Timee

FY24/10 3Q
Financial Results

September 12, 2024

Company Profile

Company name
Timee, Inc.

Established
August 2017

Business operations
On-demand job platform

Address
Shiodome City Center 35th Flr.
1-5-2 Higashi-shinbashi,
Minato-ku, Tokyo

Founder & CEO
Ryo Ogawa

Service Launched
August 2018

HQ & Branch
Tokyo (HQ), Osaka, Nagoya, Fukuoka,
Sendai, Hiroshima, Hokkaido, and Nagano

# of employees(1)
961 regular employees, in addition to 4 Directors,
3 Auditors, and 207 temp staff



Vision

Helping individuals
create more valuable time

Mission

Building infrastructure for expanding
life's possibilities through work

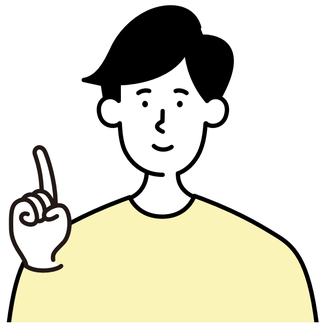
*1 As of August 31, 2024

Timee

Timee is an on-demand job platform that connects available workers with companies

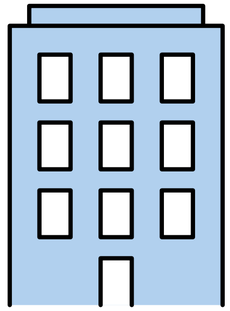
Instant matching

Workers



Timee

Clients

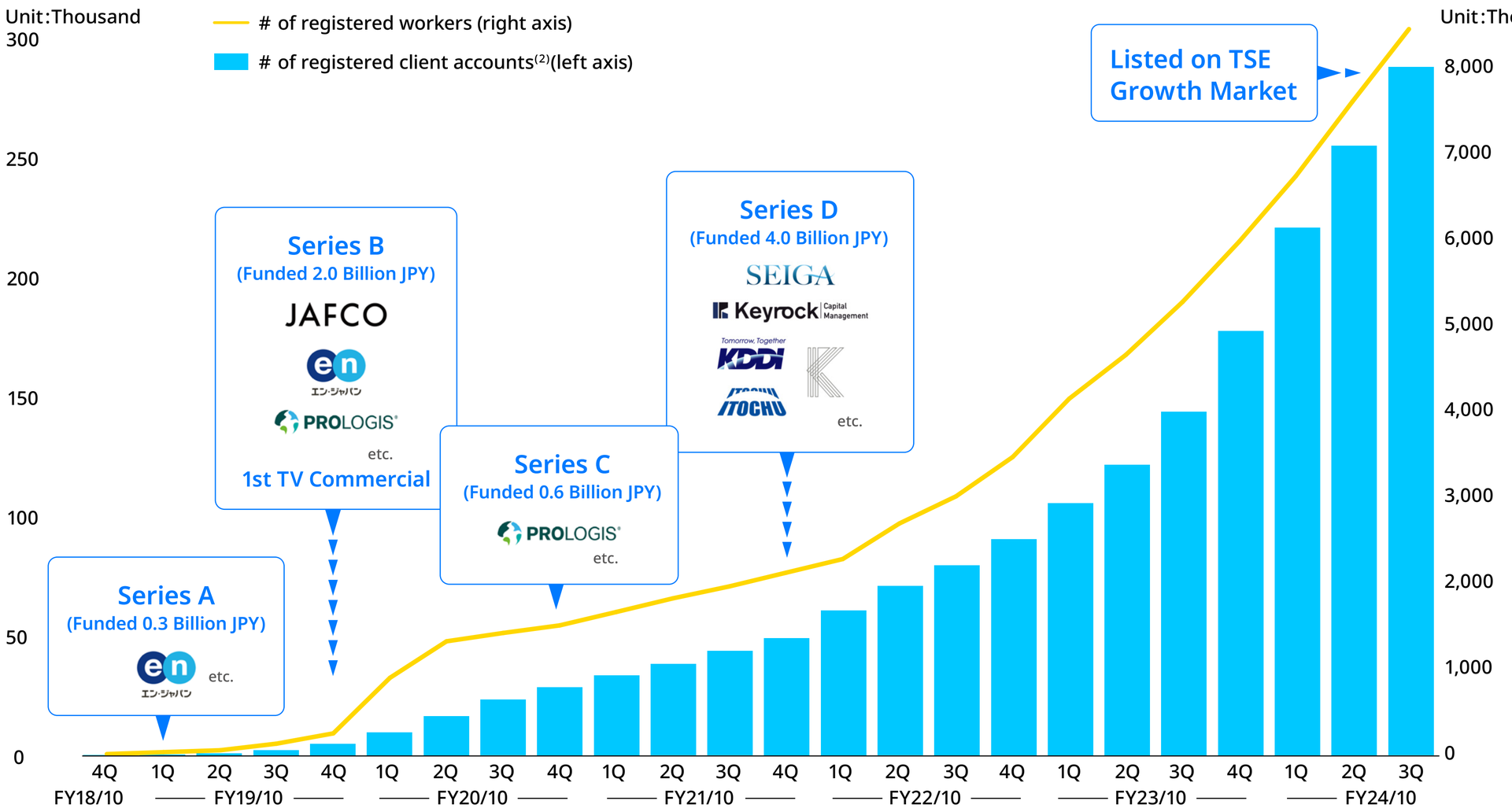


Find work whenever, wherever, with flexible shifts within minutes without interviews

Direct employment contracts (day labor)

Find sufficient quality workers within minutes efficiently

Steady Growth of Platform



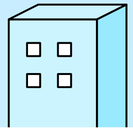
# of registered workers(1)

8.6 Million



# of registered client # accounts(1)(2)

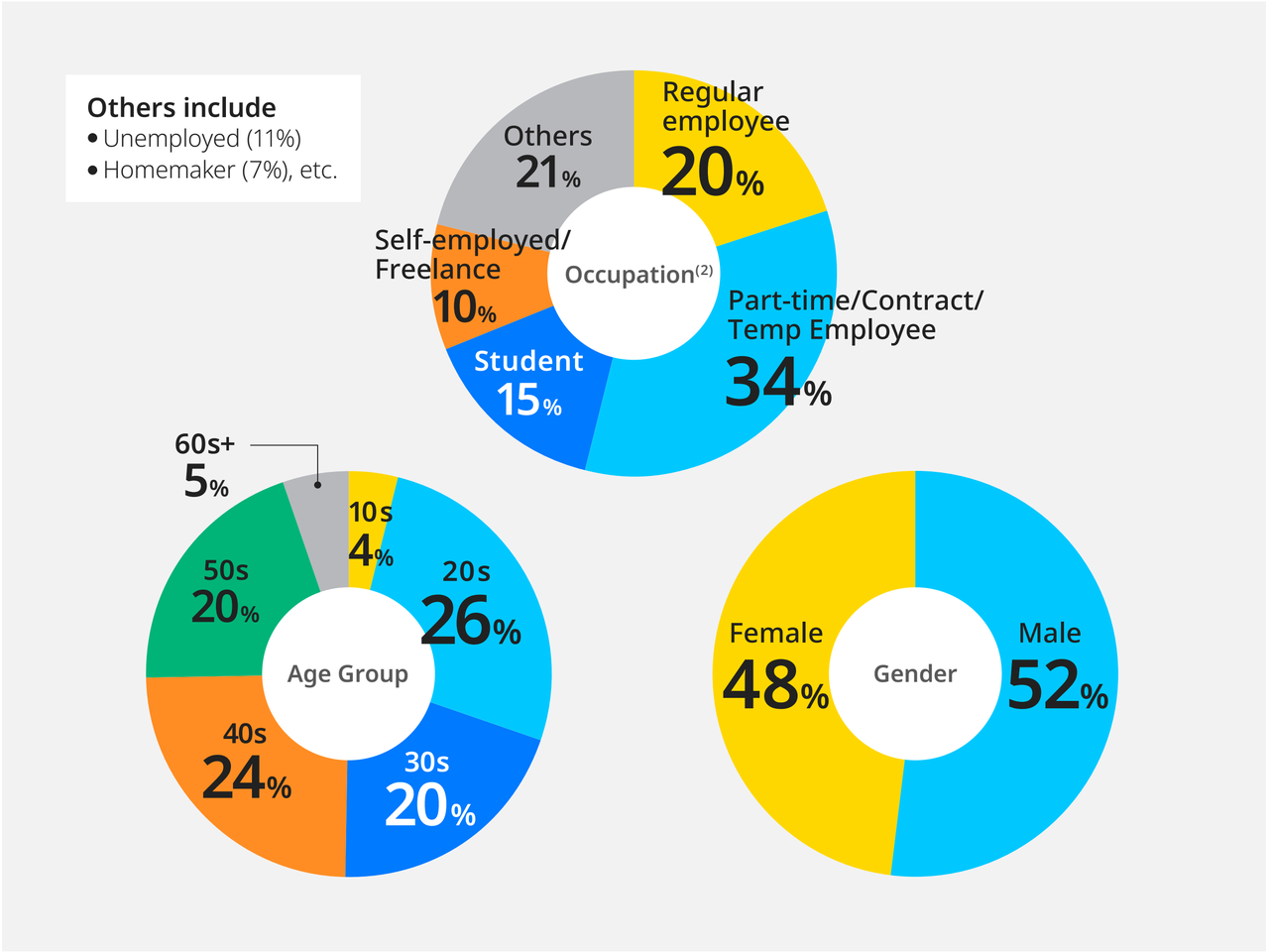
286 Thousand



*1 As of the end of July 2024. Accumulated figures since the launch of the service. As of September 9, 2024, the number of registered workers reached to 9 million and the number of registered client accounts reached to 297 thousand.

