

Summary of Consolidated Financial Results
for the Second Quarter of the Fiscal Year 2022 (FY12/2022)
[Japanese GAAP] (Consolidated)

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 Stock exchange listing: Tokyo, Fukuoka
 Securities code: 7037 URL: <https://www.teno.co.jp/>
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 Scheduled date to file Securities Report: August 10, 2022
 Scheduled date to commence dividend payments: N/A
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results of the second quarter of FY12/2022 (January 1, 2022 – June 30, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year increase/decrease)

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Net profit (loss) attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
2Q of FY12/2022	5,929	2.3	77	(71.7)	86	(69.8)	25	(85.6)
2Q of FY12/2021	5,794	8.4	272	(21.8)	286	(16.3)	177	(16.7)

(Note) Comprehensive income 2Q of FY12/2022: 25 million yen [(85.9)%]
 2Q of FY12/2021: 177 million yen [(16.7)%]

	Net profit (loss) per share	Diluted net profit (loss) per share
	yen	yen
2Q of FY12/2022	5.53	5.50
2Q of FY12/2021	37.93	37.63

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
2Q of FY12/2022	7,578	2,232	29.5
FY12/2021	7,294	2,331	32.0

(Reference) Shareholders equity 2Q of FY12/2022: 2,232 million yen
 FY12/2021: 2,331 million yen

2. Cash dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	yen	yen	yen	yen	yen
FY12/2021	—	0.00	—	8.40	8.40
FY12/2022	—	0.00	—	—	—
FY12/2022 (forecasts)	—	—	—	9.00	9.00

3. Consolidated performance forecasts for FY12/2022 (January 1, 2022 – December 31, 2022)

Percentages indicate year-on-year increase/decrease

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent		Net profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full-term	12,500	9.1	477	2.0	459	0.8	257	8.4	54.88

***Notes**

- (1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods to the preparation of quarterly consolidated financial statement: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- ① Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - ② Changes in accounting policies due to other reasons: No
 - ③ Changes in accounting estimates: No
 - ④ Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

① Total number of issued shares at the end of the period (including treasury stock)

2Q of FY12/2022:	4,683,300 shares	FY12/2021:	4,683,300 shares
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② Number of treasury stock at the end of the period

2Q of FY12/2022:	132,724 shares	2Q of FY12/2021:	224 shares
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③ Average number of shares during the period

2Q of FY12/2022:	4,621,114 shares	2Q of FY12/2021:	4,672,812 shares
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* Summary of financial results is not covered by audit by a certified public accountant or an auditing firm.

* Explanation regarding appropriate use of the performance forecasts and other special notes

(Notes on descriptions about the future, etc.)

Descriptions about the future such as performance forecasts contained in this document are based on information currently available to the Company and certain presumptions considered as reasonable, and those are not intended to indicate the Company should assure that it would realize such forecasts. Meanwhile, actual performance in the future may differ substantially, influenced by a wide variety of factors.

(How to obtain quarterly supplementary material on financial results)

Supplementary material on financial results for the second quarter of FY12/2022 will be posted on the Company's website on August 26, 2022 (Fri.).

(How to obtain materials for quarterly briefing on financial results)

Briefing for institutional investors and analysts will be held on August 26, 2022 (Fri.). Materials for this briefing will be posted on our website no later than the day of briefing.

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1. Qualitative Information regarding the Financial Results of the Current Quarter**(1) Descriptions regarding operating results**

During the current second quarter consolidated cumulative period, although Japanese economy has seen some movements towards normalization of economic/social activities with the progress of a variety of measures against COVID-19, new mutant strains have appeared one after another. Repeated widespread of infections had further impacts and we cannot still predict when such a situation would come to an end. In addition, military invasion by Russia into Ukraine caused rise in prices of raw materials, fluctuations in the financial capital markets, restrictions on supply and many other impacts, so we should still be cautious about them and there remains high-level of uncertainty that leads to unpredictable future situations.

