

**Presentation Materials for the Earnings Briefing
for the First Half of the Fiscal Year Ending September 30, 2022**



Global Kids Company Corp.

April 28, 2022

Note Concerning Forward-looking Statements

The plans, forecasts, strategies and other information contained in these materials forecast future performance based on information available at the time the materials were prepared. These include inherent risk and uncertainty.

Actual performance may differ from forecasts and predictions due to such risk and uncertainty.

Information considered useful for explaining our business environment has been provided in these materials. The results in the data may vary depending on the method or timing of the survey.

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Overview of Results for the First Half of the Fiscal Year Ending September 30, 2022 (FY9/22)

Operating results for 2Q FY9/22

- Net sales and operating profit increased substantially on both a year on year and quarterly basis
 - Net sales ¥6,231 million (up 4.7% year on year)
 - Operating profit ¥236 million (up 26.7% year on year, up 76.6% compared to previous quarter)
 - EBITDA ¥449 million (up 13.8% year on year, up 29.5% compared to previous quarter)

Operating results for the first half of FY9/22

- Cumulative net sales and operating profit also rose year on year
 - Net sales ¥12,257 million (up 5.3% year on year)
 - Operating profit ¥370 million (up 10.2% year on year)
 - EBITDA ¥797 million (up 5.9% year on year)

Full-year earnings forecast for FY9/22

- April occupancy rates fell below expectations, but both sales and operating profit are expected to continue to rise due to new facility openings, the closure of unprofitable facilities, and cost of sales reductions
 - Net sales ¥24,900 million (up 5.8% year on year)
 - Operating profit ¥940 million (up 63.2% year on year)
 - EBITDA ¥1,810 million (up 26.9% year on year)

Results summary for the first half of FY9/22

Sales and operating profit rose for the first half of FY9/22. Although business results were affected by a change in accounting period for some subsidiaries for operations, improvements to occupancy rates for children aged 0 and 1, together with reductions to recruiting expenses, contributed to business results.

Overview of consolidated operating results for the first half of FY9/22 (millions of yen)

	1H FY9/21	Against net sales	1H FY9/22	Against net sales	YoY change
Net sales	11,640	-	12,257	-	+5.3%
Gross profit	1,484	12.8%	1,535	12.5%	+3.5%
SG&A expenses	1,148	9.9%	1,165	9.5%	+1.5%
Operating profit	336	2.9%	370	3.0%	+10.2%
Ordinary profit	324	2.8%	364	3.0%	+12.2%
Profit attributable to owners of parent	196	1.7%	221	1.8%	+12.3%
EBITDA	752	6.5%	797	6.5%	+5.9%

Net sales, operating profit, and net income attributable to owners of parent

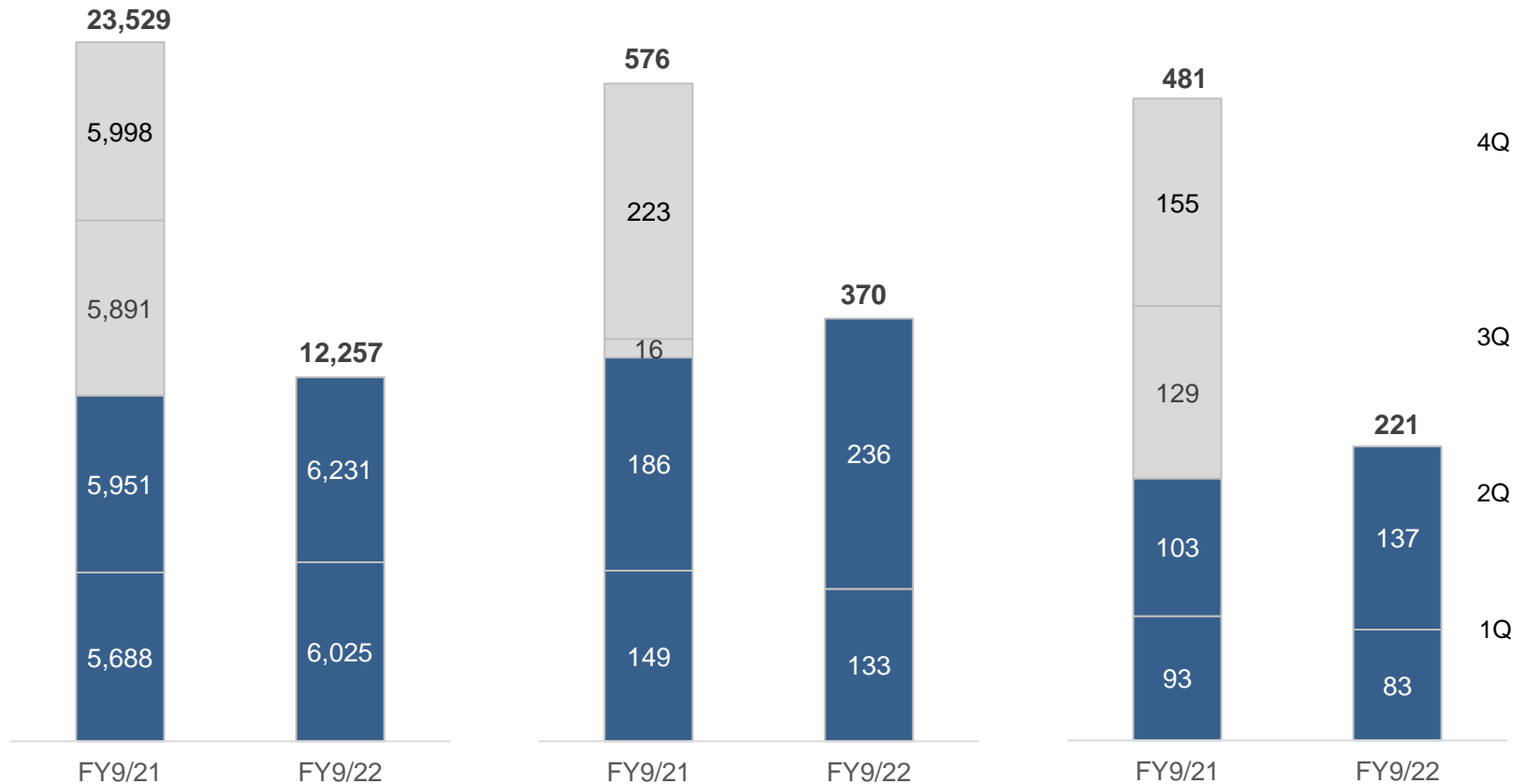
Net sales, operating profit, and net income attributable to owners of parent for the second quarter all rose during the second quarter on a year on year and on a quarterly basis.

