Presentation Materials for the Earnings Briefing for the Fiscal Year Ended September 30, 2023

Global Kids Company Corp.

November 10, 2023

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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Executive Summary

Establishment of the "Code of Ethics Declaration" and promotion of corporate culture reforms

- On January 31, 2023, we established our "Code of Ethics Declaration," which is composed of "Fairness," "Trust and Safety," and "Radical Transparency."
- Using this Code for reflecting on our past improper conduct and as the standard by which all of our employees will abide, we will reform our corporate culture and improve the quality of our operations.

Profitability status and forecast for the fiscal year under review

- Our profitability declined significantly year on year due to a great increase in our recruiting expenses in the second quarter of FY9/23, and the delays in the optimization of our personnel assignment in the third quarter. As a result, our operating profit for FY9/23 fell by 51.8% to ¥341 million and EBITDA fell 25.7% to ¥1,150 million.
- Recently, we have reviewed and revised user capacity and reduced personnel dispatching expenses by optimizing our personnel assignment. As a result of these efforts, our profitability is improving. Operating profit for the fourth quarter rose 188.2% from the previous quarter (down 33.0% year on year), recovering to ¥137 million.
- For FY9/24, we forecast net sales of ¥26,000 million, operating profit of ¥450 million, and EBITDA of ¥1,300 million. Both net sales and EBITDA forecasts fall below our Medium-Term Management Plan targets, but by steadily implementing profitability improvement measures, we will aim to rapidly recover to target levels.

Progress on main management initiatives

- On August 10, 2023, the Board of Directors resolved to apply for listing in the TSE Standard Market, and the Company transitioned to this market segment on October 20.
- On June 1, 2023, we acquired all shares of Tokyo Tatemono Kids Co., Ltd. (now OHAYO KIDS CO., LTD.), converting it into a wholly-owned subsidiary. As of March 31, 2024, we plan to have transferred 13 local government licensed nursery schools and five Osaka City licensed nursery schools, and to close one local government licensed nursery school and one small-scale nursery school.
- In our new business domain, we will begin trial runs of the GlobalKids Plus+ business and the "Phys. Ed. Games" program, and we plan to expand these further this fiscal year.
- Our initiatives to improve operation quality and efficiency through ICT are progressing as planned. For the first of the services that we will offer to parents and guardians, we will develop photo sales mobile app and plan to use it at all of our nursery schools from April 2024.

Contents

Overview of Results for the Fiscal Year Ended September 30, 2023 (FY9/23)

Highlights for FY9/23

Global Kids

Operating results for 4Q FY9/23	• Net sales were ¥6,540 million, up 5.2% compared to the previous quarter due in part to the contributions of OHAYO KIDS, which became a wholly-owned subsidiary in June 2023. • Operating profit was ¥137 million, a significant increase of 2.8x compared to the previous quarter. This was mainly due to occupancy rate improvements, reductions in personnel dispatching expenses through the optimization of personnel assignments, and reductions in recruiting expenses by reviewing and revising recruitment operation processes. Gross profit also turned positive by ¥25 million year on year.
Operating results for FY9/23	• Although net sales rose by a small amount due to the contributions of OHAYO KIDS, which became a wholly-owned subsidiary, operating profit fell significantly due to increases in recruiting expenses and dispatched personnel expenses. Net income fell by ¥55 million as a result of impairment losses recorded during the third quarter. – Net sales ¥25,136 million (up 3.2% year on year) – Operating profit ¥341 million (down 51.8% year on year) • Free cash flow was ¥725 million (down ¥71 million year on year). We plan to issue dividends of ¥30 per share.
Full-year earnings forecast for FY9/24	• Although the acquisition of OHAYO KIDS, a wholly-owned subsidiary, will contribute to net sales throughout the year, as there will also be transfers and closures of some facilities, we forecast net sales to only rise by a small amount. While we forecast an increase in ICT-related expenses, operating profit is expected to increase due to implementation of revenue improvement and other measures. – Net sales ¥26,000 million (up 3.4% year on year) – Operating profit ¥450 million (up 31.9% year on year) • Although we forecast an increase in free cash flow, in consideration of our dividend payout ratio, we plan to continue dividends of ¥30 per share.

Results summary for FY9/23

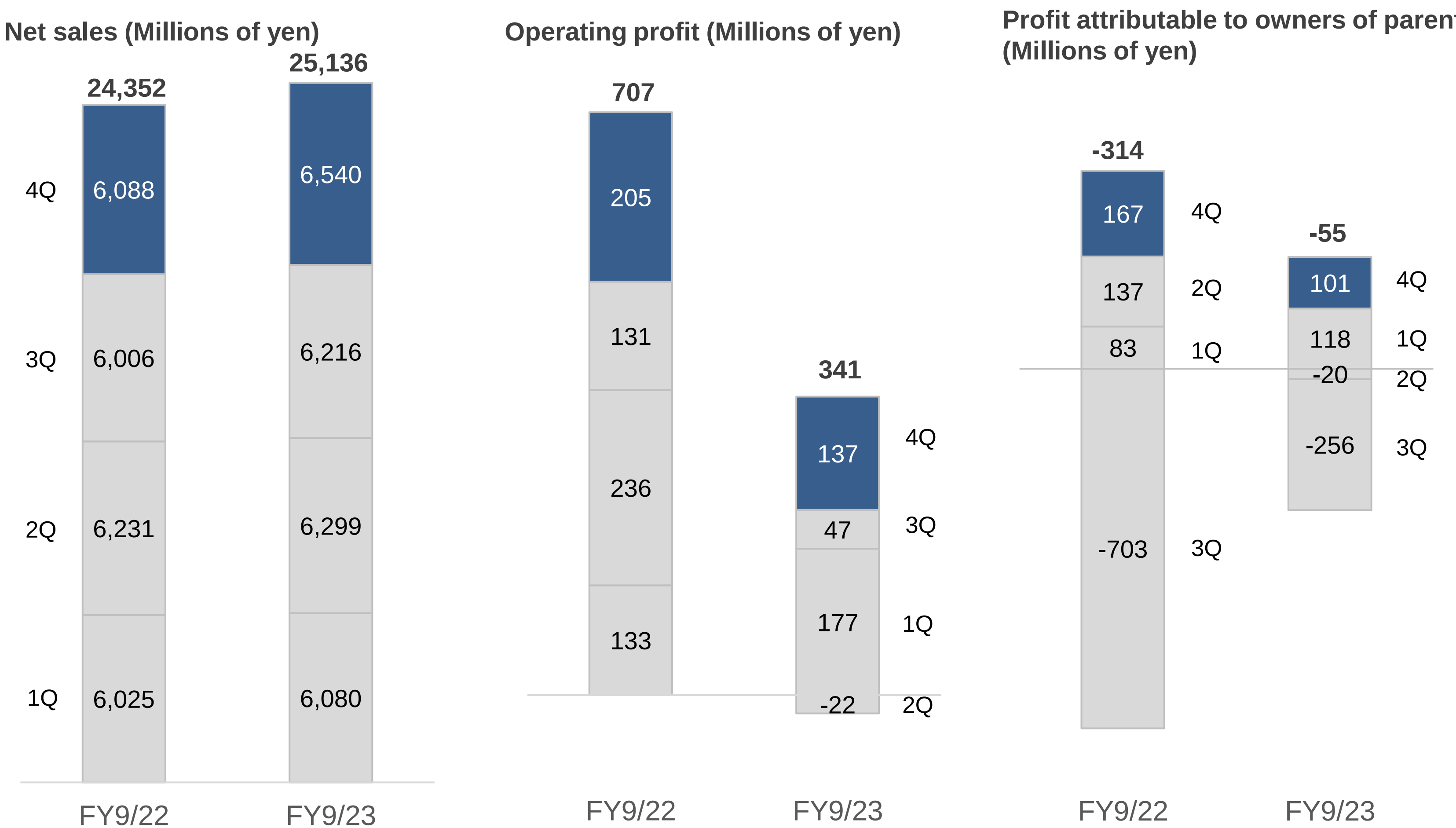
Although FY9/23 results show an increase in sales, due to the contributions of OHAYO KIDS, which became a wholly-owned subsidiary, gross profit fell due to increases in recruiting expenses and dispatched personnel expenses. There was also an increase in ICT-related expenses, and as a result, operating profit declined by 51.8% year on year to ¥341 million.
Profit was negative for the second consecutive year due to the recording of ¥608 million in impairment loss of childcare facilities during the third quarter.

