

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

March 9, 2023

Listed Company Name Tenpos Holdings Co. listed Tokyo Stock Exchange
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 Scheduled date of quarterly report submission March 10, 2023 Scheduled date of dividend payment commencement

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 Third Quarter of the Fiscal Year Ending April 30, 2023 (May 1, 2022 - January 31, 2023)

(1) Consolidated Operating Results (Cumulative) (Percentage figures 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	%
Third Quarter								
April 30, 2023	22,942	4.9	1,625	5.1	1,696	△25.6	1,057	△21.5
April 30, 2022	21,866	10.7	1,545	123.1	2,279	155.2	1,347	1,023.1

(Note) Comprehensive income April 30, 2023 1,016 Millions of yen (29.9%) April 30, 2022 1,449 Millions of yen (-%)

	Basic earnings per share	Diluted earnings per share
Third Quarter	Yen	Yen
April 30, 2023	88.76	87.68
April 30, 2022	113.42	112.24

(2) Consolidated financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
Third Quarter	Millions of yen	Millions of yen	%	Yen Yen
April 30, 2023	18,069	13,778	68.9	1,043.74
April 30, 2022	18,826	12,883	61.1	965.12

(Reference) net worth April 30, 2023 12,443 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	-		
Fiscal year ending April 2023 (forecast)				9.00	9.00

(Note) Revision of the most recently announced dividend forecast: Yes

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
full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	31,300	7.9	2,130	13.8	2,180	△25.4	1,332	△15.0	111.83

(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)
 Newly added: - (Company name), Excluded: (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
- (i) 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 : None

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

I . Number of shares issued and outstanding at the end of the period (including treasury stock)	Apr. 2023 3Q	14,314,800 shares	April 30, 2022	14,314,800 shares
II . Number of treasury stock at end of period	Apr. 2023 3Q	2,393,134 shares	April 30, 2022	2,400,132 shares
III . Average number of shares during the period (cumulative quarterly period)	Apr. 2023 3Q	11,917,975 shares	April 2022 3Q	11,884,401 shares

The 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) Earnings Forecasts and Other Forward-Looking Statements" on page 7 of the attached materials for the precautionary statement regarding the use of earnings forecasts.

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Qualitative Information on Financial Results for the Current Quarter

(1) Explanation of Operating Results

In the domestic economy, the restaurant industry is recovering from the Corona disaster and there is a growing appetite for capital investment, including the resumption of store openings, but the business environment remains challenging due to rising raw material prices and utility costs and a shortage of human resources once displaced by the Corona disaster. However, for the past several years, when news of the deregulation of the Corona disaster was reported, the sales of the tableware division of Tenpos Busters Co. and the sales of the Asakuma Group Co. tended to increase first. In February 2023, the sales of the tableware division increased 141.7% yoy, and the same for the Asakuma Group Co. Sales increased 155.4% y/y, and this trend continued in March. Since it takes time to open a restaurant, it will be two or three months before sales of kitchen equipment are linked to sales, so we expect sales to rise considerably in the next fiscal year.

The Group, which sells kitchen appliances to restaurants and provides restaurant management support and restaurant management, reported consolidated Sales of 22,942 million yen (up 4.9% year-on-year), operating income of 1,625 million yen (up 5.1% year-on-year), Ordinary profit of 1,696 million yen (down 25.6% year-on-year), and net income attributable to parent company shareholders of 1,057 million yen (down 21.5% year-on-year) for the third quarter of the fiscal year under review. Net income attributable to shareholders of the parent company amounted to 1,057 million yen (down 21.5% year on year).

Operating income

(Millions of yen)

Segment Name	Period from May 1, 2021 to January 31, 2022	Period from May 1, 2021 to January 31, 2022	Difference	Growth Rate
Product sales business	1,936	1,612	△ 323	△ 16.7
Information and services business	62	167	104	165.9%
Food and Beverage	△ 386	△ 77	308	Deficit Improvement
Total	1,613	1,702	89	5.6% (in %)

(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.

