



FY12/2022

Supplementary Material on Financial Results

teno. Holdings Co., Ltd. (Securities code: 7037)

teno.
HOLDINGS

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Financial results overview Year Ended FY12/2022 (company-wide)

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Section 1

Financial results overview
Year Ended FY12/2023
(company-wide)

Summary (company-wide)

Higher revenues / Lower earnings

(Million of yen)	FY 12/2021	FY 12/2022	YoY +/- amount	YoY +/- %
Net Sales	11,454	12,128	5.9%	674
Sales Cost	9,652	10,384	7.6%	731
SG&A	1,334	1,589	19.2%	255
Operating profit	467	154	▲67.0%	▲313
Ordinary profit	455	156	▲65.6%	▲298
Net profit	237	▲27	—	▲264

Consolidated Profit and Loss Statement

(Million of yen)	FY 12/2021	FY 12/2022	+/- amount	+/- %
Net sales	11,454	12,128	+674	+5.9%
Sales cost	9,652	10,384	+731	+7.6%
Gross profit	1,801	1,744	▲57	▲3.2%
SG&A	1,334	1,589	+255	+19.2%
Operating profit	467	154	▲313	▲67.0%
Non-operating profit	29	35	+5	+18.2%
Non-operating expenses	42	32	▲9	▲22.3%
Ordinary profit	455	156	▲298	▲65.6%
Net profit	237	▲27	▲264	—

Consolidated Balance Sheets Overview

(Million of yen)	FY12/2021	FY12/2022	+/- amount
Current assets	3,215	3,989	+774
Cash and deposits	980	—	▲980
Accounts receivable - trade (Accounts receivable - trade & contract assets)	—	1,147	+1,147
Non-current assets	4,079	5,333	+1,254
Property, plant and equipment	1,675	1,728	+53
Intangible assets	819	1,865	+1,046
Investments and other assets	1,584	1,739	+154
Total assets	7,294	9,323	+2,028
Current liabilities	2,427	3,739	+1,312
Short-term loans payable	550	1,140	+590
Current portion of long-term loans payable	444	652	+208
Accounts payable - other	718	801	+82
Non-current liabilities	2,535	3,402	+867
Long-term loans payable	2,390	3,137	+746
Net assets	2,331	2,180	▲151
Total liabilities and net assets	7,294	9,323	+2,028

Overview of Consolidated Statement of Cash Flows

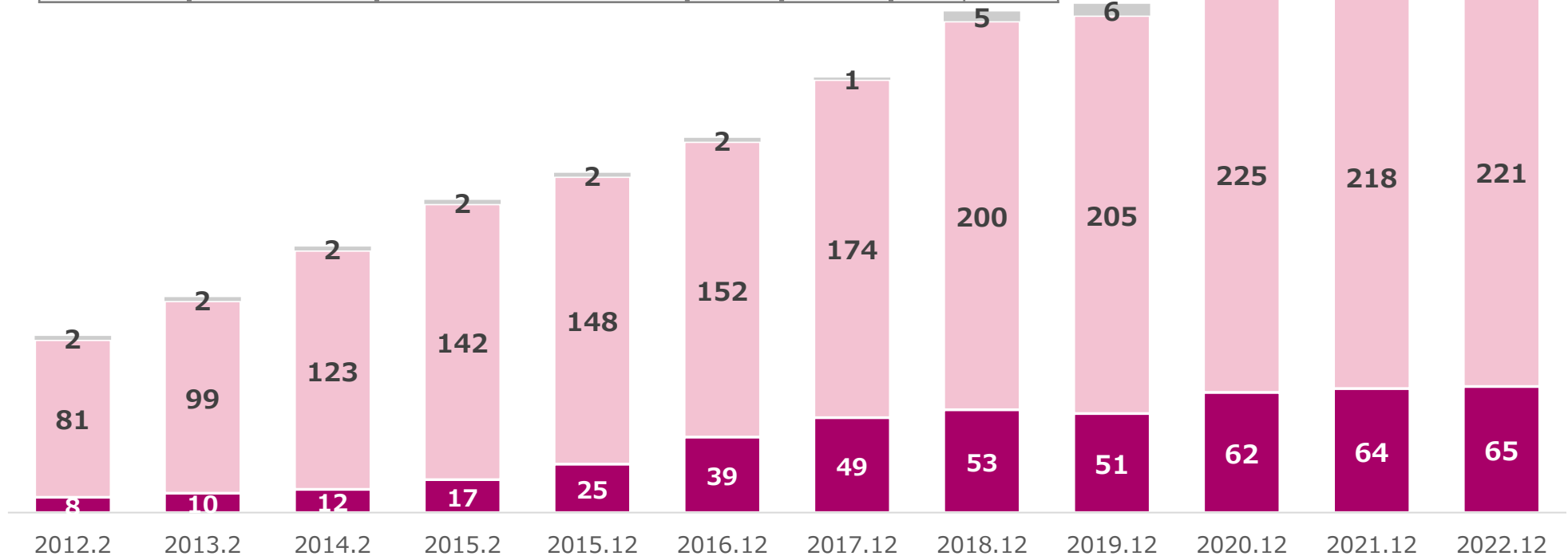
(Million of yen)	FY 12/2021	FY 12/2022	+/- amount
Cash flow from operating activities	292	297	+4
Cash flow from investing activities	▲251	▲967	▲716
(free cash flow)	+41	▲670	▲711
Cash flow from financing activities	▲161	1,037	+1,199
Increase (decrease) in cash and cash equivalents	▲119	+367	+487
Beginning balance of cash and cash equivalents	1,865	1,745	▲119
Cash and cash equivalents at end of period	1,745	2,113	+367

