

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending April 30, 2024

December 13, 2023

Listed Company Name	Tenpos Holdings Co.	listed	Tokyo Stock Exchange
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Scheduled date of quarterly report submission	December 14, 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)			

(Amounts are rounded down to million yen)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending April 30, 2024

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

	Sales		Operating Income		Ordinary Profit		Profit Attributable to Owners of The Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Second Quarter								
April 30, 2024	17,144	13.1	1,404	30.1	1,531	37.7	979	38.5
April 30, 2023	15,161	8.3	1,079	43.1	1,112	△25.2	706	△21.6

(Note) Comprehensive income April 30, 2024 1,019 Millions of yen (51.9%) April 30, 2023 670 Millions of yen (△33.1%)

	Basic Earnings per share	Diluted Earning per share
Second Quarter	yen	yen
April 30, 2024	82.02	80.84
April 30, 2023	59.31	58.61

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
Second Quarter	Millions of yen	Millions of yen	%	Yen.
April 30, 2024	23,560	15,219	58.6	1,153.65
April 30, 2023	19,361	14,268	66.6	1,079.84

(Reference) net worth April 30, 2024 13,796 Millions of yen April 30, 2023 12,897 Millions of yen

2. Dividends

	Annual dividend				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total amount
April 30, 2023	yen -	yen 0.00	yen -	yen 9.00	yen 9.00
April 2024	-	0.00			
Fiscal year ending April 2024 (forecast)			-	10.00	10.00

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

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending April 30, 2024

(May 1, 2023 - April 30, 2024)

(Percentages represent changes from the previous year.)

	Sales		Operating income		Ordinary Profit		Profit Attributable to owners of the parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
full year	38,600	23.5	2,930	31.9	3,000	30.3	1,760	23.3	147.38

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

*In accordance with the change in the fiscal year end of consolidated subsidiary Asakuma Corporation, the forecast for Asakuma Corporation is for a 10-month period.

Notes

(1) Changes in significant subsidiaries during the period : Yes

(Changes in specified subsidiaries resulting in changes in scope of consolidation)

New: 1 company Yamato Corporation, Excluded: 1 company

(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. : None

(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)

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

Apr. 2024 2Q	14,314,800 shares	April 30, 2023	14,314,800 shares
Apr. 2024 2Q	2,356,082 shares	April 30, 2023	2,371,165 shares
Apr. 2024 2Q	11,938,572 shares	Apr. 2023 2Q	11,916,944 shares

(2) Number of treasury stock at end of period

(3) Average number of shares during the period (cumulative quarterly period)

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 certain assumptions that the Company considers reasonable. Please refer to "1. Qualitative Information on Quarterly Results (3) Explanation of Forward-Looking Statements" on page 6 of the attached materials for the precautionary statement regarding the use of the forecast.

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Qualitative Information on Financial Results for the Current Quarter

(1) Explanation of Operating Results

In the domestic economy, the new coronavirus moved to category 5 in May 2023, and major restaurant companies are recovering. However, the external environment for restaurants continues to be difficult due to rising raw material prices and utility costs, and more support is required for small and medium-sized restaurants that are struggling to manage their businesses.

Under such circumstances, our group is aggressively developing new businesses and investing in human resources based on the policy of moving away from simply selling kitchen equipment to becoming a company that sells information and services useful for restaurant management. The restaurant industry is one of rapid turnover, with about half of all restaurants 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 provides support for efficient management and cost reduction, as well as assistance in attracting customers, which is the most difficult task for restaurants. In this way, we are advancing our business in line with the concept of the SDGs in terms of the permanent development of restaurants.

The Group's consolidated operating results for the first half of the current fiscal year were as follows: net sales of 17,144 million yen (up 13.1% year-on-year), operating income of 1,404 million yen (up 30.1% year-on-year), ordinary income of 1,531 million yen (up 37.7% year-on-year), and net income attributable to shareholders of the parent company of 979 million yen (up 38.5% year-on-year). These results were the highest sales and profits ever recorded in the same period of the previous fiscal year.