With respect to the business environment surrounding the Group, the bill for newly establishing “Children and Family Agency”, which would be a commanding post of policies for children, was passed at the plenary session of the House of Representatives and the Agency is scheduled to be established in April 2023. This has drawn keen interests in promoting diverse ways of working and infrastructure development worth for empowerment of women, including measures for enhanced support for child-raising responsive to various needs, such as environmental improvement and building up supporting structures for measures concerning birthrate decline and poverty among children, as well as for promoting social empowerment of women.

In addition, “New Plans for Secure Child-raising” published in December 2020 indicates that it is necessary to create additional capacity of childcare facilities for about 140,000 children in four fiscal years between 2021 and 2024. Also, target of employment rate of women had previously been set as 80%, but the Cabinet decided to raise it to 82% (by 2025) (Source: “The Second Phase of ‘Comprehensive Strategy for Town / People / Job Creation’”, February 2019). Following these government policies, continuous expansion of market size can be anticipated, and we think the roles of businesses carried out by the Group as a social infrastructure to support regional welfare will be more significant than ever.

Amid such an environment, in order to respond to greater needs for childcare facilities and various needs created by advancement of women into society, the Group has started to run additional childcare centers / nursing homes as follows during the current second quarter consolidated cumulative period.

(Public Childcare Business)	1 facility in total
Certified childcare centers	
Tokyo	1 (in Chuo Ward)
(Contracted Childcare Business)	9 facilities in total
Childcare centers inside companies/hospitals	
Fukuoka Pref.	4 (1 in Fukuoka City; 1 in Munakata City; 1 in Kurume City; 1 in Kitakyushu City)
Kagoshima Pref.	1 (in Satsumasendai City)
Okinawa Pref.	1 (in Itoman City)
After-school childcare centers	
Fukuoka Pref.	3 (all Chikugo City)
(Others)	6 facilities in total
Regional childcare centers	
Okinawa Pref.	1 nursing home (in Uruma City)
Fukuoka Pref.	1 (in Fukuoka City)
Osaka Pref.	4 (1 in Toyonaka City; 2 in Higashiosaka City; 1 in Kishiwada City)
After-school childcare centers	
Fukuoka Pref.	3 (all Chikugo City)

Taking the above into consideration, as of the end of June 2022, numbers of facilities in operation are as follows: 65 in Public Childcare Business (46 certified childcare centers and 19 small certified childcare centers); 221 in Contracted Childcare Business (130 contracted childcare centers, 59 after-school childcare centers, and 32 Waiwai Parks); and 13 in Other Business (4 non-certified childcare centers, 2 regional childcare centers, 3 day-care nursing facilities (day-service), 3 residence-type paid nursing homes, and 1 residence with services for elderly people)); namely 299 facilities in total.

Consequently, consolidated performance of the current second quarter consolidated cumulative period was as follows: Net sales of 5,929 million yen (increase by 2.3% YoY); Operating profit of 77 million yen (decrease by 71.7% YoY); Ordinary profit of 86 million yen (decrease by 69.8% YoY); and Net profit attributable to owners of parent of 25 million yen (decrease by 85.6% YoY).

Operating results of individual business segments are as follows. It should be noted that segment net sales as shown below are those before offsetting inter-segment transactions.

(Public Childcare Business)

In the Public Childcare Business segment, 1 new certified childcare centers was opened during the current second quarter consolidated cumulative period. In addition, each existing facility has put efforts not only to improved quality of childcare and enhanced efficiency of operation, but also to cost reduction such as going paperless. However, SG&A expenses including personnel expenses and other expenses increased because of putting efforts to reinforcing headquarters scheme and recruiting field staff.

For the current second quarter consolidated cumulative period, these operations resulted in Net sales of 3,751 million yen (increase by 0.5% YoY), and Segment profit of 309 million yen (decrease by 23.6% YoY).

(Contracted Childcare Business)

In the Contracted Childcare Business segment, efforts were put to sales activities for obtaining new contracts for childcare centers provided by companies/hospitals, and 6 centers were newly opened during the current second quarter consolidated cumulative period. Efforts are put also to reconsidering unit contract prices at existing contracted centers, and reinforcement of earnings foundation is encouraged. Concerning after-school childcare centers, dealing newly started with Chikugo City and 3 centers have been opened. Each existing center has put efforts to improved quality of childcare and enhanced efficiency of operation. However, this segment suffered from lower revenues and profit due to, for example, decreased revenues because of contracted childcare centers having ceased their operations at the end of March 2021, and lower operation availability because of some facilities affected by COVID-19 having no choice but to temporarily close.