Trend in number of centers in operation (by segment) **teno.** HOLDINGS

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

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

	Public Childcare Service		Entrusted Childcare Service			Elderly Care	Lifelong Related Support	Others	Total
	Certified	Small certified	Entrusted childcare center	After-school childcare center	Waiwai				
Tokyo area	34	4	3				24		65
Kyushu	3	10	120	59	32		2	8	234
Kansai /Aichi	9	5	7			4	19	1	45
Others							11		11
Total	65		221			4	56	9	355

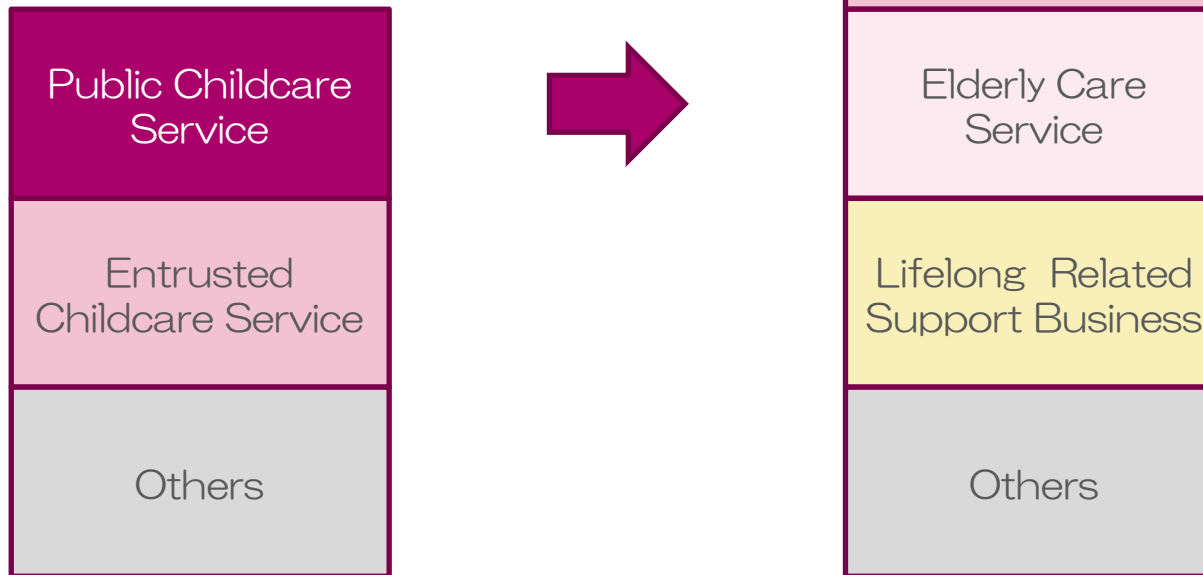


Section 2

Financial results overview
Year Ended FY12/2023
(by segment)

About adding segments

- By acquiring all shares of Forte Co., Ltd. and including it in the scope of consolidation, we have added a new reporting segment, Nursing care Service.
- By acquiring all the shares of Homemade Cooking Co., Ltd. and including it in the scope of consolidation, we have newly added the Life-Related Support Service to our reportable segments