Net sales and operating profit for the first half reached record highs.

Net sales (Millions of yen)

Operating profit (Millions of yen)

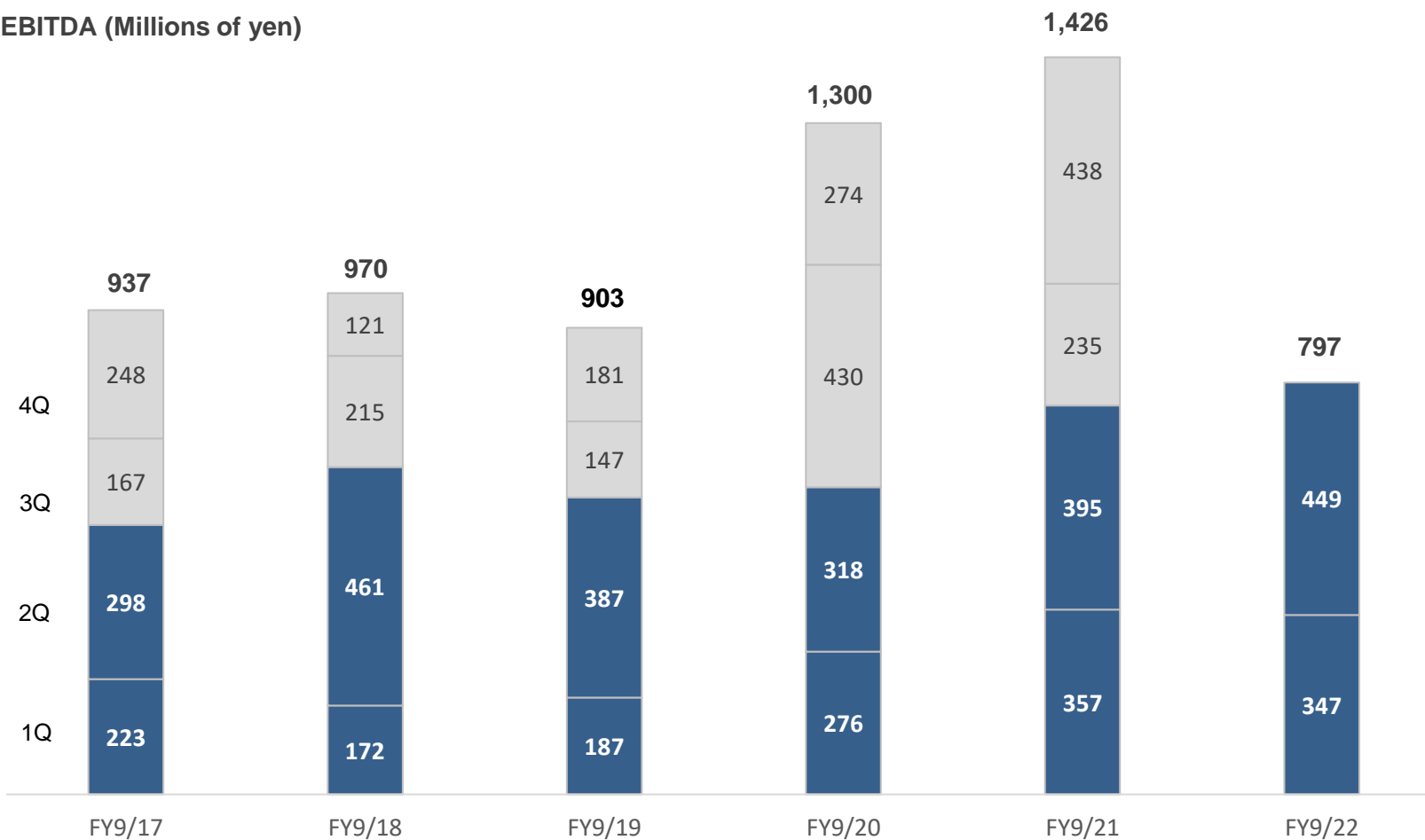
Net income attributable to owners of parent (Millions of yen)