For the current second quarter consolidated cumulative period, these operations resulted in Net sales of 1,671 million yen (decrease by 6.1% YoY), and Segment profit of 24 million yen (decrease by 64.0% YoY).

(Other Business)

In the Other Business segment, efforts were put to staffing services mainly to kindergartens and childcare centers, improved service quality at directly run non-certified childcare centers and nursing homes, and enhanced operational efficiency. Also, Forte Co., Ltd. which became a subsidiary at the end of January 2022 contributed to higher revenues. On the other hand, preceding cost of new businesses (marriage counseling service, support for Hokatsu (activities carried by of parents who want to have their children kept at certified childcare centers)) led to lower profit.

For the current second quarter consolidated cumulative period, these operations resulted in Net sales of 507 million yen (increase by 74.4% YoY), and Segment profit of 0 million yen (decrease by 96.1% YoY).

(2) Descriptions regarding financial position

(Assets)

Total assets at the end of the current second quarter consolidated fiscal period was 7,578 million yen, i.e. increase by 284 million yen from 7,294 million yen as of the end of the previous consolidated FY.

Current assets was 3,045 million yen, i.e. decrease by 169 million yen from 3,215 million yen as of the end of the previous consolidated FY. This is mainly due to decrease in cash and deposits by 139 million yen, and decrease in other current assets by 29 million yen.

Non-current assets was 4,533 million yen, i.e. increase by 454 million yen from 4,079 million yen as of the end of the previous consolidated FY. This is due to decrease in property, plant and equipment by 97 million yen, increase in intangible assets by 471 million yen and increase in investment and other assets by 80 million yen.

(Liabilities)

Liabilities at the end of the current second quarter consolidated fiscal period was 5,345 million yen, i.e. increase by 382 million yen from 4,962 million yen as of the end of the previous consolidated FY.

Current liabilities was 2,515 million yen, i.e. increase by 88 million yen from 2,427 million yen as of the end of the previous consolidated FY. This is mainly due to decrease in accounts payable - other by 93 million yen, increase in income taxes payable by 60 million yen, increase in provision for bonuses by 218 million yen, and decrease in other current liabilities by 107 million yen.

Non-current liabilities was 2,829 million yen, i.e. increase by 294 million yen from 2,535 million yen as of the end of the previous consolidated FY. This is due to increase in long-term loans payable by 294 million yen.

(Net assets)

Net assets at the end of the current second quarter consolidated fiscal period was 2,232 million yen, i.e. decrease by 98 million yen from 2,331 million yen as of the end of the previous consolidated FY. This is due to decrease in retained earnings by 39 million yen because of paying dividends, and increase in retained earnings by 25 million yen because of allocating quarterly net profit attributable to owners of parent. Besides, treasury stock increased by 84 million yen because of purchase of treasury stock.

(3) Cash flow status

With respect to cash and cash equivalents (hereinafter, "business fund") during the current second quarter consolidated cumulative period, due to 242 million yen provided from operating activities, 489 million yen used in investment activities, and 97 million yen used in financial activities, business fund decreased by 149 million yen as compared to the end of the previous consolidated FY and thus it was 1,595 million yen.

Each cash flow status and factors thereof in the current second quarter consolidated cumulative period was as follows.

(Cash flows from operating activities)

Business fund provided by operating activities was 242 million yen (in comparison, it was 385 million yen in the previous second quarter consolidated cumulative period). This is mainly due to net profit before income taxes and minority interests of 86 million yen, depreciation of 98 million yen, and amortization of goodwill of 59 million yen.

(Cash flows from investing activities)

Business fund used in investment activities was 489 million yen (in comparison, it was 150 million yen in the previous second quarter consolidated cumulative period). This is mainly due to subsidy received of 246 million yen, expense of 214 million yen for purchase of property, plant and equipment, expense of 53 million yen for purchase of intangible assets, and expense of 463 million yen for purchase of investments in subsidiaries resulting in change in scope of consolidation.

