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September 12, 2024

Financial Results for the Nine Months Ended July 31, 2024 (Under Japanese GAAP)

Company name: Timee, Inc.
Listing: Tokyo Stock Exchange
Securities code: 215A
URL: http://corp.timee.co.jp/
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Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and securities analysts)

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

1. Financial results for the nine months ended July 31, 2024 (from November 1, 2023 to July 31, 2024)

(1) Operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2024	19,025	–	2,793	–	2,472	–	1,466	–
July 31, 2023	–	–	–	–	–	–	–	–

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
July 31, 2024	15.42	13.70
July 31, 2023	–	–

Notes 1. The figures for the nine months ended July 31, 2023 and the percentages of year-on-year changes are not stated, as the Company has not prepared the quarterly financial statements for the nine months ended July 31, 2023.

2. The Company conducted a 3,000-for-1 split of its common stock effective March 31, 2024. Basic earnings per share and diluted earnings per share were calculated based on the assumption that said stock split was conducted at the beginning of the fiscal year.

3. As the Company was listed on the Growth Market of the Tokyo Stock Exchange on July 26, 2024, diluted earnings per share for the nine months ended July 31, 2024 were calculated by considering the average price of shares during the period from the date of the initial listing to the end of the third quarter of the fiscal year ending October 31, 2024 as the average price of shares during the period.

(2) Financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
July 31, 2024	22,508	7,682	34.0
October 31, 2023	17,800	6,201	34.7

Reference: Equity
As of July 31, 2024: ¥7,664 million
As of October 31, 2023: ¥6,182 million

2. Cash 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 October 31, 2023	–	0.00	–	0.00	0.00
Fiscal year ending October 31, 2024	–	0.00	–		
Fiscal year ending October 31, 2024 (Forecast)				0.00	0.00

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

3. Financial results forecast for the fiscal year ending October 31, 2024 (from November 1, 2023 to October 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	27,556	70.7	4,091	109.0	3,623	88.3	2,253	25.0	23.69

Note: Revisions to the financial results forecast most recently announced: None

*** Notes**

(1) Adoption of accounting treatments specific to the preparation of quarterly financial statements: None

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

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

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common stock)

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

As of July 31, 2024	95,139,000 shares
As of October 31, 2023	94,797,000 shares

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

As of July 31, 2024	– shares
As of October 31, 2023	– shares

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

Nine months ended July 31, 2024	95,072,333 shares
Nine months ended July 31, 2023	– shares

Notes 1. The average number of shares outstanding during the period (cumulative from the beginning of the fiscal year) for the nine months ended July 31, 2023 is not stated, as the Company has not prepared the quarterly financial statements for the nine months ended July 31, 2023.

2. The Company conducted a 3,000-for-1 split of its common stock effective March 31, 2024. The total number of issued shares at the end of the period (including treasury shares) and the average number of shares outstanding during the period (cumulative from the beginning of the fiscal year) were calculated based on the assumption that said stock split was conducted at the beginning of the previous fiscal year.

* Review of the Japanese-language originals of the attached quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of financial results forecast and other special matters

The financial results forecast and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and they are not intended to be a promise by the Company that they will be achieved. Actual results may differ significantly from those forecasts due to a wide range of factors. For the above-mentioned financial results forecast, please refer to page 3 of the attached documents, “1. Qualitative Information on Quarterly Financial Results, (3) Explanation of Financial Results Forecast and Other Forward-looking Information.”

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

Forward-looking statements herein were determined as of the end date of the quarter of the fiscal year under review.

Under the vision “Helping individuals create more valuable time” and having a mission “Building infrastructure for expanding life’s possibilities through work,” the Company provides on-demand job platform “Timee,” a fee-charging employment placement business that matches “time when someone wants to work” and “time when workers are needed” across the country. Different from conventional recruitment platforms, jobs which are matched on “Timee” are based on direct employment between clients and workers on a one-day basis.