Overview of consolidated operating results for FY9/23 (Millions of yen)

	FY9/22	*Against net sales*	FY9/23	*Against net sales*	YoY
Net sales	24,352	-	25,136	-	+3.2%
Gross profit	2,211	*9.1%*	2,085	*8.3%*	-5.7%
SG&A expenses	1,503	*6.2%*	1,744	*6.9%*	+16.0%
Operating profit	707	*2.9%*	341	*1.4%*	-51.8%
Ordinary profit	1,179	*4.8%*	321	*1.3%*	-72.8%
Profit attributable to owners of parent	-314	*-1.3%*	-55	*-0.2%*	-
EBITDA	1,548	*6.4%*	1,150	*4.6%*	-25.7%

Net Sales, Operating Profit, Profit Attributable to Owners of Parent

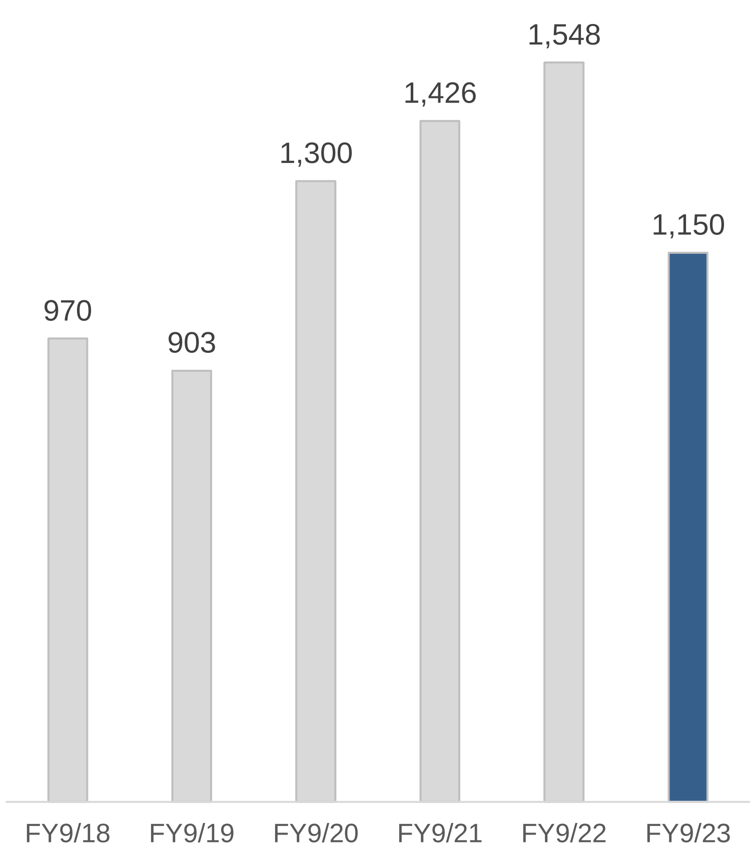
Net sales for the fourth quarter increased due to improved occupancy rates, especially for 0-year-olds, and the contributions of the conversion of OHAYO KIDS into a wholly-owned subsidiary.
Operating profit rose significantly during the fourth quarter from the previous quarter due primarily to reductions in recruiting expenses and in personnel dispatching expenses associated with optimizing personnel assignments.



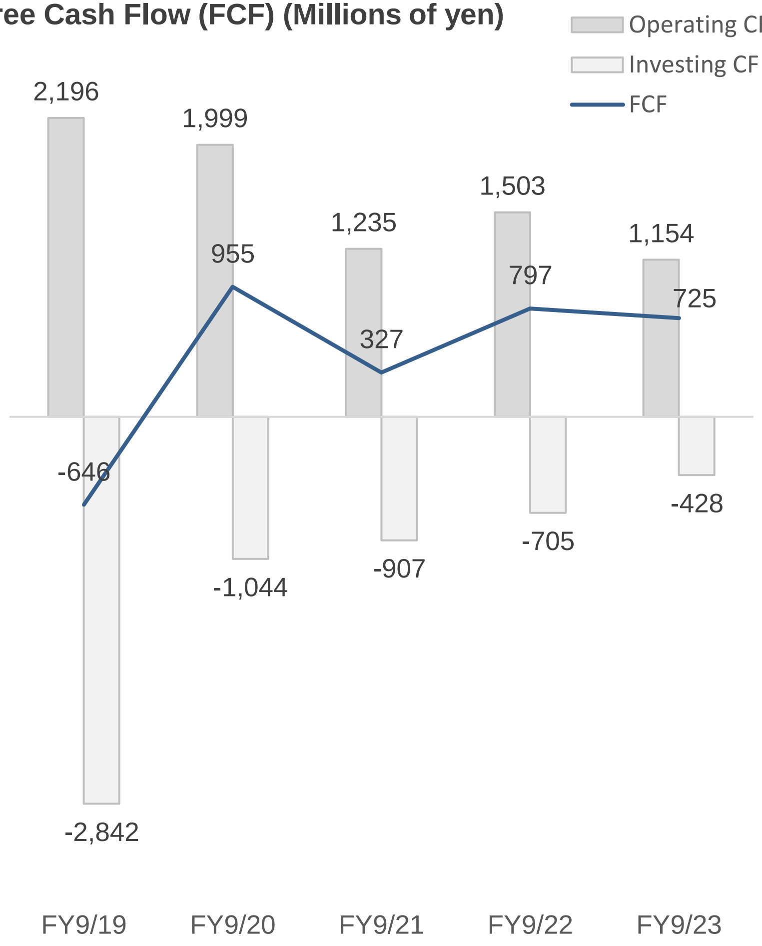
EBITDA, Free Cash Flow (FCF)

EBITDA was down 25.7% year on year to ¥1,150 million due to a decrease in operating profit. Free cash flow was ¥725 million due to the recording of ¥98 million in expenditures related to the conversion of OHAYO KIDS into a wholly-owned subsidiary.

EBITDA (Millions of yen)



Free Cash Flow (FCF) (Millions of yen)

