



First Quarter of FY12/2022
Supplementary Material
on Financial Results

May 12, 2022

teno
Holdings Co., Ltd.

(Securities code: 7037)

teno.
HOLDINGS

Agenda

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Section 1

Financial Results Overview 1Q of FY12/2022 (Company-wide)

Performance highlights

Net sales was roughly same as the previous FY, but earnings was lower (Company-wide)

Net sales	2,954mil.yen	+/- %	-0.4%	+/- amount	-10mil.yen	(Prev. FY 2,965mil.yen)
Sales cost	2,489mil.yen	ditto	+1.6%	ditto	+39mil.yen	(ditto 2,449mil.yen)
SG&A expenses	369mil.yen	ditto	+25.2%	ditto	+74mil.yen	(ditto 295mil.yen)
Operating profit	95mil.yen	ditto	-56.6%	ditto	-124mil.yen	(ditto 220mil.yen)
Ordinary profit	111mil.yen	ditto	-52.7%	ditto	-124mil.yen	(ditto 236mil.yen)
Net profit	59mil.yen	ditto	59.9%	ditto	-88mil.yen	(ditto 147mil.yen)

(factors) Sales cost: Increase in labor cost and other expenses due to addition of centers
 SG&A expenses: Increase in personnel expenses due to reinforcing headquarters scheme, increase in expenses for recruiting field staff, expenses for acquisition of Forte Co., Ltd. as a subsidiary, and amortization of goodwill

- Public Childcare Business **64 centers (±0)** (45 certified childcare centers and 19 small certified childcare centers)
 - Contracted Childcare Business **214 centers (-4)** (126 contracted childcare centers, 56 after-school childcare centers, and 36 Waiwai Parks)
 - Others **11 centers (+4)** (4 non-certified childcare centers, 1 small childcare center (In-establishment Childcare Business), 2 day-care nursing facilities (day-service), 3 residence-type paid nursing homes, and 1 residence with services for elderly people)
- 289 facilities in total (± 0)**

Public Childcare Business Higher revenues / Lower earnings

Net sales	1,887mil.yen	+/- %	+1.5%	+/- amount	+28mil.yen	(Prev. FY 1,859mil.yen)
Segment profit	219mil.yen	+/- %	-18.3%	+/- amount	-49mil.yen	(Prev. FY 269mil.yen)

Contracted Childcare Business Lower revenues / Lower earnings

Net sales	837mil.yen	+/- %	-12.3%	+/- amount	-117mil.yen	(Prev. FY 955mil.yen)
Segment profit	7mil.yen	+/- %	-85.3%	+/- amount	-42mil.yen	(Prev. FY 49mil.yen)

Others Higher revenues / Lower earnings

Net sales	229mil.yen	+/- %	+52.7%	+/- amount	+79mil.yen	(Prev. FY 150mil.yen)
Segment profit	6mil.yen	+/- %	-29.1%	+/- amount	-2mil.yen	(Prev. FY 8mil.yen)

Consolidated profit and loss statement

Net sales was roughly same as the previous FY,
but earnings was lower

(mil. yen)	FY12/2021 1Q	FY12/2022 1Q	+/- amount	+/- %
Net sales	2,965	2,954	-10	-0.4
Sales cost	2,449	2,489	+39	+1.6
Gross profit	515	465	-50	-9.8
SG&A expenses	295	369	+74	+25.2
Operating profit	220	95	-124	-56.6
Non-operating profit	20	21	+0	+0.1
Non-operating expenses	5	4	-0	-4.5
Ordinary profit	236	111	-124	-52.7
Net profit*	147	59	-88	-59.9