Operating income

(Millions of yen)

Segment name	Period from May 1, 2022 to October 31, 2022	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Product sales business	1,119	1,292	173	15.5% (15.5%)
Information and services business	114	101	△12	△ 11.3
Food and Beverage	△91	68	159	returning to profit
Total	1,142	1,462	320	28.0% (%)

(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 (Japan's largest used kitchen equipment in-store sales / direct sales sales / internet sales)

Amount of sales

(Millions of yen)

Company Name	Period from May 1, 2022 to October 31, 2022	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Tenpos Busters Co.	8,319	9,247	927	11.2%
Kitchen Techno Co.	1,434	1,469	34	2.4%
Tenpos.com Inc.	1,257	1,562	304	24.3%
Total	11,011	12,279	12,267	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 of the segment information.

Operating income

(Millions of yen)

Company Name	Period from May 1, 2022 to October 31, 2022	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Tenpos Busters Co.	1,033	1,233	200	19.4%
Kitchen Techno Co.	83	76	△7	△ 9.0
Tenpos.com Inc.	22	△6	△29	turning a deficit
Total	1,140	1,303	163	14.3% (%)

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

Segment sales in the merchandise sales business increased 11.9% year-over-year to 12,010 million yen and segment income increased 15.5% to 1,292 million yen in the first half of the current fiscal year.

(Customer spend per customer for new store openings)

In the merchandise sales business, our growth strategy is to acquire customers for new store openings and to increase sales per customer. To achieve this, it is necessary to surround customers from the early stage of preparation for opening a new restaurant, including fundraising and property search. Therefore, in Internet sales, we are focusing on the operation of "Food Media," an information site for restaurants, and "Openings Support Map," an information site providing know-how on opening new restaurants. The number of accesses to each of these sites during the first half of the consolidated fiscal year under review grew strongly, with "Food Media" up 52.9% year-on-year and "Business Start-up Support Map" up 40.5% year-on-year.

On the other hand, in storefront sales, we have been working with the idea of significantly boosting sales per customer by acquiring orders for interior work and complete sets of kitchen equipment through the introduction of properties to customers opening new stores who are looking for such properties. The result, however, has been a body of work that has achieved only about 10% of the initially anticipated budget, and the voices of those in charge are getting quieter and quieter. Despite this, the aim of the initiative itself is good, so rest assured that the average spend per customer for new store openings in the first half of the current fiscal year grew, albeit modestly, to 272,037 yen (up 13.1% year-on-year).

(New store openings)

Tenpos Busters Co., Ltd. opened the Suzuka Store (Suzuka City, Mie Prefecture) in June 2023 and the Kawagoe Store (Kawagoe City, Saitama Prefecture) in August, and both stores have been profitable since the month following their opening. In November, we opened the Nara store (Tawaramoto-machi, Isogi-gun, Nara Prefecture), which is expected to be profitable from the month of its opening.

In September, the Saitama Miyoshi store was renamed "Tenpos Miyoshi Used Baking Machinery Specialty Store" and reopened as Japan's largest confectionery and baking machinery specialty store, with approximately 300 types of confectionery and baking related equipment on display in the 350 tsubo (860m²) storefront.

(New initiative)

In August 2023, we opened "Tenpos Star," a B-class gourmet restaurant website for visitors to Japan, with 2,392 restaurants listed as of the end of October, and 9,855 restaurants preparing to be listed. In the future, we intend to send inbound customers to restaurants and help them increase their sales by providing information that combines food and tourism, such as the "Toyama Prefecture Ramen Eating Tour" for visitors to Japan, and by planning events that are difficult for small-scale restaurants to implement, such as "udon noodle making experience" by our company.

As other initiatives, in August 2023, we launched a service in which our certified "rating diagnosticians" conduct quality, service, and cleanliness (QSC) surveys of restaurants. 238 diagnosticians have been registered, and they have conducted diagnoses of 176 restaurants. Based on the diagnosis results, we will provide management support for restaurants.

(2) Information and service business (restaurant management support)

Amount of sales

(Millions of yen)

Company Name	Period from May 1, 2022 to October 31, 2022	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Studio Tenpos Corporation	430	513	82	19.1%
Tenpos Johokan Co.	487	460	△27	△ 5.6
Tenpos Financial Trust, Inc.	424	288	△136	32.2%
D-Spark Corporation	516	672	156	30.2%
Tenpos Food Place Co.	88	95	7	8.7%
Total	1,948	2,030	81	4.2%

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

Operating income

(Millions of yen)

Company Name	Period from May 1, 2022 to October 31, 2022	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Studio Tenpos Corporation	12	16	3	28.7%
Tenpos Johokan Co.	60	25	△34	△58.0
Tenpos Financial Trust, Inc.	26	41	15	56.0%
D-Spark Corporation	14	16	2	17.6%
Tenpos Food Place Co.	0	3	2	394.0%
Total	114	101	△13	△ 11.9

(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.