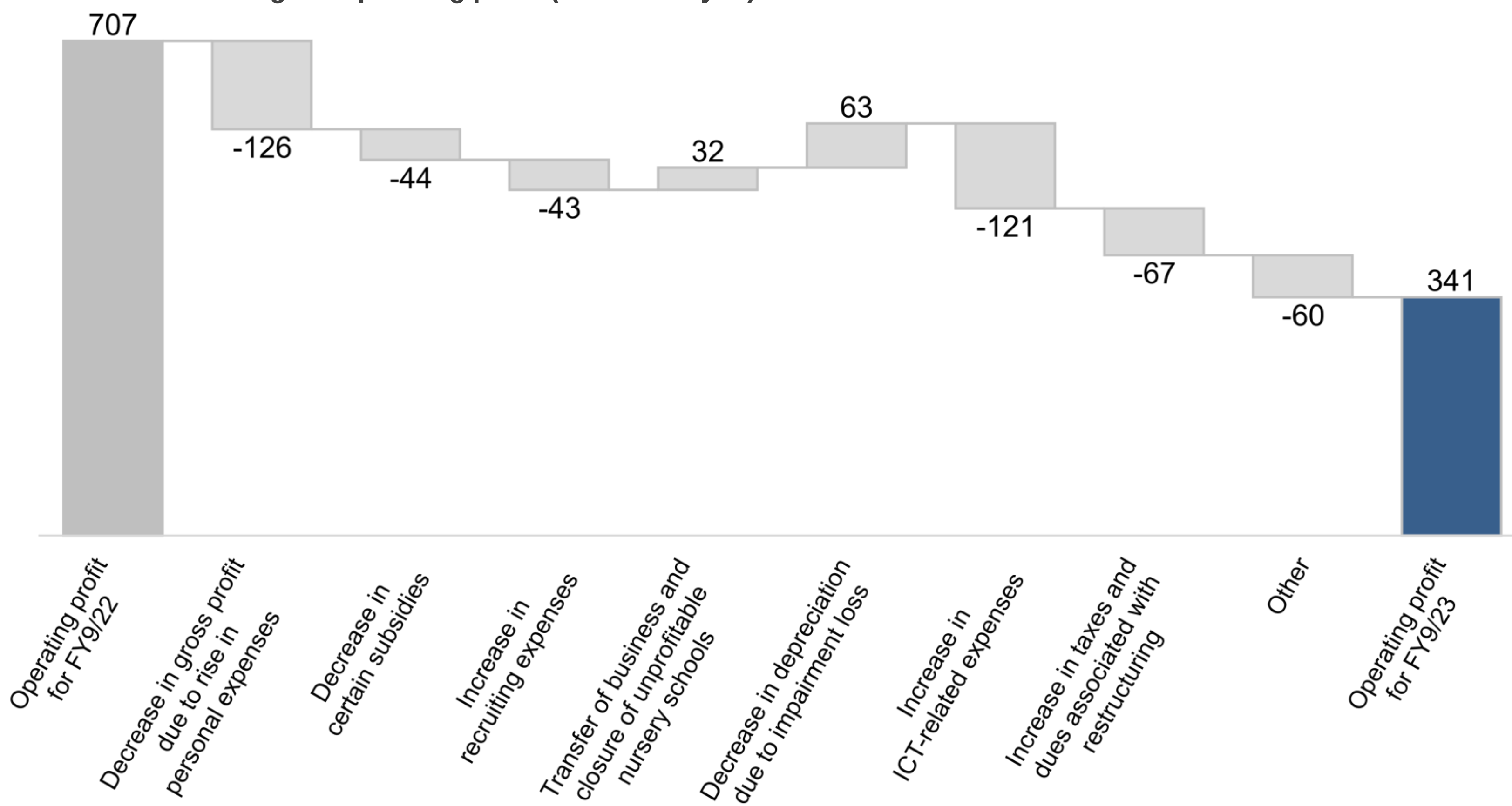


Note: The monetary impact of the conversion of Ohayo Kids into a wholly-owned subsidiary was calculated as follows: - acquisition cost, including refinancing of interest-bearing debt + cash and deposits owned by acquired company.

Factors behind change in operating profit

While the transfer of business and the closure of unprofitable nursery schools contributed, declines in gross profit due to rising personnel expense ratio and other factors, as well as an increase in ICT expenses resulted in a decrease in profit. The primary reason for the higher personnel expenses was an increase in personnel dispatching costs. ICT-related expenses rose as planned based on our ICT strategy. Standardization of head office operations and increased productivity are, among other measures, expected to contribute to improving profitability in the future.

Factors behind change in operating profit (Millions of yen)



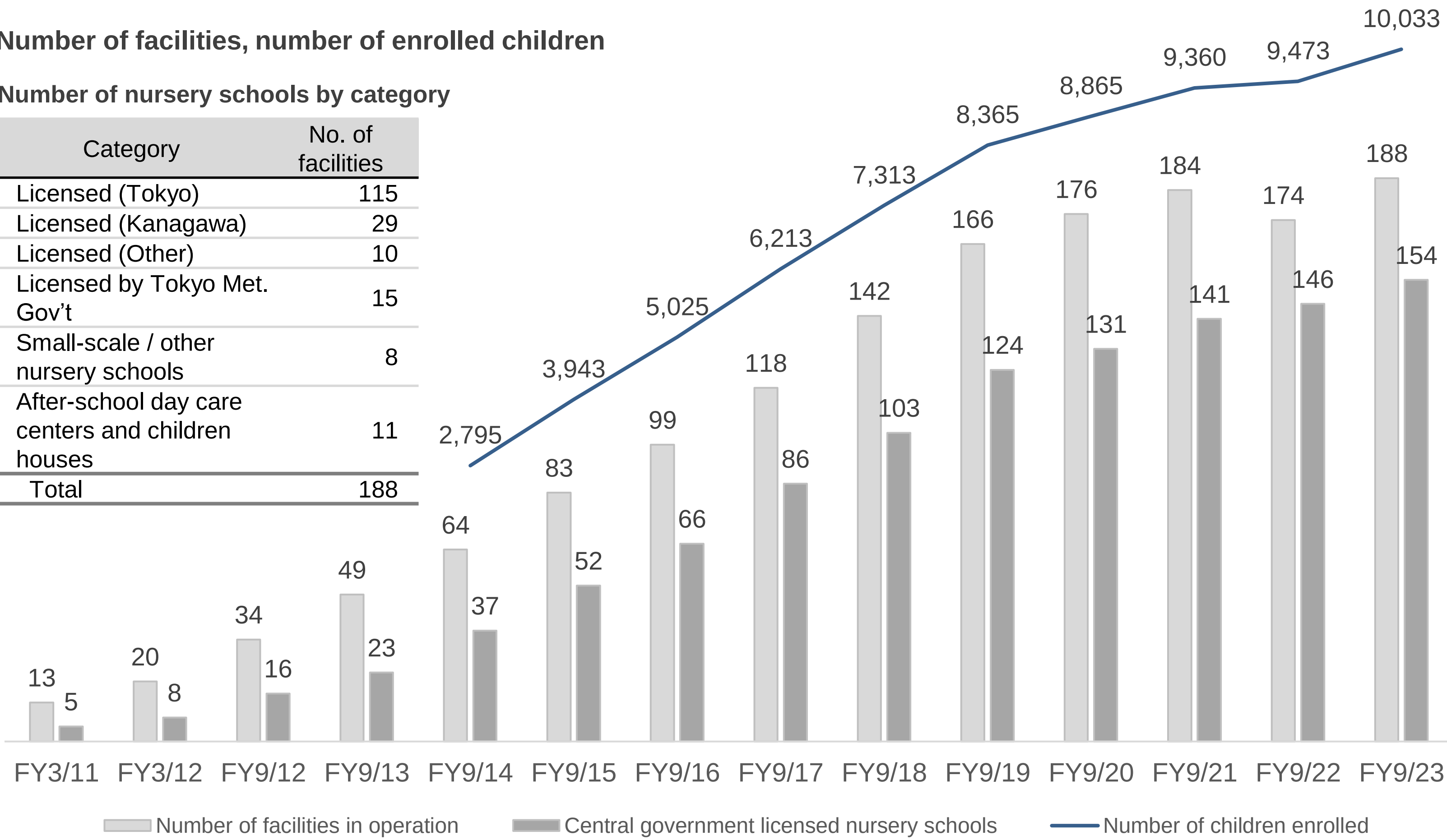
Net sales: number of childcare business facilities

The number of facilities in operation at the end of September 2023 increased by 17 year on year due to the conversion of OHAYO KIDS into a wholly-owned subsidiary, and the ratio of central government licensed nursery schools to facilities in operation was 81.9%. In April 2024, we expect the number of nursery schools to fall by 20 and the number of after-school day care centers to fall by one due to transfers and closures.

Number of facilities, number of enrolled children

Number of nursery schools by category

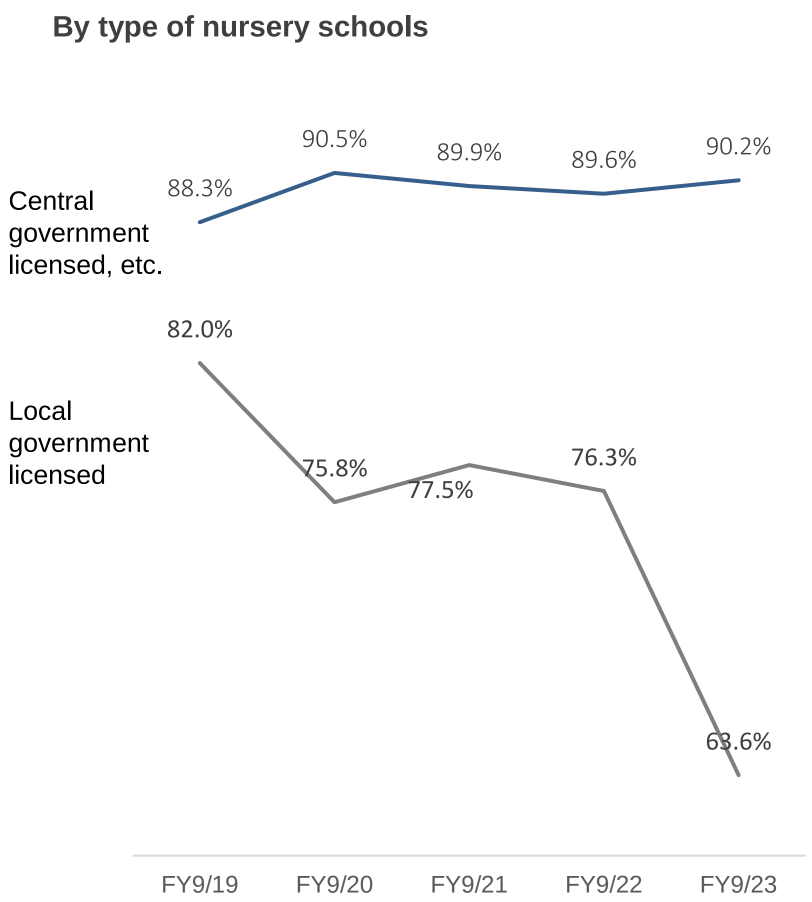
Category	No. of facilities
Licensed (Tokyo)	115
Licensed (Kanagawa)	29
Licensed (Other)	10
Licensed by Tokyo Met. Gov't	15
Small-scale / other nursery schools	8
After-school day care centers and children houses	11
Total	188