EBITDA

During the second quarter, EBITDA rose 13.8% year on year.

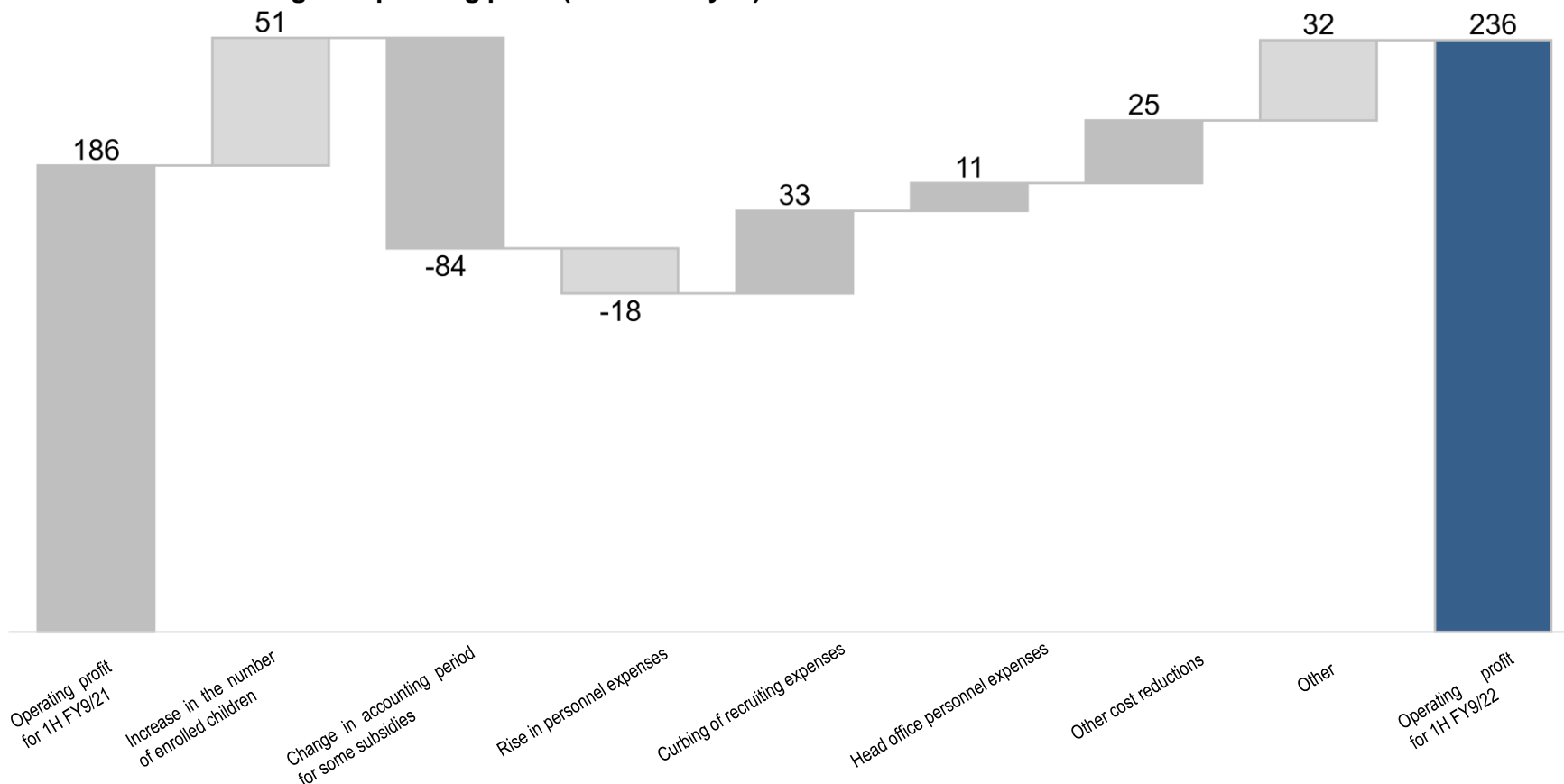
EBITDA (Millions of yen)



