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Consolidated Financial Results for the Six Months Ended March 31, 2025 [Japanese GAAP]

April 30, 2025

Company name: Global Kids Company Corp.

Listing: Tokyo Stock Exchange

Securities code: 6189

URL: <https://www.gkids.jp>

Representative: Yuichi Nakasho

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Scheduled date to file semi-annual securities report: May 9, 2025

Scheduled date to commence dividend payments: June 2, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

Representative Director & CEO

Executive Officer & CFO

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended March 31, 2025 (October 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

| | Net sales | | EBITDA | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---------------------------------|-----------------|------|-----------------|-------|------------------|--------|-----------------|--------|---|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ended March 31, 2025 | 13,969 | 1.2 | 713 | (4.9) | 298 | (12.2) | 285 | (13.5) | 150 | (21.2) |
| March 31, 2024 | 13,809 | 11.5 | 750 | 41.7 | 339 | 118.7 | 330 | 122.9 | 190 | 93.7 |

(Note) Comprehensive income: Six months ended March 31, 2025: ¥ 150 million [(19.6) %]
Six months ended March 31, 2024: ¥ 186 million [75.1 %]

| | Basic earnings per share | Diluted earnings per share |
|---------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Six months ended March 31, 2025 | 15.89 | 15.89 |
| March 31, 2024 | 20.27 | 20.19 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio |
|----------------------|-----------------|-----------------|------------------------|
| | Millions of yen | Millions of yen | % |
| As of March 31, 2025 | 19,672 | 7,956 | 40.4 |
| September 30, 2024 | 15,461 | 8,115 | 52.5 |

(Reference) Equity: As of March 31, 2025: ¥ 7,956 million
As of September 30, 2024: ¥ 8,115 million

2. Dividends

| | Annual dividends | | | | |
|---|--------------------|--------------------|--------------------|----------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended September 30, 2024 | - | 0.00 | - | 35.00 | 35.00 |
| Fiscal year ending September 30, 2025 | - | 20.00 | | | |
| Fiscal year ending September 30, 2025 (Forecast) | | | - | 20.00 | 40.00 |

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending September 30, 2025 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2025(October 1, 2024 to September 30, 2025)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-----------------|-------|------------------|------|-----------------|------|--|-------|-----------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 25,800 | (2.5) | 950 | 20.3 | 920 | 12.1 | 600 | 133.9 | 63.49 |

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

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

March 31, 2025: 9,519,707 shares
September 30, 2024: 9,466,752 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 15,823 shares
September 30, 2024: 15,823 shares

3) Average number of shares outstanding during the period:

Six months ended March 31, 2025: 9,471,982 shares
Six months ended March 31, 2024: 9,422,446 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheets

(Millions of yen)

| | As of September 30, 2024 | As of March 31, 2025 |
|--|--------------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 1,241 | 5,348 |
| Accounts receivable-other and contract asset | 2,536 | 3,128 |
| Prepaid expenses | 674 | 703 |
| Income taxes refund receivable | 77 | - |
| Other | 40 | 7 |
| Total current assets | 4,569 | 9,188 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Land | 692 | 692 |
| Buildings and structures, net | 7,228 | 6,906 |
| Other, net | 360 | 327 |
| Total property, plant and equipment | 8,281 | 7,925 |
| Intangible assets | | |
| Software | 284 | 281 |
| Software in progress | 39 | 7 |
| Total intangible assets | 324 | 289 |
| Investments and other assets | | |
| Investment securities | 27 | 27 |
| Long-term prepaid expenses | 211 | 181 |
| Leasehold and guarantee deposits | 1,777 | 1,756 |
| Construction assistance fund receivables | 197 | 189 |
| Deferred tax assets | 71 | 112 |
| Other | 0 | 0 |
| Total investments and other assets | 2,285 | 2,269 |
| Total non-current assets | 10,891 | 10,484 |
| Total assets | 15,461 | 19,672 |
| Liabilities | | |
| Current liabilities | | |
| Short-term borrowings | - | 4,397 |
| Current portion of long-term borrowings | 798 | 671 |
| Accounts payable - other | 1,478 | 1,700 |
| Income taxes payable | 119 | 186 |
| Advances received | 159 | 45 |
| Provision for bonuses | 603 | 595 |
| Other | 259 | 479 |
| Total current liabilities | 3,418 | 8,076 |
| Non-current liabilities | | |
| Long-term borrowings | 2,120 | 1,798 |
| Retirement benefit liability | 497 | 527 |
| Deferred tax liabilities | 922 | 924 |
| Asset retirement obligations | 384 | 385 |
| Other | 2 | 2 |
| Total non-current liabilities | 3,928 | 3,639 |
| Total liabilities | 7,346 | 11,715 |