(Cash flows from financing activities)

Business fund provided by financial activities was 97 million yen (whereas one million yen was used in the previous second quarter consolidated cumulative period). This is mainly due to proceeds from long-term loans payable of 800 million yen, net decrease in short-term loans payable by 50 million yen, repayments of long-term loans payable of 523 million yen, and dividends paid of 39 million yen.

(4) Descriptions regarding future prospects such as consolidated performance forecasts

Performance forecasts for FY03/2022 have not been changed since the last announcement on February 12, 2022.

2. Quarterly Consolidated Financial Statements and Principal Notes**(1) Quarterly Consolidated Balance Sheets**

	(million yen)	
	Previous consolidated fiscal year (December 31, 2021)	Current second quarter consolidated fiscal period (June 30, 2022)
Assets		
Current assets		
Cash and deposits	1,793	1,653
Accounts receivable - trade	980	—
Accounts receivable - trade & contract assets	—	981
Others	441	412
Allowance for doubtful accounts	(0)	(1)
Total current assets	3,215	3,045
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,392	2,465
Accumulated depreciation	(874)	(946)
Buildings and structures (net)	1,518	1,518
Leased assets	15	15
Accumulated depreciation	(13)	(14)
Leased assets (net)	2	0
Construction in progress	108	3
Others	359	390
Accumulated depreciation	(314)	(334)
Others (net)	45	55
Total property, plant and equipment	1,675	1,577
Intangible assets		
Goodwill	649	1,082
Others	169	208
Total intangible assets	819	1,290
Investments and other assets		
Investment securities	10	10
Long-term loans receivable	777	757
Long-term prepaid expenses	323	326
Deferred tax assets	110	190
Lease and guarantee deposits	362	379
Others	5	5
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	1,584	1,664
Total non-current assets	4,079	4,533
Total assets	7,294	7,578
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22	30
Short-term loans payable	550	500
Current portion of long-term loans payable	444	495
Accounts payable - other	718	625
Income taxes payable	87	147
Provision for bonuses	62	280
Others	543	436
Total current liabilities	2,427	2,515
Non-current liabilities		
Long-term loans payable	2,390	2,684
Deferred tax liabilities	13	1
Provision for directors' retirement benefits	23	23
Asset retirement obligations	92	105
Others	15	14
Total non-current liabilities	2,535	2,829
Total liabilities	4,962	5,345

(million yen)

	Previous consolidated fiscal year (December 31, 2021)	Current second quarter consolidated fiscal period (June 30, 2022)
Net assets		
Shareholders' equity		
Capital stock	453	453
Capital surplus	531	531
Retained earnings	1,347	1,333
Treasury shares	(0)	(84)
Total shareholders' equity	2,331	2,232
Total net assets	2,331	2,232
Total liabilities and net assets	7,294	7,578

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

(Quarterly Consolidated Statements of Income)

(For the second quarter consolidated cumulative period)

(million yen)

	Previous second quarter consolidated cumulative period (Jan. 1, 2021 – Jun. 30, 2021)	Current second quarter consolidated cumulative period (Jan. 1, 2022 – Jun. 30, 2022)
Net sales	5,794	5,929
Cost of sales	4,821	5,035
Gross profit	973	894
SG&A expenses	700	817
Operating profit (loss)	272	77
Non-operating profit (loss)		
Interest income	2	2
Subsidy income	20	19
Others	0	3
Total non-operating profit (loss)	23	25
Non-operating expenses		
Interest expenses	8	8
Commission for purchase of treasury stock	—	4
Others	2	4
Total non-operating expenses	10	16
Ordinary profit (loss)	286	86
Extraordinary profit		
Subsidy income	478	246
Total extraordinary profit	478	246
Extraordinary losses		
Loss on reduction of non-current assets	476	246
Subsidy returned	4	—
Total extraordinary losses	481	246
Net profit (loss) before income taxes and minority interests	283	86
Income taxes	192	149
Income taxes - deferred	(85)	(88)
Total income taxes	106	61
Net profit (loss)	177	25
Net profit (loss) attributable to owners of parent	177	25

(Quarterly Consolidated Statements of Comprehensive Income)
(For the second quarter consolidated cumulative period)