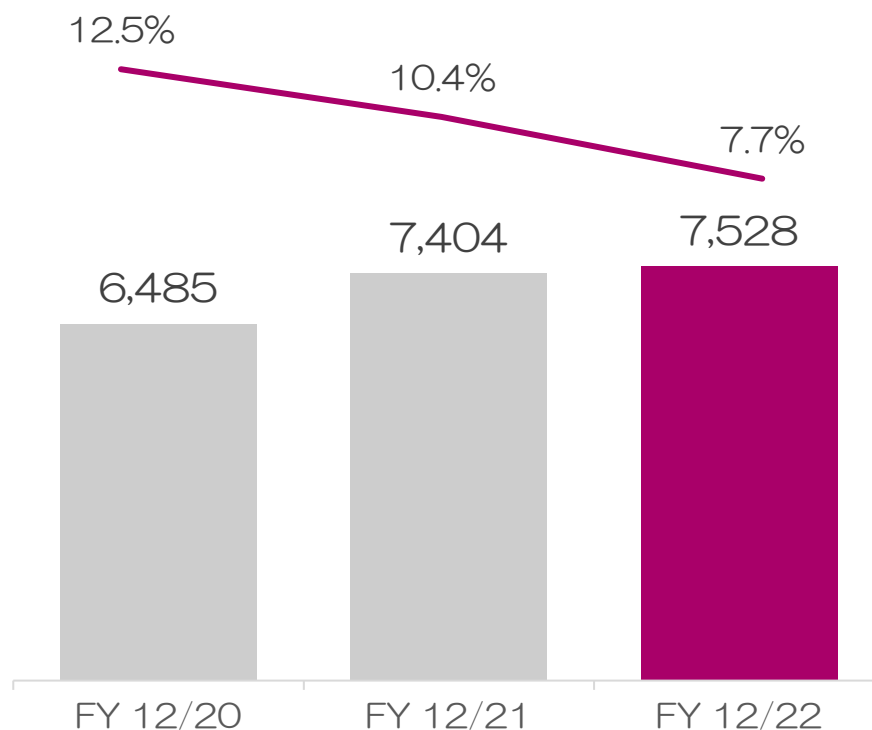


Before 12/2022

After 12/2022

Millions of yen	FY 12/2020	FY 12/2021	FY 12/2022	YoY +/- amount	YoY +/- %
Net sales	6,485	7,404	7,528	+123	+1.7%
Segment profit	807	771	577	▲194	▲25.2%
%	12.5%	10.4%	7.7%	—	—

Net sales / segment profit rate

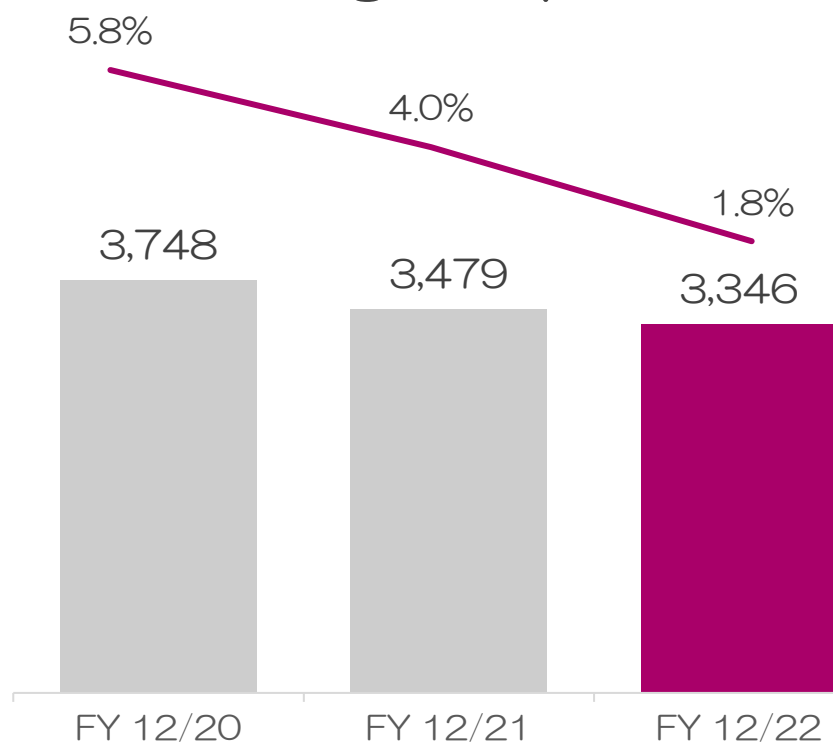


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- Sales increased due to the contribution of one facility opened in April and three facilities opened two years ago.
- In terms of profits, profits were squeezed by soaring new opening costs, utility costs, school lunch costs, etc., and an increase in personnel costs at headquarters.
- As a measure, focus on improving the quality of childcare and enhancing efficient operation
 - Cost reduction through digitization, etc.
 - It is expected to increase employee satisfaction and prevent turn over. Establishment of a team engagement center
 - Enhanced in-house education for the purpose of providing high-quality childcare

