

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

September 9, 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 First Quarter of the Fiscal Year Ending April 30, 2023

(May 1, 2022 - July 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	%
First Quarter								
April 30, 2023	7,358	6.6	521	96.9	579	9.1	370	6.8
April 30, 2022	6,900	18.4	264	-	530	-	346	5,795.3

Note: Comprehensive profit April 2023 First Quarter 354 Millions of yen(Δ1.1%)
 April 2022 First Quarter 358 Millions of yen(-%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First Quarter		
April 30, 2023	31.08	30.72
April 30, 2022	29.16	28.86

(2) Consolidated financial position

	total assets	net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First Quarter				
April 30, 2023	18,279	13,095	64.3	985.56
April 30, 2022	18,826	12,883	61.1	965.12

Reference: Net Worth April 2023 First Quarter 11,744 Millions of yen April 2022 First Quarter 11,499 Millions of yen

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	-				
April 30, 2023 (forecast)		0.00	-	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)

(Percentages represent changes from the previous year for full year and from the same period of the previous year for the quarter.)

	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
Six Months Ended									
October 31, 2022	16,263	16.2	1,447	91.9	1,545	3.9	916	1.7	77.10
Fiscal year ended									
April 30, 2023	33,880	16.8	3,015	61.1	3,219	10.2	1,909	21.8	160.62

(Note) Revisions to the most recently announced earnings forecasts: None

Notes

- (1) Changes in significant subsidiaries during the period : None
- (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 : nil
- (3) Changes in accounting estimates : nil
- (4) Restatement of corrections : nil
- (4) Number of shares issued and outstanding (common stock)

Number of shares issued and outstanding at the end of the period (including treasury stock)	April 2023 1Q	14,314,800 shares	April 30, 2022	14,314,800 shares
Number of treasury stock at end of period	April 2023 1Q	2,398,732 shares	April 30, 2022	2,400,132 shares
Average number of shares during the period (cumulative quarterly period)	April 2023 1Q	11,914,988 shares	April 2022 1Q	11,890,762 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 certain assumptions that the Company considers reasonable. Please refer to "(3) Explanation of Forward-Looking Statements, including Consolidated Earnings Forecasts," under "1.

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1. Qualitative Information on Financial Results for the Current Quarter

(1) Details of Operating Results

In the domestic economy, the restaurant industry gradually regained customer numbers after the lifting of priority measures to prevent the spread of the disease in March 2022, but the increase in the number of infected people at the end of July 2022 quickly brought the restaurant industry down.

The Group, which sells kitchen appliances to restaurants and provides management support and restaurant management services, reported consolidated net sales of 7,358 million yen (up 6.6% year-on-year), operating profit of 521 million yen (up 96.9%), ordinary profit of 579 million yen (up 9.1%), and net profit attributable to owners of the parent of the Company of 370 million yen (up 6.8%) for the first quarter of the fiscal year ending March 31, 2023. Net profit attributable to owners of the parent amounted to 370 million yen (up 6.8% year on year).

Operating income				(Millions of yen)	
Segment Name	Period from May 31, 2021 to July 31, 2021	Period from May 31, 2021 to July 31, 2021	Difference	Growth Rate	
Product sales business	525	615	89	17.1%	
Information and services business	△12	43	56	Returning to profit	
Food and Beverage	△232	△111	120	Deficit Improvement	
total	281	547	266	94.5%	

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

Ordinary profit				(Millions of yen)	
Segment Name	Period from May 31, 2021 to July 31, 2021	Period from May 31, 2021 to July 31, 2021	Difference	Growth Rate	
Product sales business	591	658	67	11.5%	
Information and services business	△4	50	54	returning to profit	
Food and Beverage	△39	△103	△63	increase in the deficit	
Total	547	605	57	10.6%	

(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.

(1) Product sales business

Due to the Corona disaster and the situation in Ukraine, kitchen appliance manufacturers experienced difficulties in procuring parts and materials and raw material prices soared, causing delays in deliveries to our group companies and requests for price hikes, which affected the performance of our merchandise sales business. In this environment, the over-the-counter sales company Tenpos Busters Co., Ltd. increased its performance by increasing purchases of used kitchen appliances, striving to secure new products at an early stage, and raising prices of over-the-counter products while maintaining its price advantage. On the other hand, mail-order sales company Tenpos.com Co., Ltd. failed to secure products due to a lack of inventory, and Kitchen Techno Co., Ltd. which conducts direct sales marketing to major companies, was left with the task of responding to requests for price increases. As a result, segment sales in the merchandise sales business increased 1.6% to 5,276 million yen and segment profit increased 17.1% to 615 million yen, driven by the performance of Tenpos Busters Co.