Segment sales in the information and services segment increased to 2,038 million yen (up 2.8% y-o-y), and segment income decreased to 101 million yen (down 11.3% y-o-y), reflecting higher sales and lower income.

Although "Real Estate & Finance," "Interior Design" and "Temporary Staffing / Placement / Contracting" performed well as the restaurant market recovered from the Corona disaster, budget achievement was rattled by Tenpos Johokan Co. In D-SPARK Corporation (Temporary staffing, Placement and Contracting), the Company launched a foreign worker dispatching and placement business. The ability to introduce foreigners to restaurants throughout Japan by utilizing the Group's customer network is an advantage, and there are few companies that specialize in introducing foreigners with specific skills to the food service industry. Based on our group's training policy of "training, not teaching," we do not treat foreign job seekers as "customers," but rather as "students" who are trained to be "strict but kind" without separating them from their Japanese counterparts. We will provide education and training that is "strict but gentle" without separating foreign job seekers from Japanese ones. We are confident that we will be able to fully enjoy the benefits of our first mover advantage over our competitors.

Tenpos Johokan Co., Ltd. (efficiency management support) reported a 5.6% year-on-year decline in net sales due to a decrease in the number of POS cash registers and other sales units. Operating income declined 58.0% due to an increase in selling, general, and administrative expenses resulting from an expansion of the workforce. TCC" is a monthly stock business, and service was launched in September in the Kamata area of Ota-ku, Tokyo, and will be gradually expanded from November onward.

(iii) Restaurant business (steak restaurant/motsu izakaya/Indonesian cuisine/seafood cuisine)

Amount of sales

(Millions of yen)

Company Name	Period from May 1, 2022 to October 31, 2022	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Asakuma Corporation	2,935	3,512	577	19.7%
Dream Dining Co.	76	77	0	0.7%
Total	3,012	3,590	577	19.2%

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

Operating income

(Millions of yen)

Company Name	Period from May 1, 2022 to October 31, 2022	Period from May 1, 2022 to October 31, 2022	Difference	Growth Rate
Asakauma Corporation	△29	121	151	returning to profit
Dream Dining Co.	△8	0	8	returning to profit
Total	△38	122	160	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.

Segment sales in the Food & Beverage segment were 3,477 million yen (up 19.9% y-o-y), and segment income was 68 million yen (segment operating loss of 91 million yen in the same period of the previous year). Ltd. in the food and beverage business posted operating income of 121 million yen, while segment income of 68 million yen was due to the use of shareholder gift certificates. On September 27, 2023, the Company acquired 100% of the shares of Yamato Corporation, which operates conveyor-belt sushi and other restaurants with annual sales of 7 billion yen.

Aiming to be an entertainment restaurant that provides excitement through food, Asakuma Co., Ltd. has focused on improving QSC in quality, service, and cleanliness, developing new products, and enhancing the salad bar.

In terms of product quality, we have introduced video manuals and conducted hands-on cooking tests to provide consistent quality in all our restaurants. In the future, we will conduct group training, including part-time employees, with the aim of improving the skills and productivity of our cooking staff.

In the area of service, we have made replenishing the salad bar and cleaning dishes our top priorities, aiming to "keep customers waiting" and "avoid dissatisfaction." However, we still need to thoroughly replenish the salad bar and clean dishes.

To enhance the salad bar, the number of salad bar items has been increased from 25 to 45 starting February 2023, and is now offered at 50 restaurants. We have also expanded the hot bar menu to include hot dishes at 22 stores, as well as a hands-on dessert corner. We tried to create stores that "surprise customers" even at the expense of food costs, but we were not able to surprise them very much, and our performance was not good enough. Now that the number of customers continues to increase due to the shift away from Corona, we will spend more on product enhancement than on securing profits, and we intend to make this a year to win the battle by making the store a place where customers are surprised once again, leading to a further increase in customers.

Ltd. closed one store, so there are 61 directly managed stores plus 4 franchise stores, for a total of 65 stores, and 9 directly managed stores of ASAKUMA SUCSESSION Co.

(2) Explanation of Financial Condition

(1) Analysis of Financial Condition

Total assets at the end of the second quarter of the current consolidated fiscal year were 23,560 million yen, an increase of 4,198 million yen from the end of the previous consolidated fiscal year. The details are as follows.

