

April 14, 2025

Consolidated Financial Results
for the Nine Months Ended February 28, 2025
(Under Japanese GAAP)

Company name:	Globe-ing Inc.
Listing:	Tokyo Stock Exchange
Securities code:	277A
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Scheduled date to commence dividend payments:	—
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 nine months ended February 28, 2025 (June 1, 2024 - February 28, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net revenue		Operating profit		Ordinary profit		Quarterly net income attributable to owners of the parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2025	5,953	—	2,118	—	2,105	—	1,226	—
February 29, 2024	—	—	—	—	—	—	—	—

Note:	Comprehensive income	Nine months ended February 28, 2025:	¥1,241 million	[-%]
		Nine months ended February 29, 2024:	¥ – million	[-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended February 28, 2025	Yen 45.48	Yen 42.43
February 29, 2024	—	—

Notes: 1. Figures for the nine months ended February 29, 2024, and year-on-year changes for the nine months ended February 28, 2025, are not stated as the Company has not prepared quarterly consolidated financial statements for the nine months ended February 29, 2024.

2. The Company conducted a 5-for-1 stock split of its common shares effective September 20, 2024 and March 1, 2025. Basic earnings per share were calculated based on the assumption that said stock split was conducted at the beginning of the nine months under review.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
Nine months ended February 28, 2025	7,520	5,333	69.3
Fiscal year ended May 31, 2024	2,593	1,551	57.5

Reference:	Equity
	Nine months ended February 28, 2025: ¥5,214 million
	May 31, 2024: ¥1,490 million

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2024	—	0.00	—	0.00	0.00
Fiscal year ending May 31, 2025	—	0.00	—		
Fiscal year ending May 31, 2025 (Forecast)				0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial results forecast for the fiscal year ending May 31, 2025 (from June 1, 2024 to May 31, 2025)

(Percentages indicate year-on-year changes.)

	Net revenue		Operating profit		Ordinary profit		Quarterly net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Full year	8,150	95.2	2,600	603.4	2,587	582.9	1,500	475.8	Yen 54.72

Notes: 1. Revisions to the financial results forecast most recently announced: Yes

2. The Company conducted a 5-for-1 stock split of its common shares effective September 20, 2024 and March 1, 2025, and basic earnings per share were calculated based on the assumption that said stock split was conducted at the beginning of the fiscal year ending May 31, 2025.

*Notes

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

Newly included: – companies (Company name) –

Excluded: – companies (Company name) –

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

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please refer to “Changes in accounting policies” on page 8 of the attached documents of the Japanese version of this document.

(4) Number of issued shares (common shares)

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

As of February 28, 2025	28,728,000 shares
As of May 31, 2024	26,078,000 shares

(ii) Number of treasury shares at the end of the period

As of February 28, 2025	– shares
As of May 31, 2024	– shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

As of February 28, 2025	26,971,040 shares
Nine months ended February 29, 2024	– shares

Notes: 1. The average number of shares outstanding during the period for the nine months ended February 29, 2024, is not stated as the Company has not prepared quarterly consolidated financial statements for the nine months ended February 29, 2024

2. The Company conducted a 5-for-1 stock split of its common shares effective September 20, 2024 and March 1, 2025. The total number of issued shares at the end of the period and the average number of shares outstanding during the period are stated based on the assumption that said stock split was conducted at the beginning of the previous fiscal year.

* Review of the attached quarterly consolidated financial statements by certified public accountants or audit firms: Yes (voluntary)

* Proper use of earnings forecasts, and other special matters

Financial results forecasts and other forward-looking statements provided in these materials are based on information currently available to the Company and certain other assumptions that are deemed to be reasonable. Actual financial results may differ significantly from these forecasts due to various factors.

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1. Overview of Financial Performance

(1) Overview of operating results during the nine months ended February 28, 2025

Forward-looking statements in the text are based on judgments made as of the end of the third quarter of the current consolidated fiscal year. No YoY comparative analysis is provided as the Company has not prepared quarterly consolidated financial statements for the nine months ended February 29, 2024.

During the nine months ended February 28, 2025, the Japanese economy showed a gradual recovery due to an increase in inbound tourism demand resulting from the weaker yen and an improvement in the employment environment, although personal consumption remained sluggish due to factors such as the rise in consumer prices. On the other hand, the outlook remains uncertain due to geopolitical risks such as trends in trade policies of various countries, economic stagnation in China, and rising tensions in the Middle East.

