

## Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending September 30, 2023 (Nine Months Ended June 30, 2023)

**[Japanese GAAP]**  
August 10, 2023

Company name: Global Kids Company Corp.  
Securities code: 6189  
Representative: Yuichi Nakasho, Representative Director & CEO  
Contact: Masayuki Noda, Director & Executive Officer  
Telephone: +81-(0)3-3221-3770

Stock Exchange Listing: TSE (Prime)  
URL: <https://www.gkids.jp/>

Scheduled date of filing of Quarterly Report: August 14, 2023  
Scheduled date of payment of dividend: -  
Preparation of supplementary materials for quarterly financial results: Yes  
Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending September 30, 2023 (October 1, 2022 to June 30, 2023)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Jun. 30, 2023	18,595	1.8	203	(59.5)	192	(80.4)	(157)	-
Nine months ended Jun. 30, 2022	18,264	4.2	502	42.6	978	14.2	(482)	(247.7)

Note: Comprehensive income (million yen) Nine months ended Jun. 30, 2023: 145 (down 68.6%)  
Nine months ended Jun. 30, 2022: 463 (down 233.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Jun. 30, 2023	(16.75)	-
Nine months ended Jun. 30, 2022	(51.56)	-

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2023	16,505	7,993	48.4
As of Sep. 30, 2022	16,601	8,367	50.4

Reference: Shareholders' equity (million yen) As of Jun. 30, 2023: 7,993 As of Sep. 30, 2022: 8,367

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Sep. 30, 2022	-	0.00	-	25.00	25.00
Fiscal year ending Sep. 30, 2023	-	0.00	-		
Fiscal year ending Sep. 30, 2023 (Forecast)				30.00	30.00

Note: Revisions to the most recently announced dividend forecast: None

### 3. Consolidated Earnings Forecast for the Fiscal Year Ending September 30, 2023

(October 1, 2022 to September 30, 2023) (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen
Full year	25,400	4.3	300	(57.6)	280	(76.3)	(150)	-	(15.94)	(15.94)

Note: Revisions to the most recently announced earnings forecast: Yes

**\*Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: Yes

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares issued (common stock)

1) Number of shares issued as of the end of the period (including treasury shares)

As of Jun. 30, 2023:	9,429,141 shares	As of Sep. 30, 2022:	9,405,341 shares
----------------------	------------------	----------------------	------------------

2) Number of treasury shares as of the end of the period

As of Jun. 30, 2023:	15,823 shares	As of Sep. 30, 2022:	6,859 shares
----------------------	---------------	----------------------	--------------

3) Average number of shares issued during the period

Nine months ended Jun. 30, 2023:	9,407,614 shares	Nine months ended Jun. 30, 2022:	9,363,564 shares
----------------------------------	------------------	----------------------------------	------------------

\* The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

\* Explanation of appropriate use of earnings forecasts and other special items

Forecasts and other forward-looking statements in these materials are based on assumptions judged to be valid and information available to the Company's management at the time these materials were prepared, but are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons.

Please refer to the section "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements" on page 3 of the attachments for details on the above forecasts.

## Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	2
(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income (For the Nine-month Period)	6
(3) Notes to Quarterly Consolidated Financial Statements	7
Going Concern Assumption	7
Quarterly Consolidated Statement of Income	7
Significant Changes in Shareholders' Equity	8
Changes in Accounting Policies	8
Segment and Other Information	8
Business Combination	9
Significant Subsequent Events	11

## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

Regarding the circumstances surrounding the child-rearing support business, the number of nursery school users and childcare facilities had been continuing to increase due to the rise in the number of households with two workers and the employment rate for women. However, the number of wait-listed children in April 2022 decreased by 2,690 children from the previous year to 2,944 children, and the number of newborns in 2022 fell below 800,000 for the first time since 1899 when the gathering of such statistics began. As seen by these trends, the external environment has been changing.

