

teno. Holdings Co., Ltd.





Agenda

Section 1	Financial Results Overview 2Q of FY12/2022 (Company-wide)	P 2
Section 2	Financial Results Overview 2Q of FY12/2022 (By segment)	P 8
Section 3	Topics: 2Q of FY12/2022	P15
Section 4	Performance forecasts for FY12/2022 Mid-term management plan (2022-2024) and Long-term vision	P23
Section 5	Most recent topics	P32

Section 1

Financial Results Overview 2Q of FY12/2022 (Company-wide)

Performance highlights



2Q of FY12/2022

Higher revenues / Lower earnings (YOY)

/ •1	١ ١
(mi	l. yen)

Company-wide	2021/2Q	2022/2Q	+/- %	+/- amount
Net sales	5,794	5,929	2.3%	134
Sales cost	4,821	5,035	4.4%	213
SG&A expenses	700	817	16.6%	116
Operating profit	272	77	-71.7%	-195
Ordinary profit	286	86	-69.8%	-199
Net profit	177	25	-85.6%	-151

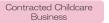
Point 1



Increase in SG&A expenses due to recruitment activities and corporate structure reinforcement

• Expenses for reinforcing headquarters scheme and recruiting field staff

Point 2



Influences of closing some centers and COVID-19

- Decrease in revenues due to ceasing operation of some of contracted childcare centers at the end of March 2021
- Decrease in revenues due to declined operation rate of centers impacted by COVID-19, which were forced to temporarily close

Point 3



Contribution by Forte Co., Ltd. which became a subsidiary

• It became a subsidiary at the end of January 2022

Point4



More centers in operation (+10) (YoY)

[Centers in operation] 299 (+10) (prev. 4Q: 289) (new) certified childcare center (+1); childcare centers provided by companies/hospitals (+6 and -6); after-school childcare centers (+3); nursing homes (+5); regional childcare center (+1)

Consolidated profit and loss statement



2Q of FY12/2022

Consolidated profit and loss statement

(mil. yen)	2021/2Q	2022/2Q	+/- %	+/- amount
Net sales	5,794	5,929	2.3%	134
Sales cost	4,821	5,035	4.4%	213
Gross profit	973	894	-8.1%	-79
SG&A expenses	700	817	16.6%	116
Operating profit	272	77	-71.7%	-195
Non-operating profit	23	25	9.0%	2
Non-operating expenses	10	16	58.0%	6
Ordinary profit	286	86	-69.8%	-199
Net profit*	177	25	-85.6%	-151

Consolidated Balance Sheets Overview



2Q of FY12/2022

Consolidated Balance Sheets Overview

(mil. yen)	FY12/2021 (Dec. 31, 2021)	FY12/2022 (Jun. 30, 2022)	+/- amount
Current assets	3,215	3,045	-169
Cash and deposits	1,793	1,653	-139
Accounts receivable - trade (Accounts receivable - trade & contract assets)	980	981	О
Non-current assets	4,079	4,533	454
Property, plant and equipment	1,675	1,577	-97
Intangible assets	819	1,290	471
Investments and other assets	1,584	1,664	80
Total assets	7,294	7,578	284
Current liabilities	2,427	2,515	88
Short-term loans payable	550	500	-50
Current portion of long-term loans payable	444	495	51
Accounts payable - other	718	625	-93
Non-current liabilities	2,535	2,829	294
Long-term loans payable	2,390	2,684	294
Net assets	2,331	2,232	-98
Total liabilities and net assets	7,294	7,578	284

Consolidated Cash Flow Statement Overview



2Q of FY12/2022

Consolidated Cash Flow Statement Overview

(mil. yen)	2021/2Q	2022/2Q	+/- amount
Cash flows from operating activities	385	242	-143
Cash flows from investing activities	-150	-489	-338
(free cash flow)	234	-247	-482
Cash flows from financing activities	-1	97	98
Increase or decrease in cash and cash equivalents	233	-149	-383
Cash and cash equivalents at beginning of period	1,865	1,745	-119
Cash and cash equivalents at end of period	2,099	1,595	-503