Restaurants are an industry with rapid turnover, with about half of them closing five years after opening. Based on the philosophy of "raising the survival rate of restaurants from 45% to 90% after 5 years," the Group is focusing on "Dr. Tenpos," which helps restaurants attract customers, the biggest problem for restaurants, and also helps them reduce utility costs, etc. The Group is promoting businesses in line with the concept of SDGs in terms of the sustainable development of restaurants. We are promoting businesses in line with the SDGs in terms of the sustainable development of restaurants. We also believe that our recycling business is an SDGs itself from the perspective of global environmental protection, and we have been conducting more than 10,000 purchases per year since many years before the SDGs were even mentioned. Other companies purchase kitchen equipment, but if we do not purchase tableware, chairs, and tables, many of them are disposed of as waste. Our group is in the business of giving life to things that would otherwise be discarded, and this is what sustainable social development looks like. Our 70- and 80-year-old employees at our reclamation sites take pride in the fact that they are giving life to things.

Storefront sales Used kitchen equipment sales Tenpos Busters Co., Ltd.

Sales 4,155 million yen (+5.3% YoY) Operating profit 529 million yen (+29.4% YoY)

During the first quarter of the current fiscal year, the number of customers visiting our restaurants increased 9.4% year-on-year due to an easing of the voluntary restraint on restaurant business. In addition, delays in deliveries from commercial kitchen equipment manufacturers continued due to the recent economic situation, but despite this situation, sales of new kitchen equipment increased 8.1% year-on-year and 77.6% year-on-year due to our focus on product assortment and strengthened sales activities to prospective customers. Without supply restrictions, the growth would have been even higher. However, we are embarrassed regarding the current budget achievement, although the outlook was not optimistic and the budget was overly ambitious. Used kitchen equipment sales were down 18.7% year over year, but this was due to a spot increase in the number of purchases amid the Corona disaster in the same period of the previous year. Since the number of used kitchen appliances purchased directly correlates to used equipment sales, we launched a website dedicated to bulk purchases this fiscal year and are also focusing on acquiring purchase inquiries through SNS and other web-based initiatives.

As a new initiative, in May 2022, we entered into a business alliance with Gurunavi Corporation and accepted 62 employees on secondment as of July 31, 2022. Gurunavi employees on loan to Gurunavi will interview customers, and then make a proposal such as, "Why don't you make a 'Dekamori' menu and make it the strength of your restaurant? After explaining the current status of the restaurant, we propose how to generate sales and what kind of kitchen equipment is needed to achieve this, and we win the order. In addition, we have begun to attract customers using the Internet, which we had not been able to do before, and to implement web-based measures for purchases, mainly by employees on loan from Gurunavi.

In the "DIY Growth Strategy," which was announced with great fanfare in the previous fiscal year, the DIY project team was disbanded as it was deemed premature due to difficulties in in-house training and building an order-taking system, despite the demand. However, the aim of the "DIY Growth Strategy" is to win comprehensive orders by building deep relationships with customers from the early stage of preparing to open a restaurant. For this purpose, from July 2022, an outside sales team named "Tenpos Gaisho," consisting of employees seconded to Gurunavi, will attend property inspections and interior work meetings, etc., in an effort to win comprehensive orders and increase the customer spend per customer for new restaurant openings.

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

Sales: 630 million yen (-7.8% YoY) Operating profit: 23 million yen (-35.9% YoY)

Sales were 630 million yen (down 7.8% y-o-y) due to a decrease in orders received for store remodeling by a major supermarket, one of the Company's main customers. In addition, delays in deliveries of refrigeration equipment and other product lines that account for a high percentage of sales, as well as requests from suppliers to raise prices, put pressure on gross profit, resulting in operating profit of 23 million yen (down 35.9% y-o-y). In sales of in-house products, unit sales of noodle-making machines increased 2.2 times from the previous year, but the small scale of sales did not boost overall sales. Strengthening proposal-based marketing to win orders for labor-saving investments and cultivating sales to mid-sized restaurants by taking advantage of our design and construction capabilities are our future tasks.