Under these circumstances, Japanese companies are actively pursuing initiatives to create new business opportunities and increase corporate value in order to enhance their competitiveness, and have positioned the use of AI and digital transformation at the center of their corporate strategies, and the need for the consulting industry is expected to remain high.

The Group's business continued to expand steadily during the period under review, with net revenue of 5,953,162 thousand yen, operating profit of 2,118,459 thousand yen, ordinary profit of 2,105,654 thousand yen, and quarterly net income attributable to owners of the parent of 1,226,546 thousand yen despite impairment losses of 105,477 thousand yen on some software.

Operating results by segment are as follows.

Consulting Business

The Company has hired mid-career consultants to provide support for various industries in all aspects of strategy development and DX promotion, and has worked to acquire new projects and expand the scale of existing projects. In the nine months ended February 28, 2025, both net revenue and operating profit were favorable due to the expansion of strategic accounts aimed at building long-term relationships.

Consequently, net revenue and segment income for the period under review were 5,949,562 thousand yen and 2,820,876 thousand yen, respectively.

Cloud Product Business

To develop cloud products, the Company allocated 69,088 thousand yen for research and development to promote the development of the Sales Suite and Spend Intelligence Suite.

Accordingly, net revenue and segment loss for the period under review were 3,600 thousand yen and 105,827 thousand yen, respectively.

(2) Overview of financial position during the nine months ended February 28, 2025

Assets

Total assets at the end of the third quarter of the current consolidated fiscal year amounted to 7,520,402 thousand yen, an increase of 4,926,774 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 3,985,856 thousand yen in cash and deposits, 707,550 thousand yen in accounts receivable, electronically recorded monetary claims and contract assets, 138,307 thousand yen in software in progress, and 65,031 thousand yen in deferred tax assets.

Liabilities

Total liabilities at the end of the third quarter of the current consolidated fiscal year amounted to 2,187,105 thousand yen, an increase of 1,145,476 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 833,397 thousand yen in income taxes payable, 200,335 thousand yen in accrued consumption taxes, 97,219 thousand yen in accrued expenses, 50,424 thousand yen in provision for bonuses, and a decrease of 46,937 thousand yen in accounts payable-other.

Net assets

Net assets at the end of the third quarter of the current consolidated fiscal year were 5,333,297 thousand yen, an increase of 3,781,298 thousand yen from the end of the previous consolidated fiscal year. This was due to an increase in retained earnings of 1,226,546 thousand yen from the posting of net income for the quarter, and an increase in capital stock of 1,105,288 thousand yen and capital surplus of 1,105,288 thousand yen from a public offering conducted in November 2024.

(3) Forward-looking information including consolidated earnings forecast

The consolidated earnings forecast for the fiscal year ending May 31, 2025 has been revised from that disclosed on November 29, 2024. For details, please refer to the "Notice Concerning Revision of Earnings Forecasts" released today.

The relevant consolidated earnings forecast has been prepared based on information available to the Company as of today and on certain assumptions that the Company has judged to be reasonable. Actual earnings may differ due to various factors.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly consolidated balance sheets

(Thousands of yen)

	As of May 31, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	1,388,848	5,374,705
Accounts receivable - trade	228,138	649,547
Electronically recorded monetary claims	5,534	2,617
Contract assets	369,867	658,924
Inventories	10,581	27,932
Other	58,605	86,908
Total current assets	2,061,576	6,800,637
Non-current assets		
Property, plant and equipment		
Buildings	66,743	70,894
Accumulated depreciation	(14,584)	(24,824)
Buildings, net	52,158	46,070
Tools, furniture and fixtures	99,801	126,746
Accumulated depreciation	(52,227)	(70,653)
Tools, furniture and fixtures, net	47,574	56,093
Total property, plant and equipment	99,732	102,163
Intangible assets		
Goodwill	104,450	96,131
Software	25,369	5,396
Software in progress	79,420	217,727
Total intangible assets	209,239	319,255
Investments and other assets		
Long-term prepaid expenses	1,419	7,225
Deferred tax assets	118,378	183,410
Leasehold deposits	103,181	103,541
Other	100	4,168
Total investments and other assets	223,079	298,345
Total non-current assets	532,051	719,764
Total assets	2,593,628	7,520,402

(Thousands of yen)