Consolidated Balance Sheets Overview

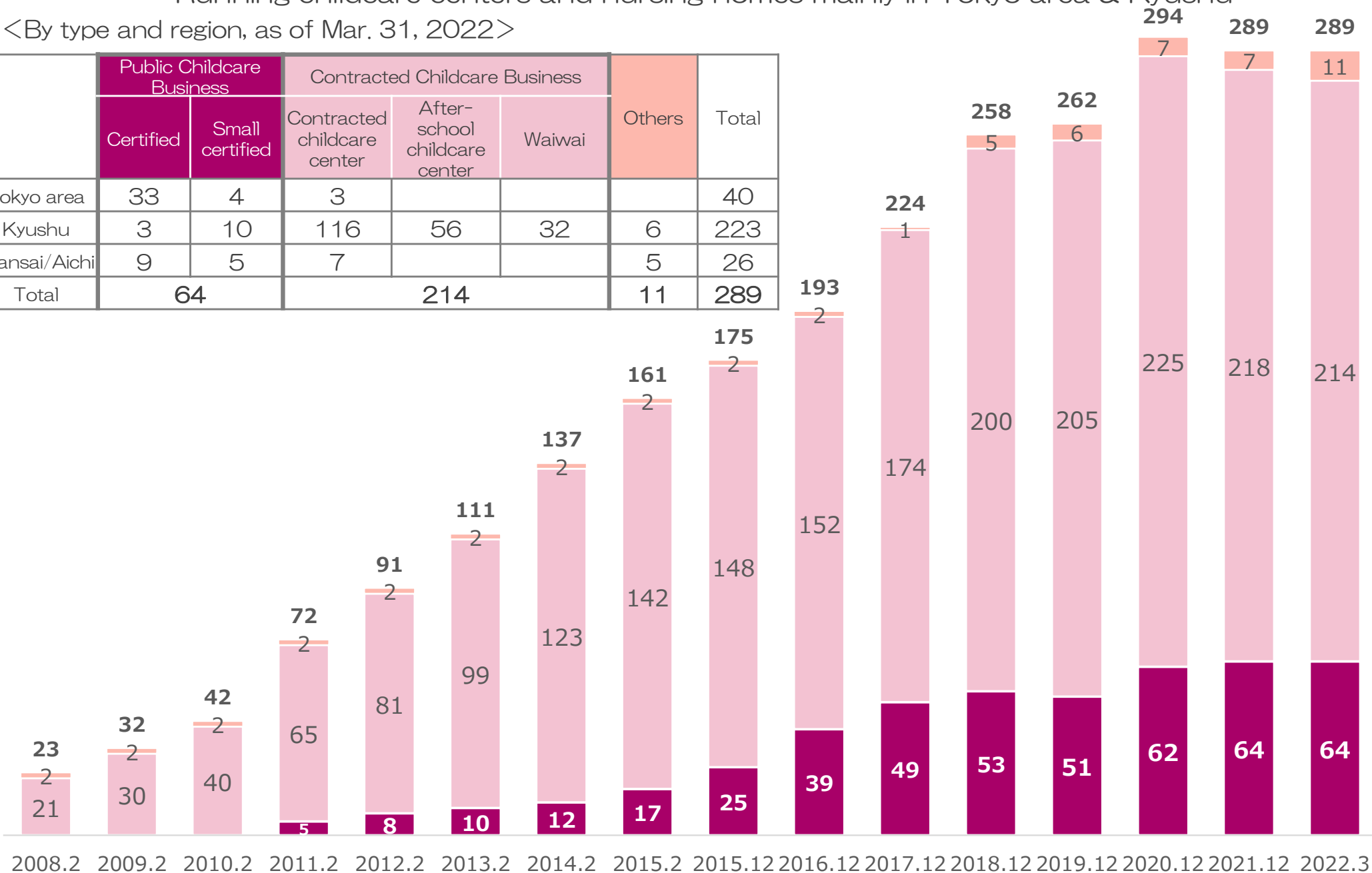
(mil. yen)	FY12/2021	FY12/2022 1Q	+/- amount
Current assets	3,215	3,903	+688
Cash and deposits	1,793	2,148	+354
Accounts receivable - trade (Accounts receivable - trade & contract assets)	980	1,094	+114
Non-current assets	4,079	4,793	+714
Property, plant and equipment	1,675	1,858	+182
Intangible assets	819	1,307	+488
Investments and other assets	1,584	1,628	+43
Total assets	7,294	8,698	+1,402
Current liabilities	2,427	3,446	+1,018
Short-term loans payable	550	1,600	+1,050
Current portion of long-term loans payable	444	499	+55
Accounts payable - other	718	697	-21
Non-current liabilities	2,535	2,937	+402
Long-term loans payable	2,390	2,799	+409
Net assets	2,331	2,313	-17
Total liabilities and net assets	7,294	8,697	+1,402

Trend in number of centers in operation (by segment)

■ Running childcare centers and nursing homes mainly in Tokyo area & Kyushu

<By type and region, as of Mar. 31, 2022>

	Public Childcare Business		Contracted Childcare Business			Others	Total
	Certified	Small certified	Contracted childcare center	After-school childcare center	Waiwai		
Tokyo area	33	4	3				40
Kyushu	3	10	116	56	32	6	223
Kansai/Aichi	9	5	7			5	26
Total	64		214			11	289