*2 Each registered client account generally corresponds to one client work location

Profile of Timee Workers[1] – Mainly Young & Diversified



"Persona" of Core Workers[3]



Status: Homemaker
Age: 30-40s
Annual Income: JPY 2 million

She lives with her 3rd and 6th grade children and her husband. She is working multiple jobs almost every day via Timee to supplement living expenses.



Status:
Part-time freelance worker
Age: 20-30s
Annual Income: JPY 3 million

Seeking flexibility in his shifts in order to retain the flexibility to attend hobby events. He is only working 60-70% of what he would like, so he uses Timee in addition to regular part-time work.

*1 Calculated based on App registration information and # of job positions filled (App registration information is as of the end of July 2024 and # of job positions filled is for the month of July 2024)
*2 Excluding the job positions filled by workers who have not provided occupation as of the end of July 2024, which accounts for c.31% of total job positions filled
*3 Examples of persona based on the analysis from a marketing perspective on workers who often use Timee's service

Clients' Profile(1) – Logistics, Food and Retail



Food delivery

Others includes
- Entertainment
- Other professional jobs
  Elderly care/Childcare/
  Accounting etc.



Cashier



Shelf stocking

Retail



Bussing



Order

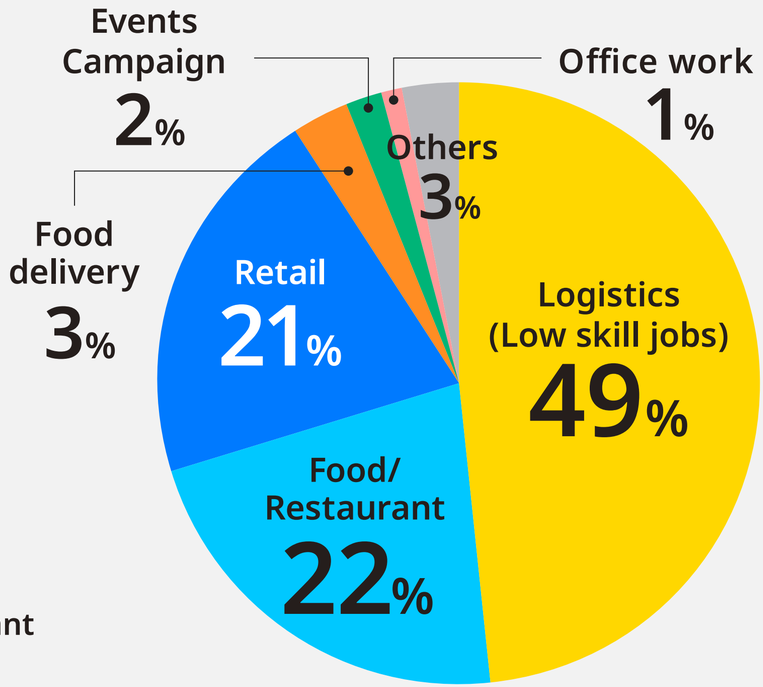


Dishwashing



Waiter/Waitress

Food/ Restaurant



Logistics (Low skill jobs)



Packing



Picking



Inspection

*1 Calculated based on # of job openings posted by clients in July 2024 by job category

FY24/10 3Q Highlight

Timee

PL

- Net sales were 19.02 billion yen (+72.6% YoY) for 3Q YTD and 6.57 billion yen (+64.9% YoY) for 3Q. Net sales increased significantly YoY due to the increased number of active client accounts. Generally progressed well.
- Operating profit was 2.79 billion yen (+60.6% YoY, OPM 14.7%) for 3Q YTD and 1.07 billion yen (+29.0% YoY, OPM 16.3%) for 3Q. Increased YoY while maintaining a balance between lower worker marketing costs (due to an increase in % of core workers) and aggressive investment in client marketing. Steady progress against the plan.

KPI (3Q)

- The average take rate and fill rate remained at the same level as the previous quarter. Transaction volume per active client account declined due to client mix, but the number of active client accounts accumulated steadily, landing at +98.8% growth YoY.

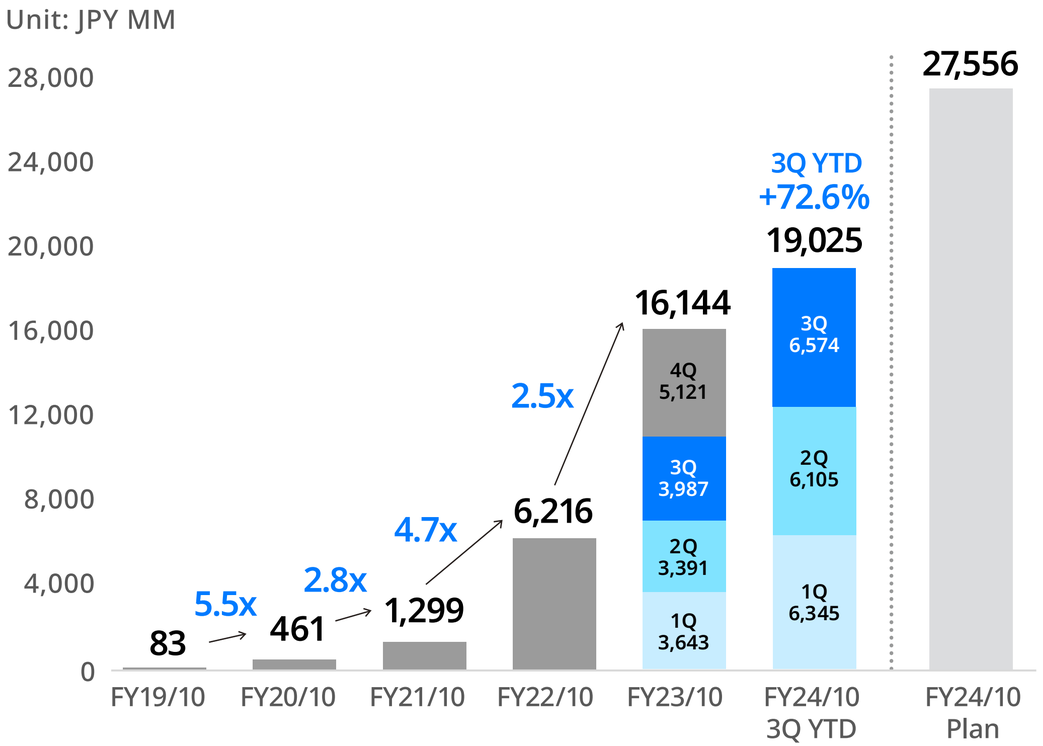
【Transaction volume(1)】22,179 million yen (+65.2% YoY)
【Average take rate(2)】29.6%
【Fill rate(3)】86%
【# of active client accounts(4)】170.1 thousand (+98.8% YoY)
【Transaction volume per active client account】130.3 thousand yen (▲16.9% YoY)

*1 Wages + transportation costs paid to workers by employers
*2 Take rate is charged to employer. Calculated by dividing total net sales from Timee platform business by total transaction volume
*3 Matching rate. Calculated by dividing # of job positions filled by # of job openings posted by clients
*4 # of registered client accounts that posted at least one job opening in a given month. Represents the total number of active client accounts for the three months from May to July 2024