	As of May 31, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Accounts payable	210,467	163,530
Accrued expenses	256,979	354,199
Income taxes payable	9,618	843,015
Accrued consumption taxes	122,823	323,158
Contract liabilities	8,778	8,152
Provision for bonuses	270,297	320,722
Provision for bonuses for directors (and other officers)	12,228	—
Other	56,607	62,582
Total current liabilities	947,800	2,075,361
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	52,276	65,721
Asset retirement obligations	41,552	45,330
Deferred tax liabilities	—	692
Total non-current liabilities	93,829	111,744
Total liabilities	1,041,629	2,187,105
Net assets		
Shareholders' equity		
Share capital	90,000	1,195,288
Capital surplus	459,000	1,857,511
Retained earnings	936,870	2,163,416
Total shareholders' equity	1,485,870	5,216,217
Accumulated other comprehensive income		
Foreign currency translation adjustment	4,908	(2,093)
Total accumulated other comprehensive income	4,908	(2,093)
Stock acquisition rights	61,219	—
Non-controlling interests	—	119,174
Total net assets	1,551,998	5,333,297
Total liabilities and net assets	2,593,628	7,520,402

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

Quarterly consolidated statements of income

Nine Months Ended February 28, 2025

	(Thousands of yen)
	Nine months ended February 28, 2025 (From June 1, 2024 to February 28, 2025)
Net revenue	5,953,162
Cost of revenue	1,851,755
Gross profit	4,101,406
Selling, general and administrative expenses	1,982,947
Operating profit	2,118,459
Non-operating income	
Interest income	1,683
Dividend income	2
Commission income	12,750
Foreign exchange gains	2,128
Subsidy income	1,928
Other	1,513
Total non-operating income	20,005
Non-operating expenses	
Share issuance costs	9,432
Listing expenses	23,201
Other	176
Total non-operating expenses	32,810
Ordinary profit	2,105,654
Extraordinary income	
Gain on reversal of stock acquisition rights	61,051
Total extraordinary income	61,051
Extraordinary losses	
Impairment losses	105,477
Total extraordinary losses	105,477
Profit before income taxes	2,061,228
Income taxes - current	876,603
Income taxes - deferred	(64,317)
Total income taxes	812,285
Quarterly net income	1,248,943
Quarterly net income attributable to non-controlling interests	22,397
Quarterly net income attributable to owners of the parent	1,226,546

Quarterly consolidated statements of comprehensive income

Nine Months Ended February 28, 2025

	(Thousands of yen)
	Nine months ended February 28, 2025 (From June 1, 2024 to February 28, 2025)
Quarterly net income	1,248,943
Other comprehensive income	
Foreign currency translation adjustment	(7,002)
Total other comprehensive income	(7,002)
Quarterly comprehensive income	1,241,940
Quarterly comprehensive income attributable to	
Owners of the parent	1,219,543
Non-controlling interests	22,397

(3) Notes to quarterly consolidated financial statements

Changes in accounting policies

(Application of “Accounting Standard for Current Income Taxes,” etc.)

“Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, “2022 Revised Accounting Standard”) has been applied from the beginning of the first quarter of the current fiscal year.

With regard to the revision of the classification of income taxes (taxation on other comprehensive income), the Company adheres to the transitional treatment stipulated in the provisory clause of Paragraph 20-3 of the 2022 Revised Accounting Standard, as well as that in the provisory clause of Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022”). This change in accounting policy has no impact on the quarterly consolidated financial statements.

Additionally, with regard to the revision related to the treatment in consolidated financial statements of gains or losses arising from the sale of subsidiary shares between consolidated companies, which may be deferred for tax purposes, the Company has applied the 2022 Revised Guidance from the beginning of the first quarter of the fiscal year ending May 31, 2025. This change in accounting policy has been applied retrospectively. As a result, the consolidated financial statements for the previous fiscal year have been restated to reflect this change. This change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

Segment information

Nine months ended February 28, 2025 (From June 1, 2024 to February 28, 2025)

1. Information about amounts of net revenue, profit and loss by reportable segment

	Reportable Segment			Adjustment (Note 1)	(Thousands of yen) Amount recorded on quarterly consolidated statements of income (Note 2)
	Consulting	Cloud products	Total		
Net revenue					
Revenue generated from contracts with customers	5,949,562	3,600	5,953,162	—	5,953,162
Other revenue	—	—	—	—	—
Net revenue to external customers	5,949,562	3,600	5,953,162	—	5,953,162
Intersegment revenue and transfers	—	—	—	—	—
Total	5,949,562	3,600	5,953,162	—	5,953,162
Segment income (loss)	2,820,876	(105,827)	2,715,048	(596,589)	2,118,459

Notes: 1. Adjustments to segment income (loss) mainly consist of general and administrative expenses that do not belong to any reportable segment.