(Current assets)

Current assets at the end of the second quarter of the current consolidated fiscal year totaled 17,257 million yen, an increase of 930 million yen from the end of the previous consolidated fiscal year. The main factors were a 444 million yen increase in notes and accounts receivable-trade and a 410 million yen increase in inventories.

(Fixed assets)

Fixed assets totaled 6,303 million yen at the end of the second quarter, up 3,268 million yen from the end of the previous fiscal year. The main factors were increases of 1,568 million yen in property, plant and equipment and 1,244 million yen in goodwill.

(Current liabilities)

Current liabilities at the end of the second quarter amounted to 6,042 million yen, up 1,267 million yen from the end of the previous fiscal year. The main factors were a 503 million yen increase in notes and accounts payable-trade and a 201 million yen increase in current portion of long-term loans payable.

(Long-term liabilities)

The balance of noncurrent liabilities at the end of the second quarter was 2,298 million yen, an increase of 1,981 million yen from the end of the previous fiscal year. The main factor was a 1,793 million yen increase in long-term loans payable.

(Net Assets)

Total net assets amounted to 15,219 million yen at the end of the second quarter of the current consolidated fiscal year, up 950 million yen from the end of the previous consolidated fiscal year. The main factor was an increase of 871 million yen in retained earnings.

(2) Cash Flows

Cash and cash equivalents at the end of the second quarter of the current fiscal year increased by 155 million yen from the end of the previous fiscal year to 10,522 million yen. The status of cash flows by each activity and their factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 1,296 million yen in the first half of the current fiscal year. This was mainly due to income before income taxes and minority interests of 1,531 million yen, an increase of 193 million yen from a decrease in inventories, an increase of 262 million yen in notes and accounts payable-trade, and income taxes paid of 301 million yen.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 1,039 million yen in the first half of the current fiscal year. This was mainly due to 888 million yen used for the purchase of shares resulting from a change in the scope of consolidation.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 101 million yen in the period under review. This was mainly due to the payment of 107 million yen for dividends by the parent company.

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

As for the consolidated earnings forecasts for the first half of the current fiscal year and the full year, sales and profits are generally in line with the plan, and we have not revised the forecasts announced on September 27, 2023.

We have not revised the forecast announced on September 27, 2023.

Quarterly consolidated financial statements and key notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	End of Previous fiscal year (April 30, 2023)	Current Consolidated Second Quarter (October 31, 2023)
Assets		
Current assets		
cash on hand and in banks	10,367	10,522
Notes and accounts receivable-trade	1,621	2,066
inventories	3,849	4,260
Other	490	408
Allowance for doubtful accounts	△3	△1
Total current assets	16,326	17,257
Fixed assets		
property, plant and equipment		
Buildings and structures, net	439	1,713
Machinery, equipment and vehicles, net	52	117
lot	87	124
Other, net	68	262
Total property, plant and equipment	648	2,217
Intangible fixed assets		
goodwill	-	1,244
Other	102	118
Total intangible assets	102	1,363
Investments and other assets		
Investments in securities	103	124
Shares of subsidiaries and affiliates	1,003	1,082
long-term loans	389	363
Lease and guarantee deposits	902	1,131
deferred tax asset	202	275
Bankruptcy reorganization claims, etc.	813	813
Other	103	138
Allowance for doubtful accounts	△1,234	△1,208
Total investments and other assets	2,284	2,722
Total fixed assets	3,035	6,303
total assets	19,361	23,560
Liabilities		
current liabilities		
Notes and accounts payable-trade	1,941	2,444
Current portion of long-term debt	12	214
Accrued income taxes	395	561
Allowance for shareholder special benefit	198	105
Allowance for bonuses	305	365
Allowance for product warranties	24	38
Other	1,897	2,312
Total current liabilities	4,775	6,042
fixed liabilities		
Long-term debt	92	1,886
Liabilities for retirement benefits	5	5
Asset retirement obligations	87	227
Other	131	178
Total long-term liabilities	317	2,298
total liabilities	5,092	8,341

(Millions of yen)

	End of Previous fiscal year (April 30, 2023)	Current Consolidated Second Quarter (October 31, 2023)
Total net assets		
capital stock		
capital stock	499	499
Capital surplus	yakuza	914
Retained earnings	12,492	13,363
treasury stock	△993	△986
Total shareholders' equity	12,891	13,790
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	5	5
Total accumulated other comprehensive income	5	5
subscription warrant	214	220
Noncontrolling interest	1,157	1,202
Total net assets	14,268	15,219
Total liabilities and net assets	19,361	23,560