Breakdown of change in operating profit

Profits increased due to an increase in the number of enrolled children and the curbing of recruiting expenses, despite the effects of a change in accounting period for some subsidies for operations and an increase in personnel expenses resulting from an increase in the number of dispatched personnel. The operating profit margin improved by 0.7 points. The operating profit margin after eliminating the effects of the change to subsidy timing rose by 130.4% year on year. (Note)

Factors behind change in operating profit (Millions of yen)



Note: Change after adjusting operating profit for 1H FY9/22

Net sales: Number of nursery schools

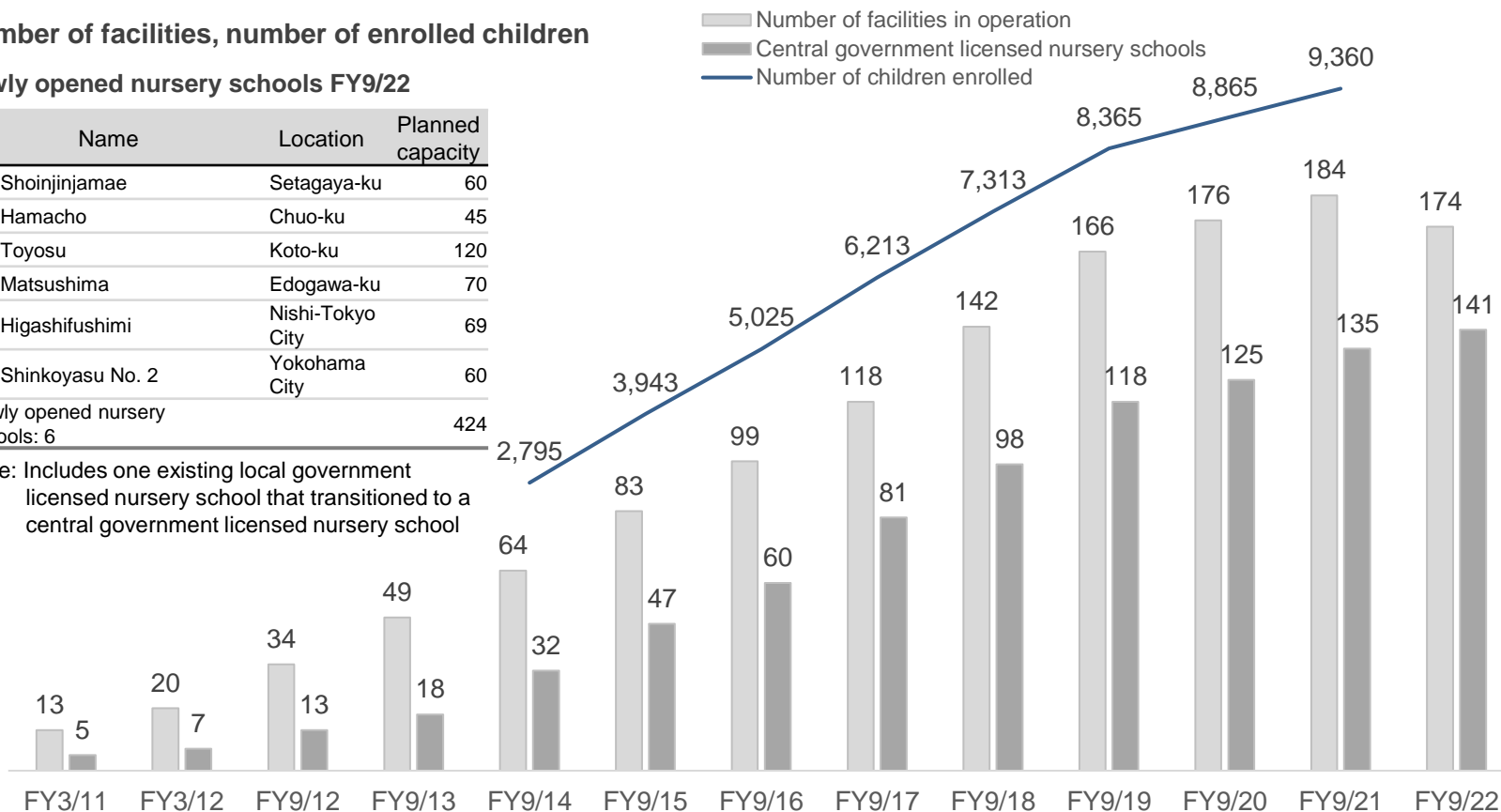
In FY9/22, six central government licensed nursery schools (one of which transitioned from local government licensed nursery school status) were opened in April. However, the number of facilities in operation fell due to the transfer of 11 facilities in the company-sponsored childcare business segment and the closures of one privately established and operated after-school day care center, one small-scale nursery school, and one child development support facility. As a result, the number of central government licensed nursery schools accounted for 81.1% (73.4% in FY9/21) of all childcare facilities.