2. Segment income (loss) is adjusted with operating profit recorded on the quarterly consolidated statements of income.

2. Information on impairment losses of non-current assets or goodwill, etc. for each reportable segment

In the Cloud Product segment, impairment losses on some software have been recorded.

The recorded amount of the impairment loss for the nine months ended February 28, 2025 was 105,477 thousand yen.

Significant changes in the amount of shareholders' equity

During the nine months ended February 28, 2025, capital surplus increased by 293,223 thousand yen due to a change in the parent company's equity interest in transactions with non-controlling shareholders in connection with a capital increase through third-party allotment at a consolidated subsidiary.

In addition, the Company was listed on the Growth Market of the Tokyo Stock Exchange on November 29, 2024. Upon listing, capital stock and capital surplus increased by 1,105,288 thousand yen each due to the issuance of 530,000 new shares through public offering with a payment date of November 28, 2024.

As a result, capital stock and capital surplus amounted to 1,195,288 thousand yen and 1,857,511 thousand yen, respectively, at

the end of the third quarter of the current consolidated fiscal year.

Going concern assumption

Not applicable.

Cash flow statement

We have not prepared a quarterly consolidated cash flow statement for the nine months ended February 28, 2025. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the period under review are as follows.

	Nine months ended February 28, 2025 (From June 1, 2024 to February 28, 2025)
Depreciation	57,472 thousand yen
Amortization of goodwill	8,319 thousand yen

Significant event after the reporting period

Stock split and ensuing partial amendment to the Articles of Incorporation

The Company, by resolution of its Board of Directors meeting held on January 23, 2025, conducted a stock split effective March 1, 2025 and made a partial amendment to the Articles of Incorporation in conjunction with this split.

1. Stock Split

(1) Purpose of the stock split

The Company aims to improve the liquidity of its shares and further expand its investor base by lowering the investment unit price of common stock through a stock split, thereby making investing more accessible for shareholders.

(2) Overview of the stock split

(i) Method of the stock split

With a record date of Friday, February 28, 2025, the common shares held by shareholders recorded in the final shareholder register on the record date were split at a ratio of 5-for-1.

(ii) Number of shares increased with the stock split

Total number of outstanding shares before the stock split:	5,745,600 shares
Number of shares increased with this stock split:	22,982,400 shares
Total number of outstanding shares after the stock split:	28,728,000 shares
Total number of authorized shares after the stock split:	100,000,000 shares

(iii) Schedule of the stock split

Record date announcement date:	Thursday, February 13, 2025
Record date:	Friday, February 28, 2025
Effective date:	Saturday, March 1, 2025

(iv) Effect on per-share information

The effect on per-share information is shown in "basic earnings per share" and "diluted earnings per share" in the Summary Information.

(3) Other

(i) The stock split will not result in any change in the Company's capital.

(ii) Adjustment to exercise prices of stock acquisition rights

In conjunction with this stock split, the exercise price per share of the stock acquisition rights issued by the Company was adjusted as follows on and after March 1, 2025.

Name	Exercise price before adjustment	Exercise price after adjustment
4th series of stock acquisition rights	1,400 yen	280 yen

Note: The 1st series of A stock acquisition rights, 1st series of B stock acquisition rights, 2nd series of A stock acquisition rights, 2nd series of B stock acquisition rights, 3rd series of A stock acquisition rights and 3rd series of B stock acquisition rights expired on September 20, 2024 based on the resolution of the Board of Directors meeting held on September 20, 2024.

2. Partial Amendment to the Articles of Incorporation

(1) Reason for amendment to the Articles of Incorporation

In accordance with the stock split, the total number of authorized shares stipulated in Article 6 of the Company's Articles of Incorporation was changed as of Saturday, March 1, 2025, based on a resolution of the Board of Directors meeting held under the provisions of Article 184, Paragraph 2 of the Companies Act.

(2) Details of amendment to the Articles of Incorporation

The details of the amendment are as follows.

Before amendment	After amendment
(Total number of authorized shares) Article 6. The total number of authorized shares of the Company shall be 20,000,000 shares.	(Total number of authorized shares) Article 6. The total number of authorized shares of the Company shall be 100,000,000 shares.

(3) Schedule of the amendment to the Articles of Incorporation

Effective date: Saturday, March 1, 2025