Millions of yen	FY 12/2020	FY 12/2021	FY 12/2022	YoY +/- amount	YoY +/- %
Net sales	3,748	3,479	3,346	▲132	▲3.8%
Segment profit	218	138	59	▲79	▲57.1%
%	5.8%	4.0%	1.8%	—	—

Net sales / segment profit rate



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- The number of facilities operated by the Entrusted childcare Service increased from 218 to 221 (6 Entrusted childcare centers and 3 after-school childcare centers were newly opened).
- Impact of commissioned daycare centers that closed at the end of March last year. Decrease in revenue due to lower operating rates at facilities that were closed due to the impact of COVID-19.
- In line with the above-mentioned decrease in sales and profit, we will continue to focus on reviewing the outsourcing unit price for outsourced daycare centers and acquiring new projects in order to improve profitability. We will continue to monitor the operation status of existing Entrusted nursery schools due to the impact of the new coronavirus.

New Segment

(Elderly Care Business)

Forte Co., Ltd., which was made a subsidiary in January 2022, has been added to this segment.



Net Sales	481 Million yen
Segment profit	35 Million yen (Rate 7.4%)

Number of facilities: 4 facilities

11 months contribution to Service performance in the fiscal year ending December 2022

【Number of facilities】 4 facilities (Osaka Prefecture) Breakdown: 3 residential-type fee-based nursing homes.. Serviced housing for the elderly: 1 facility

Focused on activities aimed at increasing the number of residents, and considered the opening of new facilities.



New Segment

(Lifelong Related Support Business)

Homemade Cooking Co., Ltd., which became a subsidiary in November 2022, has been added to this segment.

Net Sales	134 Million yen
Segment profit	19 Million yen (Rate 14.6%)

Number of facilities: 56 facilities

Contribution of one month's earnings in the fiscal year ending December 2022

【Number of facilities】 56 facilities (nationwide)

56 schools directly managed by cooking classes



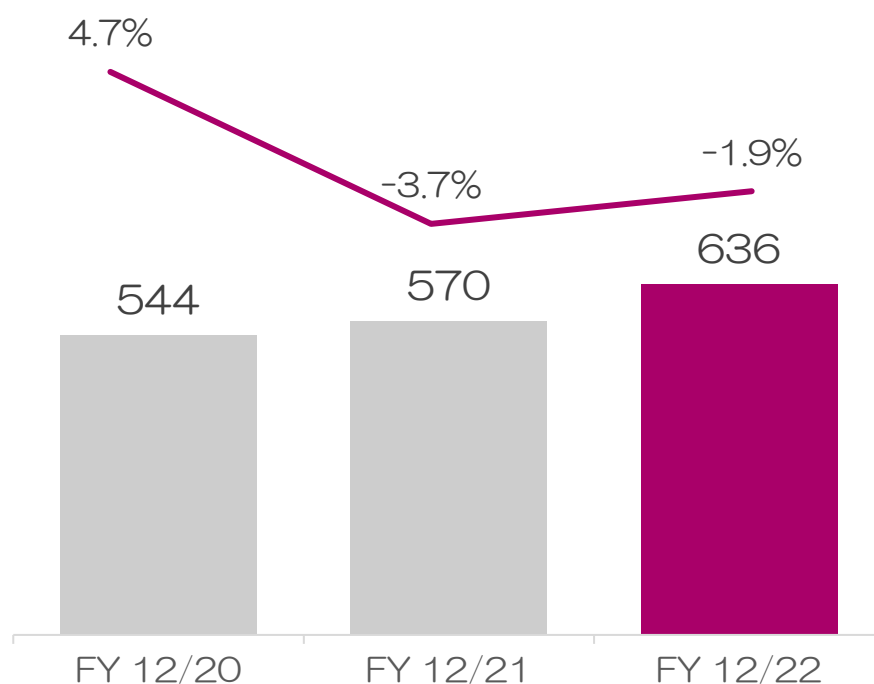
By Segment 【Others】

Higher revenues /
Lower earnings



Millions of yen	FY 12/2020	FY 12/2021	FY 12/2022	YoY +/- amount	YoY +/- %
売上高	544	570	636	+65	+11.5%
セグメント利益	25	▲20	▲12	+8	—
同利益率	4.7%	▲3.7%	▲1.9%	—	—

Net sales / segment profit rate



<Point>

- The number of other facilities under management increased from 7 to 9 (1 day care facility and 1 new regional childcare facility opened), which contributed to the increase in sales.
- Costs such as advertising expenses are upfront due to the activities of new establishments and new Servicees (marriage agency, nursery school assistance).
- In the future, we will focus on monetization of the newly started facilities and new Servicees mentioned above.