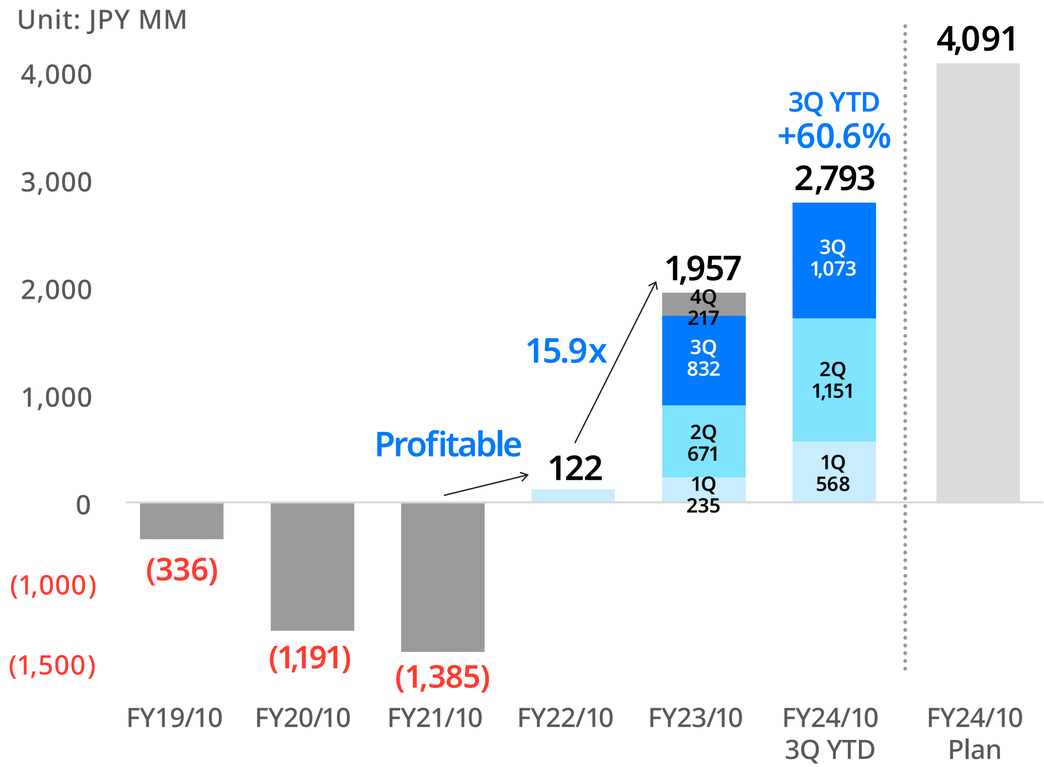
Financial Results

Net sales for FY24/10 3Q YTD were up +72.6% YoY and generally progressed well.
Operating profit for 3Q YTD was up +60.6% YoY, in line with the plan due to lower worker marketing costs.

Net Sales



Operating Profit (Loss)



FY24/10 3Q Results

Gross profit (+71.8% YoY) and operating profit (+60.6% YoY) for FY24/10 3Q YTD increased significantly YoY. However, Operating profit margin for both 3Q YTD and 3Q declined YoY due to aggressive investment in client marketing, which started in FY23/10 4Q.
Profit declined (▲16.0% YoY) due to net operating loss carryforwards. Net operating loss carryforwards were applied in FY23/10, but eliminated in FY24/10. Profit margin also declined YoY due to client marketing costs and net operating loss carryforwards.

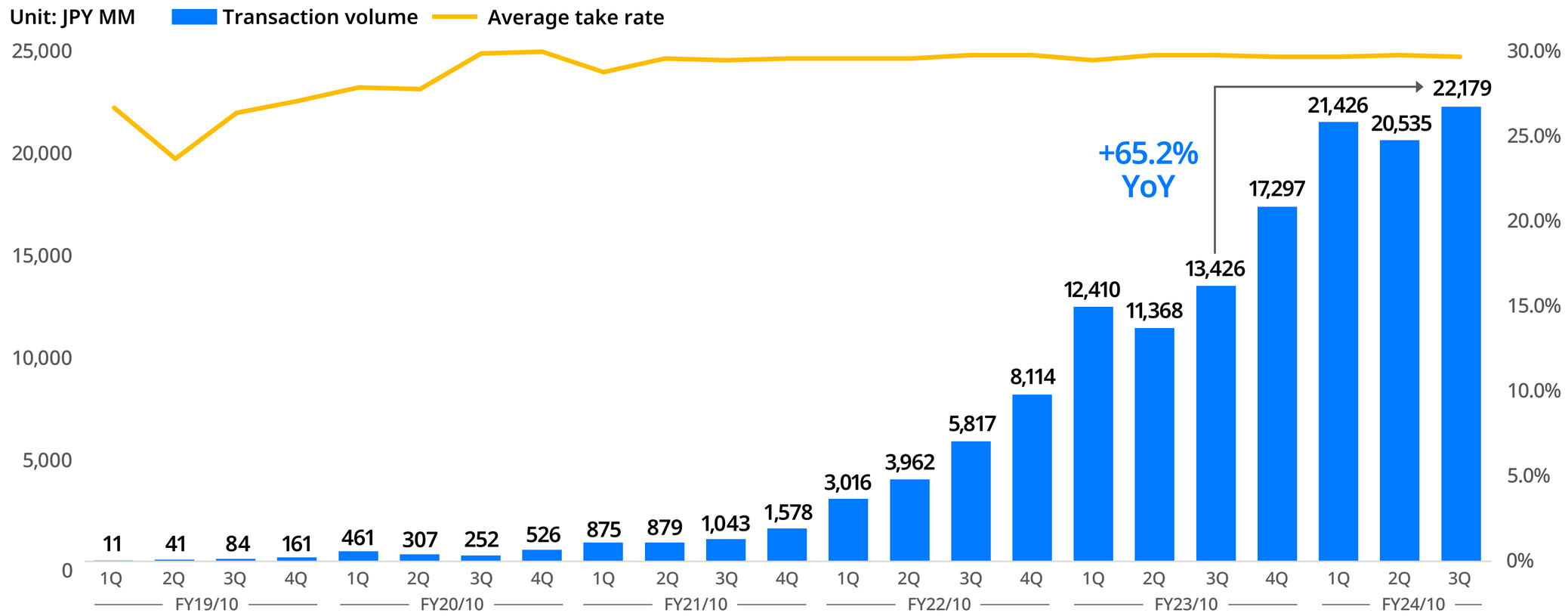
JPY MM

	FY2024/10 3Q YTD	FY2023/10 3Q YTD	Difference	YoY	FY2024/10 3Q	FY2023/10 3Q	Difference	YoY
Net Sales	**19,025**	**11,022**	**8,002**	**+72.6%**	**6,574**	**3,987**	**2,587**	**+64.9%**
Gross Profit	**18,136**	**10,553**	**7,583**	**+71.8%**	**6,228**	**3,820**	**2,407**	**+63.0%**
Gross Profit Margin	95.3%	95.7%	—	—	94.7%	95.8%	—	—
Operating Profit	**2,793**	**1,739**	**1,053**	**+60.6%**	**1,073**	**832**	**241**	**+29.0%**
Operating Profit Margin	14.7%	15.8%	—	—	16.3%	20.9%	—	—
Profit	**1,466**	**1,747**	**(280)**	**▲16.0%**	**502**	**650**	**(147)**	**▲22.7%**
Profit Margin	7.7%	15.9%	—	—	7.6%	16.3%	—	—

Increase in Transaction Volume

Transaction volume for 3Q reached a record high (+65.2% YoY). The average take rate remained stable and high.

Transaction Volume / Average Take Rate(1) (Quarterly)