Ordinary profit

(Millions of yen)

Segment Name	Period from May 1, 2021 to January 31, 2022	Period from May 1, 2021 to January 31, 2022	Difference	Growth Rate
Product sales business	2,064	1,675	△ 388	△18.8
Information and services business	93	192	98	105.9%
Food and Beverage	189	△ 93	△283	turning a deficit
Total	2,347	1,773	△573	△24.4

(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

In the product sales business, segment sales increased slightly to 16,076 million yen (up 1.4% year-on-year) due to lost sales opportunities caused by delays in the delivery of new equipment by kitchen equipment manufacturers due to the recent economic situation and stagnant sales of used kitchen equipment due to delays in the delivery of new parts.

Currently, the product sales business is aggressively developing new businesses and investing in human resources under the policy of moving away from simply selling merchandise to becoming a company that sells information and services useful for restaurant management. Tenpos Busters Co., Ltd, our core business, has accepted a total of 69 employees on loan from Gurunavi, Inc. and Tenpos.com Co., Ltd. has accepted 16 employees (as of January 2023) on loan from Gurunavi for 15 of its regular employees in order to strengthen its web policies. Ltd. has accepted 16 employees (as of January 2023) on secondment from Gurunabi, Inc. As a result, selling, general and administrative expenses increased, and segment operating income for the merchandising business declined 16.7% to 1,612 million yen in the third quarter of the current fiscal year. However, we view the investment in human resources as a necessary investment as we aim to "doctor" restaurant management support. Next fiscal year will mark one year since employees seconded to Gurunavi have been with the Group, and their activities are highly anticipated.

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

Sales: 12,276 million yen (+1.6% YoY) Operating income: 1,503 million yen (-6.9% 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 acquire customers who open new restaurants and increase customer spend by providing "Dr. Tenpos" information and services that are useful for restaurant management in addition to product sales. This is because although the number of new restaurant openings accounts for only 4% of the 613,000 annual restaurant visits (24,000), it is 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 support for restaurant management.

The number of customers who visited our stores during the period under review increased 1.5% year-on-year, and among them, the number of customers who opened new stores increased 10.2% year-on-year, a strong result. On the other hand, there has been an issue with regard to the average spend per customer for new store openings: despite various efforts, there has been no significant growth in the past few years. As a measure to increase the average spend per customer, we have been focusing on the real estate referral business since the third quarter of the current fiscal year. Since January 2023, we have obtained 818 registrations from restaurants wishing to open new restaurants, while we have acquired information on 444 real estate properties for restaurants. In the future, we plan to introduce properties to restaurants and at the same time increase the number of registered restaurants looking for properties to 10,000.

Sales activities by the outside sales force, which started in the first half of the fiscal year, mainly target customers opening new restaurants. The force accompanies customers on property tours, attends meetings with interior decorators, and discusses kitchen equipment on site. Although this has raised the unit price per customer, the impact on the overall unit price per customer has not yet been significant because of the small number of 11 employees in the outside sales force nationwide. However, we feel that the unit price per order for a complete kitchen set is high, and we intend to expand our outside sales force in the future.

In terms of merchandise measures, we have established a "Store Policy Section" to improve product displays, product assortments, store promotional materials, customer service, and operations, and have begun providing on-site store guidance. This will improve the number of customers and sales per customer per store. Other initiatives include the renovation of Tenpos Busters Ichinomiya Store (Aichi Prefecture) into a store specializing in the ramen business in January 2023, and the renovation of Nagoya Nakagawa Store (Aichi Prefecture) into a store specializing in decorative items in the same month. By creating such specialized stores, we will create stores that can attract customers from all over the country and from a wide area.

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

Sales 2,255 million yen (-2.2% YoY) Operating income 143 million yen (-19.3% YoY)

As a measure to expand sales, the Company launched a kitchen equipment inspection service, which led to an order for a new large-scale project (sales of 48 million yen). However, a decline in renovation projects for supermarket companies, a major customer, due to a slowdown in nest egg consumption, and an increase in selling, general, and administrative expenses due to personnel reinforcement resulted in lower sales and profits for the period under review.