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

Net sales: 636 million yen (-10.8% YoY) Operating profit: 30 million yen (+27.6% YoY)

Tenpos.com Inc., which operates a web-based mail-order business, posted a 10.8% y-o-y decline in sales to 636 million yen, mainly due to a decrease in the number of refrigeration equipment sales, which account for a high percentage of sales, as kitchen equipment manufacturers have suspended orders and extended delivery dates since around fall 2021, which is still in effect today. However, by focusing on sales of used kitchen appliances with high gross profit margins, the Company boosted gross profit amount, resulting in an increase in operating profit to 30 million yen (up 27.6% y-o-y).

Regarding the acceptance of employees seconded to Gurunavi, a total of nine employees were accepted: two in the management level, four in the sales department, and three in web production and system improvement. They have become immediately effective in web measures such as creating and disseminating information to support the opening of restaurants, operating specialized stores by business category, and renewing the company's website. The Sales Department is working to change from a passive sales approach to an aggressive sales structure, first of all by strengthening post-purchase follow-up. Meanwhile, the Production Department produces specialized pages for medium-sized and large companies, and is also training personnel to enable the Sales Department to respond appropriately to inquiries from these large and medium-sized companies. Through these efforts, we will create a sales structure that is not affected by delays in refrigeration equipment by securing stable monthly sales.

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

Amount of sales			(Millions of yen)	
Company Name	Period from May 31, 2021 to July 31, 2021	Period from May 31, 2021 to July 31, 2021	Difference	Growth Rate
Tenpos Busters Co., Ltd.	3,947	4,155	208	5.3%
Kitchen Techno Corporation	683	630	△53	△ 7.8
Tenpos.com Co., Ltd	713	636	△76	△ 10.8
Total	5,344	5,422	78	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 of the segment information.

Operating income			(Millions of yen)	
Company Name	Period from May 31, 2021 to July 31, 2021	Period from May 31, 2021 to July 31, 2021	Difference	Growth Rate
Tenpos Busters Co., Ltd.	409	529	120	29.4%
Kitchen Techno Corporation	37	23	△13	△35.9%
Tenpos.com Co., Ltd	23	30	6	27.6%
Total	470	583	113	24.1%

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

Ordinary profit			(Millions of yen)	
Company Name	Period from May 31, 2021 to July 31, 2021	Period from May 31, 2021 to July 31, 2021	Difference	Growth Rate
Tenpos Busters Co., Ltd.	411	531	120	29.2%
Kitchen Techno Corporation	37	25	△12	△32.2
Tenpos.com Co., Ltd	23	30	6	27.6%
Total	472	587	114	24.2%

(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

Of the six operating companies belonging to the Information and Services segment, five exceeded their sales in the first quarter of the fiscal year ending April 30, 2020, before the Corona disaster. Although only the sales promotion business is still struggling, the temporary staffing and POS system sales businesses have started to get back on track, resulting in segment sales of 942 million yen (up 25.7% year-on-year) and segment profit of 43 million yen (segment loss of 12 million yen in the same period last year) in the information and services business segment. The segment sales increased 25.7% y-o-y to 942 million yen. The business development capabilities of D-Spark Corporation and the future growth strategy of Tenpos Johokan Co. will be particularly interesting.

Interior construction and design Studio Tenpos Co., Ltd.

Sales 213 million yen (up 1.0% y/y) Operating profit 2 million yen (down 53.0% y/y)

The Corona Disaster has led to an increase in the number of small-scale restaurants such as bars and snack bars, which had been holding off on opening new restaurants, as well as daytime restaurant openings. However, the number of izakaya (Japanese-style pubs), which are relatively large in terms of interior construction sales, has not returned to the levels seen before the Corona Disaster. Although the number of inquiries is on the rise, we were unable to make sufficient cost-saving proposals to customers amid soaring material prices, and net sales remained flat, up 1.0% year-on-year. Operating profit fell 53.0% y-o-y due to soaring material costs and personnel hiring. Although the number of employees was increased in anticipation of a post-Corona recovery, this could not be translated into sales results.