Section 3

Performance forecasts FY12/2023
Mid-term management plan (2023-2025)
and Long-term vision

Expecting higher revenues

(company-wide)

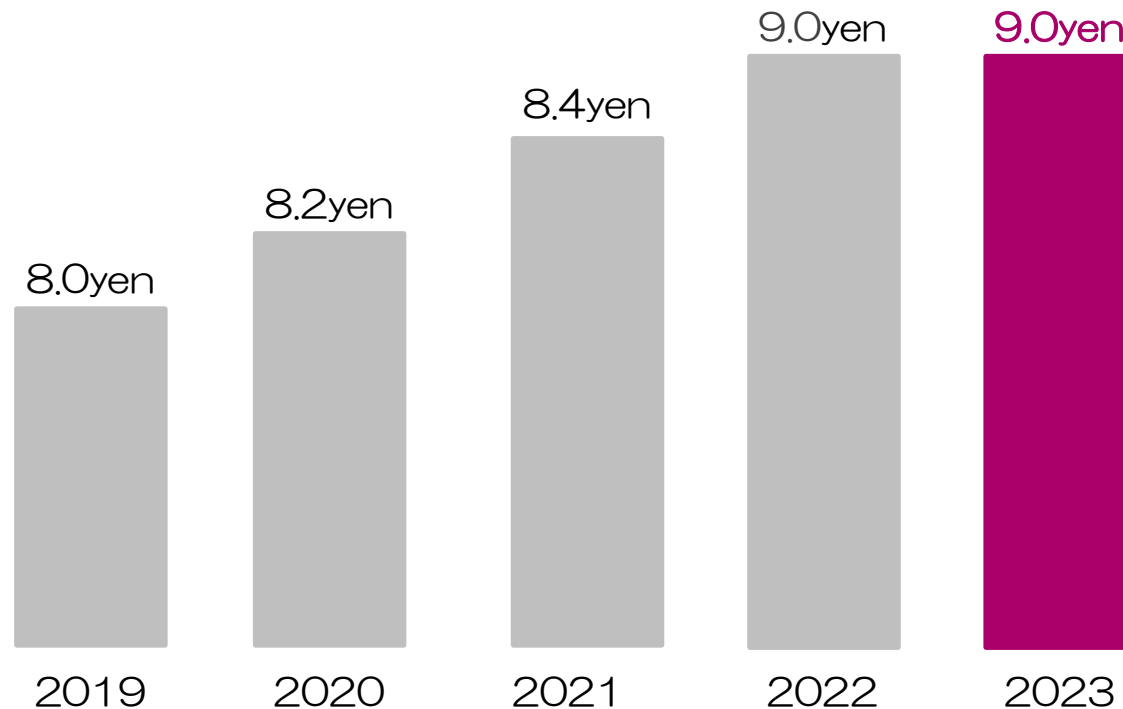
Million of yen	FY 12/2022 Actual	FY 12/2023 Forecast	+/- %	+/- amount
Net Sales	12,128	15,170	+25.1%	+3,041
Operating Profit	154	320	+107.5%	+165
Ordinary profit	156	285	+82.0%	+128
Profit attributable to owners of parent	▲27	137	—	+164

Basic principle of profit allocation

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

Dividend for Fy12/2023

Dividend per share for FY12/2023 is expected to be set as 9.0 yen.



SDGs : Achieving gender equality

5 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 Service.

(Vision) To create society where women actively participate

(Strategy) To develop Service where women actively participate

SDGs action plan of teno. Group

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.