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

Sales: 1,884 million yen (-3.1% YoY) Operating income: 3 million yen (-95.2% YoY)

Delays in the delivery of refrigeration equipment, which had affected the company since the previous fiscal year, began to ease from mid-December 2022, but the aggressive acceptance of personnel from Gurunavi resulted in a 35.4% increase in selling, general and administrative expenses, which could not offset the increase in expenses, resulting in a decrease in profit. We are screwed.

As a result of measures to increase the number of accesses through SEO and other measures, the number of visitors increased 19.9% year-on-year, and although we saw signs of a recovery in business performance, we were at a loss as the number of orders received declined 13.0% year-on-year. Despite this situation, we are planning to release a series of new web pages and websites in the next fiscal year, as we have thickened our web-savvy workforce through investment in human resources. Now that we are on track to supply refrigeration equipment, it looks like we will be able to get out of our dark period.

As a new initiative in the third quarter of the current fiscal year, we launched a new business that provides total support for property introductions, interior design, and kitchens, and we will work to expand this business to become a pillar of earnings in the next fiscal year, armed with the ability to transmit information and attract customers by making full use of the Web.

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 January 31, 2022	Period from May 1, 2021 to January 31, 2022	Difference	Growth Rate
Tenpos Busters Co., Ltd.	12,078	12,276	197	1.6%
Kitchen Techno Corporation	2,306	2,255	△50	△2.2
Tenpos.com Co., Ltd.	1,944	1,884	△60	△3.1
Total	16,329	16,416	87	0.5%

(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.

Operating income

(Millions of yen)

Company Name	Period from May 1, 2021 to January 31, 2022	Period from May 1, 2021 to January 31, 2022	Difference	Growth Rate
Tenpos Busters Co., Ltd.	1,614	1,503	△110	△6.9
Kitchen Techno Corporation	177	143	△34	(19.3%)
Tenpos.com Co., Ltd.	68	3	△65	(95.2%)
Total	1,860	1,650	△210	△11.3

(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.

Ordinary profit

(Millions of yen)

Company Name	Period from May 1, 2021 to January 31, 2022	Period from May 1, 2021 to January 31, 2022	Difference	Growth Rate
Tenpos Busters Co., Ltd.	1,630	1,514	△115	△7.1
Kitchen Techno Corporation	180	147	△33	△18.6
Tenpos.com Co., Ltd.	68	3	△65	(94.9%)
Total	1,879	1,665	△214	△11.4

(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.

(2) Information and services business

With an increase in the number of restaurants investing in sales promotion, human resources, and equipment as they recover from the Corona disaster, segment Sales for the period under review increased 18.7% year on year to 3,005 million yen, and segment operating income rose 165.9% to 167 million yen, with both sales and income up. The POS system sales and temporary staffing services businesses were the main drivers of the segment's growth.

Interior construction and design Studio Tenpos Co.

Sales: 620 million yen (-11.9% YoY) Operating income: 19 million yen (-55.2% YoY)

Although the number of construction contracts received during the period under review increased 8.7% year-on-year, Sales declined due to a decrease in the number of new store opening customers with high per-customer prices. In order to increase the number of orders from new store-opening customers, the training of human resources hired in anticipation of the recovery of the Corona disaster is an issue.

POS system and ASP sales Tenpos Johokan Co.

Sales: 720 million yen (+33.0% YoY) Operating income: 79 million yen (+55.1% YoY)

Orders for table order systems and mobile order systems increased due to factors such as increased demand for contactless information devices in the wake of the Corona disaster. In addition, the distribution of new POS equipment units is in short supply due to the shortage of semiconductors, resulting in a 33.3% year-on-year increase in sales volume of used POS, a strong point of strength.

As for new initiatives, we have completed development of a new cashless ticket vending machine in January 2023, and will start sales

in February. On the sales front, we have developed 12 companies that sell our products on our behalf. We will continue to expand our sales network.

Financial services and real estate brokerage Tempus Financial Trust Co.

Sales: 625 million yen (+7.0% YoY) Operating income: 33 million yen (+22.7% YoY)

The number of credit and lease transactions, the mainstay of the finance division, increased and contributed to earnings as the appetite for capital investment in restaurants recovered from the Corona disaster. In the real estate business, an increase in the number of contracts concluded due to an increase in the number of contract employees engaged in the mainstay sale and brokerage of unoccupied properties, as well as new sublease contracts, resulted in an increase in both revenue and profit for the period under review.