	(million yen)	
	Previous second quarter consolidated cumulative period (Jan. 1, 2021 – Jun. 30, 2021)	Current second quarter consolidated cumulative period (Jan. 1, 2022 – Jun. 30, 2022)
Net profit (loss)	177	25
Comprehensive income (loss) (detail)	177	25
Comprehensive income (loss) attributable to owners of parent	177	25

(3) Quarterly Consolidated Cash Flow Statements

(million yen)

	Previous second quarter consolidated cumulative period (Jan. 1, 2021 – Jun. 30, 2021)	Current second quarter consolidated cumulative period (Jan. 1, 2022 – Jun. 30, 2022)
Cash flows from operating activities		
Net profit (loss) before income taxes and minority interests	283	86
Depreciation	100	98
Amortization of goodwill	30	59
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for bonuses	223	212
Increase (decrease) in provision for directors' retirement benefits	1	0
Interest and dividends income	(2)	(2)
Interest expenses	8	8
Subsidy income	(478)	(246)
Loss on reduction of non-current assets	476	246
Decrease (increase) in notes and accounts receivable - trade	202	—
Decrease (increase) in notes and accounts receivable - trade & contract assets	—	79
Increase (decrease) in notes and accounts payable - trade	1	8
Increase (decrease) in accounts payable - other	(142)	(112)
Others	(129)	(75)
Subtotal	576	362
Interest and dividends income received	0	0
Interest expenses paid	(8)	(8)
Income taxed paid	(181)	(111)
Net cash provided by (used in) operating activities	385	242
Cash flows from investing activities		
Payments into time deposits	(9)	(10)
Purchase of property, plant and equipment	(570)	(214)
Purchase of intangible assets	(69)	(53)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(463)
Proceeds from subsidy	478	246
Collection of long-term loans receivable	22	22
Payments for lease and guarantee deposits	(9)	(22)
Proceeds from collection of lease and guarantee deposits	5	5
Net cash provided by (used in) investing activities	(150)	(489)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	200	(50)
Proceeds from long-term loans payable	70	800
Repayments of long-term loans payable	(235)	(523)
Repayments of lease obligations	(1)	(1)
Proceeds from issuance of stock resulting from exercise of subscription rights to shares	4	—
Purchase of treasury stock	(0)	(88)
Cash dividends paid	(38)	(39)
Net cash provided by (used in) financing activities	(1)	97
Net increase (decrease) in cash and cash equivalents	233	(149)
Cash and cash equivalents at beginning of period	1,865	1,745
Cash and cash equivalents at end of period	2,099	1,595

(4) Notes on Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Notes in case of significant changes in the amount of shareholders' equity)

Not applicable.

(Change in Accounting Principles)

(Application of accounting standard for revenue recognition, etc.)

The Company has applied the "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan Guidance No. 29 of March 31, 2020), etc. since the beginning of the first quarter consolidated fiscal period, and recognizes as its revenue an amount which could be received in exchange of a promised good or service upon transfer of control over such good or service to a customer.

Meanwhile, there is no effect on the quarterly consolidated financial statements of the current & previous second quarter consolidated cumulative periods and the consolidated financial statements of the previous consolidated fiscal year.

After applying the Accounting Standard for Revenue Recognition, etc., "Accounts receivable - trade" that had been shown as such under "Current assets" in the Consolidated Balance Sheets of the previous consolidated fiscal year has currently been presented as "Accounts receivable - trade & contract assets" since the first quarter consolidated fiscal period. In addition, "Decrease (increase) in notes and accounts receivable - trade" that had been shown as such under "Cash flows from operating activities" in the Quarterly Consolidated Cash Flow Statements of the previous second quarter consolidated cumulative period has now been included in "Decrease (increase) in notes and accounts receivable - trade & contract assets" since the current second quarter consolidated cumulative period. Meanwhile, in accordance with the provisional treatment as set forth in Section 89-2 of the Accounting Standard for Revenue Recognition, no interchange in line with the new presentation method was done for both the previous consolidated fiscal year and the current second quarter consolidated cumulative period. Further, in accordance with the transitional treatment as set forth in Section 28-15 of the "Accounting Standard for Quarterly Financial Statements" (Accounting Standards Board of Japan Guidance No. 12 of March 31, 2020), information about breakdown of earnings arising from contracts with customers during the previous second quarter consolidated cumulative period is not presented.