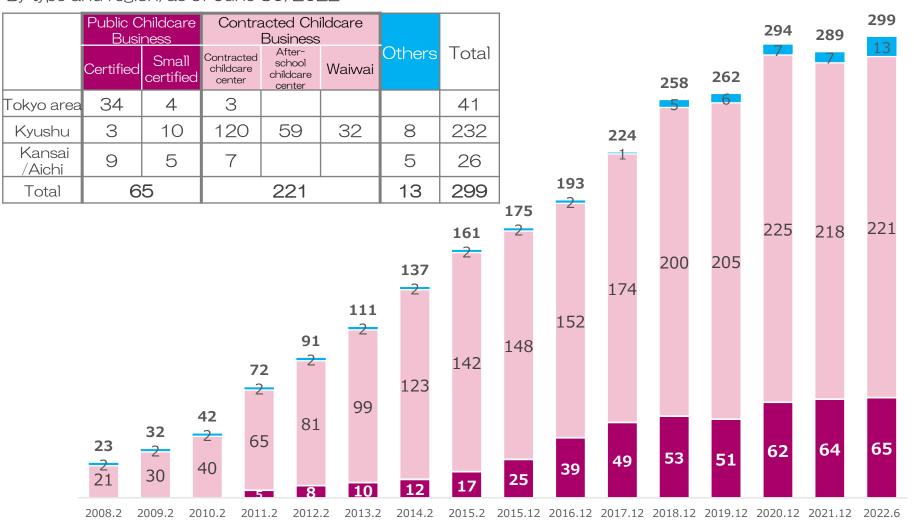
Trend in number of centers in operation (by segment)



2Q of FY12/2022

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

By type and region, as of June 30, 2022



Section 2

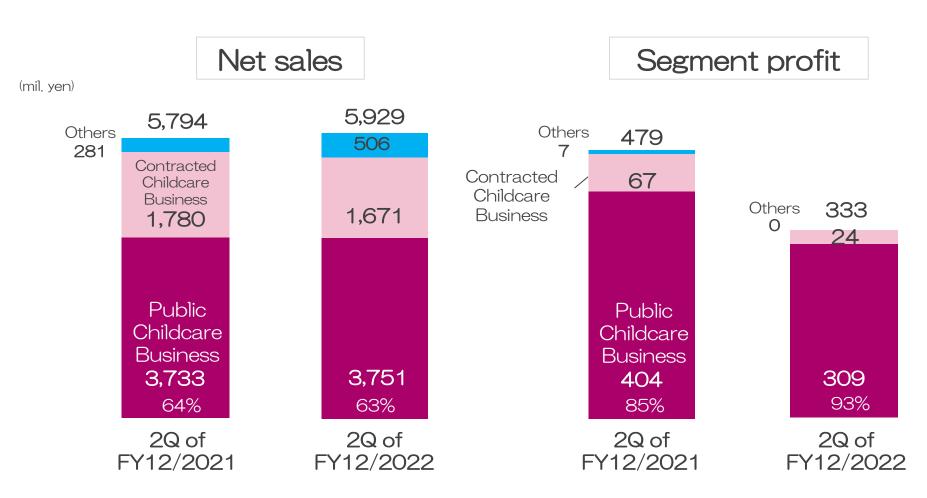
Financial Results Overview 2Q of FY12/2022 (By segment)

Proportions (Net sales, Profit)



2Q of FY12/2022

Public Childcare Business accounts for about 63% of Net sales and about 93%* of Profit



By segment (Public Childcare Business)

Segment profit



2Q of FY12/2022

Net sales

Higher revenues / Lower earnings

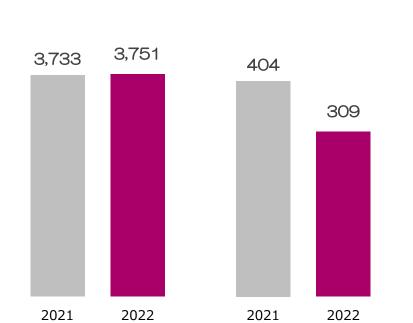
	2021/2Q	2022/2Q	+/- %	+/- amount
Public Childcare Business				
Net sales	3,733	3,751	0.5%	18
Segment profit	404	309	-23.6%	-95

(mil. yen)

2Q

2 Q

Number of centers: 65 (+1) (as compared to the prev. 4Q)



2Q

2 Q

Factors

[Number of centers] 65 (+1) (prev. 4Q: 64) Detail: 46 certified childcare centers (+1) and 19 small certified childcare centers (±0)

(measures) Efforts put to improved quality of childcare and enhanced efficient operation of centers

(increased expenses) Efforts put to augmenting headquarters staff and recruiting field staff →Increase SG&A expenses especially personnel expenses and other expenses

By segment [Contracted Childcare Business]