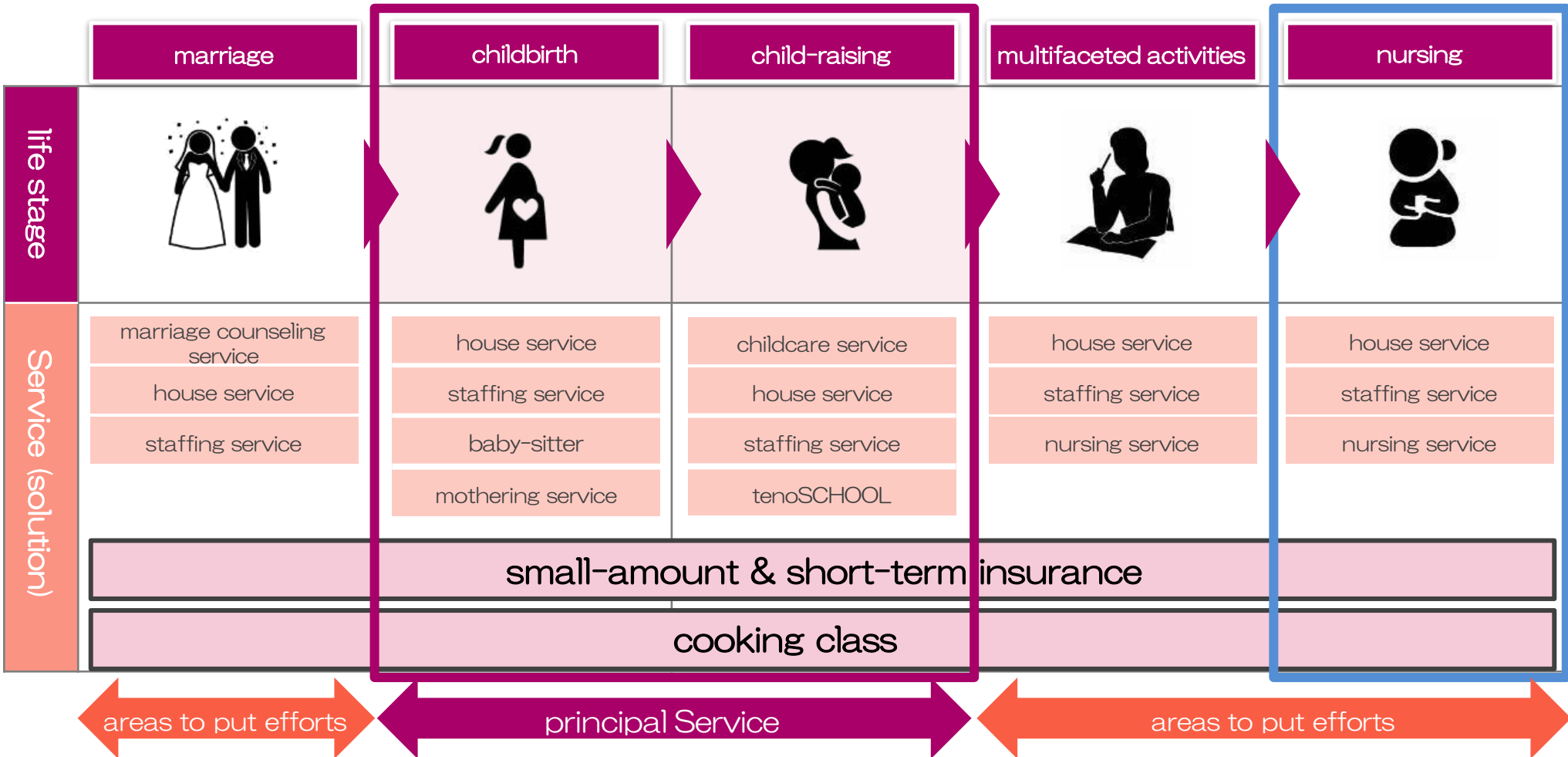
Contribution by teno. Group	Key Performance Indicator (KPI)	Current situation	Numerical targets
<ul style="list-style-type: none"> Supports employees' household work by creating an environment where they can assume responsibilities within their families regardless of their gender. 	<ul style="list-style-type: none"> Percentages of men/women who have taken childcare leaves 	2021 men 0.0% women 98.3%	2025 men 60.0% women 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
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Percentages of women among managerial staff 	FY2021 38.2% (87.5%)	2030 50.0% (87.5%)

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

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



Mid-term management plan and Long-term vision

Basic policies

February 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 Service

「 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.