Number of facilities, number of enrolled children

Newly opened nursery schools FY9/22

Name	Location	Planned capacity
Shoinjinjamae	Setagaya-ku	60
Hamacho	Chuo-ku	45
Toyosu	Koto-ku	120
Matsushima	Edogawa-ku	70
Higashifushimi	Nishi-Tokyo City	69
Shinkoyasu No. 2	Yokohama City	60
Newly opened nursery schools: 6		424

Note: Includes one existing local government licensed nursery school that transitioned to a central government licensed nursery school



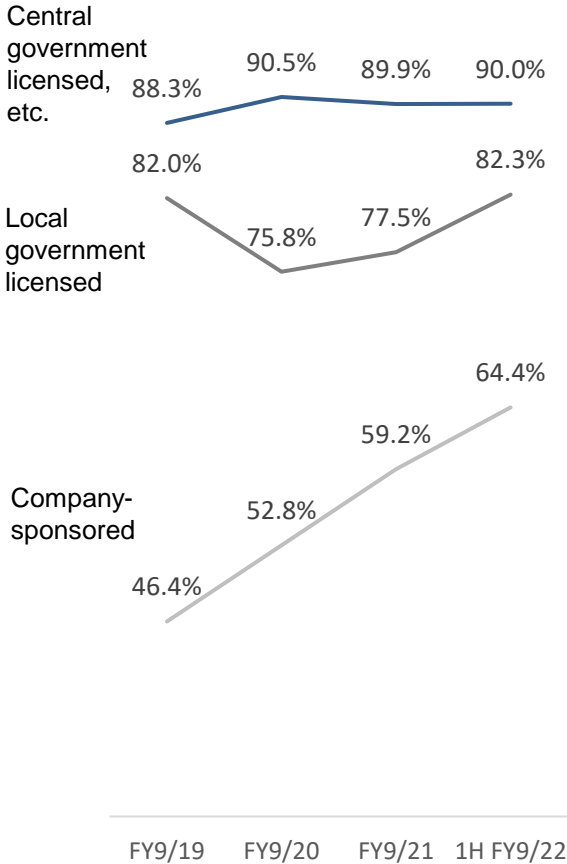
Note: The number of facilities is the total of nursery schools, after-school day care centers and children houses, and child developmental support facilities. The number of enrolled children is for nursery schools only.

Net sales: occupancy rate

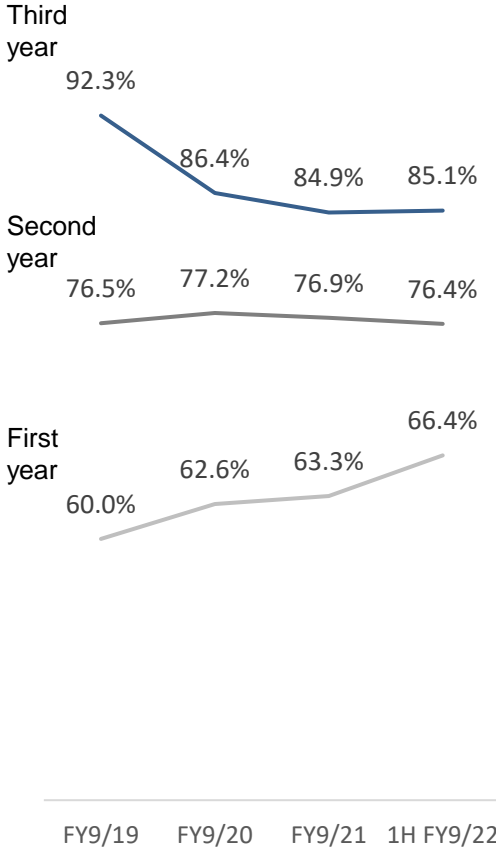
As for the occupancy rate by type of nursery schools, the rate for central government licensed nursery schools, etc. remained stable at around 90%. The rate for local government licensed nursery schools, which had been on a downward trend in recent years, continued to improve. By age group, the occupancy rate for 0-year-olds remained high after recovering.

The occupancy rate for April 2022 fell to roughly the same level as April of last year due to the expansion of childcare leave systems and the falling number of children on waiting lists.