Support for attracting customers Profit Laboratory Inc.

Sales: 88 million yen (+3.5% YoY) Operating income: 8 million yen (vs. operating loss of 8 million yen in the same period of the previous year)

As major restaurant companies, which are our main customers, have gradually resumed sales promotion activities, orders for our main business, FAXDM service "Manzoku FAX," are on a recovery trend. However, since the current number of orders is about 70% of the number of orders before the Corona disaster, it has not recovered to the level before the Corona disaster.

Temporary staffing, placement and contracting services D-Spark Inc.

Sales: 833 million yen (+51.1% YoY) Operating income: 25 million yen (vs. operating loss of 21 million yen in the same period last year)

In the temporary staffing business, the number of orders received in the customer service temporary staffing business increased significantly due to the significant easing of behavioral restrictions. Other factors, including the acquisition of "bulk store contracting" orders for food and beverage outlets, including sweets, resulted in a 51.1% year-on-year increase in Sales for the period under review. DSPARK Corporation intends to continue to focus on human resource services, including bulk store outsourcing services, as it aims to shift from a temporary staffing company specializing in customer service to a comprehensive human resource services company.

Web services, Dr. Tenpos new business development Tenpos Food Place Inc.

Sales: 134 million yen (+47.6% YoY) Operating income: 0 million yen (vs. operating loss of 16 million yen in the same period of the previous year)

Due to the strengthening of the sales promotion support business and the increase in sales in the settlement business, sales in the cumulative third quarter increased 47.6% year-on-year, gross profit increased 72.5%, and operating profit reached the highest level since the establishment of the company during the same period. It turned black. However, we are not happy with the turnaround of Tenpos Food Place, Inc. as it is positioned as a "research and development company" for new businesses in our group. In the new business development of "Dr. Tenpos," the company is working on the development of new businesses. In new business development for "Dr. Tenpos," we have finally begun to make progress in the development of a PR site specializing in food and beverage and a new service to support customers in selecting restaurants with close ties to the community.

In the sales promotion support business, which includes website creation and SNS operation support for restaurants, we are currently restructuring our service design. In order to become an indispensable company for restaurants, we will further focus on new business development and promote the development of businesses that will become pillars for the next fiscal year and beyond.

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

Sales (non-consolidated)

(Millions of yen)

Company Name	Period from May 1, 2021 to January 31, 2022	Period from May 1, 2021 to January 31, 2022	Difference	Growth Rate
Studio Tenpos Corporation	704	620	△83	△ 11.9
Tenpos Johokan Co. Corporation	541	720	178	33.0% (1.0)
Tempo Financial Trust Corporation	585	625	40	7.0% (1.0)
profit laboratory	85	88	2	3.5% (3.5%)

D-Spark Corporation	551	833	281	51.1% (in %)
Tenpos Food Place Co.	91	134	43	47.6% (in %)
total amount	2,558	3,022	463	18.1% (in %)

(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 (non-consolidated)

(Millions of yen)

Company Name	Period from May 1, 2021 to January 31, 2022	Period from May 1, 2021 to January 31, 2022	Difference	Growth Rate
Studio Tenpos Corporation	43	19	△23	(55.2%) (55.2%) (55.2%)
Tenpos Johokan Co. Corporation	51	79	28	55.1
Tempo Financial Trust Corporation	27	33	6	22.7% (in %)
profit laboratory	△8	8	16	returning to profit
D-Spark Corporation	△21	25	46	returning to profit
Tenpos Food Place Co.	△16	0	17	elimination of a deficit
total amount	74	166	91	122.0% (1.0)

(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.

Ordinary profit (non-consolidated)

(Millions of yen)

Company Name	Period from May 1, 2021 to January 31, 2022	Period from May 1, 2021 to January 31, 2022	Difference	Growth Rate
Studio Tenpos Corporation	43	20	△22	△ 51.8
Tenpos Johokan Co. Corporation	51	79	28	54.7% (%)
Tempo Financial Trust Corporation	27	33	6	22.5% (in %)
profit laboratory	△4	8	12	returning to profit
D-Spark Corporation	weak2	25	28	returning to profit
Tenpos Food Place Co.	△15	1	17	returning to profit
total amount	98	169	70	72.1% (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.