2Q of FY12/2022

Lower revenues / Lower earnings

	2021/2Q	2022/2Q	+/- %	+/- amount
Contracted Childcare Business				
Net sales	1,780	1,671	-6.1%	-108
Segment profit	67	24	-64.0%	-42

(mil. yen)

Number of centers: 221 (+3)

(as compared to the prev 4Q)

Net sales Segment profit

Factors

[Number of centers] 221 (+3) (as compared to the prev. 4Q) Detail: 130 contracted childcare centers (± 0) [+6 newly opened and -6 ceased operation]), 59 after-school childcare centers (+3) and 32 Waiwai Parks (±0)

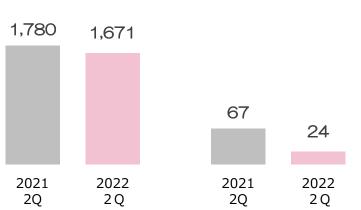
(new) Childcare centers: Efforts were put to sales activities for obtaining new contracts for childcare centers provided by companies/hospitals and 6 new centers were opened.

After-school childcare centers: Dealing newly started with Chikugo City and 3 centers were opened.

(reinforcement) Efforts are put also to reconsidering unit contract prices at existing contracted centers.

(lower revenues) It is due to ceasing operation of some of contracted childcare centers at the end of March 2021.

> Revenues decreased due to declined operation rate of centers impacted by COVID-19, which were forced to temporarily close.



By segment (Other Business)



2Q of FY12/2022

Much higher revenues / Lower earnings

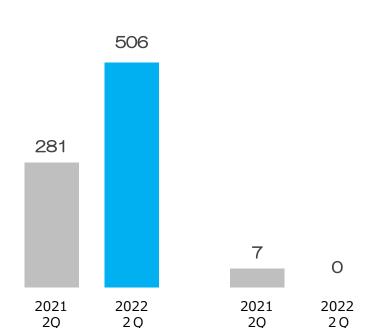
	2021/2Q	2022/2Q	+/- %	+/- amount
Other Business				
Net sales	281	506	80.1%	225
Segment profit	7	0	-96.1%	-7

(mil. yen)

[Number of centers] 13 (+6)

(as compared to the previous 4Q)

Net sales Segment profit



Factors

[Number of centers] 13 (+6) (prev. 4Q: 7)

Detail: 4 directly-run non-certified childcare centers (±0), 3 regional childcare centers (+1), 3 day-care nursing homes (day-service) (+1), 3 residence-type paid nursing homes (+3), and 1 residence with services for elderly people (+1)

(efforts) 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.

(contribution to higher revenues)
Forte Co., Ltd. (which became a subsidiary in Jan. 2022)
contributed to higher revenues.

(increased expenses)

Costs such as advertising expenses for new business activities (marriage counseling, Hokatsu) came before net sales.

Measures in progress (2Q of FY12/2022)



(part 1)

Measures		Description	Progress during 2Q
Strengthening principal business	Public Childcare Business	 [Newly established] • teno. Corporation Co., Ltd. 1 certified childcare center (Chuo Ward) in April 2022 [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 	Established on April 1 as scheduled Ongoing. Overall cost has been reduced by digitalizing operations of centers and other measures.
Strengthening principal business	Contracted Childcare Business	 [Contracted childcare center] 10 new contracts were obtained Ongoing negotiation on unit price of entrustment in order for improved profitability [After-school childcare center] New contract was granted from Chikugo City (Fukuoka Pref.), which will start operation in April 2022. 	Newly opened: 1 in February, 5 in April 3 centers (based on the unit of support) started operation in April as scheduled
Strengthening earnings foundation	Strengthening other segments	[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. [Marriage counseling business] Website "Tenomari" Efforts are put to organizing several events gathering guests, which would lead to interview and registration [Education business] tenoSCHOOL Efforts put to increased contracts for training organized by local governments [Hokatsu business*] New Hokatsu business activities started. Hokatsu website named "Hokatsu Assist" will be released in May. * "Hokatsu" means activities searching for childcare centers	"Genki no Furusato Day Service Naka" was opened in April as scheduled Forte Co., Ltd. became a subsidiary completely at the end of January, which operated 4 centers. Some events were scheduled, but have been postponed since last January due to widespread of COVID-19 infections. → Events which can be held during COVID-19 pandemic are under consideration. Number of training projects in Kyushu prefectures has increased to a certain level, and the Company tries to collect information in order to obtain contracts for training sessions organized by municipalities in other prefectures (e.g. Yamaguchi, Aichi and Fukushima). Released in May. Efforts are put to increasing the number of subscribers (cross-selling activities are going on with ENPUKU).