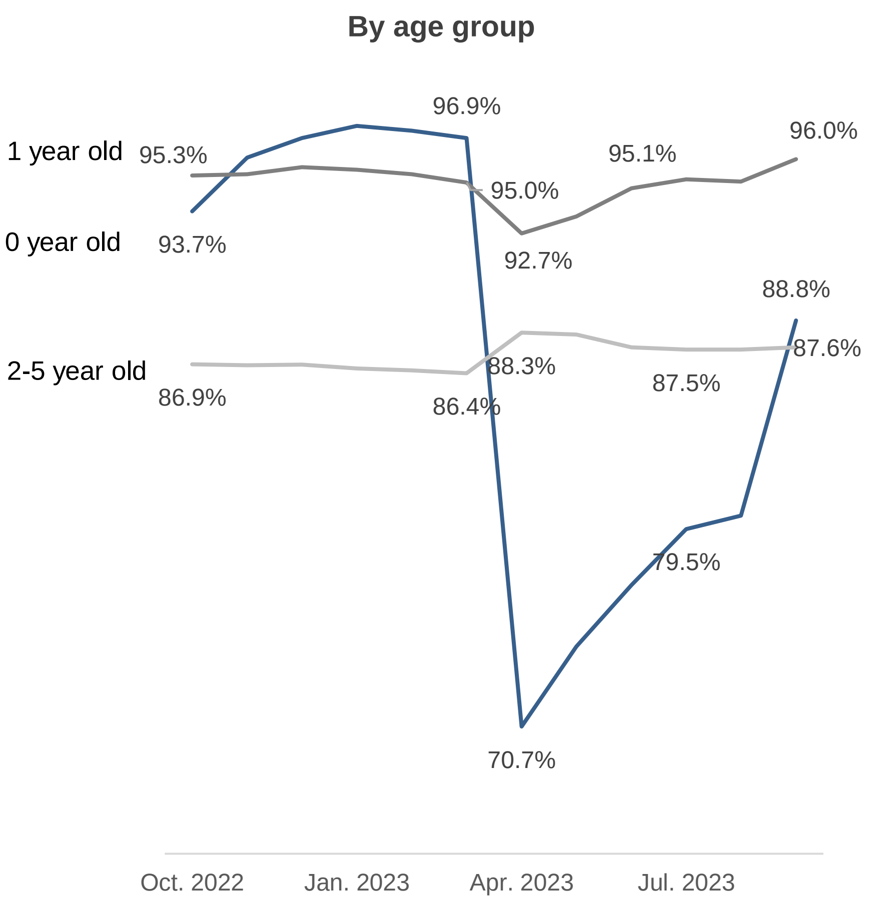


Note: The number of facilities is the total of nursery schools, after-school day care centers and children houses.
The number of enrolled children is for nursery schools only.

Net sales: occupancy rate

The occupancy rate of central government licensed nursery schools rose 1.1 pts year on year due to user capacity revisions. By age group, the occupancy rate for 0-year-olds, which fell in April, is steadily recovering.

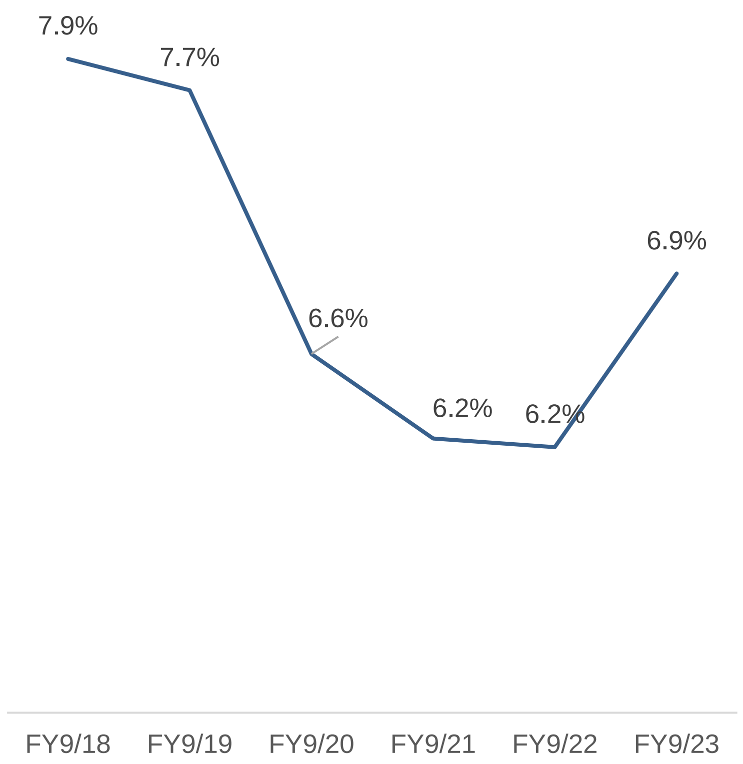




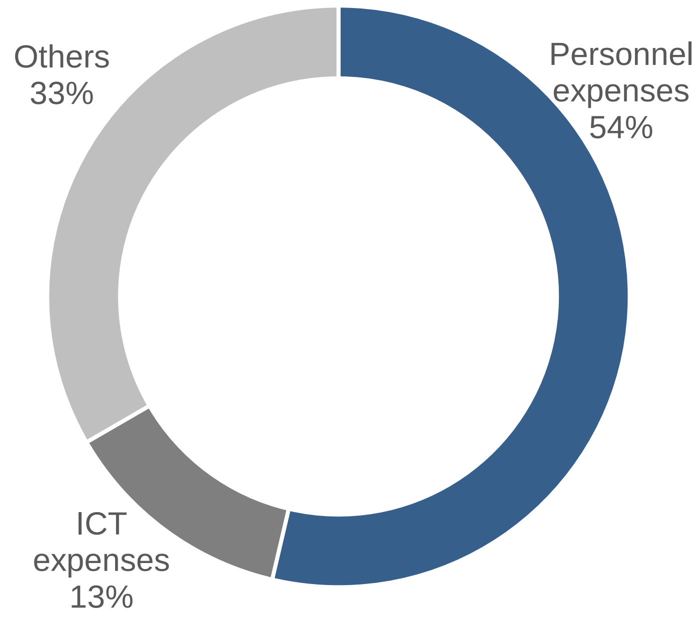
SG&A expenses

The SG&A ratio rose 0.7 pts year on year due primarily to an increase in ICT-related expenses.
We have begun full-fledged efforts to improve the business quality of our head office, including overhaul of our core system. We plan to introduce a new personnel system in April 2024.