(Segment Information, etc.)

【Segment information】

I. Previous second quarter consolidated fiscal period (January 1, 2021 – June 30, 2021)

1. Information on amounts of net sales, profit/loss, assets, liabilities and other items for each reportable segment

(million yen)

	Reportable segments			Other Business (Note1)	Total	Adjustment (Note 2)	Amount allocated on consolidated statements of income (Note 3)
	Public Childcare Business	Contracted Childcare Business	Subtotal				
Net sales							
Sales from external customers	3,733	1,780	5,513	281	5,794	—	5,794
Inter-segment sales or transfer	—	—	—	9	9	(9)	—
Total	3,733	1,780	5,513	290	5,804	(9)	5,794
Segment profit (loss)	404	67	471	7	479	(206)	272

Notes 1. "Other Business" category is a segment not included in the reportable segments and includes services responsive to various needs such as staffing services to kindergartens and childcare centers, baby-sitter services and house services; operation of tenoSCHOOLS, non-certified childcare centers, certified childcare center (In-establishment Childcare Business) and nursing homes (day-service).

2. Adjusted segment profit (loss) includes corporate expenses not allocated to individual reportable segments of (206) million yen. Corporate expenses mainly comprises those for operating the Company (holding company).

3. Segment profit (loss) has been aligned with the operating profit (loss) presented on the Quarterly Consolidated Statements of Income.

2. Information on impairment loss of non-current assets or goodwill, etc., for each reportable segment

Not applicable.

II. Current second quarter consolidated fiscal period (January 1, 2022 – June 30, 2022)

1. Information on amounts of net sales, profit/loss, assets, liabilities and other items for each reportable segment

(million yen)

	Reportable segments			Other Business (Note1)	Total	Adjustment (Note 2)	Amount allocated on consolidated statements of income (Note 3)
	Public Childcare Business	Contracted Childcare Business	Subtotal				
Net sales							
Sales from external customers	3,751	1,671	5,423	506	5,929	—	5,929
Inter-segment sales or transfer	—	—	—	1	1	(1)	—
Total	3,751	1,671	5,423	507	5,930	(1)	5,929
Segment profit (loss)	309	24	333	0	333	(256)	77

- Notes 1. “Other Business” category is a segment not included in the reportable segments and includes services responsive to various needs such as staffing services to kindergartens and childcare centers, baby-sitter services and house services; operation of tenoSCHOOLS, non-certified childcare centers, regional childcare centers, nursing homes (day-service, residence for elderly people); marriage counseling services (Tenomari); and Hokatsu business (Hokatsu assistance).
2. Adjusted segment profit (loss) includes corporate expenses not allocated to individual reportable segments of (256) million yen. Corporate expenses mainly comprises those for operating the Company (holding company).
3. Segment profit (loss) has been aligned with the operating profit (loss) presented on the Quarterly Consolidated Statements of Income.

2. Information on impairment loss of non-current assets or goodwill, etc., for each reportable segment

Not applicable.

(Per share data)

Calculation bases of quarterly net profit per share and diluted net profit per share are as follows.

	Previous second quarter consolidated fiscal period (Jan. 1, 2021 – Jun. 30, 2021)	Current second quarter consolidated fiscal period (Jan. 1, 2022 – Jun. 30, 2022)
(1) Net profit (loss) per share	37.93 yen	5.53 yen
(Calculation bases)		
Net profit attributable to owners of parent (million yen)	177	25
Amount not attributable to common stockholders (million yen)	—	—
Net profit (loss) attributable to owners of parent applicable to common shares (million yen)	177	25
Average number of common shares outstanding during the period (shares)	4,672,812	4,621,114
(2) Diluted net profit per share	37.63 yen	5.50 yen
(Calculation bases)		
Adjusted net profit (loss) attributable to owners of parent (million yen)	—	—
Increased number of shares (common stock) (shares)	37,121	23,861
Summary of residual securities not included in calculating diluted earnings per share, because of having no dilution effect	—	—

(Significant Post-Balance Sheet Events)

Not applicable.