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

Net sales: 222 million yen (+51.7% YoY) Operating profit: 21 million yen (+185.1% YoY)

Sales increased to 222 million yen (up 51.7% y-o-y) due to our focus on POS system introduction proposals utilizing the "IT introduction subsidy. In addition, the shortage of semiconductors and the weak yen have caused prices of related terminals (iPad and android) to soar in the POS market, resulting in a 45.0% year-on-year increase in sales of our used POS-related products, which contributed to the increase in profit. New initiatives included the start of sales of mobile orders linked to LINE, the launch of speedy assessments based on photo screening as a measure to strengthen the purchase of used POS, and the opening of the Fukuoka Sales Office. Since we opened the Nagoya sales office in the previous fiscal year, we can say that this growth will be genuine once these sales offices start to generate revenue.

Financial services and real estate brokerage Tenpos Financial Trust Co., Ltd.

Net sales 208 million yen (+8.2% YoY) Operating profit 13 million yen (-12.0% YoY)

In the finance business, transaction volume increased 75.0% year-on-year as a result of sales training for group companies and efforts to strengthen cooperation with interior decoration companies in order to increase the transaction volume of loans and leases. However, as part of the reorganization of "Dr. Service," the gross profit amount decreased due to the transfer of the settlement business with high gross profit margin to a group company (Tenpos Food Place Co., Ltd.), and operating profit decreased due to the accompanying personnel reallocation.

Customer Attraction Support Profit Laboratory Co., Ltd.

Sales: 27 million yen (-0.7% YoY) Operating profit: 1 million yen (vs. an operating loss of 4 million yen in the same period last year)

The number of restaurants using our main business, "Manseki FAX," a corporate banquet acquiring service, declined 64.0% from the first quarter of the fiscal year ending April 30, 2020, before the Corona disaster, as major restaurant companies, our main customers, continued to refrain from sales promotion activities. In the delivery store opening registration agency business, which accounted for about 15% of total sales in the previous fiscal year, we were able to steadily acquire new projects in the current fiscal year, but due to the small scale of sales, this was not enough to cover overall sales. The improvement in operating profit was mainly due to a review of fixed costs. We cannot continue to rely on the fax sales promotion business forever, but we have yet to develop any new business.

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

Sales: 240 million yen (+62.8% YoY) Operating profit: 3 million yen (vs. operating loss of 23 million yen in the same period of the previous year)

Due to the voluntary restraints on restaurant business and the easing of behavioral restrictions, demand for temporary staffing at goods retailers, a major client, grew significantly, resulting in a 19.4% increase in net sales and a 277.5% increase in operating profit compared to the first quarter of the fiscal year ended April 30, 2020, before the Corona Disaster. Among them, the new "contracted delivery business" launched in the Corona disaster has grown to become a major earner, with net sales of 35 million yen and operating profit of 6 million yen. In the delivery business, we intend to further expand sales by opening more sales offices and starting an industrial waste transportation and disposal business from the Kanto region, for which we were in the process of applying for a license.

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

Sales 42 million yen (+44.0% YoY) Operating profit 0 million yen (vs. operating loss of 8 million yen in the same period of the previous year)

Tenpos Food Place, Inc., which was established to specialize in opening and management support services for restaurants, posted its second quarterly profit since its establishment, following the fourth quarter of the previous fiscal year. The increase in revenue was due to sales growth in the "Dr. Service" business, which includes the distribution of foodstuff samples and the creation of sales promotion materials for restaurants. Other factors contributing to the increase in revenue and profit were the transfer of the settlement business from Tenpos Financial Trust Co., Ltd. and an increase in the number of web production contracts from within and outside the Tenpos Group as a result of the strengthening of the Design Division's structure.

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

Amount of sales (Millions of yen)

Company Name	Period from May 31, 2021 to July 31, 2021	Period from May 31, 2021 to July 31, 2021	Difference	Growth Rate
Studio Tenpos Co., Ltd.	211	213	2	1.0
Tenpos Information Center Co., Ltd.	146	222	75	51.7%
Tenpos Financial Trust Co., Ltd.	192	208	15	8.2%
Profit Laboratory Co., Ltd.	27	27	△0	△0.7
D-Spark Co., Ltd.	147	240	92	62.8%
Tenpos Food Place Co., Ltd.	29	42	12	44.0%
Total	755	954	199	26.4%

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

Operating income (Millions of yen)

Company Name	Period from May 31, 2021 to July 31, 2021	Period from May 31, 2021 to July 31, 2021	Difference	Growth Rate
Studio Tenpos Co., Ltd.	5	2	△3	△53.0
Tenpos Information Center Co., Ltd.	7	21	14	185.1%
Tenpos Financial Trust Co., Ltd.	15	13	△1	△ 12.0%
Profit Laboratory Co., Ltd.	△4	1	5	returning to profit
D-Spark Co., Ltd.	△23	3	27	returning to profit
Tenpos Food Place Co., Ltd.	△8	0	9	returning to profit
Total	△8	42	50	returning to profit