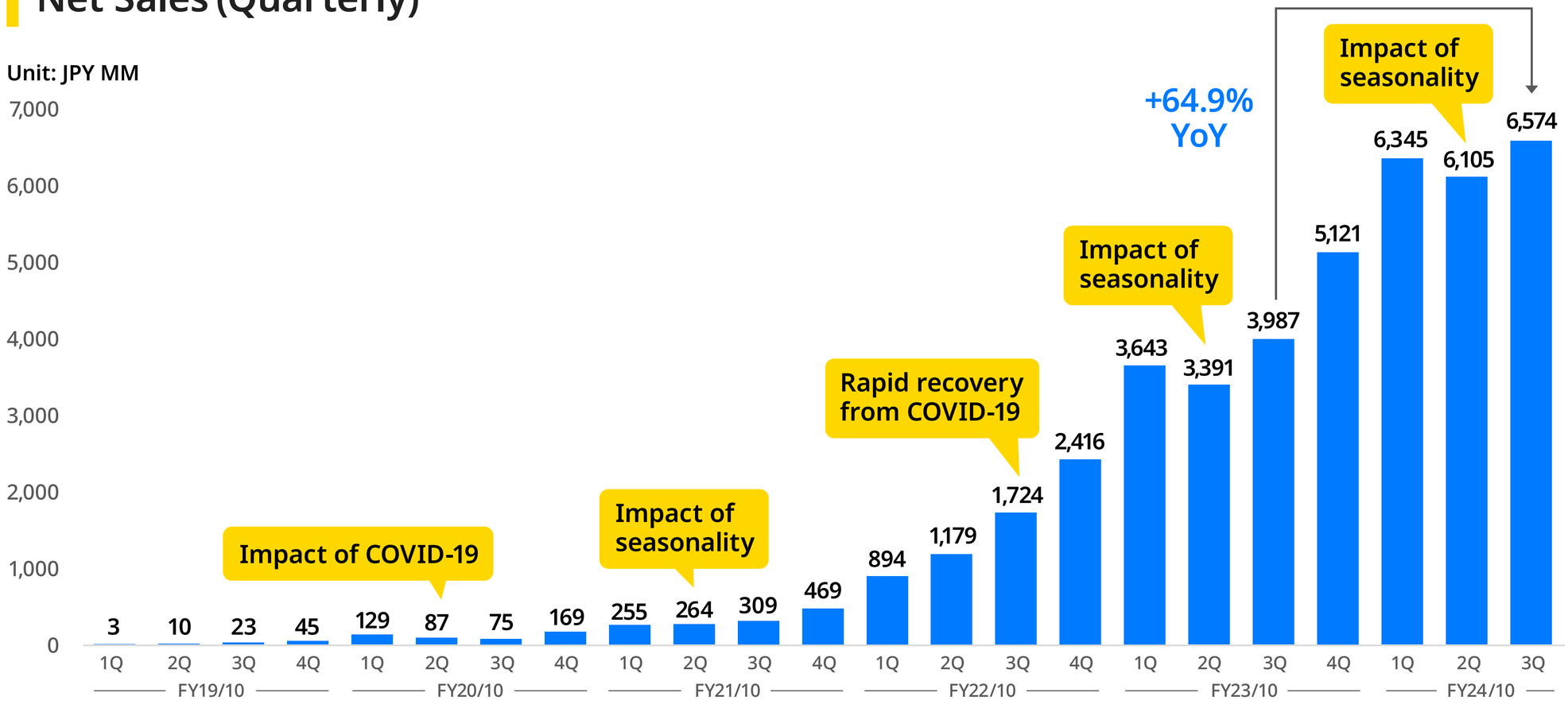


*1 Calculated by dividing total net sales from Timee platform business by total transaction volume

Increase in Net Sales

The stable average take rate led to a record high of net sales (+64.9% YoY) in proportion to the transaction volume.

Net Sales (Quarterly)

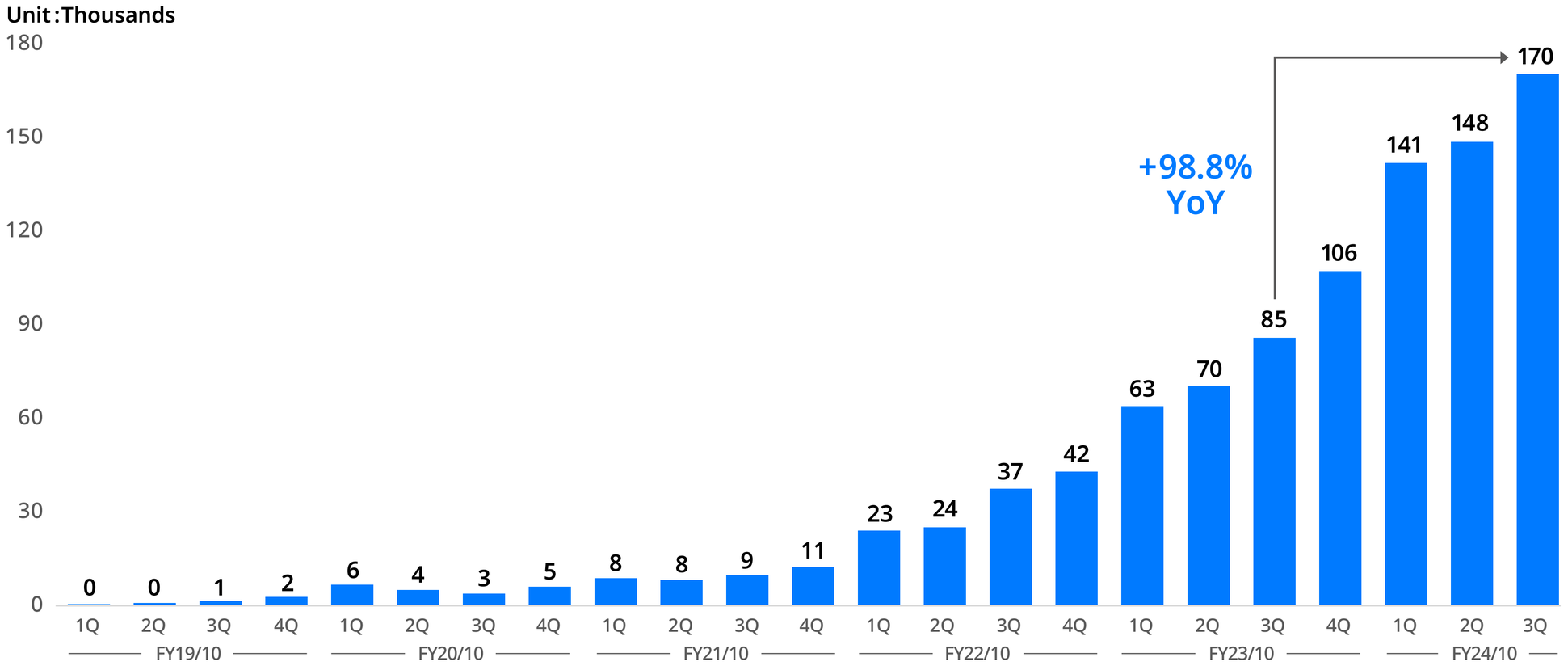


Active Client Accounts

Timee

Active client counts (AAs)(1) steadily increased in 3Q, reaching a record high (+98.8% YoY).

of Active Client Accounts (# of AA)(1)

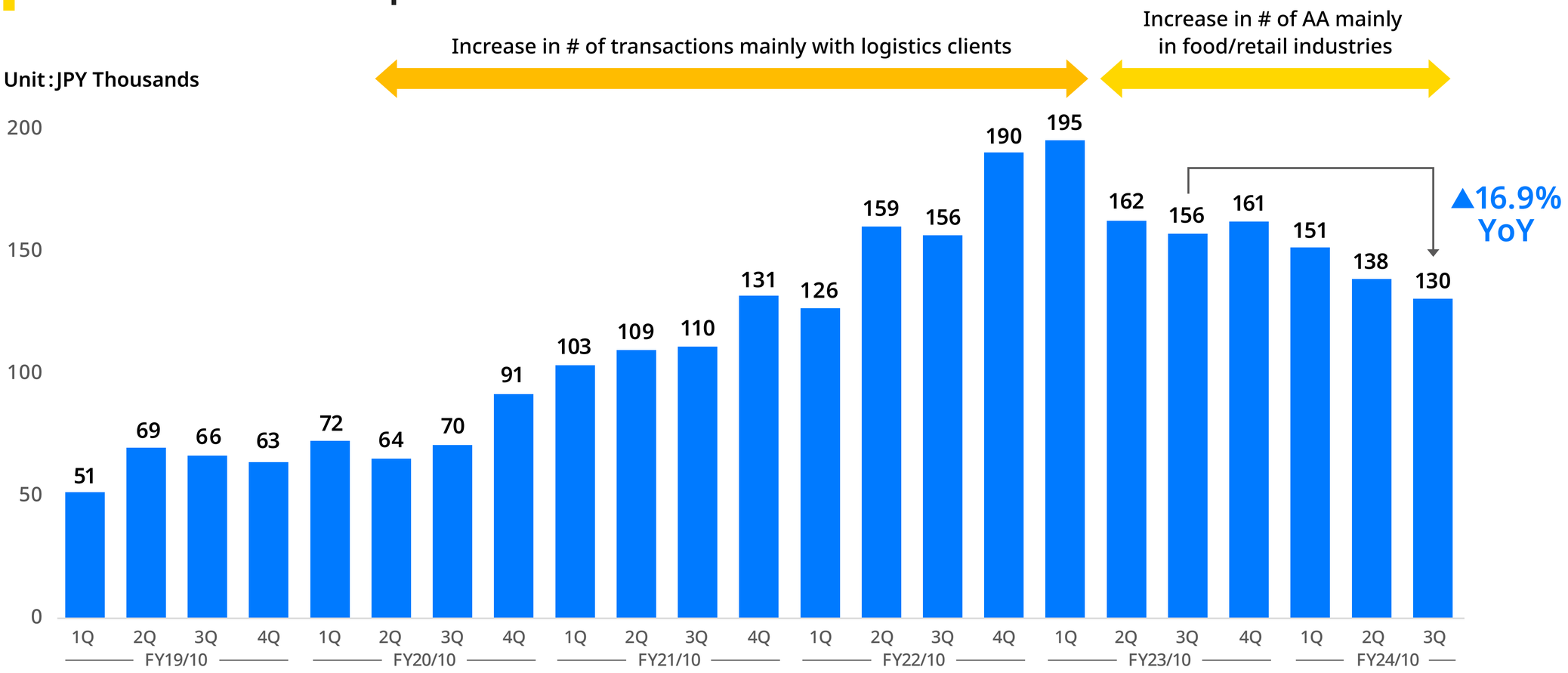


*1 # of registered client accounts that posted at least one job opening in a given month. Quarterly figures correspond to the sum of active client accounts for each of the three months in the quarter, which may result in the figures being higher than the # of unique registered client accounts that posted at least one job opening on our platform during the quarter

Transactions per Active Client Account

Transactions per AA are declining due to a change in client mix.