Section 2

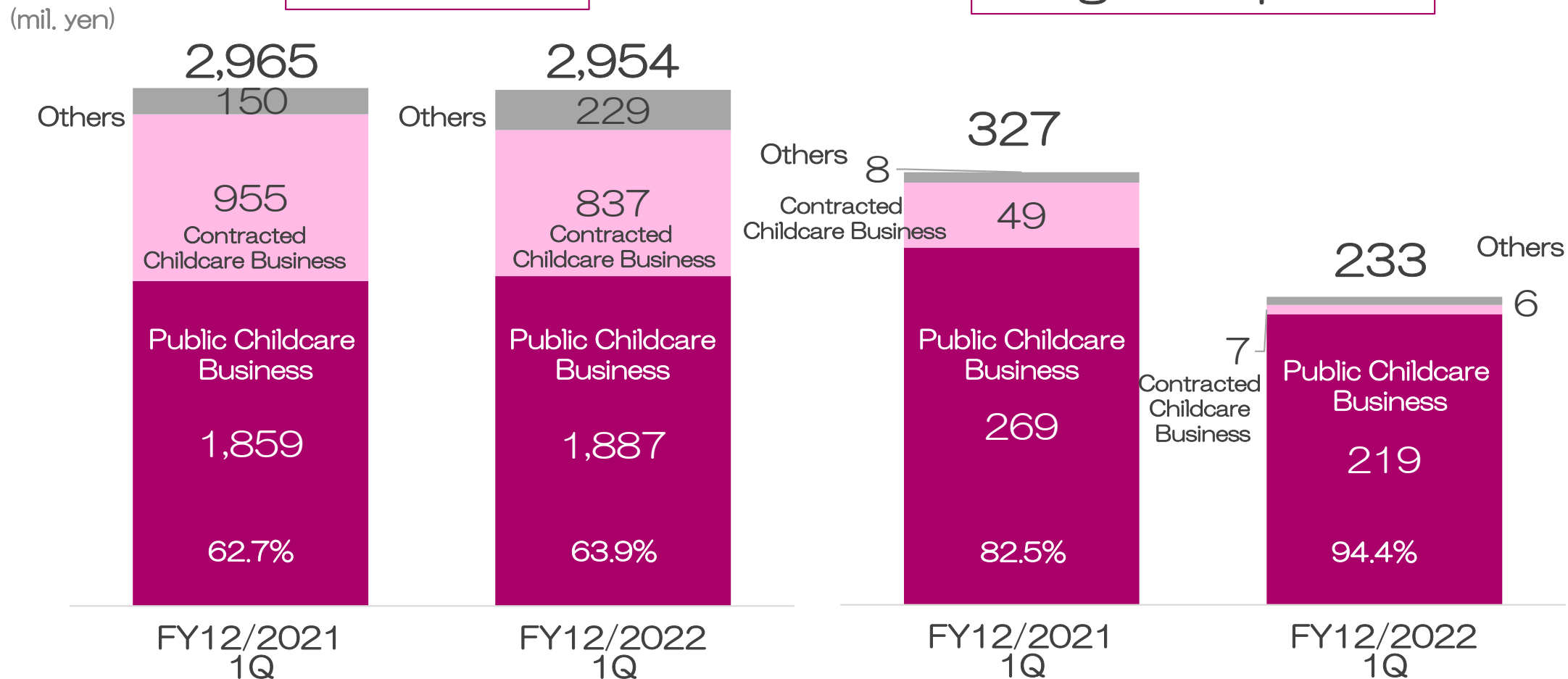
Financial Results Overview 1Q of FY12/2022 (By segment)

Proportions (Net sales, Profit)

Public Childcare Business accounts for about 64% of Net sales and about 94%* of Profit

Net sales

Segment profit



* Relative to simple sum of individual segment profits excluding corporate expenses.

By segment 【Public Childcare Business】

(Public Childcare Business)

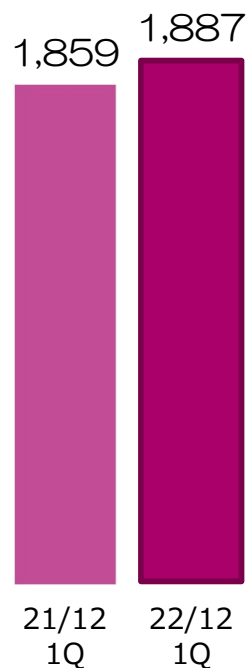
Higher revenues / Lower earnings

Net sales	1,887mil.yen	+/- %	+1.5%	+/- amount	+28mil.yen	(Prev. 1,859mil.yen)
Segment profit	219mil.yen	+/- %	-18.3%	+/- amount	-49mil.yen	(Prev. 269mil.yen)

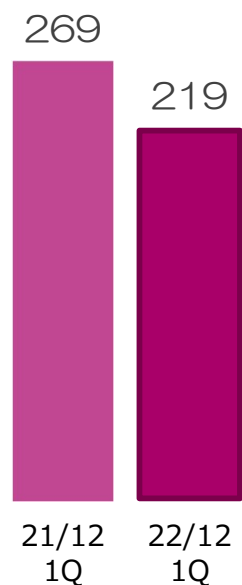
(mil. yen)

Number of centers: 64 (± 0)

Net sales



Segment profit



Factors

【Sales】

- Number of centers 1Q/2021: 61 ⇒ 1Q/2022: 64 (+3)
- Centers newly opened during the previous FY (2 in April and 1 in October) contributed to increase in revenues

【Profit】

- Expenses for preparation for opening the certified childcare center opened in April 2022 were registered in 1Q
- Centers opened during the previous two FYs contributed to increase in revenues, but because of low capacity sufficiency rate, cost came before sales
- SG&A expenses, especially personnel expenses and other expenses increased because of putting efforts to augmenting headquarters staff and recruiting field staff

By segment 【Contracted Childcare Business】

(Contracted Childcare Business)