Meanwhile, as a government response, the “Children and Families Agency” was established in April 2023, under the banner of a “child-centered society” which unifies the measures regarding children and centrally positions child-related initiatives and policies within society in order to strengthen child-related policies. The draft plan announced in March 2023 contains policies referred to as “unprecedented measures to tackle the declining birth rate,” including policies to decrease the number of children each childcare worker is to be in charge of for the first time in 75 years and further improve childcare workers’ compensation, and to create a system, “*Kodomo Daredemo Tsuen* system (tentative name),” that enables all child-rearing households to use nursery schools regardless of work requirements, among other things. Furthermore, in the policy speech delivered in January 2023, child-related policies were given the highest priority, while in the Basic Policy on Economic and Fiscal Management and Reform (*Honebuto no Hoshin*, “big-boned policies”) which was decided by the cabinet in June, a commitment is being made for an improvement in the authorized fees payable to nurseries and local government licensed centers for early childhood education and preschool programs, with a view toward enhancing the quality of early childhood education and preschool programs, thus indicating a further rise in society’s child-oriented perspective.

Amid such substantial changes in the external environment surrounding the child-rearing support business, the Group is moving forward with initiatives whose core consists of three policies, namely “expansion of scale,” “expansion of functions,” and “strengthening of infrastructure,” based on the “Medium-term Management Plan 2024” announced on November 12, 2021. As a concrete measure for “expansion of scale,” the Company entered into a share transfer agreement on April 18, 2023, to acquire all shares of OHAYO KIDS CO., LTD. (former Tokyo Tatemono Kids Co., Ltd.) which mainly operates Tokyo Metropolitan Government licensed nursery schools on which the Group is focusing and it became our wholly-owned subsidiary on June 1, 2023. For details, please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Consolidated Financial Statements (Business Combination).” Also, based on the judgment that improving productivity through reorganization of the Group’s head office functions would be indispensable for promoting the diversification of revenue sources mainly by strengthening new businesses seeking “expansion of functions,” the Company transferred part of Global Kids K.K.’s child-rearing support business to GKS K.K., effective April 1, 2023. As a measure for “strengthening of infrastructure,” the Company is pursuing development of a child-rearing platform, the focal point of ICT strategies, and continuing active investments. In addition, with respect to the “GlobalKids Plus +” learning business, lessons were started in Toyosu in June 2023.

As a result of the acquisition of 17 facilities operated by OHAYO KIDS CO., LTD. (former Tokyo Tatemono Kids Co., Ltd.), the number of facilities operated by the Group at the end of the period under review was a total of 188 facilities: 154 central government licensed nursery schools (115 in Tokyo, 29 in Kanagawa, four in Chiba, one in Saitama and five in Osaka); 22 local government licensed nursery schools or centers for early childhood education and care; 11 after-school day care centers or children’s houses; and one company sponsored nursery schools.

Regarding results of operations for the period under review, net sales increased slightly year on year due to the transfer of the company sponsored childcare business. In terms of expenses, both the cost of sales and the cost to sales ratio rose due mainly to increases in personnel and recruiting expenses. Also, owing to investments in the child-rearing platform mentioned above and other factors, outsourcing expenses increased, which resulted in a rise of the selling, general and administrative expenses ratio.

Consequently, the Group reported net sales for the period under review of 18,595 million yen (up 1.8% year on year) with operating profit of 203 million yen (down 59.5% year on year), ordinary profit of 192 million yen (down 80.4% year on year), and loss attributable to owners of parent of 157 million yen (down 67.4% year on year).

### (2) Explanation of Financial Position

#### Assets

Total assets amounted to 16,505 million yen at the end of the period under review, a decrease of 95 million yen from the end of the previous fiscal year.

Current assets decreased 169 million yen to 4,377 million yen. This was mainly attributable to an increase of 544 million yen in cash and deposits, while a decrease of 711 million yen in accounts receivable-other and contract assets.