Transaction Volume per Active Client Account

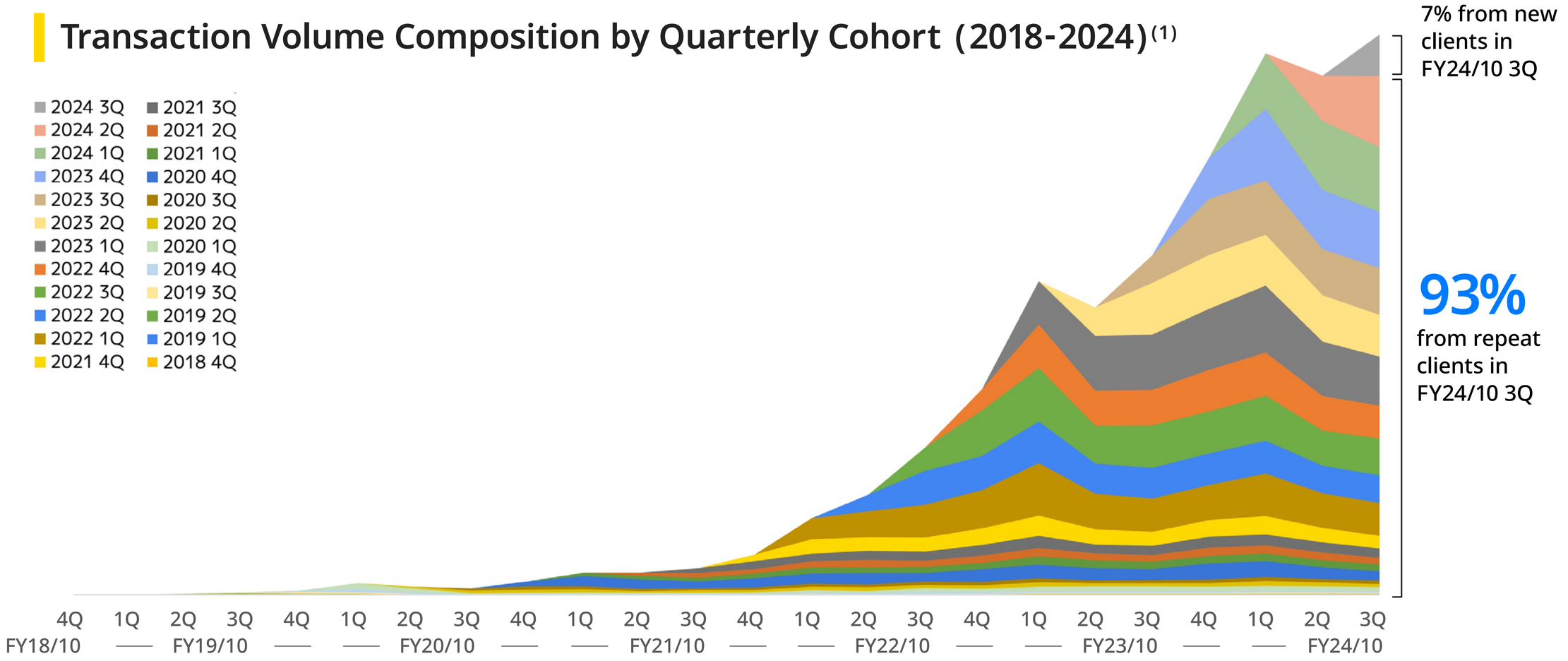


High Client Engagement Strengthens Our Recurring Net Sales Model

Timee

Continued to have repeat clients accounting for more than 90% of total transaction volume.
Maintained high client engagement.

Transaction Volume Composition by Quarterly Cohort (2018-2024)(1)

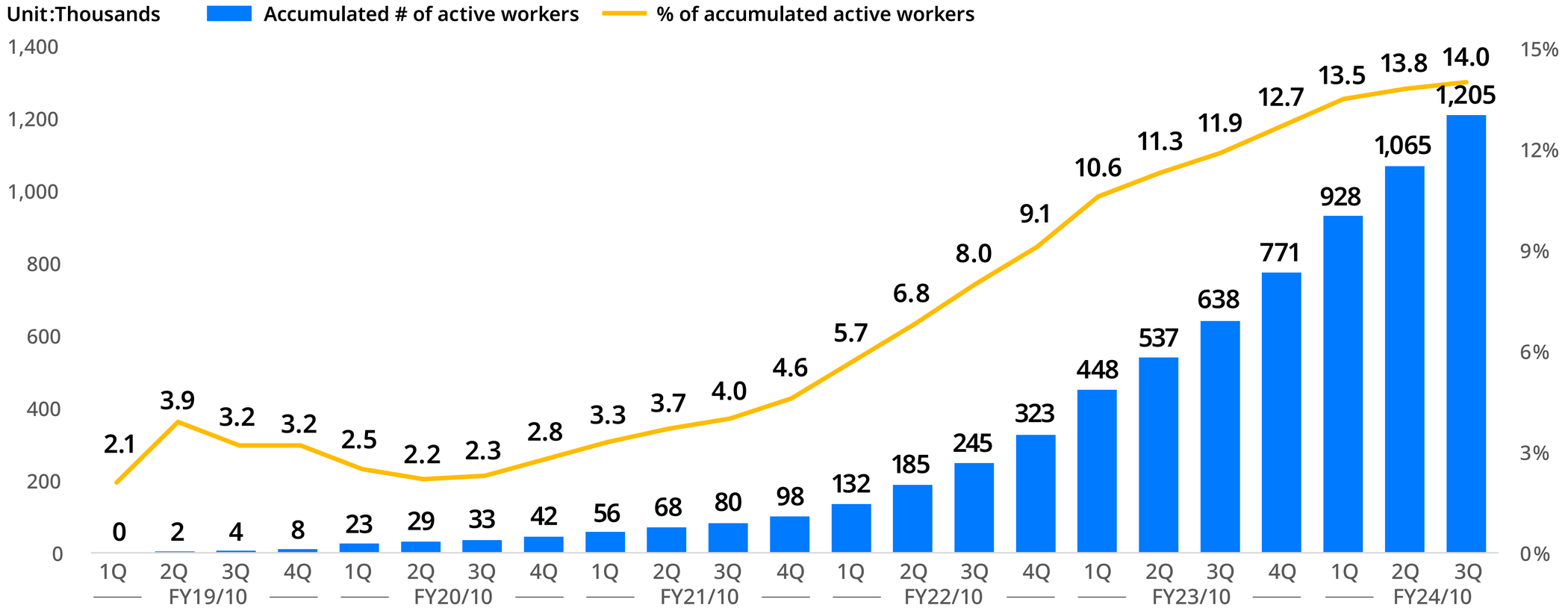


*1 From August 1, 2018 to July 31, 2024. Showing the transaction volume composition by quarterly cohort which is based on the timing of the first transaction with each client account

Growth of Active Workers

The accumulated number of workers with active history continued to increase steadily in 3Q, and the accumulated active worker ratio reached a record high.

Accumulated # of Workers with Active History (Active Workers)[1] / % of Accumulated Active Workers[2] (Quarterly)