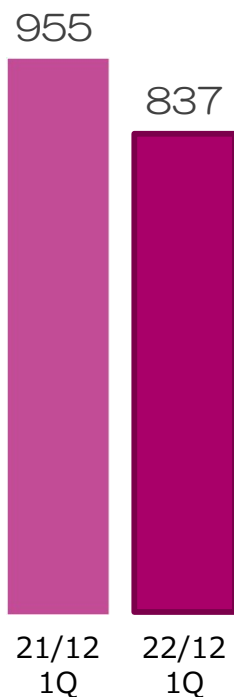
Lower revenues / Lower earnings

Net sales	837mil.yen	+/- %	-12.3%	+/- amount	-117mil.yen	(Prev. 955mil.yen)
Segment profit	7mil.yen	+/- %	-85.3%	+/- amount	-42mil.yen	(Prev. 49mil.yen)

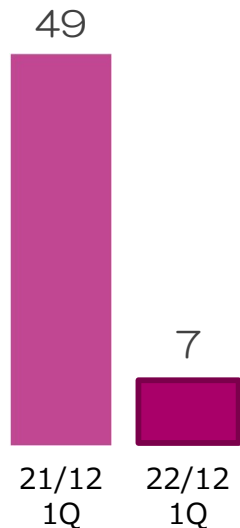
(mil. yen)

Number of centers: 214 (-4)

Net sales



Segment profit



Factors

【Sales】

- Number of centers 1Q/2021: 211 ⇒ 1Q/2022: 214 (+3)
- Despite contribution by centers newly opened during the previous FY (8 in April, 1 in September, 1 in October), ceasing operation of some of contracted childcare centers at the end of March 2021 has led to decrease in revenues

【Profit】

- Decrease in revenues due to ceasing operation of some of contracted childcare centers at the end of March 2021 also led to decreased in gross profit. In addition, number of centers in operation decreased due to COVID-19, which were forced to temporarily close.
- ⇒ Although no net sales took place, labor cost was incurred for securing staff employment resulting in lower earnings.
- SG&A expenses, especially personnel expenses and other expenses increased because of putting efforts to augmenting headquarters staff and recruiting field staff

By segment 【Other Business】

(Other Business)

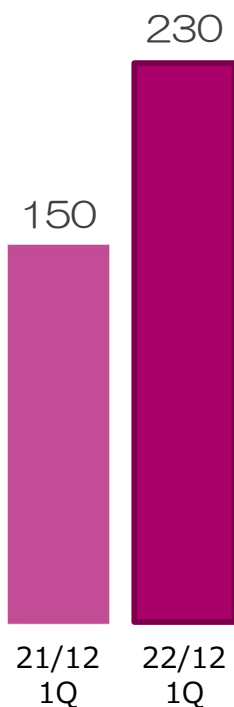
Higher revenues / Lower earnings

Net sales	229mil.yen	+/- %	+52.7%	+/- amount	+79mil.yen	(Prev. 150mil.yen)
Segment profit	6mil.yen	+/- %	-29.1%	+/- amount	-2mil.yen	(Prev. 8mil.yen)

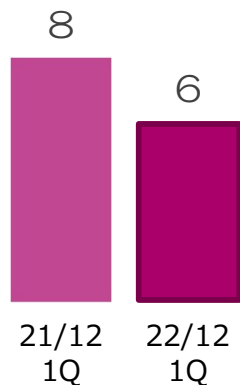
Number of centers: 11 (+4)

(mil.yen)

Net sales



Segment profit



Factors

【Sales】

- Forte Co., Ltd. which was acquired at the end of January 2022 contributed to higher revenues

【Profit】

- On the other hand, amortization of goodwill was registered due to acquisition of Forte Co., Ltd., resulting in break-even in terms of profit
- Existing businesses maintained same levels as the previous FY
- Costs such as advertising expenses for new business activities (marriage counseling, Hokatsu) came before net sales

Measures in progress (1Q of FY12/2022)