Measures in progress (2Q of FY12/2022)



(part 2)

Measures		Description	Progress during 2Q
Human resource cultivation and increasing productivity (in-house human resource)	Further improvement in childcare quality (prevention of staff turnover)	 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) 	Training sessions have been organized for human resource cultivation. → Training sessions sorted by hierarchy or purpose, and nursing training sessions have been organized. Team Engagement Center was established within teno. Corporation Co., Ltd. → A sense of belonging is fostered in order to address individual issues, and a series of activities started for reducing job turnover rates. • Manuals about operations of centers have been actually digitalized. • Manuals are organized and operations are unified. Efficient operations of centers could be realized.
Reduction in recruitment cost	Enhancement of staffing/referral business	 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. 	"Hoiku-no-Tobira" 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. (Effects were worth 10 million yen during the current period) Information has been continuously dispatched via SNS and other channels for acquiring new members/applicants. "ENPUKU!" Publicity was increased by utilizing Instagram account. (Currently about 13 companies have joined) Posters were distributed to schools for training childminders and kindergarten teachers ("Hoiku-no-Tobira" and "ENPUKU!". Target areas are expanded to outside Fukuoka City (Kitakyushu, Chikuho and Chikugo areas). 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) About 1,000 participants have been registered so far and number of viewing exceeded 17,000.

Section 3

Topics 2Q of FY12/2022

Topics: 2Q of FY12/2022



Topic 1	Acquisition of shareholding of Forte Co., Ltd. (Jan. 2022)
Topic 2	Genki-no-Furusato Day Service Naka newly opened (Apr. 2022)
Topic 3	HOPPEL LAND! Kiyosumi-dori Kachidoki newly opened (Apr. 2022)
Topic 4	4th round of charge-free online courses for childminders (Jan. ~ Apr. 2022)
Topic 5	Introduction of Hokatsu Assist (May 2022)
Topic 6	Introduction of Team Engagement Center and Childcare Future Institute: Compass (Jun. 2022)

Topic 1



2Q of FY12/2022

nursing homes

Acquired shares of Forte Co., Ltd. (to be a subsidiary) (January 31, 2022)

(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.





『喜・楽・安・信』

Pleasure, Joy, Relief, Trust

Accepting "Pleasure, Joy, Relief, Trust" which each resident desires and realizing them one after another, we always try to make nursing homes that even we ourselves want to move in right away.



Topic 2



2Q of FY12/2022





childcare center

HOPPEL LAND! Kiyosumi-dori Kachidoki

Newly opened (April 1, 2022)



Our desire

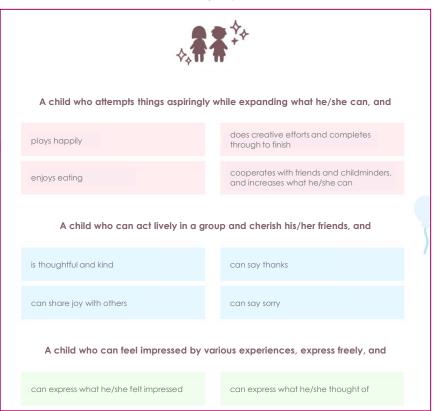
Childcare philosophies

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





day-service

Genki-no-Furusato Day Service Naka

Newly opened (April 1, 2022)

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.





platform website

"Hokatsu Assist"

Newly opened

(May 31, 2022)

Hokatsu Assist is a "platform" that connects parents and childcare centers which accept their children aiming at reducing their burdens on Hokatsu (see Note).



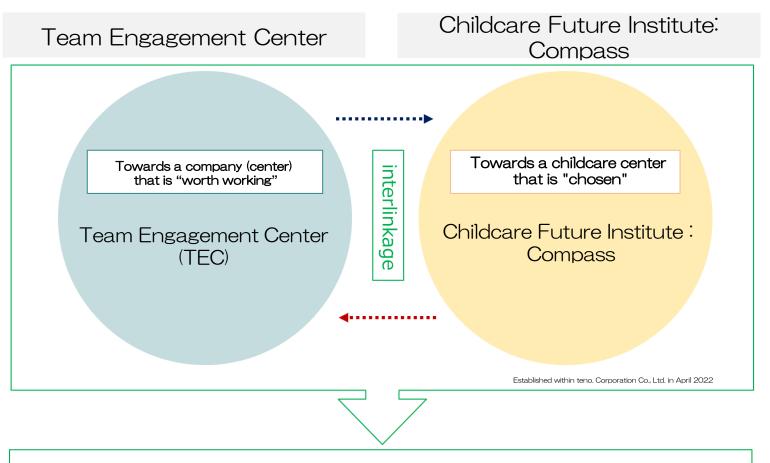
5 Achieving gender equality

Target

5.4 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. * Indicator 5.4.1 Proportion of time spent on unpaid domestic and care work, by sex, age and location.