During the nine months ended July 31, 2024, the Japanese economy continued to recover moderately as social and economic activities were further normalized. Meanwhile, the outlook still remained uncertain due to factors such as rising prices caused by an unstable global situation and volatile foreign currency fluctuations caused by monetary policies by multiple countries.

In the labor market, the Central Minimum Wages Council, an advisory body to the Minister of Health, Labour and Welfare, set a guideline for the national average of the minimum wage for 2024 at 1,054 yen per hour, and thus the minimum wage is expected to rise. In addition, as labor shortages become chronic for society as a whole amid the declining population, falling birthrate, and aging society, there are expanding needs for acceptance of outside personnel by companies and diverse ways of working. Accordingly, we believe that demand for our business that offers new ways of working will further expand.

In such a social and economic environment for Japan, our matching business facilitated the mobility of human resources and continued to increase the number of registered client accounts of our services including those in the food and retail industries. Furthermore, we strove to enhance marketing efficiency by continuously monitoring advertising market trends and customer responses for each advertising medium as well as CPI[*1]. Marketing activities through large-scale mass promotions as TV commercials conducted in November and December 2023 and March and July 2024, mainly targeting workers, resulted in a considerable increase in the number of registered workers.

As a result, the number of registered workers exceeded 8.6 million and the number of registered client accounts exceeded 286 thousand during the nine months ended July 31, 2024, generating transaction volume (the total amount of wages and transportation expenses paid to workers) of 64,141 million yen (up 72.4% year on year).

For the nine months ended July 31, 2024, the Company reported net sales of 19,025,012 thousand yen, operating profit of 2,793,355 thousand yen, ordinary profit of 2,472,046 thousand yen and profit of 1,466,927 thousand yen.

Figures by segment are omitted, because the Company operates a single business segment of the “Timee” business.

*1. CPI, an abbreviation of cost per install, refers to acquisition cost per new worker.

(2) Explanation of Financial Position

(Assets)

Current assets as of the end of the third quarter under review were 21,242,314 thousand yen, up 4,412,287 thousand yen compared with the end of the previous fiscal year. This was mainly due to a 1,791,668-thousand-yen increase in cash and deposits as a result of borrowing, a 620,027-thousand-yen increase in accounts receivable – trade by as a result of increased net sales, a 1,945,680-thousand-yen increase in advances paid for wages and transportation expenses paid to workers as a result of increased use of "Timee," and a 67,888-thousand-yen increase in prepaid expenses such as fees for the lump-sum payment service for annual expenses as a result of business expansion. Also, non-current assets as of the end of the third quarter under review were 1,266,368 thousand yen, up 296,240 thousand yen compared with the end of the previous fiscal year. This was mainly due to a 123,042-thousand-yen increase in guarantee deposits related to the head office where we plan to increase floor space and a 152,421-thousand-yen increase in deferred tax assets.

As a result, total assets were 22,508,683 thousand yen, up 4,708,527 thousand yen compared with the end of the previous fiscal year.

(Liabilities)

Current liabilities as of the end of the third quarter under review were 14,010,399 thousand yen, up 3,338,731 thousand yen compared with the end of the previous fiscal year. This was mainly due to a 1,349,800-thousand-yen increase in short-term borrowings for paying advances for business expansion and a 998,604-thousand-yen increase in income taxes payable as a result of utilization of tax loss carried forward in the previous fiscal year. Also, non-current liabilities as of the end of the third quarter under review were 815,729 thousand yen, down 110,795 thousand yen compared with the end of the previous fiscal year. This was mainly due to a 108,335-thousand-yen decrease in long-term borrowings as a result of repayment of borrowings.

As a result, total liabilities were 14,826,128 thousand yen, up 3,227,936 thousand yen compared with the end of the previous fiscal year.

(Net assets)

Net assets as of the end of the third quarter under review were 7,682,555 thousand yen, up 1,480,590 thousand yen compared with the end of the previous fiscal year. This was mainly due to an increase in retained earnings as a result of recorded profit of 1,466,927 thousand yen for the nine months ended July 31, 2024.