Non-current assets increased 73 million yen to 12,128 million yen. This was mainly attributable to buildings and structures, net and other property, plant and equipment decreasing by 271 million yen and 45 million yen, respectively, while software and software in

progress increasing by 263 million yen and 13 million yen, respectively.

#### Liabilities

Total liabilities amounted to 8,511 million yen at the end of the period under review, an increase of 278 million yen from the end of the previous fiscal year.

Current liabilities increased 59 million yen to 3,277 million yen. This was mainly attributable to an increase of 202 million yen in the current portion of long-term loans payable, while a decrease of 276 million yen in provision for bonuses because of the payment of bonuses in June.

Non-current liabilities increased 218 million yen to 5,234 million yen. This was mainly attributable to an increase of 289 million yen in long-term loans payable.

#### Net assets

Net assets amounted to 7,993 million yen at the end of the period under review, a decrease of 374 million yen from the end of the previous fiscal year. This was mainly attributable to retained earnings as a result of the booking of loss attributable to owners of parent and the payment of year-end dividends decreasing by 157 million yen and 234 million yen, respectively.

### **(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements**

For consolidated forecasts for the fiscal year ending September 30, 2023, please refer to “Notice Concerning Booking of Extraordinary Losses (Impairment Loss) and the Revision of Earnings Forecasts” that was announced today (August 10, 2023).

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly Consolidated Balance Sheet**

(Millions of yen)

	FY9/22 (As of Sep. 30, 2022)	Third quarter of FY9/23 (As of Jun. 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	1,303	1,847
Accounts receivable-other and contract assets	2,597	1,885
Prepaid expenses	640	640
Other	5	3
Total current assets	4,546	4,377
Non-current assets		
Property, plant and equipment		
Land	692	692
Buildings and structures, net	8,584	8,312
Other, net	310	265
Total property, plant and equipment	9,587	9,270
Intangible assets		
Software	33	296
Software in progress	-	13
Total intangible assets	33	310
Investments and other assets		
Investment securities	47	27
Long-term prepaid expenses	365	325
Lease and guarantee deposits	1,717	1,881
Construction assistance fund receivables	266	252
Deferred tax assets	35	59
Other	0	0
Total investments and other assets	2,432	2,546
Total non-current assets	12,054	12,128
Total assets	16,601	16,505
<b>Liabilities</b>		
Current liabilities		
Current portion of long-term loans payable	754	956
Accounts payable-other	1,336	1,448
Income taxes payable	175	53
Advances received	120	133
Provision for bonuses	594	318
Other	234	367
Total current liabilities	3,217	3,277
Non-current liabilities		
Long-term loans payable	2,957	3,246
Net defined benefit liability	448	499
Deferred tax liabilities	1,249	1,074
Asset retirement obligations	360	413
Total non-current liabilities	5,015	5,234
Total liabilities	8,233	8,511

(Millions of yen)

	FY9/22 (As of Sep. 30, 2022)	Third quarter of FY9/23 (As of Jun. 30, 2023)
Net assets		
Shareholders' equity		
Capital stock	1,296	1,302
Capital surplus	1,984	1,991
Retained earnings	5,127	4,735
Treasury shares	(6)	(12)
Total shareholders' equity	8,402	8,016
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	(34)	(22)
Total accumulated other comprehensive income	(34)	(22)
Total net assets	8,367	7,993
Total liabilities and net assets	16,601	16,505

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income**  
**(For the Nine-month Period)**

(Millions of yen)