Food & Beverage

In the restaurant industry, due to the easing of action restrictions and other factors, segment sales in the restaurant business increased 12.0% year-over-year to 4,513 million yen and segment operating loss amounted to 77 million yen (versus a segment operating loss of 386 million yen in the same period of the previous year).

Restaurant Management Akasuma Co.

Sales: 4,535 million yen (11.1% increase y/y) Operating income: 0 million yen (operating loss of 221 million yen in the same period of the previous year)

Although both sales and operating income improved, the number of customers visiting the store remained in the 70% range compared to the pre-Corona disaster period (April 2020), and the Company focused on activities to attract customers and to improve productivity and customer service during the period under review.

To attract customers, some restaurants began offering low-priced lunches of 780 yen and 980 yen to attract new customers. The "Big Hamburger Steak," a visually impressive 300 g hamburger steak, served with salad or corn soup and rice for 980 yen, became the fifth most popular lunch menu item sold on weekdays. On the other hand, with the aim of becoming known as "Asakuma when it comes to steak," the tenderloin steak, for which there were many requests for its revival, was sold as a year-end fair item, and prime rank sirloin steak, the highest rank available in the United States, was sold for a limited time. In addition, we have worked on product measures that are distinct from the lunch menu, such as the sale of prime rank sirloin steak, the highest rank in the United States, for a limited time. In addition, the number of salad bar items was increased from about 15 to about 25, and is currently being increased to 45 at some restaurants. We have also increased the number of salad bar items from about 15 to about 25, and are now offering 45 items at some of our restaurants. We have been working on measures so that when customers who had shunned the salad bar in the aftermath of the Corona disaster and stayed away return, they will be surprised.

In order to improve productivity and customer service, we have been working on training by reviewing staff assignments according to the expected number of customers and conducting customer service tests. Although we have not yet reached the level we are aiming for, we have begun to receive compliments from customers. However, despite our efforts to this point, we have not been able to escape the effects of the Corona disaster, and our performance has not been good.

In store development, the number of stores decreased by one franchised store, resulting in 61 directly managed stores and 4 franchised stores for Asakuma Corporation and 10 directly managed stores (one store is closed) for Asakuma Succession Corporation, bringing the total number of stores in the Asakuma Group to 75.

Dream Dining Inc.

Sales: 118 million yen (+29.6% YoY) Operating loss: 11 million yen (vs. operating loss of 20 million yen in the same period last year)

Dream Dining Corporation, which operates "Kaisen-Oh" and "Osaka-Dojima Toro-ya" mainly in commercial facilities, raised product

prices by 5-10%, partly due to soaring purchase prices of key ingredients such as tuna and salmon. In addition, as the number of visitors to commercial facilities has recovered due to the easing of behavioral restrictions, the company has implemented menu measures to attract new customer segments and sales promotion activities to attract repeat customers.

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

Sales (Millions of yen)

Company Name	Period from May 1, 2021 to January 31, 2022	Period from May 1, 2021 to January 31, 2022	Difference	Growth Rate
Akasuma Corporation	4,082	4,535	452	11.1% (1)
Dream Dining Co.	91	118	27	29.6% (in %)
total amount	4,174	4,654	479	11.5

(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.

Operating income (Millions of yen)

Company Name	Period from May 1, 2021 to January 31, 2022	Period from May 1, 2021 to January 31, 2022	Difference	Growth Rate
Akasuma Corporation	△221	0	221	elimination of a deficit
Dream Dining Co.	△20	△11	9	Deficit Improvement
total amount	△241	△10	230	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 (non-consolidated) (Millions of yen)

Company Name	Period from May 1, 2021 to January 31, 2022	Period from May 1, 2021 to January 31, 2022	Difference	Growth Rate
Akasuma Corporation	316	△27	△343	turning a deficit
Dream Dining Co.	17	0	△18	turning a deficit
total amount	334	△27	△361	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

Total assets at the end of the third quarter of the current consolidated fiscal year amounted to 18,069 million yen, down 756 million yen from the end of the previous consolidated fiscal year. The details are as follows.