SG&A expense ratio



Breakdown of SG&A expense



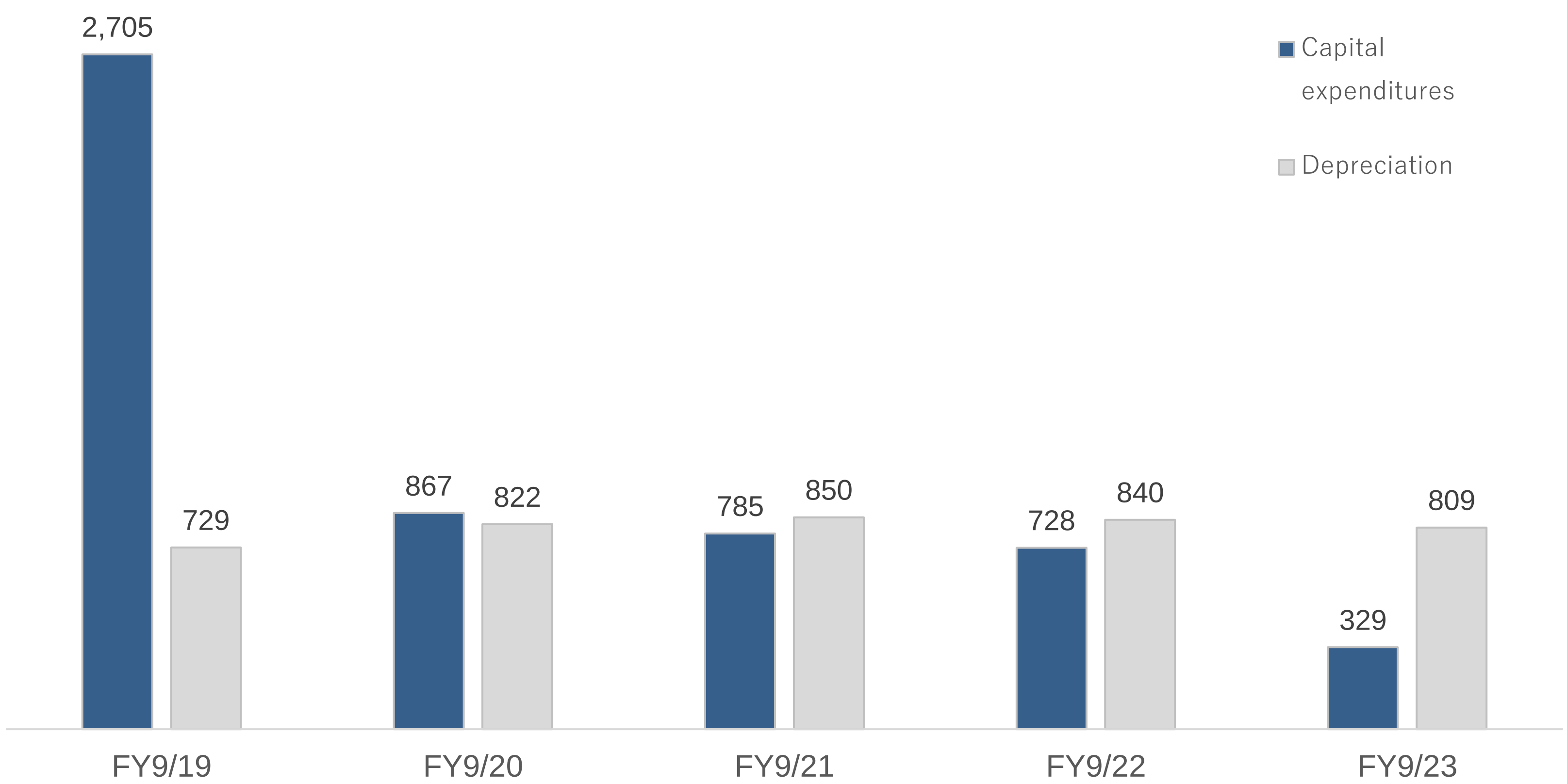
Selling, general and administrative expenses: ¥1,744 million

Note: We revised our accounting policies in FY9/23 and have switched from recording taxes and dues and hiring advertisement expenses for facilities from SG&A expenses to cost of sales. Figures for FY9/22 and before have been adjusted accordingly.

Capital expenditures, depreciation

While no new facilities were opened in FY9/23, we implemented an ICT-related capital investment of ¥289 million.

Capital expenditures and depreciation (Millions of yen)

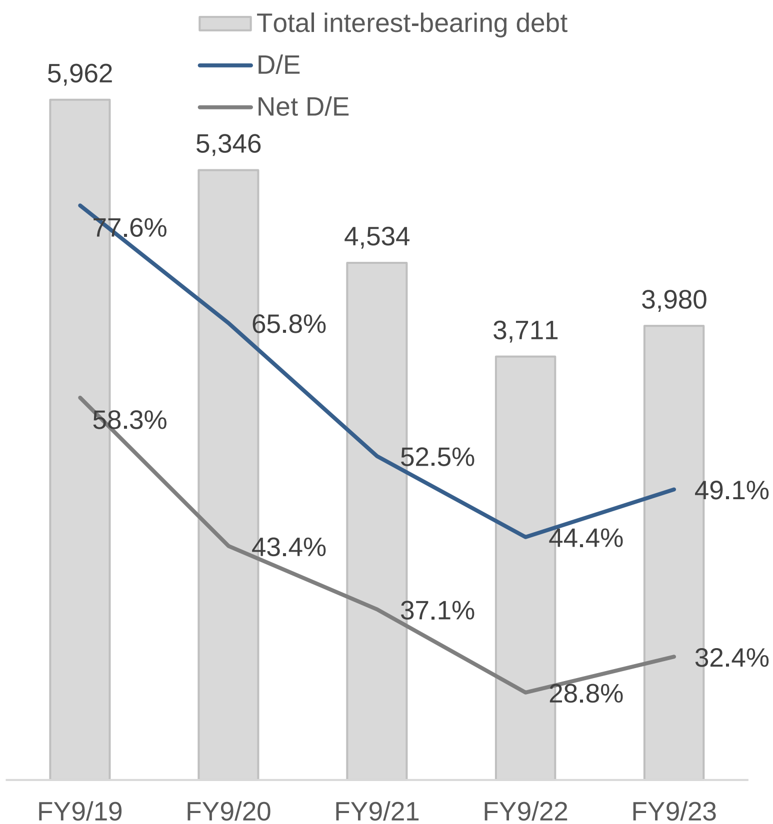


Note: Capital expenditures are on a cash-out basis for property, plant and equipment

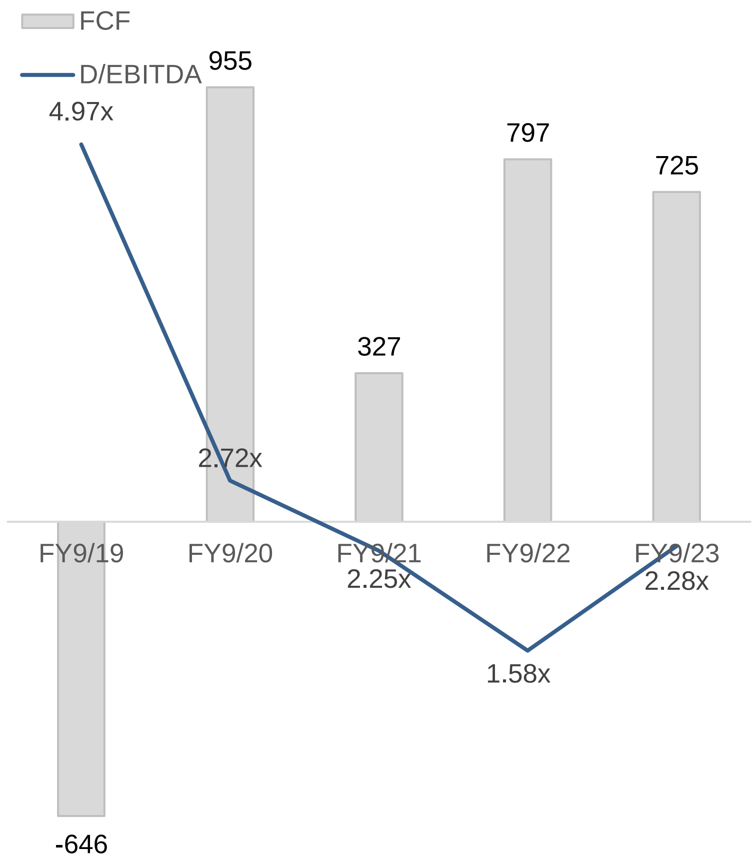
Financial soundness

Total interest-bearing debt increased by ¥269 million year on year due to the borrowing of funds used in the conversion of OHAYO KIDS into a wholly-owned subsidiary. The D/E ratio and EBITDA interest-bearing debt ratio both increased year on year, but we have maintained our financial soundness.