Mid-term management plan and Long-term vision

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

-Service expansion strategies-

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

Net sales

nursing and others

Net sales
Expanded to **60%**

**50.0
bln. yen**

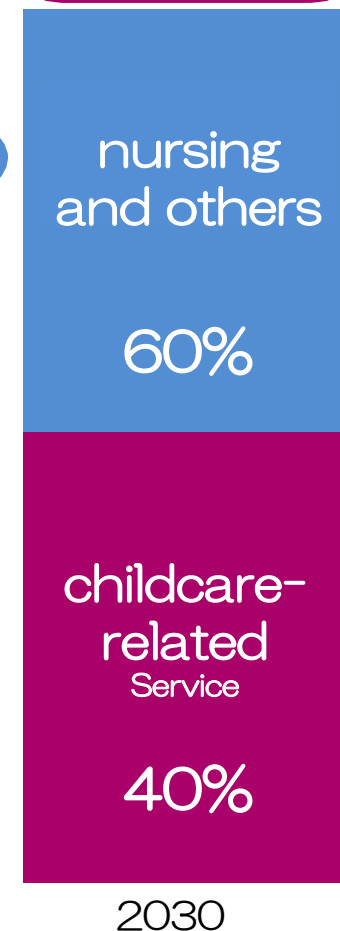
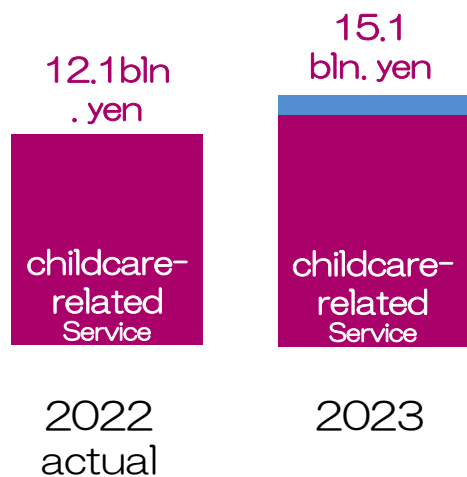
nursing
and others

60%

childcare-
related
Service

40%

CAGR*
2-digit growth



※CAGR: Compound Annual Growth Rate 年平均成長率

Section4

Topics

年 月	事業活動概要
1/2023	【M&A】 Share acquisition of FORTE Co., Ltd.
4/2023	【New Open】 Licensed nursery school 1 facility (public childcare business) Nursing facility 1 facility (day care facility)
5/2023	【New business】 Establishment of platform site “Hokkatsu Assist”
6/2023	【Group initiatives】 team engagement center Establishment of Hoiku Mirai Institute Compass
8/2023	【PR】 “Hokkatsu Assist” wins Kids Design Award and Good Design Award
11/2023	【M&A】 Acquisition of shares of Homemade Cooking Co., Ltd.
12/2023	【Social contributions】 Online “6th Nursery Teacher Qualification Support Course” Free course at tenoSCHOOL

Newly opened

(April 1, 2022)

Genki-no-Furusato Day Service Naka

Genki-no-Furusato Day Service Naka was 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.



(January 31, 2022)

nursing homes

Acquired shares of Forte Co., Ltd.

(to be a subsidiary)

(stockholding ratio: 100%)

(Purpose) Enhancement of service lineup in nursing Service



【Management philosophy】 Contribute to “Richness” of life, for everyone involved

【Service activities】 Nursing Service: Operation of houses of elderly people

- In Apr. 2018, Living Environment Division of Kaigojigyo-Kenkyukai Co., Ltd. (nursing Service institute) became independent and renamed as Forte.

- It operates 4 nursing homes in Osaka Pref.

Residence-type paid nursing home



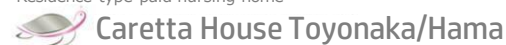
Residence-type paid nursing home



Residence with services for elderly people



Residence-type paid nursing home



『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.





(April 1, 2022)

Newly opened

HOPPEL LAND! Kiyosumi-dori Kachidoki



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



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

Newly opened

(April 1, 2022)

Genki-no-Furusato Day Service Naka

Genki-no-Furusato Day Service Naka was 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.



platform website

(May 31, 2022)