(Current assets)

Current assets totaled 15,122 million yen at the end of the third quarter of the current fiscal year, down 647 million yen from the end of the previous fiscal year. The main factors were a decrease of 1,167 million yen in cash and deposits and an increase of 736 million yen in inventories.

(Fixed assets) The balance of fixed assets at the end of the third quarter of the current consolidated fiscal year was 2,947 million yen, a decrease of 109 million yen from the end of the previous consolidated fiscal year. The main factor was a decrease of 119 million yen in deferred tax assets.

(Current liabilities)

Current liabilities at the end of the third quarter amounted to 3,962 million yen, down 1,583 million yen from the end of the previous

fiscal year. The main factors were a 620 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 third quarter of the current consolidated fiscal year was 329 million yen, a decrease of 67 million yen from the end of the previous consolidated fiscal year. The main factor was a decrease of 77 million yen in long-term loans payable.

(Net assets)

Total net assets at the end of the third quarter of the current consolidated fiscal year amounted to 13,778 million yen, an increase of 894 million yen from the end of the previous consolidated fiscal year. The main factor was a 938 million yen increase in retained earnings.

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

The Company has revised its consolidated earnings forecast for the fiscal year ending April 30, 2023, which was announced on December 8, 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 March 9, 2023.

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 Third Quarter (January 31, 2023)
Assets		
Current assets		
cash on hand and in banks	10,356	9,188
Notes and accounts receivable-trade	1,498	1,570
inventories	3,175	3,911
Other	743	454
Allowance for doubtful accounts	weak2	weak2
Total current assets	15,770	15,122
fixed assets		
property, plant and equipment		
Buildings and structures, net	448	476
Machinery, equipment and vehicles, net	57	59
lot	87	87
Other, net	152	75
Total property, plant and equipment	746	699
Intangible fixed assets		
Other	111	104
Total intangible assets	111	104
Investments and other assets		
Investments in securities	86	100
Shares of subsidiaries and affiliates	936	989
long-term loans	394	391
Lease and guarantee deposits	906	904
deferred tax asset	196	77
Bankruptcy reorganization claims, etc.	812	814
Other	118	98
Allowance for doubtful accounts	△1,254	△1,233
Total investments and other assets	2,198	2,142
Total fixed assets	3,056	2,947
total assets	18,826	18,069

(Millions of yen)

	End of Previous fiscal year (April 30, 2022)	Current Consolidated Third Quarter (January 31, 2023)
Liabilities		
current liabilities		
Notes and accounts payable-trade	1,842	1,796
Short-term debt	250	-
Current portion of long-term debt	83	11
Income taxes payable	719	99
Allowance for shareholder special benefit	195	84
Allowance for bonuses	267	138
Allowance for product warranties	31	24
Other	2,156	1,807
Total current liabilities	5,546	3,962
fixed liabilities		
Long-term debt	173	96
Liabilities for retirement benefits	5	5
Asset retirement obligations	90	90
Other	126	136
Total long-term liabilities	397	329
total liabilities	5,943	4,291
Total net assets		
capital stock		
capital stock	509	499
Capital surplus	843	856
Retained earnings	11,150	12,089
treasury stock	△1,009	△1,006
Total shareholders' equity	11,494	12,438
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	5	4
Total accumulated other comprehensive income	5	4
subscription warrant	199	214
Noncontrolling interest	1,185	1,120
Total net assets	12,883	13,778
Total liabilities and net assets	18,826	18,069

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

Consolidated Quarterly Statements of Income

Third Quarter consolidated cumulative period

(Millions of yen)