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



D/EBITDA, FCF (Millions of yen)



Forecast for the Fiscal Year Ending September 30, 2024 (FY9/24)

Forecast for the fiscal year ending September 30, 2024

In FY9/24, we expect to see an increase in operating profit due to an increase in sales from the contributions of OHAYO KIDS over the course of the entire year, revision of user capacities, optimal personnel assignment, and recruiting expense reductions. However, as we also expect to record extraordinary losses due to the transfer and closure of some facilities, we forecast a net income of ¥190 million.
Although we forecast an increase in free cash flow, in consideration of dividend payout ratio levels, we plan to keep our dividends at ¥30 per share, the same as in the previous year.

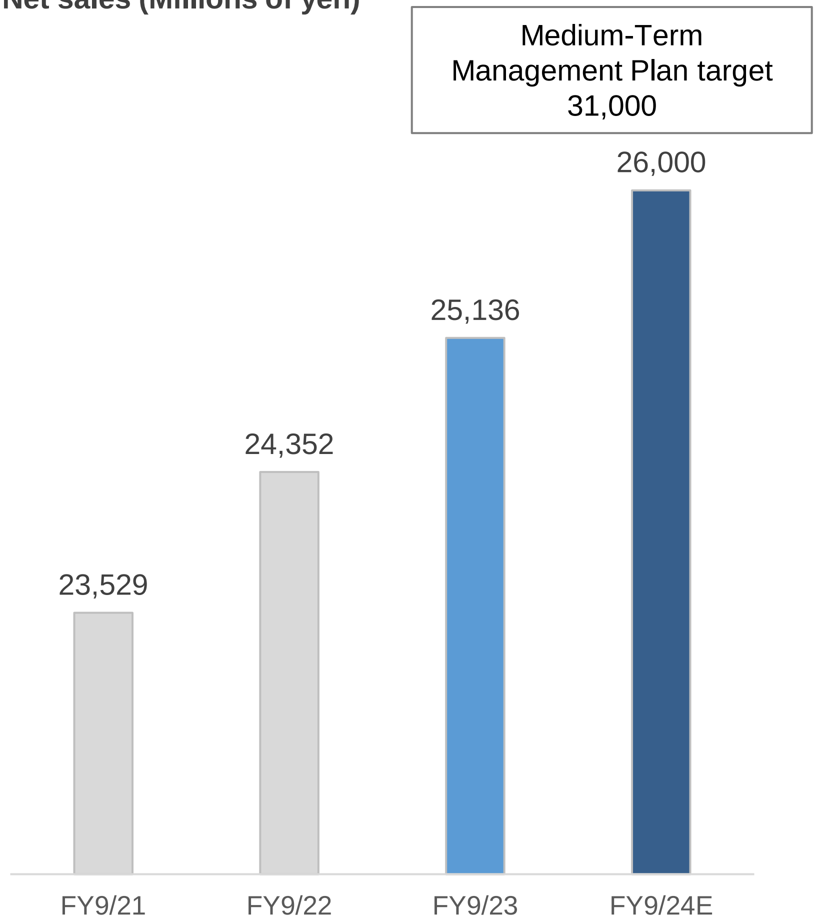
(Millions of yen)	FY9/23 Results	FY9/24 Forecast	YoY change
Net sales	25,136	26,000	+3.4%
Operating profit	341	450	+31.9%
Ordinary profit	321	480	+49.5%
Profit attributable to owners of parent	-55	190	-
EBITDA	1,150	1,300	+13.0%
Dividend per share	¥30	¥30	+0%

Progress of Medium-Term Management Plan (2024)

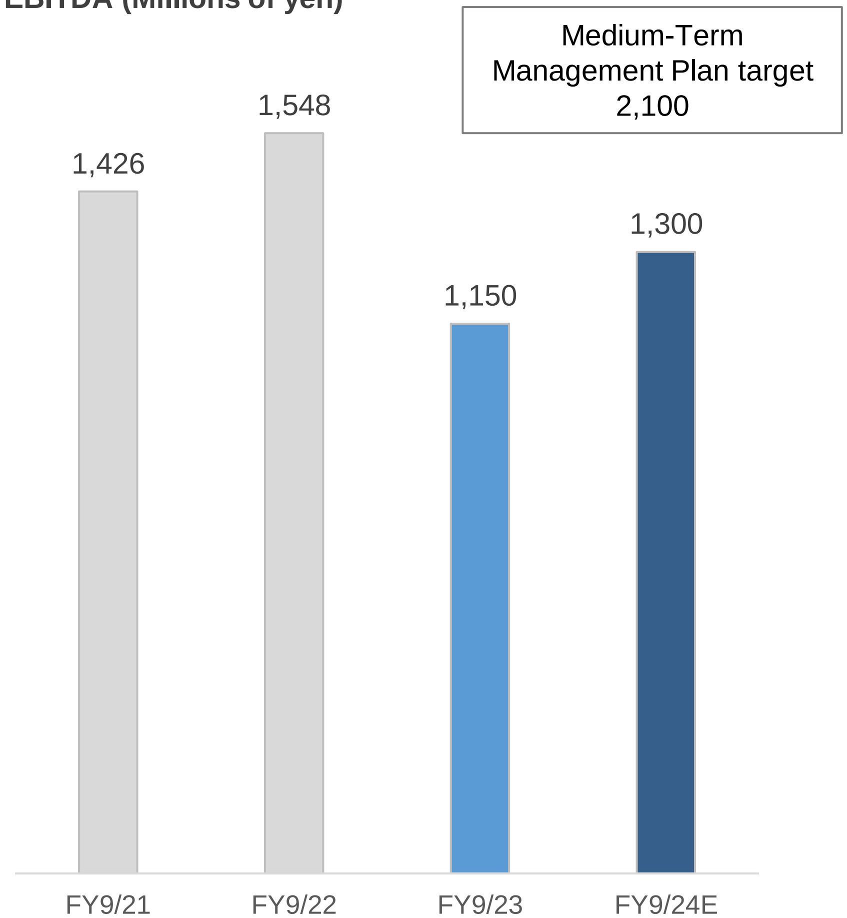
Progress on profit targets in Medium-term Management Plan (2024)

Net sales is expected to increase only slightly due to the transfer and closure of some facilities, despite a full-year contributions from the conversion of OHAYO KIDS to a wholly-owned subsidiary. EBITDA is expected to increase this fiscal year, mainly due to revenue improvement efforts in the latter half of the year. However, as with net sales, we do not expect it to reach the target set forth in the Medium-Term Management Plan. We will continue to steadily implement major management initiatives in the next fiscal year and beyond.

Net sales (Millions of yen)



EBITDA (Millions of yen)



New business

In FY9/23, after market analysis of our learning classes, we will began trial runs of the GlobalKids Plus+ business and the "Phys. Ed. Games" program, and we plan to expand these further this year. We also plan to launch new outdoor educational activities.