Measures		Description	Progress during 1Q
Strengthening principal business	Public Childcare Business	<p>[Newly established] • teno Corporation Co., Ltd. 1 certified childcare center (Chuo Ward) in April 2022</p> <p>[Existing centers] • Efforts put to improved “Quality of childcare” and enhanced efficient operation of centers • Higher efficiency in operating expenses and close investigation into room for reduction</p>	<p>Established on April 1 as scheduled</p> <p>Ongoing.</p>
Strengthening principal business	Contracted Childcare Business	<p>[Contracted childcare center] • 10 new contracts were obtained • Ongoing negotiation on unit price of entrustment in order for improved profitability</p> <p>[After-school childcare center] • New contract was granted from Chikugo City (Fukuoka Pref.), which will start operation in April 2022.</p>	<p>Newly opened: 1 in February, 5 in April</p> <p>3 centers (based on the unit of support) started operation in April as scheduled</p>
Strengthening earnings foundation	Strengthening other segments	<p>[Nursing business] teno Support Co., Ltd. 1 day-service center (Fukuoka City) in April 2022 Forte Co., Ltd. Forte has joined the Group since February 2022 and operates 4 residence-type nursing homes.</p> <p>[Marriage counseling business] Website “Tenomari” : Efforts are put to organizing several events gathering guests, which would lead to interview and registration.</p> <p>[Education business] tenoSCHOOL: Efforts put to increased contracts for training organized by local governments</p> <p>[Hokatsu business*] New Hokatsu business activities started. Hokatsu website named “Hokatsu Assist” will be released in May. * “Hokatsu” means activities searching for childcare centers</p>	<p>“Genki no Furusato Day Service Naka” was opened in April as scheduled</p> <p>Forte Co., Ltd. became a subsidiary completely at the end of January, which operated 4 centers.</p> <p>Ongoing.</p> <p>Ongoing. Outside Kyushu area → The Company proactively takes part in public invitation to obtain business opportunities for training sessions in Honshu area → Now checking number of participants.</p> <p>Preparation for releasing is steadily in progress, and now in the final stage of checking such as website configuration.</p>
Human resource cultivation and increasing productivity (in-house human resource)	Further improvement in childcare quality (prevention of staff turnover)	<ul style="list-style-type: none"> Strengthening human resource cultivation and enhancing in-house training Improved engagement (measures taken for raising employee satisfaction and reducing turnover) Promoting paperless operations through digitization (A series of manuals for operating childcare centers should be organized, for uniform operation across individual centers) 	Ongoing
Reduction in recruitment cost	Enhancement of staffing/referral business	<ul style="list-style-type: none"> Efforts put to expansion of the Company’s own recruiting websites : “Hoiku-no-Tobira” and “ENPUKU!” Registered members for “Hoiku-no-Tobira” and participants in “ENPUKU!” would be increased. Charge-free online courses continue to be provided, thereby reinforcing support from passing examinations through to employment at centers run by the Company. 	<p>“ Hoiku-no-Tobira”</p> <ul style="list-style-type: none"> With the theme of “Visualizing contact personnel” (purpose: aiming at becoming a recruiting/staffing agency featuring the highest sense of ease), profiles of persons in charge are created with Lit.Link and communicated to applicants, registered members, and subscribers of e-mail magazine. Landing page is created to implement advertising operation. “ENPUKU!” Publicity was increased by utilizing Instagram account. Posters were distributed to schools for training childminders and kindergarten teachers (“Hoiku-no-Tobira” and “ENPUKU!”). <p>4th charge-free online seminar: Jan.7 - Apr. 22 5th charge-free online seminar: Apr. 26 - Oct. 21 38 sessions in total (2 hours each)</p>

Section 3

Performance forecasts FY12/2022
Mid-term management plan (2022-2024)
and Long-term vision

Expecting higher revenues and earnings (Company-wide)

(mil. yen)	FY12/2021 Actual	FY12/2022 forecasts	+/- %	+/- amount
Net sales	11,454	↗ 12,500	+9.1%	+1,046
Operating profit	467	↗ 477	+2.0%	+10
Ordinary profit	455	↗ 459	+0.8%	+4
Net profit*	237	↗ 257	+8.4%	+20

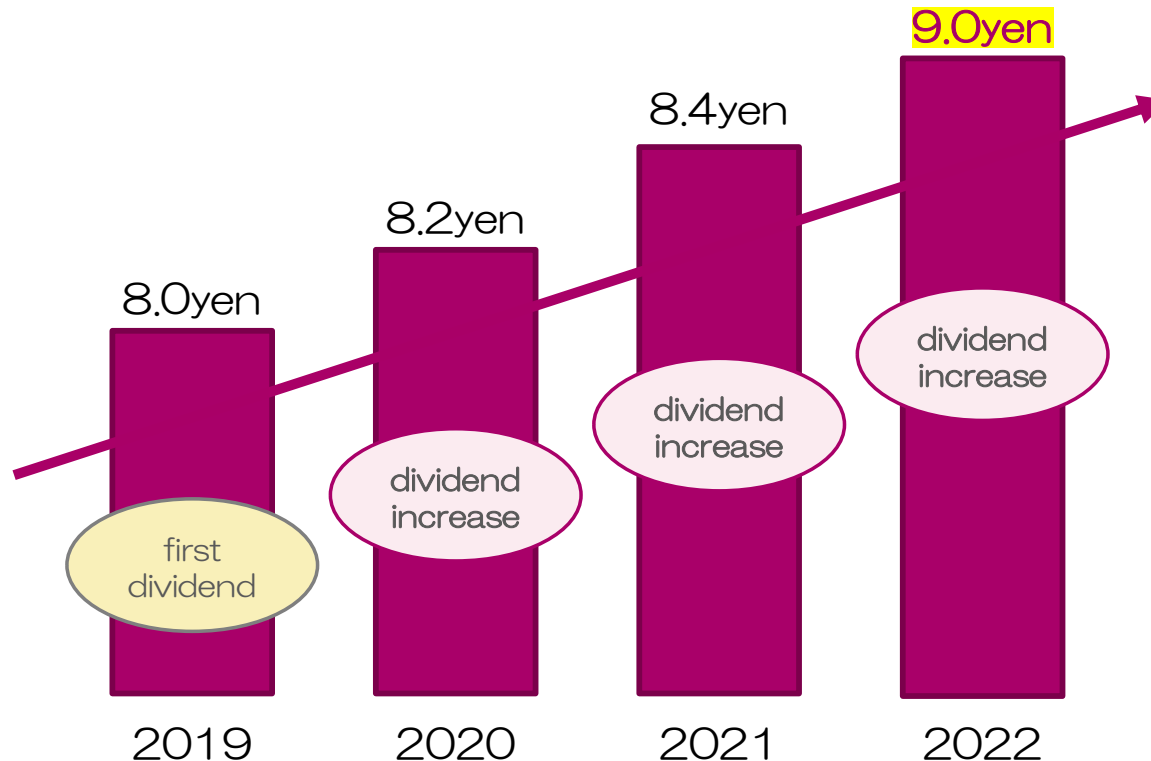
* Net profit attributable to owners of parent

Basic principle of profit allocation

The Company has its basic principle as to continuously provide stable dividends while ensuring internal reserve necessary for future business plan and improved balance sheet.

