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Consolidated Financial Results for the Year Ended September 30, 2024 [Japanese GAAP]

November 14, 2024

Company name: Global Kids Company Corp.
Listing: Tokyo
Securities code: 6189
URL: https://www.gkids.jp
Representative: Yuichi Nakasho Representative Director & CEO
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Scheduled date of annual general meeting of shareholders: December 19, 2024
Scheduled date to commence dividend payments: December 20, 2024
Scheduled date to file annual securities report: December 20, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended September 30, 2024 (October 1, 2023 to September 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	26,448	5.2	1,618	40.8	789	131.6	820	155.7	256	-
September 30, 2023	25,136	3.2	1,150	(25.7)	341	(51.8)	321	(72.8)	(55)	-

(Note) Comprehensive income: Fiscal year ended September 30, 2024: ¥ 279 million [-%]
Fiscal year ended September 30, 2023: ¥ (35) million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
September 30, 2024	27.20	27.14	3.2	5.1	3.0
September 30, 2023	(5.94)	-	(0.7)	1.9	1.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended September 30, 2024: ¥ - million
Fiscal year ended September 30, 2023: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2024	15,461	8,115	52.5	858.65
September 30, 2023	16,675	8,104	48.6	860.91

(Reference) Equity: As of September 30, 2024: ¥ 8,115 million
As of September 30, 2023: ¥ 8,104 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2024	1,488	(265)	(1,340)	1,241
September 30, 2023	1,154	(428)	(670)	1,359

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
September 30, 2023	-	0.00	-	30.00	30.00	282	-	3.4
September 30, 2024	-	0.00	-	35.00	35.00	330	128.7	4.1
Fiscal year ending September 30, 2025 (Forecast)	-	20.00	-	20.00	40.00		63.0	

(Note) Breakdown of the year-end dividend for the fiscal year ended September 30, 2024 :

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

* Notes:

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

Newly included: - (Company name:)

Excluded: - (Company name:)

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

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

September 30, 2024: 9,466,752 shares

September 30, 2023: 9,429,141 shares

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

September 30, 2024: 15,823 shares

September 30, 2023: 15,823 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended September 30, 2024: 9,432,136 shares

Fiscal Year ended September 30, 2023: 9,409,052 shares

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	1,359	1,241
Accounts receivable-other and contract asset	2,589	2,536
Prepaid expenses	708	674
Income taxes refund receivable	86	77
Other	9	40
Total current assets	4,753	4,569
Non-current assets		
Property, plant and equipment		
Land	692	692
Buildings and structures, net	8,145	7,228
Other, net	255	360
Total property, plant and equipment	9,093	8,281
Intangible assets		
Software	276	284
Software in progress	23	39
Total intangible assets	299	324
Investments and other assets		
Investment securities	27	27
Long-term prepaid expenses	293	211
Leasehold and guarantee deposits	1,878	1,777
Construction assistance fund receivables	247	197
Deferred tax assets	81	71
Other	0	0
Total investments and other assets	2,528	2,285
Total non-current assets	11,921	10,891
Total assets	16,675	15,461

(Millions of yen)

	As of September 30, 2023	As of September 30, 2024
Liabilities		
Current liabilities		
Current portion of long-term borrowings	949	798
Accounts payable - other	1,445	1,478
Income taxes payable	223	119
Advances received	135	159
Provision for bonuses	629	603
Other	268	259
Total current liabilities	3,652	3,418
Non-current liabilities		
Long-term borrowings	3,026	2,120
Retirement benefit liability	508	497
Deferred tax liabilities	965	922
Asset retirement obligations	414	384
Other	3	2
Total non-current liabilities	4,918	3,928
Total liabilities	8,571	7,346
Net assets		
Shareholders' equity		
Share capital	1,302	1,309
Capital surplus	1,991	1,997
Retained earnings	4,836	4,811
Treasury shares	(12)	(12)
Total shareholders' equity	8,118	8,106
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	(14)	8
Total accumulated other comprehensive income	(14)	8
Total net assets	8,104	8,115
Total liabilities and net assets	16,675	15,461

Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the fiscal year ended September 30, 2023	For the fiscal year ended September 30, 2024
Net sales	25,136	26,448
Cost of sales	23,050	23,783
Gross profit	2,085	2,665
Selling, general and administrative expenses	1,744	1,875
Operating profit	341	789
Non-operating income		
Interest and dividend income	2	2
Subsidy income	-	62
Miscellaneous income	10	3
Total non-operating income	13	68
Non-operating expenses		
Interest expenses	17	25
Capital expenses	-	3
Miscellaneous losses	15	8
Total non-operating expenses	33	37
Ordinary profit	321	820
Extraordinary income		
Insurance claim income	-	18
Gain on step acquisitions	21	-
Gain on bargain purchase	98	-
Gain on donation of contribution	15	-
Total extraordinary income	134	18
Extraordinary losses		
Loss on retirement of non-current assets	1	8
Impairment losses	608	201
Loss on closing of nursery schools	-	11
Loss on sale of business	-	181
Loss on compensation for damage	-	18
Loss on sale of shares of subsidiaries	-	1
Total extraordinary losses	609	423
Profit (loss) before income taxes	(154)	416
Income taxes - current	279	204
Income taxes - deferred	(378)	(45)
Total income taxes	(98)	159
Profit (loss)	(55)	256
Profit attributable to		
Profit (loss) attributable to owners of parent	(55)	256
Profit attributable to non-controlling interests	-	-
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	20	23
Total other comprehensive income	20	23
Comprehensive income	(35)	279
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(35)	279
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statements of Changes in Equity

For the fiscal year ended September 30, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,296	1,984	5,127	(6)	8,402
Changes during period					
Issuance of new shares	6	6			12
Dividends of surplus			(234)		(234)
Profit (loss) attributable to owners of parent			(55)		(55)
Purchase of treasury shares				(6)	(6)
Net changes in items other than shareholders' equity					
Total changes during period	6	6	(290)	(6)	(284)
Balance at end of period	1,302	1,991	4,836	(12)	8,118

	Accumulated other comprehensive income		Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	(34)	(34)	8,367
Changes during period			
Issuance of new shares			12
Dividends of surplus			(234)
Profit (loss) attributable to owners of parent			(55)
Purchase of treasury shares			(6)
Net changes in items other than shareholders' equity	20	20	20
Total changes during period	20	20	(263)
Balance at end of period	(14)	(14)	8,104

For the fiscal year ended September 30, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,302	1,991	4,836	(12)	8,118
Changes during period					
Issuance of new shares	6	6			13
Dividends of surplus			(282)		(282)
Profit (loss) attributable to owners of parent			256		256
Net changes in items other than shareholders' equity					
Total changes during period	6	6	(25)	-	(12)
Balance at end of period	1,309	1,997	4,811	(12)	8,106

	Accumulated other comprehensive income		Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	(14)	(14)	8,104
Changes during period			
Issuance of new shares			13
Dividends of surplus			(282)
Profit (loss) attributable to owners of parent			256
Net changes in items other than shareholders' equity	23	23	23
Total changes during period	23	23	10
Balance at end of period	8	8	8,115

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended September 30, 2023	For the fiscal year ended September 30, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	(154)	416
Depreciation	809	828
Impairment losses	608	201
Loss on closing of nursery schools	-	11
Loss on sale of business	-	181
Loss on compensation for damage	-	18
Loss on sale of subsidiaries	-	1
Subsidy income	-	(62)
Increase (decrease) in provision for bonuses	(19)	(26)
Increase (decrease) in retirement benefit liability	40	(25)
Interest and dividend income	(2)	(2)
Interest expenses	17	25
Insurance claim income	-	(18)
Decrease (increase) in accounts receivables and contract assets	87	34
Decrease (increase) in prepaid expenses	(13)	45
Increase (decrease) in accounts payable - other	55	6
Increase (decrease) in advances received	14	23
Gain on step acquisition	(21)	-
Gain on bargain purchase	(98)	-
Other, net	183	66
Subtotal	1,507	1,725
Interest and dividends received	0	0
Interest paid	(17)	(25)
Income taxes paid	(335)	(293)
Subsidies received	-	62
Proceeds from insurance income	-	18
Net cash provided by (used in) operating activities	1,154	1,488
Cash flows from investing activities		
Purchase of property, plant and equipment	(63)	(344)
Proceeds from sale of property, plant and equipment	0	-
Purchase of intangible assets	(289)	(81)
Payments of leasehold and guarantee deposits	(5)	(19)
Proceeds from lease and guarantee deposits received	6	20
Proceeds from collection of construction assistance fund receivables	21	18
Payment for acquisition of shares of a new consolidated subsidiary	(98)	-
Proceeds from sale of investment securities	-	11
Proceeds from sale of businesses	-	132
Other, net	(0)	(1)
Net cash provided by (used in) investing activities	(428)	(265)
Cash flows from financing activities		
Proceeds from long-term borrowings	1,070	2,276
Repayments of long-term borrowings	(1,504)	(3,334)
Repayments of lease liabilities	(0)	(0)
Proceeds from exercise of employee share options	0	0
Dividends paid	(234)	(282)
Net cash provided by (used in) financing activities	(670)	(1,340)
Net increase (decrease) in cash and cash equivalents	55	(117)

Cash and cash equivalents at beginning of period	1,303	1,359
Cash and cash equivalents at end of period	1,359	1,241