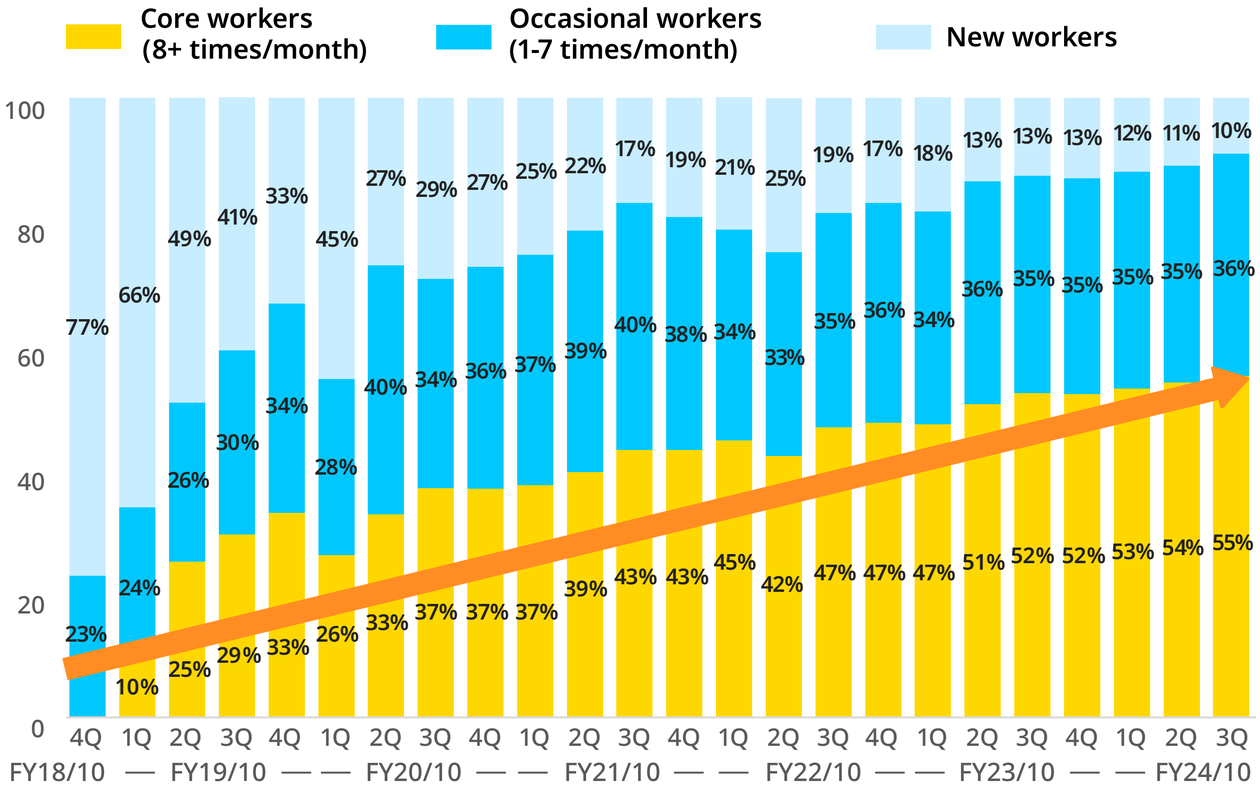
*1 # of workers who worked at least once between the launch of the service and the end of each quarter

*2 Calculated by dividing accumulated # of workers with active history by # of registered workers since the launch of the service

Further Margin Improvements with Expansion of Core Workers

The upward trend in % of core workers continued in 3Q.
An increase in % of core workers leads to a relative decrease in the need for new workers and thus lower marketing costs.

% of Core Workers out of Total # of Job Positions Filled (1)



Worker Marketing Strategies

To improve activation





- **For first-time workers**
  - ☑ SEO
  - ☑ Webinar
  - ☑ First-time campaign
- **Boosting activity**
  - ☑ App push notification
  - ☑ Multiple-use campaign

To increase # of core workers



- **Main target**
  Workers with relatively longer free time



TV commercials



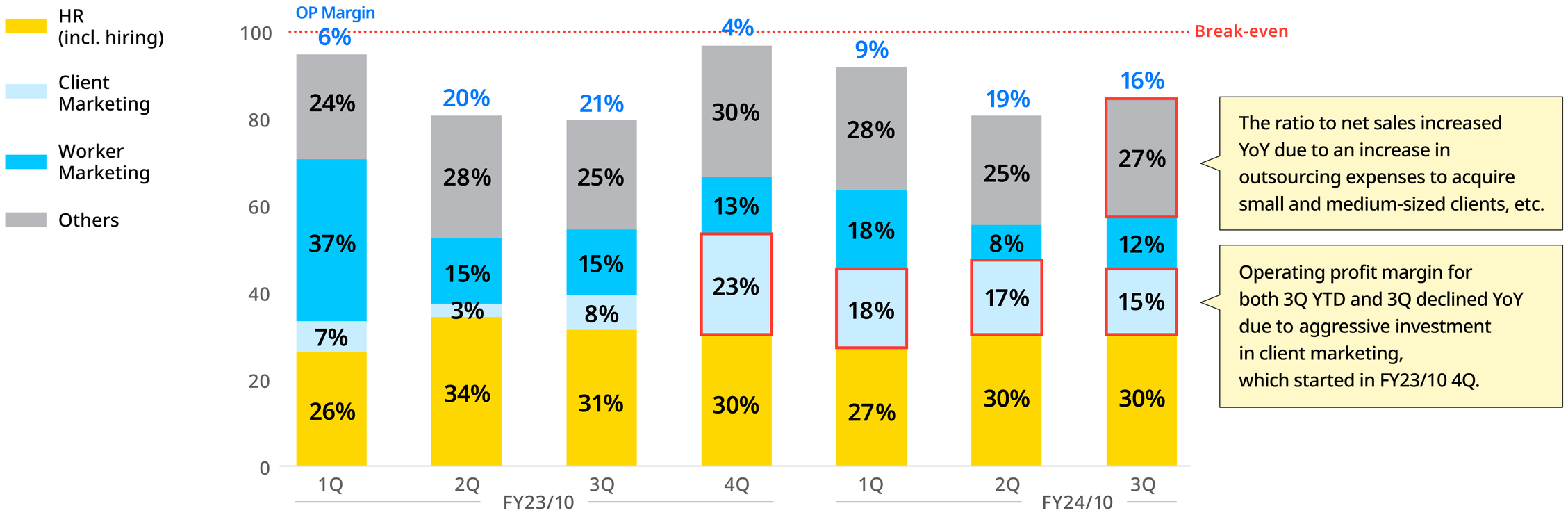
Digital Ads

*1 Core workers are existing workers who work eight times or more a month. Occasional workers are existing workers who work fewer than eight times a month. New workers are workers who started working during the period regardless of the # of times worked. Calculated by dividing the total # of job positions filled by each worker group for the three months by the total # of job positions filled for the three months. The status of each worker as a core worker, occasional worker or new worker is determined on a month-by-month basis for each of the three months in each quarter

Clear Path to Further Margin Improvement

The trend of decreasing worker marketing costs as a percentage of net sales YoY continues.
The ratio of client marketing costs to net sales increased YoY due to aggressive investment in client marketing, which started in FY23/10 4Q.

Cost Breakdown as % of Net Sales(1)(Quarterly)



The ratio to net sales increased YoY due to an increase in outsourcing expenses to acquire small and medium-sized clients, etc.

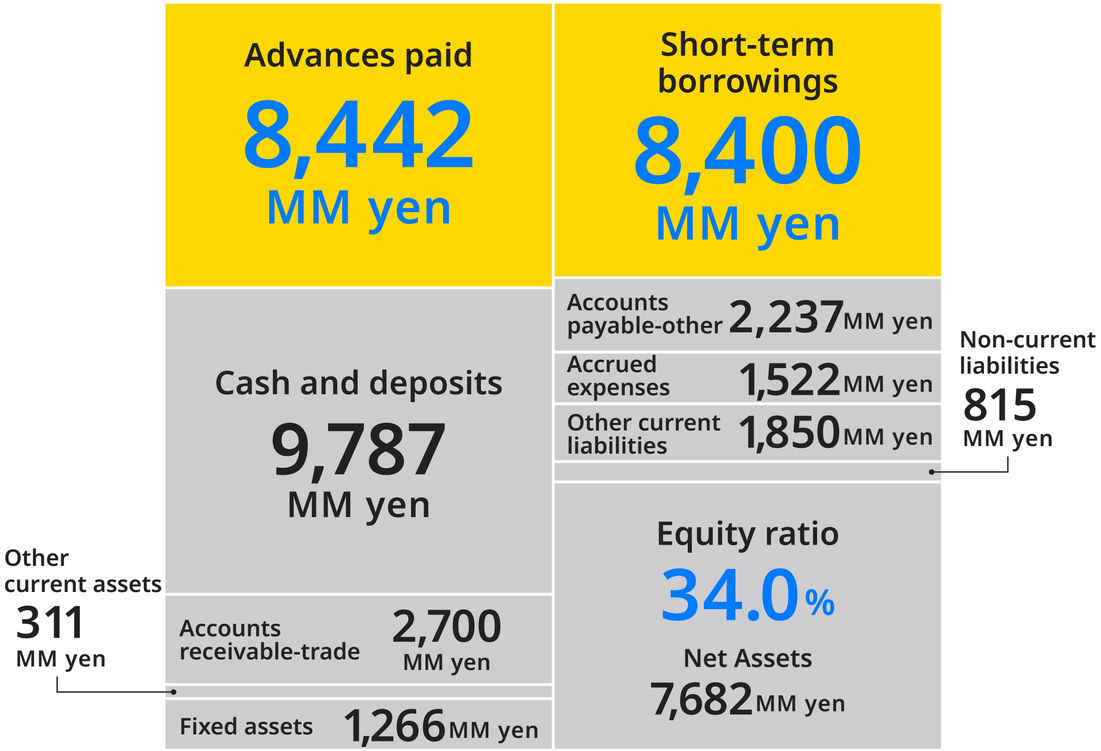
Operating profit margin for both 3Q YTD and 3Q declined YoY due to aggressive investment in client marketing, which started in FY23/10 4Q.