"Hokatsu Assist" Newly opened

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



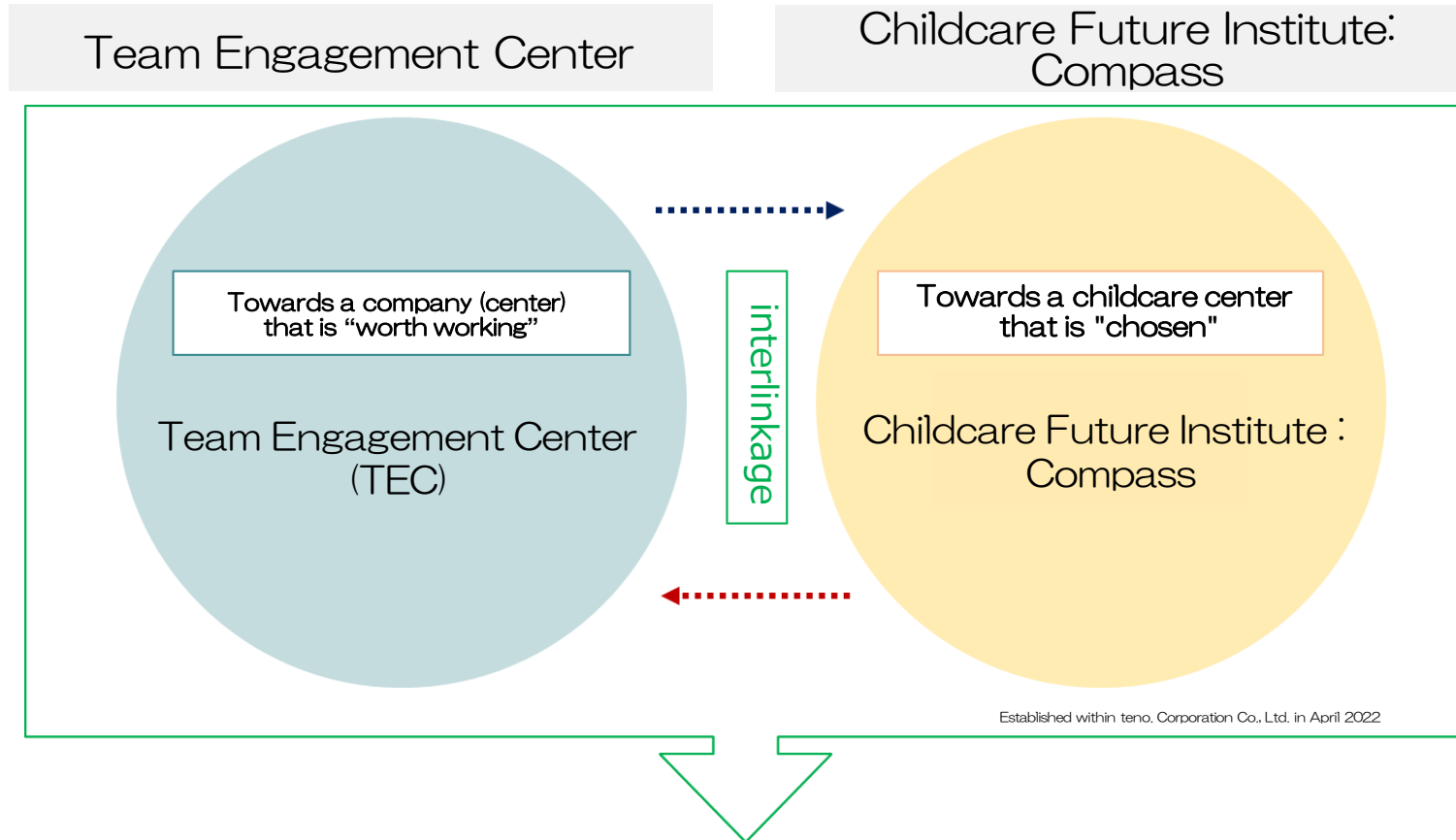
Target

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.

* “Hokatsu” means activities carried out by parents who want to have their children kept at certified childcare centers or other centers.

Efforts to realize “teno VISION 2030” started

(June 30, 2022)



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: “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”.

(October 21, 2022)

New Service

Share acquisition of Homemade Cooking Co., Ltd.

(to be a subsidiary on November 30)

(stockholding ratio: 100%)

(Purpose) To create novel innovation through the field of food



【Basic philosophy】

“We pursue safety/health of food, and continue to be an enterprise that contributes to society”

【Service activities】

Operation of homemade cooking classes: Sales of foodstuff, foods and cooking equipment, etc.

- High brand power with 50 years of operational history since its foundation
- **At present 56 directly-run schools and 300 designated schools are in operation nationwide**



(Jan. ~ Oct. 2022)

4th round

Charge-free online courses for childminders

The 4th & 5th rounds of charge-free online courses for childminders were held as part of supportive measures against COVID-19.

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



Month/Year	Overview of business activities
1/2023	<p>【M&A】 Acquired shares of Safety Japan Risk Management Co., Ltd.</p>
4/2023	<p>【New Open】 Public nursery school 1 facility (Public Child care Service)</p>
4/2023	<p>【Organizational restructuring】 Merger between consolidated subsidiaries Surviving company: Teno.Corporation Co., Ltd. Dissolving company: Teno.Support Co., Ltd.</p>

teno.

HOLDINGS

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