	First nine months of FY9/22 (Oct. 1, 2021 – Jun. 30, 2022)	First nine months of FY9/23 (Oct. 1, 2022 – Jun. 30, 2023)
Net sales	18,264	18,595
Cost of sales	16,660	17,143
Gross profit	1,603	1,451
Selling, general and administrative expenses	1,101	1,248
Operating profit	502	203
Non-operating income		
Interest and dividend income	5	1
Subsidy income	642	-
Miscellaneous income	4	10
Total non-operating income	652	12
Non-operating expenses		
Interest expenses	15	12
Capital expenses	155	-
Miscellaneous losses	4	10
Total non-operating expenses	175	23
Ordinary profit	978	192
Extraordinary profit		
Gain on step acquisitions	-	*1 21
Gain on bargain purchase	-	*2 98
Total extraordinary profit	-	119
Extraordinary losses		
Loss on retirement of non-current assets	-	0
Impairment loss	*3 1,677	*3 608
Loss on closing of nursery schools	*4 8	-
System failure handling expense	*5 36	-
Total extraordinary losses	1,721	608
Profit (loss) before income taxes	(743)	(296)
Income taxes	(260)	(139)
Profit (Loss)	(482)	(157)
Profit (loss) attributable to		
Profit (loss) attributable to owners of parent	(482)	(157)
Profit attributable to non-controlling interests	-	-
Other comprehensive income		
Valuation difference on available-for-sale securities	0	-
Remeasurements of defined benefit plans, net of tax	18	11
Total other comprehensive income	19	11
Comprehensive income	(463)	(145)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(463)	(145)
Comprehensive income attributable to non-controlling interests	-	-



**(3) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Quarterly Consolidated Statement of Income****\*1 Gain on step acquisitions**

First nine months of FY9/23 (Oct 1, 2022 – Jun. 30, 2023)

The Group recorded 21 million yen following the step acquisition of shares of OHAYO KIDS CO., LTD. (former Tokyo Tatemono Kids Co., Ltd.)

**\*2 Gain on bargain purchase**

First nine months of FY9/23 (Oct 1, 2022 – Jun. 30, 2023)

The Group recorded 98 million yen in gain on bargain purchase following the conversion of OHAYO KIDS CO., LTD. (former Tokyo Tatemono Kids Co., Ltd.) into a wholly-owned subsidiary effective June 1, 2023 through the acquisition of its shares.

**\*3 Impairment loss**

First nine months of FY9/22 (Oct 1, 2021 – Jun. 30, 2022)

Purpose	Type	Location	Impairment loss (Millions of yen)
Facility (23 facilities)	Buildings and structures “Other” under property, plant and equipment	Koto-ku, Tokyo, etc.	1,677

The Group’s assets are grouped by facility as a basic unit, which is the smallest group of assets that generates cash inflows. The Group recognized an impairment loss (1,640 million yen for buildings and structures and 36 million yen for “Other” under property, plant and equipment) as an extraordinary loss as well as writing down the carrying amount of facilities with deteriorating operating performance to their recoverable amount.

First nine months of FY9/23 (Oct 1, 2022 – Jun. 30, 2023)

Purpose	Type	Location	Impairment loss (Millions of yen)
Facility (16 facilities)	Buildings and structures “Other” under property, plant and equipment	Yokohama-shi, Kanagawa, etc.	608

The Group’s assets are grouped by facility as a basic unit, which is the smallest group of assets that generates cash inflows. The Group recognized an impairment loss (583 million yen for buildings and structures and 25 million yen for “Other” under property, plant and equipment) as an extraordinary loss as well as writing down the carrying amount of facilities with deteriorating operating performance to their recoverable amount.

**\*4 Loss on closing of nursery schools**

First nine months of FY9/22 (Oct 1, 2021 – Jun. 30, 2022)

The Company recognized, a loss on closure of nursery schools as a result of incurring restoration costs of 8 million yen due to the closure of a local government licensed nursery school in conjunction with the establishment of a new central government licensed nursery school in its neighborhood.

**\*5 System failure handling expense**

First nine months of FY9/22 (Oct 1, 2021 – Jun. 30, 2022)

Expenses were incurred as a result of the system failure that was caused by malware that used malicious emails, discovered on February 24, 2022. Expenses primarily consisted of the costs involved in having an outside expert perform investigation and analysis.

### **Significant Changes in Shareholders' Equity**

Not applicable.

