.

The adjustment amount of segment profit or loss () of (39 million) yen includes company-wide expenses of (39 million) yen that are not allocated to each reportable segment. Company-wide expenses are mainly expenses related to the management department of the head office that do not belong to the reporting segment.

2. Matters concerning changes in reporting segments, etc.

(Application of accounting standards for revenue recognition)

"Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29, March 31, 2020, etc.) has been applied from the beginning of the second quarter consolidated accounting period, and compared to before the application, the second quarter consolidated cumulative total. Segment sales for the period decreased by 23 million yen in the product sales business and 171 million yen in the food and beverage business, but this has no impact on segment profit.

(Revenue recognition)

Information on the decomposition of revenue generated from contracts with customers is as described in "Notes (segment information, etc.)".

3. Others

Important events related to the premise of a going concern, etc.

Not applicable.