Efforts to realize "teno VISION 2030" started



Established within teno. Corporation Co., Ltd. in April 2022

^{*1:} TEC is a project organization which the Company's headquarters and childcare centers work together to plan/facilitate, looking at "worthiness to work" so that, for each and every employee, we could be "a company where he/she can work lively" and "a company where he/she wants to remain".

^{*2: &}quot;Childcare Future Institute: Compass" is a platform for the purposes of "co-learning and sharing rich practices at childcare centers" and "co-creation with experts of childcare/education/children/child-raising".



4th round

Charge-free online courses for childminders

(Jan. ~ Apr. 2022)

The 4th round of charge-free online courses for childminders were held as part of supportive measures against COVID-19.

About 1,000 participants have been registered so far and number of viewing exceeded 17,000.





保育土総合講座

社会人のための福祉・保育専門スクール teno SCHOOL 株式会社テノ、サポート

Section 4

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

Performance forecasts for FY12/2022



2Q of FY12/2022

Expecting higher revenues and earnings

(Company-wide)

(mil. yen)	FY12/2021 actual		Y12/2022 forecasts	+/- %	+/- amount
Net sales	11,454	1	12,500	+9.1%	+1,046
Operating profit	467	1	477	+2.0%	+10
Ordinary profit	455	1	459	+0.8%	+4
Net profit*	237	1	257	+8.4%	+20

Dividend per share



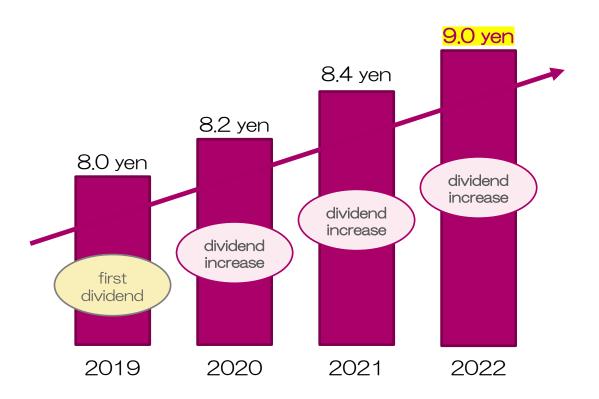
2Q of FY12/2022

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.



「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

February 14, 2022

- 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



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

<u>business where women are able to continue working</u>

<u>while doing child-raising, housework and nursing enhancing</u>

	marriage	childbirth	child-raising	multifaceted activities	nursing
life stage		^			
0	marriage counseling service		public childcare		
business			contracted childcare		
nes			childcare at events		
	house service	house service	house service	house service	house service
o]u:	staffing service	staffing service	staffing service	staffing service	staffing service
(solution)		mothering service	baby-sitter	nursing service	nursing service
			tenoSCHOOL		

areas to put efforts

principal business

areas to put efforts

s Efforts towards SDGs



2Q of FY12/2022

SDGs action plan of teno. Group

(May 31, 2022)

The Group considers solving issues concerning SDGs an important managerial issue, aims at realizing a society where individuals can continue working in line with their life stages regardless of their gender, and put its efforts to improving its corporate values and realizing a sustainable society by contributing to solving social issues which international society seeks to solve.



teno. Group commits to "gender equality"

Goal 5, "Achieving gender equality" includes these targets:

5.4 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.

Contribution by teno. Group	Key Performance Indicator	Current	Numerical
	(KPI)	situation	targets
 Supports employees' household work	Percentages of men/women who have taken childcare leaves	2021	2025
by creating an environment where they		men 0.0%	men 60.0%
can assume responsibilities within their		women	women
families regardless of their gender.		98.3%	100.0%