### **Changes in Accounting Policies**

The Group had previously included certain expenses related to the consolidated subsidiary's facilities in selling, general and administrative expenses but starting from the first three month of FY9/23, it has changed the presentation method to include such expenses in the cost of sales.

As the Group transitions from the "business expansion" phase to the "business expansion and duplication" phase under the "Medium-term Management Plan 2024," it is revising its organizational structure as part of the project to improve earnings.

While revising the system for facility assessment and reviewing facility profit/loss in the process of restructuring, the Group has refined its approach to expenses and has determined that accounting for certain selling, general and administrative expenses as cost of sales would more appropriately reflect the management environment, and accordingly has changed its accounting method.

This change in accounting policy has been retrospectively applied and for the nine months ended June 30, 2022, the consolidated financial statements represent those after the retrospective application.

As a result, compared to the accounting method prior to the retrospective application, the cost of sales for the nine months ended June 30, 2022 increased by 646 million yen, and gross profit and selling, general and administrative expenses have decreased by the same amount, respectively. However, it has had no effect on operating profit, ordinary profit, profit before income taxes, and per share information.

### **Segment and Other Information**

Segment information

Omitted since the Group has only a single business segment, which is the "child-rearing support business."

**Business Combination**

Business combination through acquisition

In accordance with the Board of Directors' resolution on April 18, 2023, the Company additionally acquired shares of Tokyo Tatemono Kids Co., Ltd. on June 1, 2023, thereby converting it into a wholly-owned subsidiary. The overview of the transaction is as follows.

## 1. The overview of the business combination

## (1) Name of the acquiree and description of its business

Name of the acquiree	Tokyo Tatemono Kids Co., Ltd.
Description of its business	Child-rearing support business

## (2) Main reason for the business combination

With the backdrop of the growing number of nursery school users due to an increase in the number of households with two workers and a rising employment rate for women, the Group has newly opened nursery schools every fiscal year since its founding in 2006. In recent years, however, the number of wait-listed children has been declining due to successful efforts made by local governments to expand nursery schools, and demand for opening new nursery schools is slowing down. The Group has set forth growth of the childcare business through the active use of M&A, in addition to opening new nursery schools, in its Medium-term Management Plan. As such, this initiative seeks to implement M&A with a view to achieving further growth amid a slowdown in demand for opening new nursery schools.

The Company and Tokyo Tatemono Kids Co., Ltd. are both primarily operators of central government licensed nursery schools, mainly in and around the Tokyo area, and synergistic effects, such as expansion of scale of the childcare business and improvement of productivity as a result of improved operational efficiency of some head office functions, are expected to emerge.

The Company will continue to open new childcare facilities and promote expansion of scale of the childcare business through the active use of M&A, as well as expand childcare peripheral businesses and strengthen initiatives to improve profitability in an effort to increase its corporate value.

## (3) Date of the business combination

June 1, 2023

## (4) Legal form of the business combination

Share acquisition

## (5) Name of the company arising from the business combination

OHAYO KIDS CO., LTD.

## (6) Proportion of voting rights acquired

Proportion of voting rights held immediately prior to the business combination	10%
Proportion of voting rights additionally acquired on the date of business combination	90%
Proportion of voting rights after the additional acquisition	100%

## (7) Basis for determining the acquiree

Due to acquisition of the shares in the acquiree by payment of consideration in cash

## 2. Portion of the acquiree's fiscal period representing its financial performance reflected in the Quarterly Consolidated Statement of Income for the nine-month period under review

From June 1, 2023 to June 30, 2023

## 3. Matters related to the calculation of the acquisition cost

## (1) Acquisition cost of the acquiree

Fair value as of the date of the business combination, of the common stock held immediately prior to the business combination	41 million yen
Fair value of the common stock additionally acquired	370 million yen
Acquisition cost	411 million yen