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

Ordinary profit (Millions of yen)

Company Name	Period from May 31, 2021 to July 31, 2021	Period from May 31, 2021 to July 31, 2021	Difference	Growth Rate
Studio Tenpos Co., Ltd.	6	2	△3	△53.1%
Tenpos Information Center Co., Ltd.	7	21	14	185.4%
Tenpos Financial Trust Co., Ltd.	15	13	△2	△ 16.4
Profit Laboratory Co., Ltd.	△4	1	5	returning to profit
D-Spark Co., Ltd.	△19	3	22	returning to profit
Tenpos Food Place Co., Ltd.	△8	1	10	returning to profit
Total	△2	43	46	returning to profit

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

(3) Food and Beverage Business

In the restaurant industry, the number of customers visiting restaurants is gradually increasing due to the easing of restrictions on travel and alcohol consumption, etc. As a result, segment sales for the first quarter of the current fiscal year in the restaurant business were 1,375 million yen (up 7.7% year-on-year), and segment loss was 111 million yen (segment loss of 232 million yen in the same period of the previous year). Segment loss was 111 million yen (segment loss of 232 million yen in the same period of the previous fiscal year).

Restaurant management Asakuma Co., Ltd.

Sales: 1,417 million yen (-23.8% YoY) Operating loss: 28 million yen (vs. operating loss of 158 million yen in the same period last year)

Based on the unchanging idea 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. However, under the order of new President Hirota, who was elected on June 24, 2022 by the "Contest for the President's Chair of ASAKUMA," our first priority is to bring the quality of products and services, which have been neglected in our daily operations, to a normal level first, before providing excitement. To this end, we have been working to implement training to ensure that work is carried out in accordance with manuals and to create a system to provide services that do not cause dissatisfaction to customers. However, as a result of our focus on cutting costs and reducing labor costs, we were able to create a system that was profitable even at about 70% of sales for the first quarter of the fiscal year ending April 30, 2020, before the Corona disaster, but service declined due to lack of training.

As for price revisions, we have revised some of our products from June 2022 due to the continuing sharp rise in raw material and energy prices since last year. However, for customers who would have enjoyed the salad bar along with the meat, for example, the 150 gram sirloin steak with salad bar will continue to be offered at 2,480 yen excluding tax without changing the price, instead of reducing it to 120 grams. Since its establishment, the "Student Hamburger Steak" has been a source of pride for us to carry on the spirit of our founder, even at the cost of reducing our profit, as we want students with little money to enjoy a full meal at our steakhouse. The price will remain the same at 1,550 yen excluding tax, which includes a salad bar.

In store development, there were no store exits, so the total number of stores for the Asakuma Group was 76 (including 5 franchise stores), with 61 directly managed stores and 5 franchise stores for Asakuma Corporation, and 10 directly managed stores for Asakuma Succession Co. Ltd. will have 61 directly managed stores and 5 franchise stores, and Asakuma Succession Co.

Restaurant management Dream Dining Co., Ltd.

Sales: 36 million yen (50.4% increase y/y) Operating loss: 4 million yen (operating loss of 12 million yen in the same period of the previous year)

Dream Dining Corporation, which operates "Kaisen-Oh" and "Osaka-Dojima Toro-ya," a seafood bowl restaurant mainly in commercial facilities, has returned to the basics and worked to select ingredients and improve operations with the goal of "making delicious Kaisen-don". The company also conducted customer surveys and reflected popular items in product development and continued to sell them as delivery items. We are one step closer to returning to profitability.

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 31, 2021 to July 31, 2021	Period from May 31, 2021 to July 31, 2021	Difference	Growth Rate
Akasuma Co., Ltd.	1,145	1,417	272	23.8%
Dream Dining Co., Ltd.	24	36	12	50.4%
Total	1,169	1,454	284	24.3%

(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 31, 2021 to July 31, 2021	Period from May 31, 2021 to July 31, 2021	Difference	Growth Rate
Akasuma Co., Ltd.	△158	△28	130	Deficit Improvement
Dream Dining Co., Ltd.	△12	△4	8	Deficit Improvement
Total	△171	△33	138	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 of the segment information.