*1 Breakdown of SG&A costs is a non-GAAP item. HR costs include salaries for sales team, back office, etc. Worker marketing costs and client marketing costs include ad costs (mostly digital) to acquire workers or clients. Others include COGS, promotional expenses, other marketing expenses, costs for outsourcing, fees paid to third-party sales agents, collection agent fees and other fees and commissions

Strategic Working Capital Management

Bank loans are used for short-term working capital needed for fast payment. The equity ratio is 34.0%, leaving ample room to expand borrowings. Will continue to diversify procurement methods and implement proper balance sheet management.

Balance Sheet Structure for Fast Payment(1)



Securing Sufficient Credit Facilities(1)

Mizuho Bank

MUFG Bank

Resona Bank

SMBC

etc.

Total Available Funding Amount	Interest Rate	
JPY33Bn	<1.0%	Un guaranteed Un secured

*1 As of July 31, 2024

Appendix

Board of Directors(1)



Founder & CEO

Ryo Ogawa

Forbes Japan
"Entrepreneur Ranking 2024" 2nd

Japan Spot Work Association
(Director)



Director, CFO

Tomoaki Yagi

Career

MUFG Bank

Mitsubishi UFJ Morgan Stanley Securities

Morgan Stanley Japan Holdings



External Director

Masayuki Watanabe

Career

McKinsey & Company Japan

DeNA
(Co-founder)



External Director

Kazumasa Watanabe

Career

Recruit Holdings
(Ex-Executive Officer)

Executive Officers(1)



Head of Business

Goeun Kim

Career

GO(Ex-CMO)
Mercari / Merpay
(Ex-Executive Officer)



CTO

Kei Kameda

Career

pixiv



CMO

Shoichi Nakagawa

Career

ADK
GO
Mercari / Merpay



CPO

Toru Yamaguchi

Career

DeNa



Director of Laboratory

Takanori Ishibashi

Career

TAKE AND GIVE. NEEDS
AP Company



Head of HR

Noriaki Ogata

Career

COLOPL(Ex-Executive Officer)
GameWith(Ex-Director/COO & Head of HR)



CSO

Shun Ikeda

Career

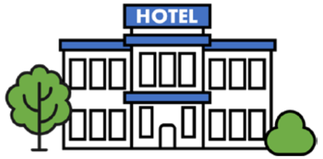
Google

The Next Paradigm Shift(1)

Create a paradigm shift in "work".



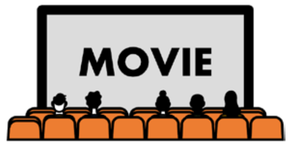
Uber



airbnb



zoom



NETFLIX



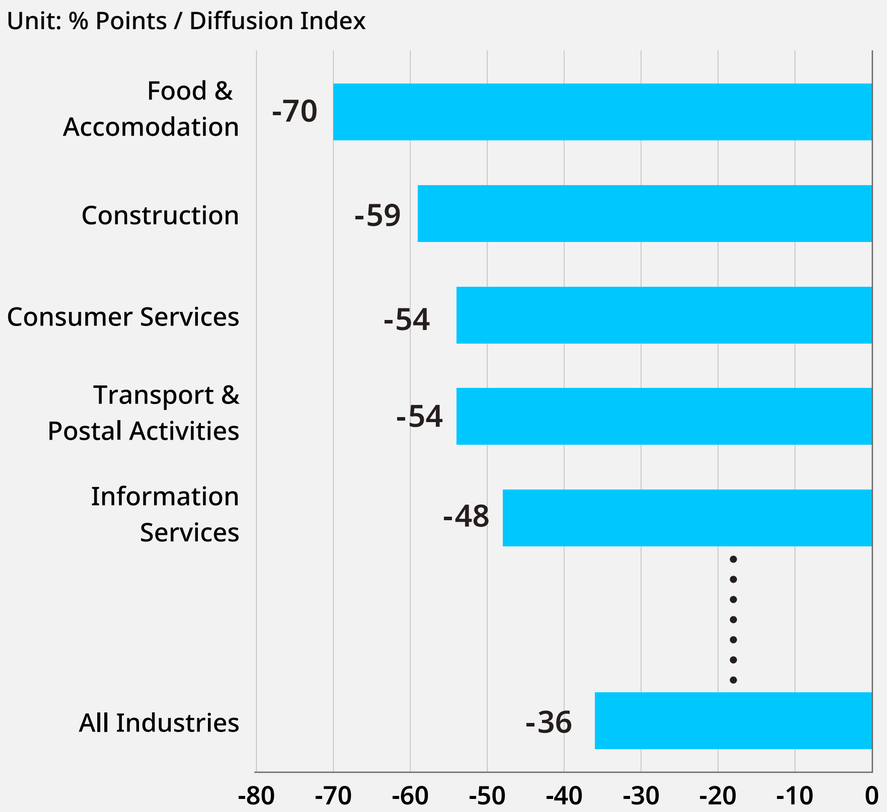
Work

Timee

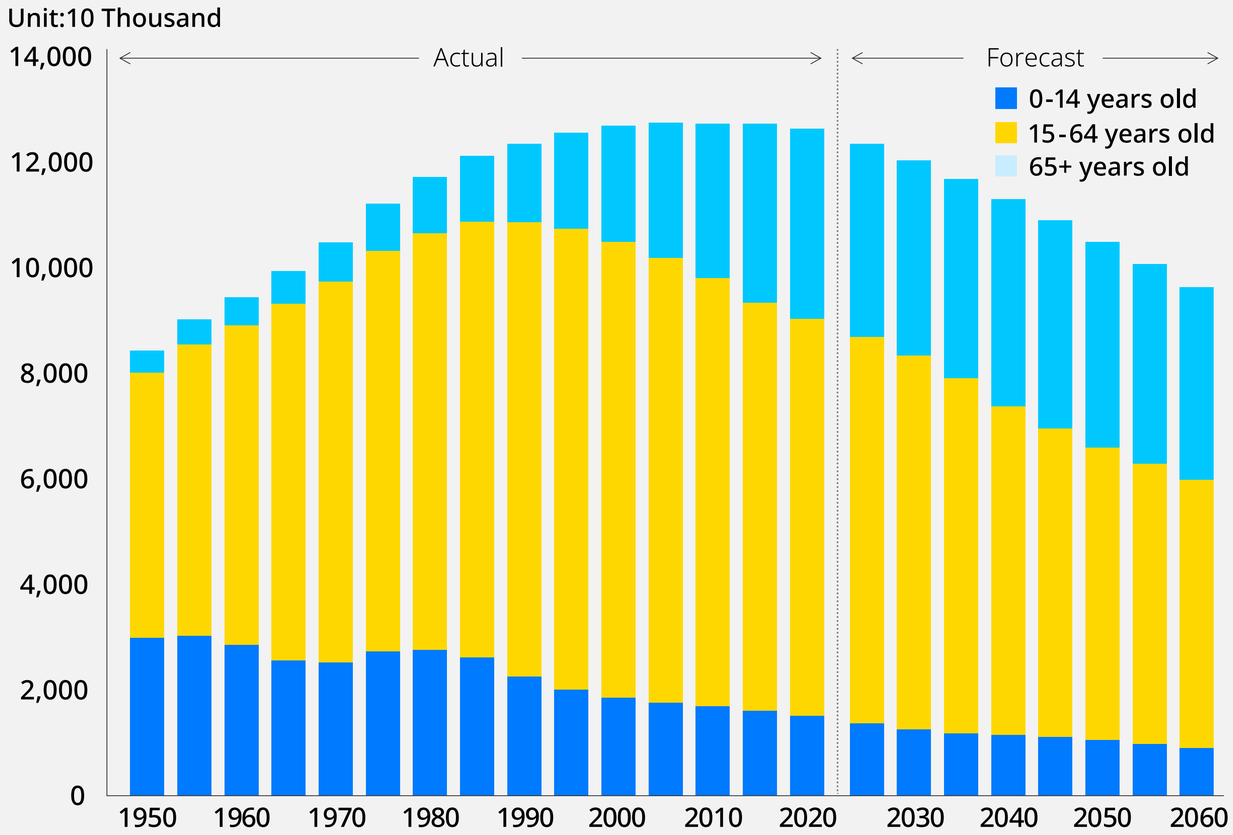
*1 For illustrative purposes only

Social Issues behind Timee — Serious Labor Shortage

Japan is suffering from a labor shortage(1)



Further shortage expected due to shrinking working population(2)