(2) The difference between the acquisition cost of the acquiree, and the sum of the acquisition costs in all the transactions amounting to the acquisition of the acquiree

Gain on step acquisition            21 million yen

4. Matters related to allocation of the acquisition cost

(1) Amounts of assets acquired and liabilities assumed on the date of business combination and its summary schedule

Current assets	400 million yen
<u>Non-current assets</u>	<u>1,019 million yen</u>
Total assets	1,420 million yen

Current liabilities	560 million yen
<u>Non-current liabilities</u>	<u>350 million yen</u>
Total liabilities	911 million yen

(2) Amount of bargain purchase arising from the business combination and the reason there behind

1) Amount of bargain purchase            98 million yen

2) Reason there behind

Due to the fact that net asset value of the acquiree at the time of the business combination was greater than its acquisition cost

### Significant Subsequent Events

The Group currently operates 188 facilities including nursery schools, after-school day care centers or children's houses. As a result of an analysis of the geographical areas in which the Company operates, an examination of the area characteristics and demand for nursery services, and a verification of the earnings and expenditures forecast, it was decided that the Group's operational efficiency can be optimized by concentrating management resources in nursery business in the Tokyo metropolitan areas, in which solid business operation is expected over the medium to long-term. The following business transfer and share transfer were decided on such basis.

#### Business transfer

##### Business transfer to Social Welfare Corporation Sukesukudoronkonokai

By a resolution at the Board of Directors meeting held on July 18, 2023, the Company decided to transfer five central government licensed nursery schools in Osaka-shi operated by its consolidated subsidiary, Global Kids K.K. to Social Welfare Corporation Sukesukudoronkonokai, and concluded a business transfer agreement therewith, accordingly.

(1) Name of the transferee

Social Welfare Corporation Sukesukudoronkonokai

(2) Description of the business to be transferred

Five central government licensed nursery schools in Osaka-shi operated by Global Kids K.K.

(3) Scheduled date of completion of the transfer

April 1, 2024

(4) Transfer price

This information is not to be disclosed under the duty of confidentiality to the transferee.

##### Business transfer to SHINKS-K K.K.

By a resolution at the Board of Directors meeting held on August 10, 2023, the Company decided to transfer six local government licensed nursery schools operated by our consolidated subsidiary, Global Kids K.K. to SHINKS-K K.K., and entered into a business transfer agreement therewith, accordingly.

(1) Name of the transferee

SHINKS-K K.K.

(2) Description of the business to be transferred

Six local government licensed nursery schools

(3) Scheduled date of completion of the transfer

April 1, 2024

(4) Transfer price

This information is not to be disclosed under the duty of confidentiality to the transferee.

## Share transfer

## Share transfer to SHINKS Inc.

The Company decided to transfer all shares of its wholly-owned subsidiary, T-KIDS Co., Ltd. to SHINKS Inc. and entered into a share transfer agreement therewith, accordingly.

Prior to the share transfer, an absorption-type divestiture is scheduled to be conducted whereby the operation of five local government licensed nursery schools operated by Global Kids K.K. shall be succeeded by T-KIDS Co., Ltd.

## (1) Name of the transferee

SHINKS Inc.

## (2) Overview of the transferee

(1) Company name	SHINKS Inc.	
(2) Head office address	1305 Terrace Shibuya Mitake, 1-15-15, Shibuya, Shibuya-ku, Tokyo	
(3) Representative	Yasuo Iwakabe, Representative Director	
(4) Businesses	Nursery business, restaurant business	
(5) Capital	10 million yen	
(6) Establishment	March 24, 2017	
(7) Major shareholders and shareholding ratios	Yasuo Iwakabe: 60.00%	
(8) Relationship between the listed company and the transferor	Capital	Not applicable.
	Personnel	Not applicable.
	Trading	Not applicable.

## (3) Scheduled date of completion of the transfer

April 1, 2024

## (4) Transfer price

This information is not to be disclosed under the duty of confidentiality to the transferee.

*This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*