(Millions of yen)

| | As of September 30, 2024 | As of March 31, 2025 |
|--|--------------------------|----------------------|
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,309 | 1,321 |
| Capital surplus | 1,997 | 2,009 |
| Retained earnings | 4,811 | 4,630 |
| Treasury shares | (12) | (12) |
| Total shareholders' equity | 8,106 | 7,948 |
| Accumulated other comprehensive income | | |
| Remeasurements of defined benefit plans | 8 | 8 |
| Total accumulated other comprehensive income | 8 | 8 |
| Total net assets | 8,115 | 7,956 |
| Total liabilities and net assets | 15,461 | 19,672 |

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

| | For the six months ended March 31, 2024 | For the six months ended March 31, 2025 |
|--|--|--|
| Net sales | 13,809 | 13,969 |
| Cost of sales | 12,555 | 12,734 |
| Gross profit | 1,253 | 1,235 |
| Selling, general and administrative expenses | 913 | 937 |
| Operating profit | 339 | 298 |
| Non-operating income | | |
| Interest and dividend income | 1 | 1 |
| Subsidy income | 4 | - |
| Miscellaneous income | 1 | 3 |
| Total non-operating income | 6 | 5 |
| Non-operating expenses | | |
| Interest expenses | 11 | 16 |
| Miscellaneous losses | 4 | 1 |
| Total non-operating expenses | 16 | 17 |
| Ordinary profit | 330 | 285 |
| Extraordinary income | | |
| Insurance claim income | - | 76 |
| Total extraordinary income | - | 76 |
| Extraordinary losses | | |
| Loss on closing of nursery schools | 19 | 0 |
| LossOnSaleOfBusiness | - | 3 |
| LossOnCompensationForDamage | - | 74 |
| Total extraordinary losses | 19 | 78 |
| Profit before income taxes | 310 | 283 |
| Income taxes | 119 | 133 |
| Profit | 190 | 150 |
| Profit attributable to | | |
| Profit attributable to owners of parent | 190 | 150 |
| Profit attributable to non-controlling interests | - | - |
| Other comprehensive income | | |
| Remeasurements of defined benefit plans, net of tax | (4) | (0) |
| Total other comprehensive income | (4) | (0) |
| Comprehensive income | 186 | 150 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 186 | 150 |
| Comprehensive income attributable to non-controlling interests | - | - |

Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

| | For the six months ended March 31, 2024 | For the six months ended March 31, 2025 |
|--|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 310 | 283 |
| Depreciation | 410 | 415 |
| Loss on closing of nursery schools | 18 | 0 |
| Loss on sale of business | - | 3 |
| Loss on compensation for damage | - | 74 |
| Subsidy income | (4) | - |
| Increase (decrease) in provision for bonuses | (66) | (7) |
| Increase (decrease) in retirement benefit liability | 45 | 30 |
| Interest and dividend income | (1) | (1) |
| Interest expenses | 11 | 16 |
| Insurance claim income | - | (76) |
| Decrease (increase) in accounts receivables and contract assets | (117) | (592) |
| Decrease (increase) in prepaid expenses | 12 | (6) |
| Increase (decrease) in accounts payable - other | 210 | 218 |
| Increase (decrease) in advances received | (81) | (113) |
| Other, net | 62 | 286 |
| Subtotal | 811 | 531 |
| Interest and dividends received | 0 | 0 |
| Interest paid | (11) | (16) |
| Subsidies received | 4 | - |
| Proceeds from insurance income | - | 76 |
| Compensation paid for damage | - | (74) |
| Income taxes paid | (109) | (18) |
| Net cash provided by (used in) operating activities | 695 | 499 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (221) | (16) |
| Purchase of intangible assets | - | (7) |
| Payments of leasehold and guarantee deposits | (15) | (2) |
| Proceeds from refund of leasehold and guarantee deposits | 42 | 1 |
| Proceeds from collection of construction assistance fund receivables | 48 | 8 |
| Proceeds from sale of businesses | - | 7 |
| Other, net | 18 | (0) |
| Net cash provided by (used in) investing activities | (128) | (9) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 4,050 | 4,397 |
| Proceeds from long-term borrowings | 2,276 | - |
| Repayments of long-term borrowings | (2,924) | (449) |
| Repayments of lease liabilities | (0) | (0) |
| Proceeds from exercise of employee share options | 0 | 0 |
| Dividends paid | (282) | (330) |
| Net cash provided by (used in) financing activities | 3,119 | 3,617 |
| Net increase (decrease) in cash and cash equivalents | 3,685 | 4,106 |
| Cash and cash equivalents at beginning of period | 1,359 | 1,241 |
| Cash and cash equivalents at end of period | 5,044 | 5,348 |