Dividend for FY12/2022

Dividend per share for FY12/2022 is expected to be set as **9.0 yen**.



Efforts towards social issues

4 質の高い教育を
みんなに



Quality education for all

Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

5 ジェンダー平等を
実現しよう



Achieving gender equality

Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.

8 働きがいも
経済成長も



Decent work and economic growth

Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.



SDGs: Achieving gender equality



Achieve gender equality and empower all women and girls.

(Management
philosophy)

We support women's life stages.

We think from other person's viewpoint.

We promote compliance.

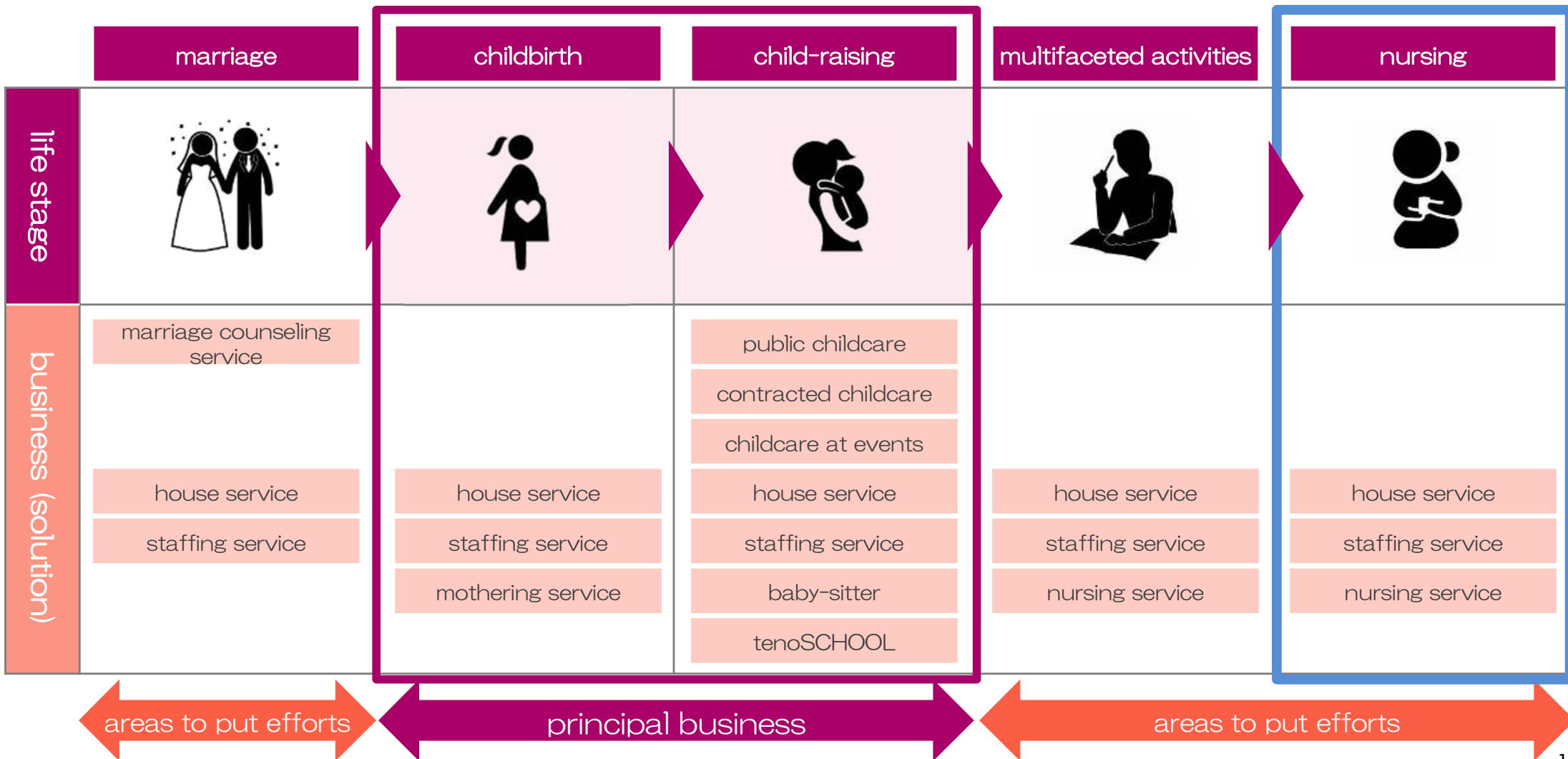
We contribute to society through our business.