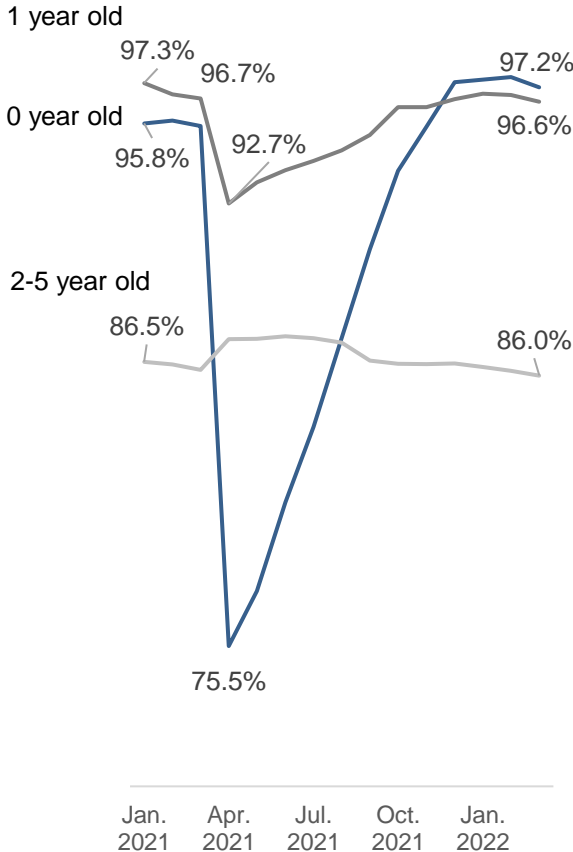
By type of nursery schools



By year of opening

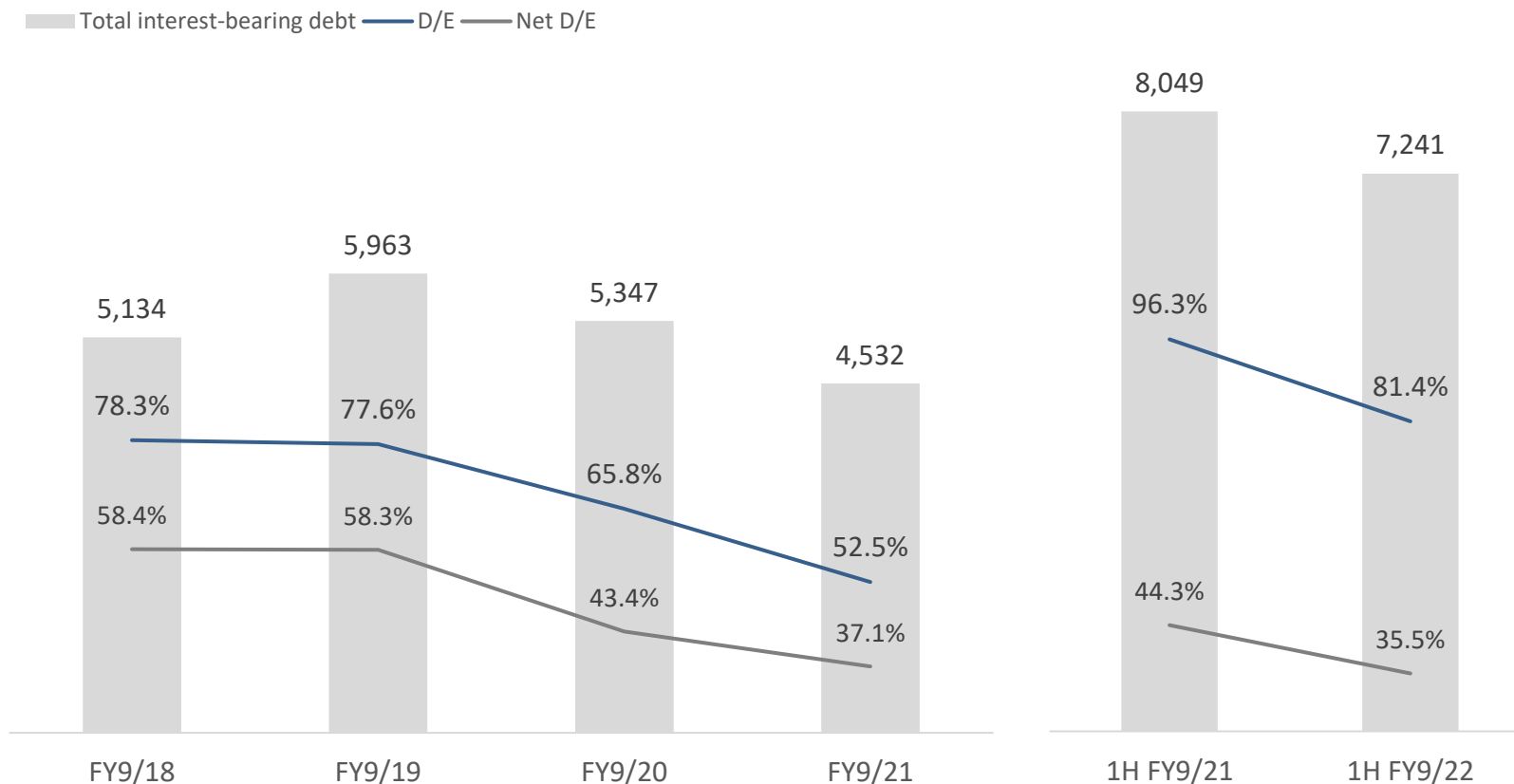


By age group



The D/E ratio and EBITDA interest-bearing debt ratio continued to improve.

D/E ratio, Total interest-bearing debt (Millions of yen)



Forecast for the Fiscal Year Ending September 30, 2022 (FY9/22)

Forecast for the fiscal year ending September 30, 2022

The forecast for FY9/22 remains unchanged, and we expect both operating profit and net income to reach record highs. We plan to pay a dividend of ¥25 per share in consideration of a decrease in financial leverage and an expected increase in free cash flow.

(Millions of yen)	FY9/21 results	FY9/22 forecast	YoY change
Net sales	23,529	24,900	+5.8%
Operating profit	576	940	+63.2%
Ordinary profit	1,148	1,260	+9.7%
Profit attributable to owners of parent	481	800	+66.0%
EBITDA	1,426	1,810	+26.9%
Dividend per share	-	¥25	-

Appendix

Breakdown of the number of facilities in operation

	FY3/12	FY9/12	FY9/13	FY9/14	FY9/15	FY9/16	FY9/17	FY9/18	FY9/19	FY9/20	FY9/21	FY9/22 E