- Based on a needs analysis performed by the Iidabashi head office, we opened a GlobalKids Plus+ in Toyosu and plan for further expansion
- We have begun a pilot test of the GlobalKids' unique "Phys. Ed. Games" program in some facilities. We plan for full-scale roll out of this program in FY9/24

- We are collaborating with farmers in Noshiro City, Akita Prefecture, and have begun procuring safe and delicious specially cultivated rice (grown using agricultural chemicals and chemical fertilizers with a nitrogen content of 50% or less) and begun serving it in the lunches at some of our facilities
- In FY9/24, we plan to launch outdoor education activities in conjunction with learning classes and agricultural activities

Education business

Classroom for learning

Provision of popular content that will be useful in the future

- Athletics: Gymnastics, cheerleading, kendo
- Communication: English conversation classes
- IT-related: Programming classes

Outdoor education activities

Operation of farms, cooperation with schools and local governments

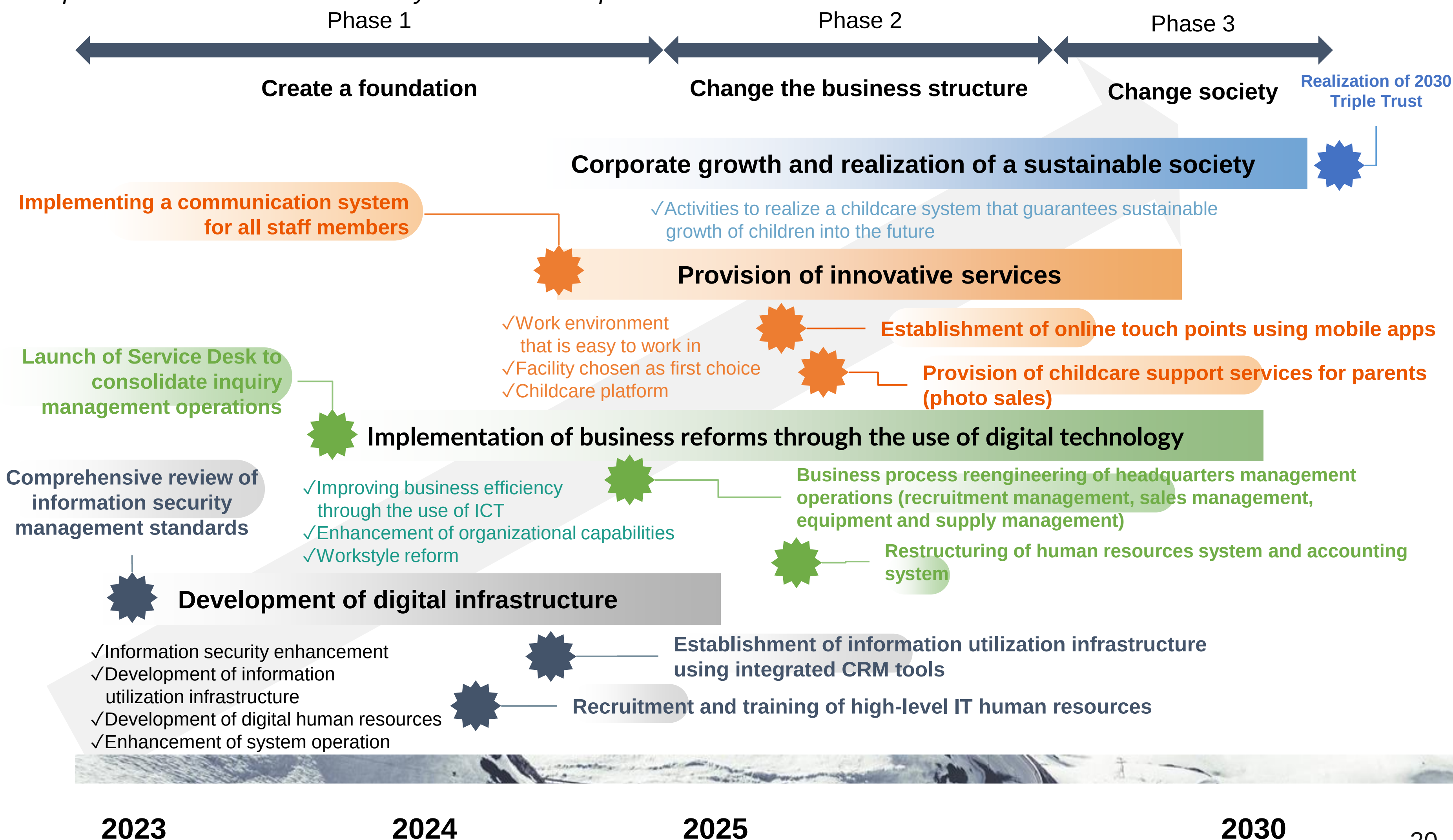
Overseas (Asia)

Expansion into neighboring countries, with a focus on Singapore

- We are considering generating synergy with foreign-based companies, such as through overseas training

ICT Strategy

We are progressing as planned with our initiatives to improve operation quality and efficiency through the use of ICT, and will further expand the scope of these efforts this fiscal year.
For the first of the services that we will offer to parents and guardians, we will develop photo sales mobile app and plan to use it at all of our nursery schools from April 2024.



ICT Strategy : childcare platform

We are adopting a Fit to Standard approach which enables us to flexibly respond to market changes while adopting the latest technologies. We will fully leverage best practices with regard to integrated CRM platform tools as we aim to achieve the highest levels of ICT usage in the industry.

Company with high level of employee engagement

Employees

- Children, childcare workers, and parents learning from each other
- Facilities are connected, not isolated
- High operation efficiency through digitalization
- Knowledge is shared to eliminate gaps

Online training | Communication tool | Internal information portal | Knowledge management

Facilities chosen by parents and children

Parents/children

- Eliminate childcare-related worries and difficulties
- Supporting the balance between work and childcare
- Make child-rearing fun and comfortable
- Simplify various procedures

Mobile app | Community website | Child-rearing support system | Centralized management of customer information

Top level ICT usage in the industry

Community/ Government

- Enhance governance systematically
- Promote childcare GovTech and involve government authorities
- Improve productivity by establishing multi-facility management
- Sustainable childcare business model

Enhance governance through visualization and standardization | Create social value by leveraging data | Extend to other companies within the same industry | Hold regional events

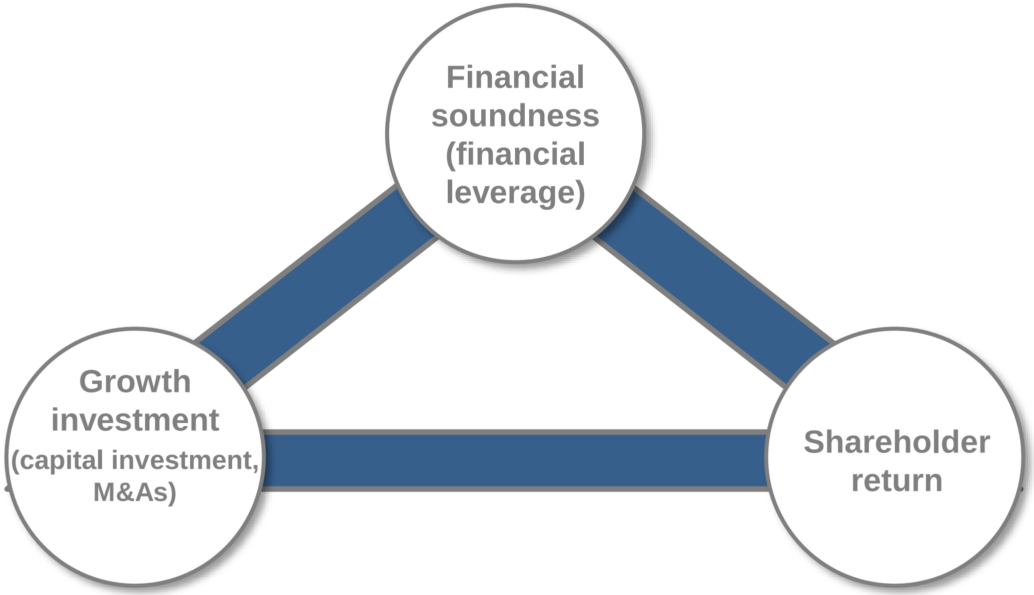
Childcare platform

Digital infrastructure

Financial and Capital Strategies

The Company has converted OHAYO KIDS into a wholly-owned subsidiary, but it is maintaining its financial soundness by keeping a steady FCF.
Although we forecast an increase in free cash flow in FY9/24, in consideration of our dividend payout ratio, we plan to continue dividends of ¥30 per share.

- On track to achieve our target level of financial soundness indicators through steady increase in FCF and reduction of interest-bearing debt



- Significant increase in ICT-related investments to accelerate the Company's ICT strategy promotion
- Significantly reduced investment in new facility development
- Explore M&A opportunities in both bolt-on and new business areas

- While forecasting an increase in FCF, we plan to pay ¥30 per share in FY9/24, the same as the previous fiscal year
- As we transitioned to the TSE Standard Market and currently adhere to all listing maintenance standards, we will continue to explore measures aimed at improving the liquidity of shares

Key themes and initiatives for ESG management

Global Kids

Through our childcare business activities, we promote ESG management with a focus on (1) childcare and education, (2) promotion of the active participation of women, and (3) social contribution to local communities.