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

Consolidated Quarterly Statements of Income
Second Quarter consolidated cumulative period

	(Millions of yen)	
	Second Quarter of Previous year From: May 1, 2022 To: Oct. 31, 2023)	Second Quarter of Current year From: May 1, 2022 To: Oct. 31, 2023)
Net sales	15,161	17,144
cost of sales	9,248	10,487
Gross profit	5,913	6,657
Selling, general and administrative expenses	4,833	5,253
Operating income	1,079	1,404
Non-operating income		
Equity in earnings of affiliates	26	76
Subsidy income	11	-
Other	37	53
Total non-operating income	74	130
Non-operating expenses		
interest expense	1	0
Loss on reduction of grants	37	-
Other	1	2
Total non-operating expenses	41	2
Ordinary profit	1,112	1,531
Extraordinary income		
Gain on sales of fixed assets	0	-
Reversal of unsettled special account for advanced depreciation	13	-
Other	6	-
Total extraordinary profit	20	-
Extraordinary loss		
Loss on store closures	9	-
settlement money	8	-
Other	1	-
Total extraordinary loss	20	-
Income before income taxes and minority interests	1,112	1,531
Corporate, inhabitant and enterprise taxes	431	556
Income taxes-deferred	9	△44
Total income taxes	441	512
Net income	670	1,019
Net income (loss) attributable to noncontrolling interests	△35	40
Net income attributable to owners of the parent	706	979

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

(Millions of yen)

	Second Quarter of Previous year From: May 1, 2022 To: Oct. 31, 2023)	Second Quarter of Current year From: May 1, 2022 To: Oct. 31, 2023)
Net income	670	1,019
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	0	△0
Total other comprehensive income	0	△0
Comprehensive income	670	1,019
(Breakdown)		
Comprehensive income attributable to owners of the parent	706	978
Comprehensive income attributable to noncontrolling interests	△35	40

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Second Quarter of Previous year From: May 1, 2022 To: Oct. 31, 2023)	Second Quarter of Current year From: May 1, 2022 To: Oct. 31, 2023)
Cash flows from operating activities		
Income before income taxes and minority interests	1,112	1,531
Depreciation and amortization	68	82
Equity in (earnings) losses of affiliated companies	△26	△76
Loss on disposal of fixed assets	1	-
Loss (gain) on sales of fixed assets	△0	-
Subsidy income	△11	-
Increase (decrease) in allowance for doubtful accounts	△13	△28
Increase (decrease) in accrued bonuses	26	30
Increase (decrease) in provision for product warranties	2	13
Increase (decrease) in provision for shareholders' benefits	△88	△93
Interest and dividend income	△1	△1
Provision for special account for unsettled advanced depreciation	△13	-
interest expense	1	0
Stock compensation expense	16	16
Decrease (increase) in trade receivables	17	△87
(Increase) decrease in inventories	△596	△193
(Increase) decrease in other current assets	△13	29
Increase (decrease) in notes and accounts payable-trade	49	262
Increase (decrease) in accrued consumption taxes	△74	22
Increase (decrease) in other current liabilities	△153	89
Other	12	weak2
subtotal	315	1,596
Interest and dividends received	1	1
Interest payments	△1	△0
Income taxes paid	△651	△301
Amount of grants received	162	-
Cash flows from operating activities	△173	1,296

(Millions of yen)

	Second Quarter of Previous year From: May 1, 2022 To: Oct. 31, 2023)	Second Quarter of Current year From: May 1, 2022 To: Oct. 31, 2023)
Cash flows from investing activities		
Proceeds from collection of long-term loans receivable	3	26
Purchases of property, plant and equipment	△67	△129
Proceeds from sales of property, plant and equipment	0	-
Payments for acquisition of intangible assets	△8	△17
Payments for purchase of investment securities	△0	△0
Payment for lease and guarantee deposits	△2	△45
Proceeds from collection of lease and guarantee deposits	10	16
Payments for fulfillment of asset retirement obligations	△9	-
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	△888
Other	△0	0
Cash flows from investing activities	△75	△1,039
Cash flows from financing activities		
Repayment of short-term loans payable	△250	-
Repayment of long-term debt	△148	△4
Purchase of treasury stock of consolidated subsidiaries	△30	-
Dividends paid	△119	△107
Proceeds from exercise of stock options	5	9
Other	0	-
Cash flows from financing activities	△541	△101
Net increase (decrease) in cash and cash equivalents	△791	155
Cash and cash equivalents at beginning of year	10,432	10,367
Cash and cash equivalents at end of period	9,641	10,522

(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)

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

Dividends paid

resolution	Type of shares	Total amount of dividends (Millions of yen) Dividend per share (yen)	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 first half of the current fiscal year but an effective date after the end of the first half of the current fiscal year

Not applicable.