(Vision) To create society where women actively participate

(Strategy) To develop business where women actively participate

Strategy) To develop business where women actively participate (women's life stages and business)

To develop business where women actively participate means business where women are able to continue working while doing child-raising, housework and nursing enhancing



「 teno VISION 2030 」

To become a professional group which provides services desired today, and aspire to be a comprehensive household service group where maximum self-realization of workers can be achieved.

Viewpoints of workers

- > Proper operation helps me work feeling at ease.
- > With the entire Group's high profitability, I benefit from higher level of treatment than other companies.
- > I feel worth of working because of objective evaluation scheme and robust personnel system.
- > Established human resource cultivation scheme helps my self-training.
- > Job types and ways of working are diverse within the Group, so I can choose the best way of working suitable for my current situation.

By realizing this vision,
the Group will be
the one of choice

Viewpoints of customers and clients

- > Convenient, secure and meticulous high-quality services.
- > Added values that match to the needs of today are provided.
- > teno. Group's vision makes me feel empathy, has overwhelming familiarity, with its reliable organization.
- > Extremely transparent information disclosure and financial soundness.
- > Service levels are appropriate relative to their prices.
- > It can be observed externally that individual organizations and teams are successfully managed.

Basic policies

Feb. 14, 2022

- 1) Expand both Public Childcare Business and Contracted Childcare Business (including those through M&A)
- 2) Pursue “service quality” , and make centers of choice
- 3) Initiate integrated reform of personnel system and human resource cultivation system
- 4) Launch new business (another principal business other than child care) (lay a lot of seeds as investment for the future)
- 5) Put efforts to expansion of * nursing business and make it grow up to one of pillar businesses next to Public Childcare Business and Contracted Childcare Business

* Newly added considering future expansion of nursing business

Mid-term management plan and Long-term vision

Image of business expansion with the long-term vision “teno VISION 2030”

-Business expansion strategies-

- Strategy 1: Expansion of childcare-related business
- Strategy 2: Creation of new business
- Strategy 3: Business expansion through M&A

Net sales

50.0 billion yen

nursing and others

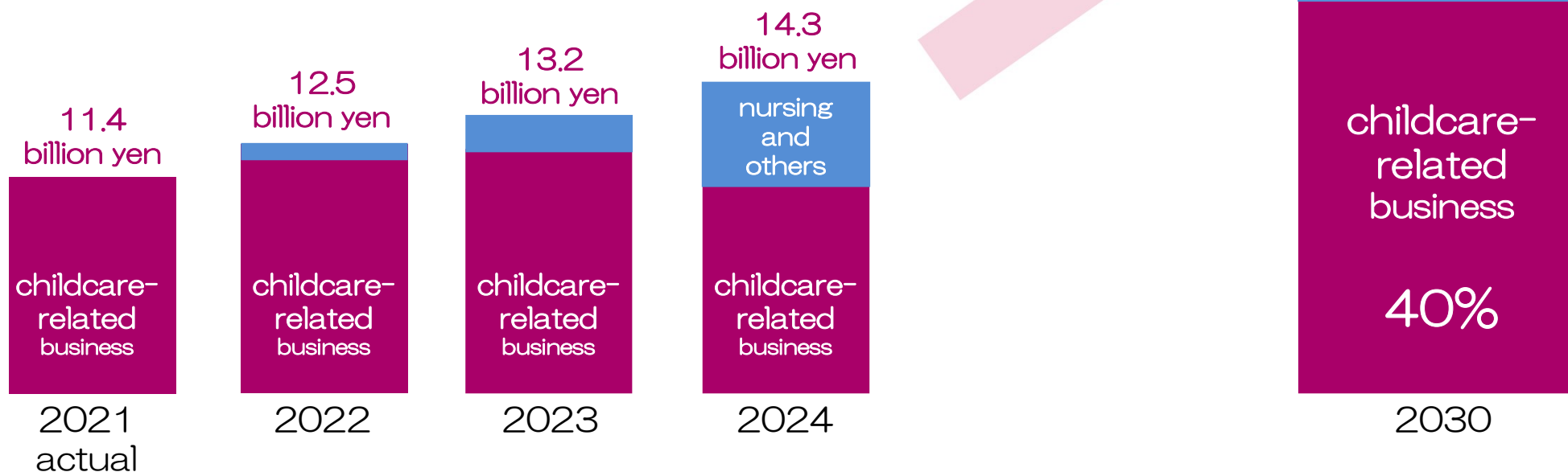
Net sales Expanded to 60%

nursing and others

60%

childcare-related business

40%



Section 4

Topics

nursing homes

Acquired shares of Forte Co., Ltd. (to be a subsidiary)

(stockholding ratio: 100%)

(stockholding ratio: 100%)