Licensed (Tokyo)	3	6	9	20	28	38	56	70	86	91	98	103
Licensed (Kanagawa)	4	7	9	12	16	17	19	20	23	25	27	28
Licensed (Other)	-	-	-	-	3	5	6	8	9	9	10	10
Licensed by Tokyo Met. Gov't	11	15	20	20	21	22	20	20	17	17	16	15
Centers for early childhood education and care, etc.	1	3	5	5	5	6	5	5	6	6	6	5
Company- sponsored	-	-	-	-	-	-	-	7	11	11	11	-
After-school day care centers and children houses	1	3	6	7	10	11	12	12	13	13	12	10
Child developmental support facilities	-	-	-	-	-	-	-	-	1	4	4	3
Total	20	34	49	64	83	99	118	142	166	176	184	174

Note: Centers for early childhood education and care, etc.: Centers for early childhood education and care, small-scale, in office

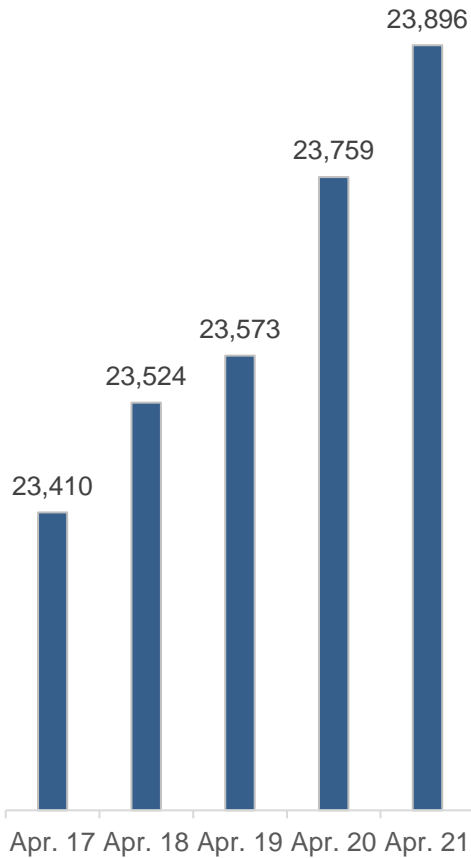
Ranking of childcare service sales

	Company name	Net sales (Millions of yen)
1	JP-HOLDINGS	33,500
2	LIKE	26,396
3	Kodomo no Mori	24,054
4	Global Kids Company	23,529
5	Poppins	21,384
6	AIGRAN	15,628
7	HITOWA Kids Life	11,657
8	teno. Corporation	10,778
9	Sakurasaku plus	10,004
10	ART CHILDCARE	8,425