Significant changes in shareholders' equity

Not applicable.

Six months ended October 31, 2023 (May 1, 2023 - October 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 13, 2023 Board of Directors	common stock	107	9	April 30, 2023	July 28, 2023	Retained earnings

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

Not applicable.

Significant changes in shareholders' equity

Not applicable.

(Segment Information, etc.)

Segment information

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

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

(Millions of yen)

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

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

Current Consolidated Cumulative Second Quarter (May 1, 2023 - October 31, 2023)

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

(Millions of yen)

	Reportable Segment				Adjustment	Quarterly consolidated profit statement
	Product sales Business	Information & Services	Food and Beverage	Total		
Sales						
Revenue from contracts with customers	11,895	1,781	3,467	17,144	-	17,144
Other income	-	-	-	-	-	-
To outside customers	11,895	1,781	3,467	17,144	-	17,144
Net sales						
Intersegment sales and transfers	114	257	10	382	△382	-
plan	12,010	2,038	3,477	17,527	△382	17,144
Segment income(loss)	1,292	101	68	1,462	△58	1,404

(Note) Segment income is adjusted with operating income in the quarterly consolidated statements of income. The segment income adjustment of -58 million yen includes -58 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.

Information on impairment loss on fixed assets or goodwill, etc. by reportable segment

(Significant changes in the amount of goodwill)

In the "Food & Beverage" segment, goodwill was recorded as a result of Yamato Co. The increase in goodwill due to this event was 1,244 million yen.

(Business Combinations, etc.)

Business combination through acquisition

(1) Outline of business combination

1) Name of the acquired company and its business

Name of acquired company: Yamato Co.

Business : Processing and wholesale of fresh fish, operation of conveyor-belt sushi restaurants and seafood taverns

2) Main reasons for the business combination

Yamato Co., Ltd. is a Chiba Prefecture-based company with a fresh seafood wholesale business, a food processing business, a restaurant business centered on conveyor-belt sushi, and a retail business centered on take-out sushi. Through this acquisition of shares, Yamato aims to acquire know-how on expansion and turnaround by managing its own restaurant business, utilize it for consultancy services to mid-sized restaurant operators, and increase sales by growing its restaurant business.

3) Date of business combination

September 27, 2023 (Share acquisition date)

September 30, 2023 (deemed acquisition date)

4) Legal form of business combination

Acquisition of common stock for cash consideration

5) Name of company after combination

No change.

6) Percentage of voting rights acquired

100.0% (100.0%)

7) Main basis for determining the acquiring company

The Company acquired the shares for cash consideration.

(2) Period of the acquired company's results included in the quarterly consolidated statements of income

Although the closing date of the acquired company differs from the consolidated closing date, since the difference in closing dates does not exceed three months, the consolidated financial statements are prepared based on the closing figures of the subsidiary.

In the second quarter of the current consolidated fiscal year, only the balance sheet is consolidated, so the financial results of the acquired company are not included.

(3) Acquisition cost of the acquired company and breakdown by type of consideration

Consideration	for	cash on hand and in banks	2,190 million yen
acquisition			
<hr/>			
acquisition cost			2,190 million yen

(4) Details and amounts of major acquisition-related expenses

Outsourcing expenses, etc. 2 million yen

(5) Amount of goodwill incurred, reason for incurrence, amortization method and amortization period

1) Amount of goodwill incurred

1,244 million yen

The amount of goodwill is tentatively calculated since the allocation of the acquisition cost has not been completed as of the end of the second quarter of the current fiscal year.

2) Cause of Occurrence

The accrual arises from the future excess earning power expected from future business development.

Amortization method and period

The Company will equally amortize the cost over the period during which the effect is expected to accrue. The amortization period will be determined based on the results of allocation of acquisition cost.

(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.