Purpose

Enhancement of service lineup in nursing business



- 【Management philosophy】 Contribute to “Richness” of life, for everyone involved
- 【Business activities】 Nursing business: Operation of houses of elderly people
- In Apr. 2018, Living Environment Division of Kaigojigyo-Kenkyukai Co., Ltd. (nursing business institute) became independent and renamed as Forte.
- **It operates 4 nursing homes in Osaka Pref.**

住宅型有料老人ホーム

Care Bridge ケア・ブリッジ 永和

サービス付き高齢者向け住宅

Care Bridge ケア・ブリッジ 下松

住宅型有料老人ホーム

Care Bridge ケア・ブリッジ 河内花園

住宅型有料老人ホーム

カシタニウス豊中・浜

『喜・楽・安・信』

喜び、楽しみ、安心、信頼

ご入居者様一人一人が望まれる『喜・楽・安・信』を受け止め、その実現を積み重ね、私たち自身がすぐにも入居したいと思えるようなホームづくりに努めます。



Linkage between
childcare centers
and parents

Hokatsu platform website

Hokatsu Assist will be launched

(scheduled in May 2022)

Hokatsu

“Hokatsu” means activities carried by of parents who want to have their children kept at certified childcare centers

Issue

They require much time and effort to collect information (largely analog)

(Example)

Mothers on childcare
leave usually do
Hokatsu

- ① Confirm information on websites
- ② Get booklet at government office and collect information
- ③ Confirm and organize information
- ④ Decide candidate
- ⑤ Book for visit
- ⑥ Visit the center (weekday)
- ⑦ File documents with government office

Hokatsu Assist supports women's life stage by alleviating “negative” elements for parents.



Newly opened

Genki-no-Furusato Day Service Naka

(Apr. 1, 2022)

Genki-no-Furusato Day Service Naka Newly opened

Genki-no-Furusato Day Service Naka offers easy-to-practice training menus tailored to individual users so that they can live self-independent lives at home ever after. With leading-edge rehabilitation equipment, specialized bathtub, and fulfilling recreational activities, this center provides services which can be appreciated by users as saying “I am happy to be here again today” .
Genki-no-Furusato Day Service Naka is the third one in Fukuoka City.





Newly opened
HOPPEL LAND! Kiyosumi-dori Kachidoki

(Apr. 1, 2022)



Our desire

Childcare philosophies

Children are taken care of in a safe environment where physical and mental development can be realized along with nursing and education together.

Support for child-raising is provided for realizing work-life balance of each household, partnered with local people and relevant institutions, so that we would be delighted at seeing children grow up for the future.

Goals of childcare

- To foster ability to live
- To foster thoughtful and enriched mind and personality
- To foster ability to cooperate with friends
- To foster rich imagination, creativity and curiosity



Ideal child

A child who attempts things aspiringly while expanding what he/she can, and

- | | |
|---------------|---|
| plays happily | does creative efforts and completes through to finish |
| enjoys eating | cooperates with friends and childminders, and increases what he/she can |

A child who can act lively in a group and cherish his/her friends, and

- | | |
|---------------------------|----------------|
| is thoughtful and kind | can say thanks |
| can share joy with others | can say sorry |

A child who can feel impressed by various experiences, express freely, and

- | | |
|--|------------------------------------|
| can express what he/she felt impressed | can express what he/she thought of |
|--|------------------------------------|

5th round

Application process for charge-free online courses for childminders started

(Apr. 26, 2022)

The 5th round of charge-free online courses for childminders, as part of supportive measures against COVID-19, will be held as follows.

Period	From application date until Oct. 21, 2022 (Fri.) * Courses are available anytime during this period.
Number of sessions	38 sessions in total (2 hours each)
Subjects	Psychology in childcare • Childcare principles • Family welfare for children • Social welfare • Education principles Social nursing • Children' s health • Children' s diet and nutrition • Childcare practice theories
Fee	free
Eligibility	Those who were forced to be dismissed or who had his/her job offer revoked due to impact of COVID-19 Those who are in trouble with job-hunting held up because of cancellation of recruitment screening Those who intend to have quality tests for childminders (national qualification) and others who, regardless of abovementioned reasons, are in principle already eligible for quality tests for childminders

Notice regarding decisions on matters concerning purchase of treasury stock

(Feb. 25, 2022)

The Company sets its policy as, for the purpose of sustained growth and improvement in mid/long term corporate value, that it shall consider any and all corporate actions and proceed to execution. This time, the Company has comprehensively considered investment fund, dividend level, share price and others required for growth of its business going forward, and decided to purchase its treasury stock for the purpose of enhancing return to shareholders and making it possible to implement expeditious capital policies responsive to changes in management environment.

(1) Type of the stock to be purchased	Common stock of the Company
(2) Total number of shares to be purchased	300,000 shares (upper limit) (percentage to the total number of outstanding shares (excluding treasury stock): 6.41%)
(3) Total value of the stock to be purchased	100,000,000 yen (upper limit)
(4) Purchase period	February 28, 2022 - May 31, 2022

teno.

HOLDINGS

【Contact】

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- This material is not intended to attract investment.
- Even in the event of any occurrence of new information and future business, announcements regarding future prospects included in this material will not necessarily be revised, unless required in accordance with some rules on disclosure.