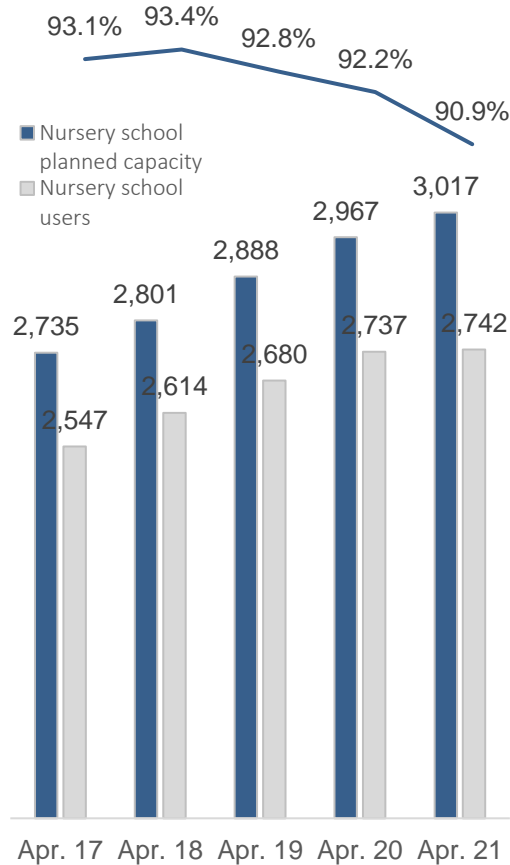
Source: The Nikkei MJ. Financial results for the Company and LIKE.

Note: For the Company, JP Holdings, Like, and Sakurasaku Plus, sales for the fiscal year ended in 2021. For other companies, sales for the fiscal year ended in 2020.

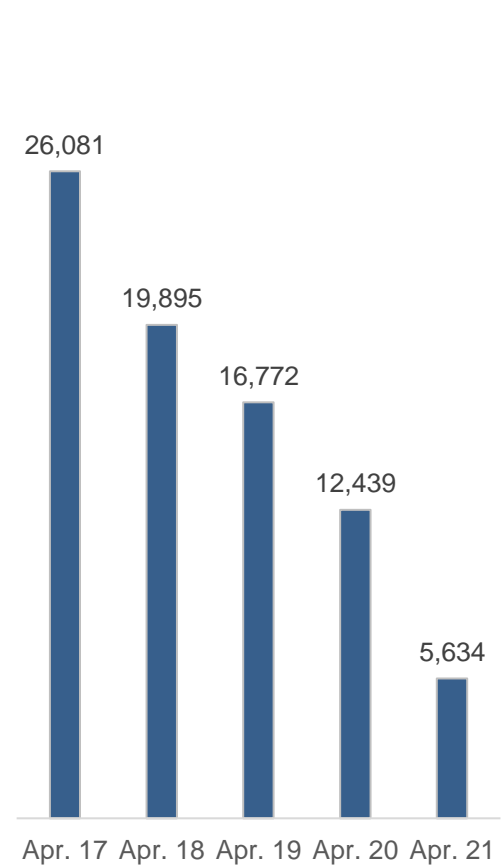
Number of central government licensed childcare centers (nationwide)



Capacity and utilization of nursery schools (thousands)



Number of wait-listed children nationwide (persons)



Source: Ministry of Health, Labour and Welfare

Main types of nursery schools in operation

	Establishment standards	Main operating revenue
Central government licensed nursery schools	<ul style="list-style-type: none"> ● Facilities with national standards based on the Child Welfare Act ● Approval from the prefectural governor, etc., is required for establishment 	<ul style="list-style-type: none"> ● Receives facility based benefits paid by the national and local governments as a commissioned fee
Independently licensed nursery schools (local government standards)	<ul style="list-style-type: none"> ● Facilities that are not central government licensed but meet the unique standards of the local government (including the Tokyo Metropolitan Government, Yokohama City, etc.) 	<ul style="list-style-type: none"> ● Operating subsidies provided by the local government that established the system ● Childcare fees paid by users
Company-sponsored nursery schools	<ul style="list-style-type: none"> ● Facilities established under the subsidy program for companies initiated by the Cabinet Office ● Has the nature of both onsite childcare for the company that established it and public nursery schools open to the community 	<ul style="list-style-type: none"> ● Subsidies granted by the Child Upbringing Association in accordance with the guidelines for implementing subsidies for company led childcare business ● Childcare fees paid by users
Childcare centers other than central government licensed, etc.	<ul style="list-style-type: none"> ● Facilities other than central government licensed or local government licensed 	<ul style="list-style-type: none"> ● Childcare fees paid by users
Nursery schools at business offices	<ul style="list-style-type: none"> ● A facility operated by an operating company for its employees using part of its business premises 	<ul style="list-style-type: none"> ● Contracting fees from the operating company to the management company and childcare fees from users ● In some cases, the local government will provide operating expenses