	Third Quarter of Previous year From: May 1, 2021 To: January 31, 2022	Third Quarter of Current year From: May 1, 2022 To: January 31, 2023
Sales	21,866	22,942
cost of sales	13,778	14,082
Gross profit	8,088	8,859
Selling, general and administrative expenses	6,542	7,234
Operating income	1,545	1,625
Non-operating income		
interest income	3	1
Dividends received	0	0
Equity in earnings of affiliates	94	53
Subsidy income	590	11
Other	53	45
Total non-operating income	742	112
Non-operating expenses		
Loss on reduction of grants	-	37
interest expense	4	2
Allowance for doubtful accounts	-	-
Other	4	1
Total non-operating expenses	8	41
Ordinary profit	2,279	1,696
ExtraOrdinary profit		
Reversal of unsettled special account for advanced depreciation	-	13
Gain on sales of fixed assets	8	0
Subsidy income	15	-
insurance margin	83	-
Difference on fulfillment of asset retirement obligations	12	-
Other	6	6
Total extraOrdinary profit	125	20
Extraordinary loss		
Loss on disposal of fixed assets	5	1
Loss on store closures	12	9
Provision for loss on litigation	38	-
Provision for special account for unsettled advanced depreciation	83	-
Losses due to temporary closures, etc.	8	-
settlement money	-	8
Other	3	1
Total extraordinary loss	151	21
Income before income taxes and minority interests	2,254	1,694
Corporate, inhabitant and enterprise taxes	755	557
Income taxes-deferred	50	120
Total income taxes	806	677
Net income	1,447	1,017
Net income (loss) attributable to noncontrolling interests	99	△40
Net income attributable to owners of the parent	1,347	1,057

Consolidated Quarterly Statements of Comprehensive Income
 Nine Months Ended December 31, 2012

(Millions of yen)

	Third Quarter of Previous year From: May 1, 2021 To: January 31, 2022	Third Quarter of Current year From: May 1, 2022 To: January 31, 2023
Net income	1,447	1,017
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	1,449	1,016
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,349	1,056
Comprehensive income attributable to noncontrolling interests	99	△40

(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)

Nine Months Ended January 31, 2022 (May 1, 2021 - January 31, 2022)

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

(2) Dividends with a record date in the third quarter of the current consolidated cumulative period but an effective date after the end of the third quarter of the current consolidated 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 1,018 million yen at the end of the third quarter of the current fiscal year.

Nine Months Ended January 31, 2023 (May 1, 2022 - January 31, 2023)

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, 2022 Board of Directors	common stock	119	10	April 30, 2022	July 28, 2022	Retained earnings

(2) Dividends with a record date in the third quarter of the current consolidated cumulative period but an effective date after the end of the third quarter of the current consolidated 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 Nine months ended January 31, 2022 (May 1, 2021 - January 31, 2022)

1. Information on Sales and profit or loss by reportable segment

(Millions of yen)

	Reportable Segment				Adjustment	Quarterly consolidated profit statement
	Product sales business	Information & Services Business	Food and Beverage	Total		
Sales						
Revenue from contracts with customers	15,586	2,275	4,004	21,866	-	21,866
Other income	-	-	-	-	-	-
To outside customers Sales	15,586	2,275	4,004	21,866	-	21,866
Intersegment sales and transfers	268	253	24	546	△546	-
plan	15,854	2,528	4,029	22,413	△546	21,866
Segment income (loss) (Loss) (-)	1,936	62	△386	1,613	△67	1,545

(Note) Segment income (loss) is adjusted with operating income in the quarterly consolidated statements of income. The segment income (loss) adjustment of -67 million yen includes -60 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.

Current Consolidated Cumulative Third Quarter (May 1, 2022 - January 31, 2023)

1. Information on Sales and profit or loss by reportable segment

(Millions of yen)

	Reportable Segment				Adjustment	Quarterly consolidated profit statement
	Product sales business	Information & Services Business	Food and Beverage	Total		
Sales						
Revenue from contracts with customers	15,764	2,692	4,484	22,942	-	22,942
Other revenues	-	-	-	-	-	-
To outside customers Sales	15,764	2,692	4,484	22,942	-	22,942
Intersegment sales and transfers	311	308	28	648	△648	-
plan	16,076	3,000	4,513	23,590	△648	22,942
Segment income (loss) (Loss) (-)	1,612	167	△77	1,702	△77	1,625

(Note) Segment income (loss) is adjusted with operating income in the quarterly consolidated statements of income. The segment income (loss) adjustment of -77 million yen includes -68 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.

(Revenue Recognition)

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

3. others

Significant Events Regarding Going Concern Assumption

Not applicable.