Ordinary profit

(Millions of yen)

Company Name	Three months ended May 31, 2021 May 1, 2021 Three months ended July 31, 2021	Three months ended June 30, 2022 May 1, 2022 (From May 1, 2022 to July 31, 2022)	Difference from the same period of the previous year	Percentage change
Akasuma Corporation	19	△23	△42	turning a deficit
Dream Dining Co.	2	△0	△3	turning a deficit
total amount	21	weak-24	△45	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 of the segment information.

(2) Details of Financial Condition

Total assets at the end of the first quarter of the current consolidated fiscal year were 18,279 million yen, a decrease of 547 million yen from the end of the previous consolidated fiscal year. The details are as follows.

(Current assets)

Current assets totaled 15,314 million yen at the end of the first quarter of the current fiscal year, down 456 million yen from the end of the previous fiscal year. This was mainly due to a 734 million yen decrease in cash and deposits and a 417 million yen increase in inventories.

(Fixed assets)

Fixed assets totaled 2,965 million yen at the end of the first quarter, a decrease of 91 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 77 million yen in deferred tax assets.

(Current liabilities)

The balance of current liabilities at the end of the first quarter of the current fiscal year was 4,804 million yen, a decrease of 741 million yen from the end of the previous fiscal year. This was due to a decrease of 570 million yen in profit taxes payable.

(Long-term liabilities)

The balance of noncurrent liabilities at the end of the first quarter was 379 million yen, a decrease of 17 million yen from the end of the previous consolidated fiscal year. This was mainly due to a 20 million yen decrease in long-term loans payable.

(Net assets)

The balance of net assets at the end of the first quarter of the current consolidated fiscal year was 13,095 million yen, an increase of 212 million yen from the end of the previous consolidated fiscal year. This was mainly due to a 251 million yen increase in retained earnings.

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

With regard to the consolidated earnings forecasts for the first half of the current fiscal year and for the full year, both sales and profits are generally in line with plans, and we have not revised the forecasts announced on June 10, 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 First Quarter (July 31, 2022)
Assets		
Current assets		
cash and deposits	10,356	9,621
Notes and accounts receivable-trade	1,498	1,488
inventories	3,175	3,592
Other	743	612
Allowance for doubtful accounts	weak2	△1
Total current assets	15,770	15,314
Non-current assets		
property, plant and equipment		
Buildings and structures, net	448	477
Machinery, equipment and vehicles, net	57	63
land	87	87
Other, net	152	76
Total property, plant and equipment	746	704
Intangible assets		
Other	111	110
Total intangible fixed assets	111	110
Investments and other assets		
Investments in securities	86	84
Shares of subsidiaries and affiliates	936	973
long-term loans	394	393
Lease and guarantee deposits	906	897
deferred tax asset	196	119
Bankruptcy reorganization claims, etc.	812	814
Other	118	111
Allowance for doubtful accounts	△1,254	△1,244
Total investments and other assets	2,198	2,150
Total non-current assets	3,056	2,965
total assets	18,826	18,279
Liabilities		
current liabilities		
Notes and accounts payable-trade	1,842	1,768
Short-term debt	250	250
Current portion of long-term debt	83	83
Profit taxes payable	719	149
Allowance for shareholder special benefit	195	137
Allowance for bonuses	267	188
Allowance for product warranties	31	36
Other	2,156	2,189
Total current liabilities	5,546	4,804
fixed liabilities		
Long-term debt	173	152
Liabilities for retirement benefits	5	5
Asset retirement obligations	90	90
Other	126	130
Total long-term liabilities	397	379
total liabilities	5,943	5,183

(Millions of yen)		
	End of previous fiscal year (April 30, 2022)	Current Consolidated First Quarter (July 31, 2022)
Total net assets		
capital stock		
capital stock	509	499
Capital surplus	843	848
Retained earnings	11,150	11,401
treasury stock	△1,009	△1,008
Total shareholders' equity	11,494	11,740
Accumulated other comprehensive profit		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	5	3
Total accumulated other comprehensive profit	5	3
subscription warrant	199	205
Noncontrolling interest	1,185	1,146
Total net assets	12,883	13,095
Total liabilities and net assets	18,826	18,279

(2) Quarterly Consolidated Statements of Profit and Comprehensive Profit

Consolidated Quarterly Statements of Profit

First quarter consolidated cumulative period

(Millions of yen)