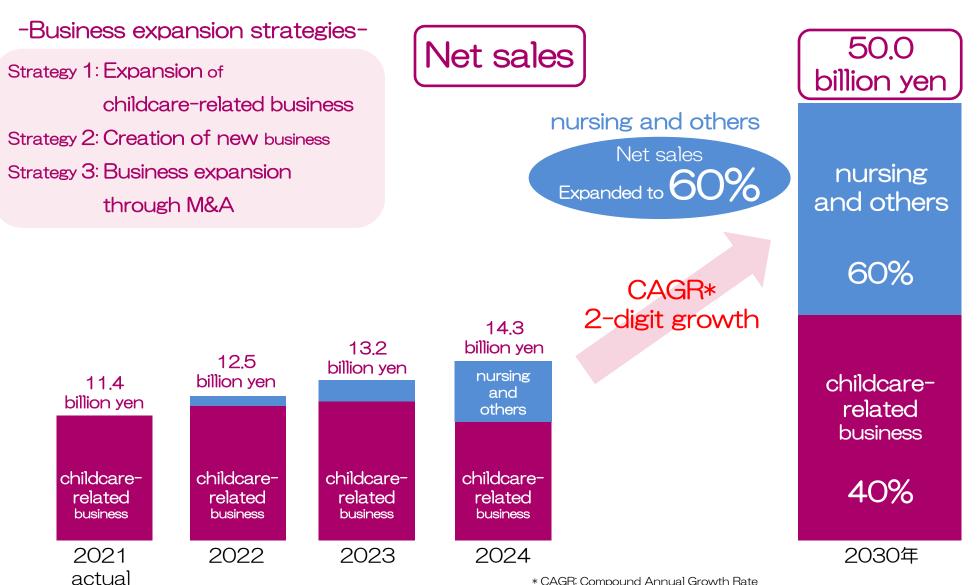
5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.

	Contribution by teno. Group	Key Performance Indicator (KPI)	Current situation	Numerical targets
•	Establishes its corporate culture in which opportunities for women's leadership are ensured and creation of services from women's viewpoints is seen as a strength.	Percentages of women among managerial staff	FY2021 38.2% (87.5%)	2030 50.0% (87.5%)

Mid-term management plan and Long-term vision



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



Section 5

Most recent topics



teno. Support introduced a new service collaborated with PECOFREE



August 1, 2022)

teno. Support Co., Ltd. which is a consolidated subsidiary of teno. Holdings Co., Ltd. has, since August 2022, introduced a box-lunch service [supervised by a nutritionist] called "PECOFREE" provided by PECOFREE Inc. in which users can pre-order their box-lunches via their smartphones, available at 48 after-school childcare centers located in 4 municipalities in Fukuoka Pref.



Added value to parents

Parents can order box-lunches for their children easily via their smartphones and confirm if they have already ordered any via LINE application. Moreover, in the past, they had to inform if they wanted to cancel their orders about two weeks in advance because teno. Support intervened between them and box-lunch providers. But now they are allowed to cancel their orders just two days prior. Also, they can cancel their orders when their children are absent from after-school childcare centers because of sickness.

About PECOFREE

It is a service through which meals to be eaten at after-school childcare centers can be pre-ordered via smartphones (mobile order). PECOFREE is available at the time of decision to adopt it at each center. When a user wants to use PECOFREE and pre-orders a lunch supervised by a nutritionist for his/her child no later than the specified deadline via the dedicated LINE mini-app installed on his/her LINE app, his/her child's box-lunch will be delivered as scheduled to the receiving/returning BOX located in the center. One box-lunch is 400 500 yen (including tax) and this is deducted from the points precharged by the user.



(August 24, 2022)

"Hokatsu Assist" won Kids Design Award







【The 16th Kids Design Award】



"Hokatsu Assist" is a platform that connects parents and childcare centers

"Hokatsu Assist (https://hokatsuassist.com/)" which is a platform website for solving issues for both childcare centers and parents released by teno. Support Co., Ltd. which supports women's life stages won "The 16th Kids Design Award" presented by Kids Design Association, an NPO

* Kids Design Award was created in 2007, aiming at selecting a superior work among a variety of products, services, spaces, activities and researches which meet the purposes of "Children can live safely", "Children grow up with their sensibility and creativity enriched" and "A society is created where people feel comfortable to bear/raise their children", and disseminating it to wider society.



5th round

Charge-free online courses for childminders

(Apr. 26 ~ Oct. 21, 2022)

The 5th round of charge-free online courses for childminders, as part of supportive measures against COVID-19, is now available!

Period	From application date until Oct. 21, 2022 (Fri.) * Courses are available anytime during this period.	夢を仕事に、 仕事を実生活に。 より自分らしく生きるために・・・	tene
Number of sessions	38 sessions in total (2 hours each)		保育原理1
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	1/	社会人のための福祉・保育専門スケール teno SCHOOL 株式会社デノ、サポート
Fee	free		
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			





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