Social issues solved through business activities

ESG Materiality		Main initiatives	Relevant SGDs
Childcare / Education	Enhancing parenting support (quality and quantity)	● Practice of high-quality childcare ● Opening of new nursery schools ● Provision of school meals that support health ● Implementation of dietary education measures ● Supporting the balance between work and childcare	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION
Promotion of active participation by women	Realizing a society where people with young children can work comfortably Realizing diverse work styles	● Development of preparedness to receive children, so that people with young children can work with peace of mind ● Working styles that suit diverse lifestyles ● Full vacation system ● Systems related to childbirth and childcare ● Nursing care systems	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Social contribution to local communities	Creating opportunities to receive childcare	● Creating of local hubs for raising children ● Contribution to abuse prevention and poverty control ● Job creation in the local community ● Serving as local evacuation hubs in the event of a disaster	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES

Social issues solved through corporate activities

ESG Materiality		Main initiatives	Relevant SGDs
Human resource development	Improving expertise and career development	● Flexible work style reform ● Creating learning environments ● Career path set according to growth	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH
Global environment	Contributing to the global environment	● Food loss reduction activities ● Reducing CO2 emissions by promoting LED lighting ● Promoting revitalization of domestic forestry and forest conservation through active use of domestic timber	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND

Appendix

Breakdown of the number of facilities in operation

Global Kids

	FY9/14	FY9/15	FY9/16	FY9/17	FY9/18	FY9/19	FY9/20	FY9/21	FY9/22	FY9/23
Licensed (Tokyo)	20	28	38	56	70	86	91	98	103	115
Licensed (Kanagawa)	12	16	17	19	20	23	25	27	28	29
Licensed (Other)	-	3	5	6	8	9	9	10	10	10
Licensed by Tokyo Met. Gov't	20	21	22	20	20	17	17	16	15	15
Centers for early childhood education and care, etc.	5	5	6	5	5	6	6	6	5	7
Company-sponsored	-	-	-	-	7	11	11	11	0	1
After-school day care centers and children houses	7	10	11	12	12	13	13	12	10	11
Child developmental support facilities	-	-	-	-	-	1	4	4	3	-
Total	64	83	99	118	142	166	176	184	174	188

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

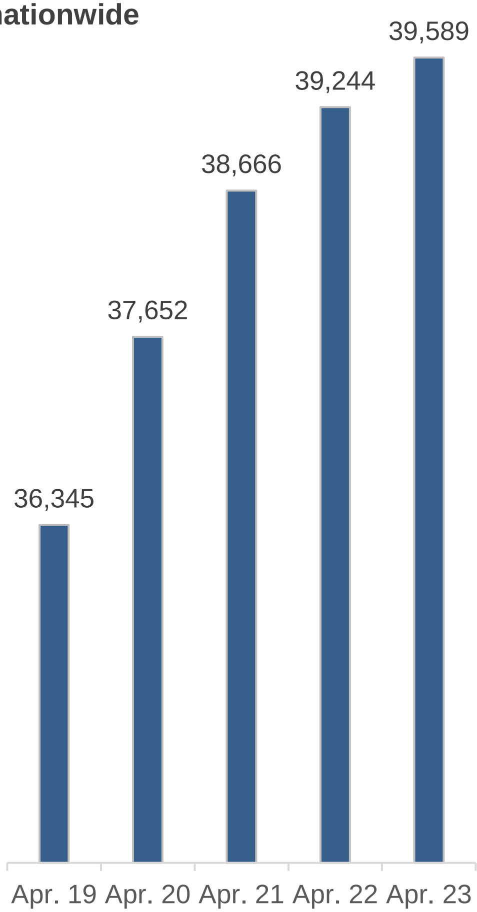
Ranking of childcare service sales

	Company name	Net sales (Millions of yen)
1	JP-HOLDINGS	35,507
2	LIKE	29,047
3	Kodomo no Mori	26,304
4	**Global Kids Company**	**25,136**
5	Poppins	24,569
6	AIGRAN	18,558
7	Sakurasaku plus	13,844
8	HITOWA Kids Life	12,217
9	teno. Holdings	10,874
10	Solasto	9,930

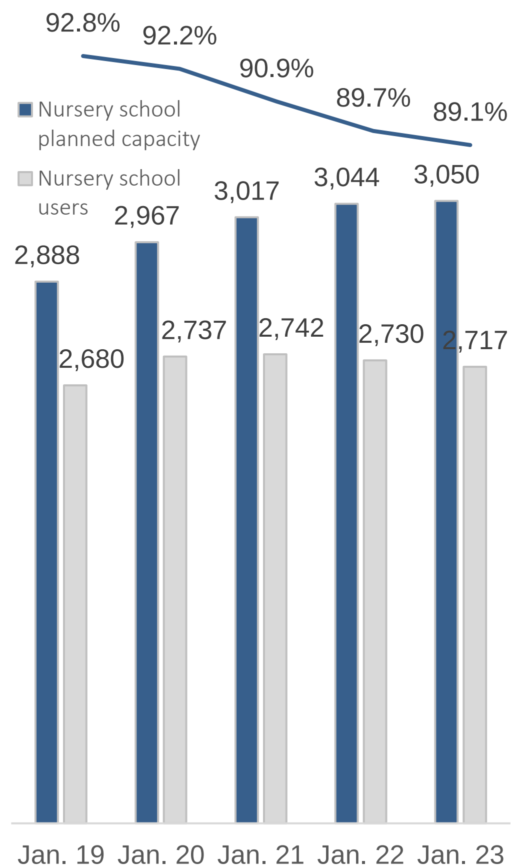
Source: The Nikkei MJ. Financial results for the Company and LIKE.
Note: For the Company, JP Holdings, Like, and Sakurasaku Plus, sales for the fiscal year ended in 2023. For other companies, sales for the fiscal year ended in 2022.

Number of nursery schools, capacity utilization rate, number of wait-listed children

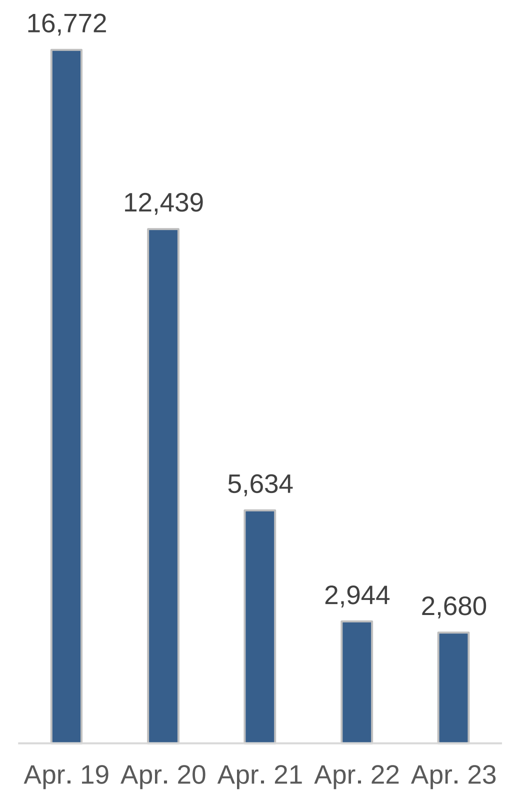
Number of nursery schools, etc. nationwide



Capacity and utilization of nursery schools (thousands)



Number of wait-listed children nationwide (persons)



Source: Ministry of Health, Labour and Welfare; Children and Families Agency

Main types of nursery schools in operation

	Establishment standards	Main operating revenue
Central government licensed nursery schools	● Facilities with national standards based on the Child Welfare Act ● Approval from the prefectural governor, etc., is required for establishment	● Receives facility-based benefits paid by the national and local governments as a commissioned fee
Independently licensed nursery schools (local government standards)	● Facilities that are not central government licensed but meet the unique standards of the local government (including the Tokyo Metropolitan Government, Yokohama City, etc.)	● Operating subsidies provided by the local government that established the system ● Childcare fees paid by users
Company-sponsored nursery schools	● 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	● 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.	● Facilities other than central government licensed or local government licensed	● Childcare fees paid by users
Nursery schools at business offices	● A facility operated by an operating company for its employees using part of its business premises	● 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