	Three months period of Previous year From: May 1, 2021 To: July 31, 2021	Three months period of Current year From: May 1, 2022 To: July 31, 2022
Sales	6,900	7,358
cost of sales	4,498	4,491
Gross profit	2,402	2,866
Selling, general and administrative expenses	2,137	2,345
Operating income	264	521
Non-operating income		
interest profit	1	0
Dividends received	0	0
Equity in earnings of affiliates	52	36
Subsidy profit	208	5
Other	7	16
Total non-operating income	270	59
Non-operating expenses		
interest expense	1	0
Other	2	0
Total non-operating expenses	4	1
Ordinary profit	530	579
Extraordinary profit		
Subsidy profit	15	-
Reversal of unsettled special account for advanced depreciation	-	13
Other	11	8
Total extraordinary profit	26	21
Extraordinary loss		
Loss on store closures	10	9
Losses due to temporary closures, etc.	8	-
settlement money	-	8
Other	-	1
Total extraordinary loss	18	20
Profit before profit taxes and minority interests	538	580
Corporate, inhabitant and enterprise taxes	123	146
Profit taxes-deferred	60	78
Total profit taxes	183	224
Net profit	355	356
Net profit (loss) attributable to noncontrolling interests	8	△14
Net profit attributable to owners of the parent	346	370

Consolidated Quarterly Statements of Profit

First quarter consolidated cumulative period

(Millions of yen)

	Three months period of Previous year From: May 1, 2021 To: July 31, 2021	Three months period of Current year From: May 1, 2022 To: July 31, 2022
Sales	355	356
Other comprehensive profit		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	2	△1
Total other comprehensive profit	2	△1
Comprehensive profit	358	354
(Breakdown)		
Comprehensive profit attributable to owners of the parent	349	368
Comprehensive profit attributable to noncontrolling interests	8	△14

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on premise of a going concern)

Not applicable.

(Notes in the event of significant changes in shareholders' equity)

Three months period of Previous year (May 1, 2021 - July 31, 2021)

(1) Dividends paid

resolution	Stock type	Total dividend (Millions of 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) Dividends with a record date in the first quarter of the current fiscal year but an effective date after the end of the first quarter of the current fiscal year

Not applicable.

(3) Significant changes in shareholders' equity

Not applicable.

Three months period of Current year (May 1, 2022 - July 31, 2022)

(1) Dividends paid

resolution	Stock type	Total dividend (Millions of yen)	Per share dividend amount (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

(2) Dividends with a record date in the first quarter of the current fiscal year but an effective date after the end of the first quarter 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; hereinafter referred to as "Guidance on Accounting Standard for Measurement of Fair Value") The new accounting policy stipulated 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 will be applied prospectively in accordance with the transitional treatment stipulated 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 Three months ended July 31, 2021 (May 1, 2021 - July 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 statements (Note)
	Product sales business	Information and services business	Food and Beverage	Total		
Sales						
Revenue from contracts with customers	5,123	671	1,105	6,900	-	6,900
Other profit	-	-	-	-	-	-
To outside customers	5,123	671	1,105	6,900	-	6,900
Net sales						
Intersegment sales and transfers	71	78	3	153	△153	-
Total	5,195	749	1,109	7,054	△153	6,900
Segment profit (loss)	525	△12	D232	281	△16	264

(Note) Segment profit is adjusted with operating profit in the quarterly consolidated statements of profit. The -16 million yen adjustment includes -16 million yen in corporate expenses that are not allocated to each reportable segment. Corporate expenses are mainly expenses related to holding company operations that do not belong to any reportable segment.

Current 1st quarter consolidated cumulative period (May 1, 2022 - July 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 statements (Note)
	Product sales business	Information and services business	Food and Beverage	Total		
Sales						
Revenue from contracts with customers	5,162	826	1,369	7,358	-	7,358
Other profit	-	-	-	-	-	-
To outside customers	5,162	826	1,369	7,358	-	7,358
Net sales						
Intersegment sales and transfers	113	115	6	235	△235	-
plan	5,276	942	1,375	7,594	△235	7,358
Segment profit (loss)	615	43	△111	547	△26	521

(Note) Segment profit is adjusted with operating profit in the quarterly consolidated statements of profit. The -26 million yen adjustment includes -26 million yen in corporate expenses that are not allocated to each reportable segment. Corporate expenses mainly consist of expenses related to holding company operations 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.