(3) Explanation of Financial Results Forecast and Other Forward-looking Information

The financial results forecast for the full year ending October 31, 2024 remains unchanged from the financial results forecast that the Company disclosed in the "Notice Regarding Financial Results, Etc. Accompanying Listing on the Growth Market of the Tokyo Stock Exchange" dated July 26, 2024.

2. Quarterly Financial Statements and Principal Notes

(1) Quarterly Balance Sheets

(Thousands of Yen)

	As of October 31, 2023	As of July 31, 2024
Assets		
Current assets		
Cash and deposits	7,996,093	9,787,762
Accounts receivable - trade	2,080,449	2,700,476
Accounts receivable - other	7,657	3,800
Advances paid	6,496,633	8,442,314
Prepaid expenses	270,321	338,209
Allowance for doubtful accounts	(21,127)	(30,249)
Total current assets	16,830,027	21,242,314
Non-current assets		
Property and equipment		
Leasehold improvements	336,223	338,519
Tools, furniture and fixtures	304,962	423,837
Leased assets	21,600	21,600
Accumulated depreciation	(148,514)	(252,596)
Total property and equipment	514,271	531,360
Investments and other assets		
Investments in capital	10	10
Guarantee deposits	324,647	447,690
Long-term prepaid expenses	134	3,820
Deferred tax assets	131,065	283,486
Total investments and other assets	455,856	735,007
Total non-current assets	970,128	1,266,368
Total assets	17,800,156	22,508,683

(Thousands of Yen)

	As of October 31, 2023	As of July 31, 2024
Liabilities		
Current liabilities		
Short-term borrowings	7,050,200	8,400,000
Current portion of long-term borrowings	200,628	145,352
Lease liabilities	3,175	3,265
Accounts payable - other	1,747,764	2,237,167
Accrued expenses	1,031,095	1,522,676
Advances received	37,839	79,989
Deposits received	55,348	90,904
Income taxes payable	103,597	1,102,201
Accrued consumption taxes	442,019	428,842
Total current liabilities	10,671,667	14,010,399
Non-current liabilities		
Long-term borrowings	908,415	800,080
Lease liabilities	18,109	15,649
Total non-current liabilities	926,524	815,729
Total liabilities	11,598,191	14,826,128
Net assets		
Shareholders' equity		
Share capital	100,000	107,254
Capital surplus	6,976,793	6,984,047
Retained earnings (accumulated deficit)	(894,128)	572,799
Total shareholders' equity	6,182,665	7,664,101
Share acquisition rights	19,299	18,453
Total net assets	6,201,964	7,682,555
Total liabilities and net assets	17,800,156	22,508,683

(2) Quarterly Statements of Operations

Nine Months Ended July 31

(Thousands of Yen)

	For the nine months ended July 31, 2024
Net sales	19,025,012
Cost of sales	888,028
Gross profit	18,136,983
Selling, general and administrative expenses	15,343,627
Operating profit	2,793,355
Non-operating income	
Interest income	22
Income from point programs	12,755
Miscellaneous income	2,773
Total non-operating income	15,552
Non-operating expenses	
Interest expenses	41,209
Loss on disposal of property and equipment	205
Office relocation expenses	182
Listing expenses	294,479
Miscellaneous expenses	785
Total non-operating expenses	336,861
Ordinary profit	2,472,046
Extraordinary gain	
Gain on extinguishment of share acquisition rights	526
Total extraordinary gain	526
Profit before income taxes	2,472,572
Income taxes – current	1,158,067
Income taxes – deferred	(152,421)
Total income taxes	1,005,645
Profit	1,466,927

(3) Notes to Quarterly Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Notes on segment information, etc.)

[Segment information]

Segment information is omitted because the Company operates a single business segment of the "Timee" business.

(Notes on statements of cash flows)

Quarterly statements of cash flows for the nine months ended July 31, 2024 have not been prepared.

Depreciation for the nine months ended July 31, 2024 was as follows:

(Thousands of Yen)

	For the nine months ended July 31, 2024
Depreciation	¥127,622