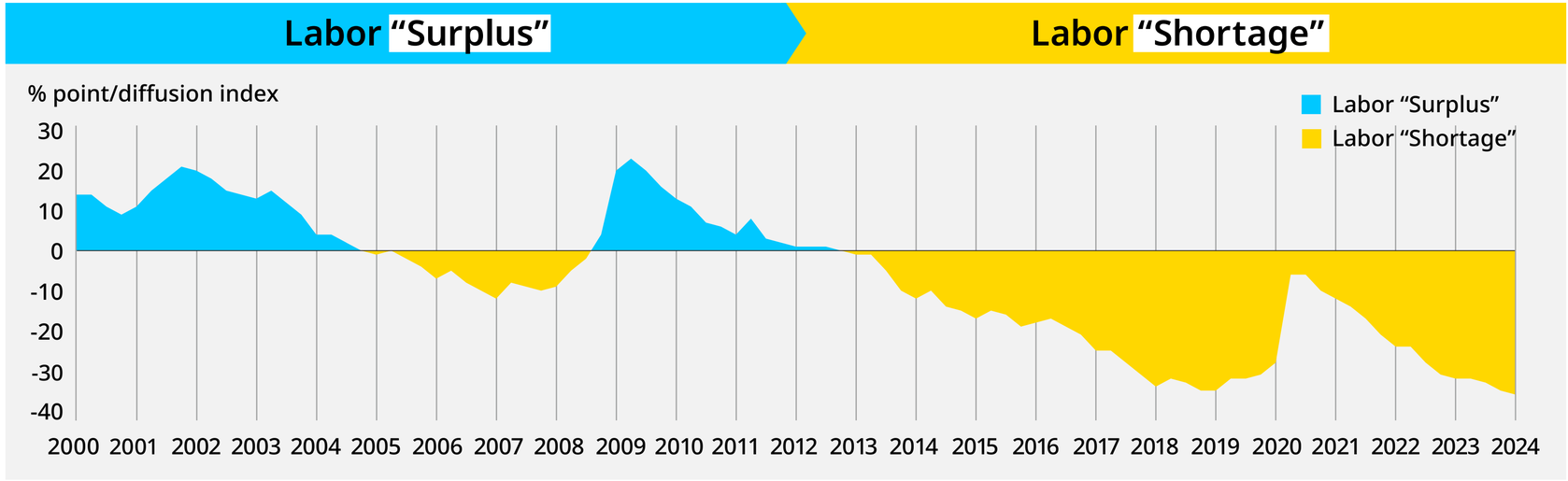
*1 Sourced from “Short-term Economic Survey of Enterprises in Japan” by the Bank of Japan. Actual diffusion index of “Excessive employment” minus “Insufficient employment“ in March 2024

*2 Data until 2020 is based on the Ministry of Internal Affairs and Communications’ "National Census”. Estimates for 2025 and beyond are based on the National Institute of Population and Social Security Research's "Future Population Projections for Japan (2023 estimates)”

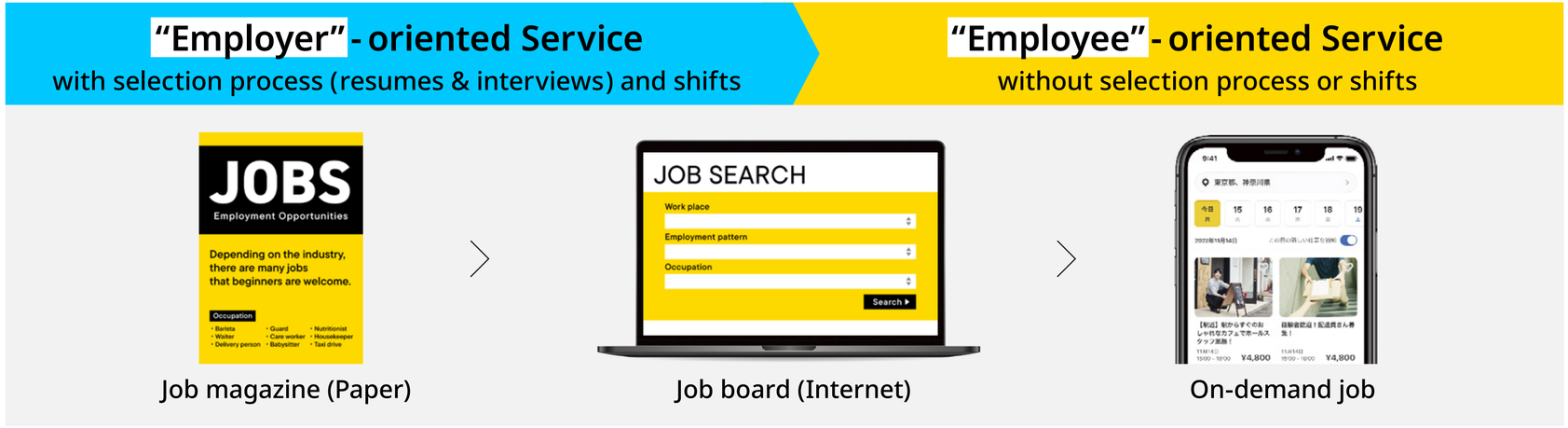
Potential to Redefine ”Work” — Solutions for securing human resources are now “Employee”- oriented services

Timee

Labor Market (1)



Solutions (2)



*1 Based on the judgment of employment conditions of all industries of all sizes from ”Short-Term Economic Survey of Enterprises in Japan (Tankan)” (index of “Excessive employment” minus “Insufficient employment”)

*2 For illustrative purposes only

Timee’s Solutions Address Workers’ Various Needs

Workers have various needs/concerns, which are addressed by Timee’s solutions





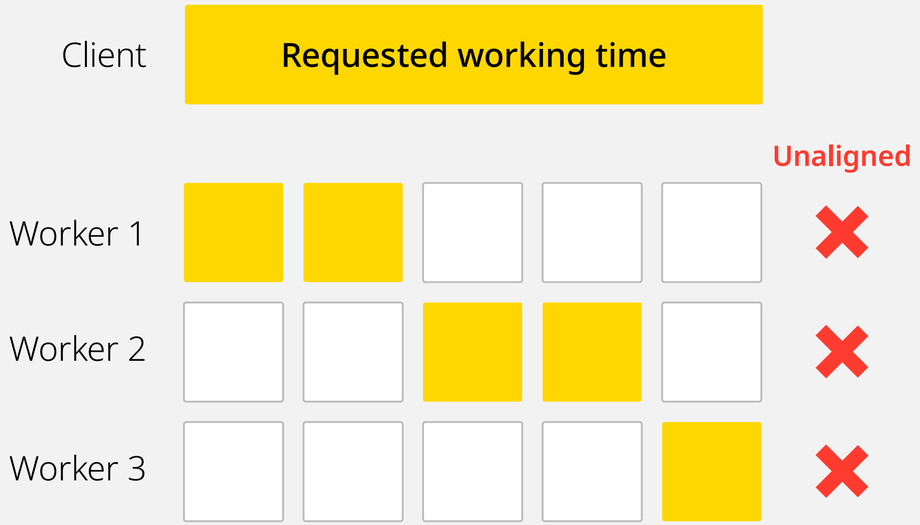


Workers’ needs/concerns	Need “me time”	Have only fragmented time available	Need money for living expenses now
Solutions	❶❷ On-demand job		❺ Fast payment
	❸ Unskilled/ Low-skill job	❹ Mutual review/ Penalty system	

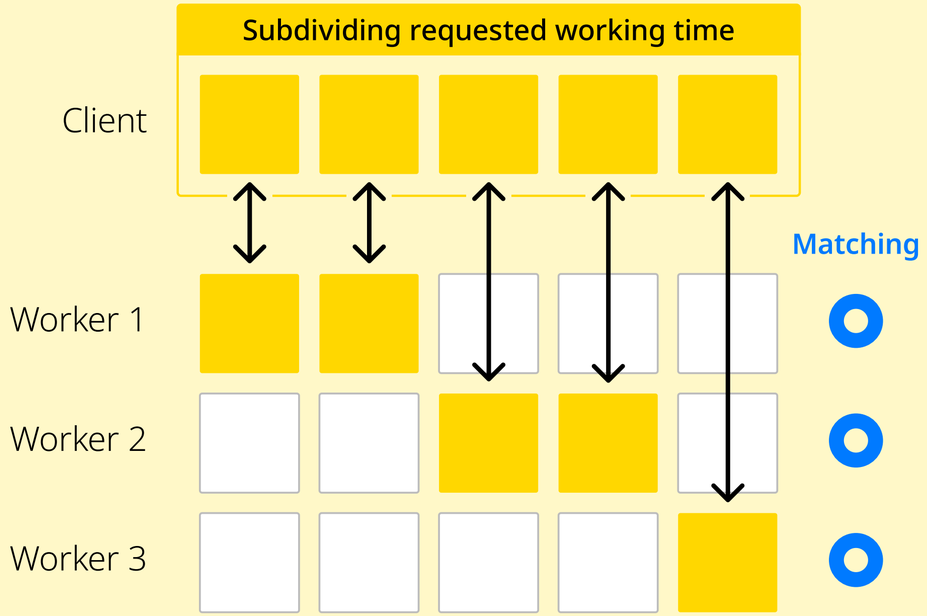
❶ Unlock Labor Force through Leveraging “Fragmented Working Hours”

Workers who were unable to work under the traditional work hours/shift system are now able to work through leveraging “Fragmented Working Hours”

Job Board / Temp Staffing



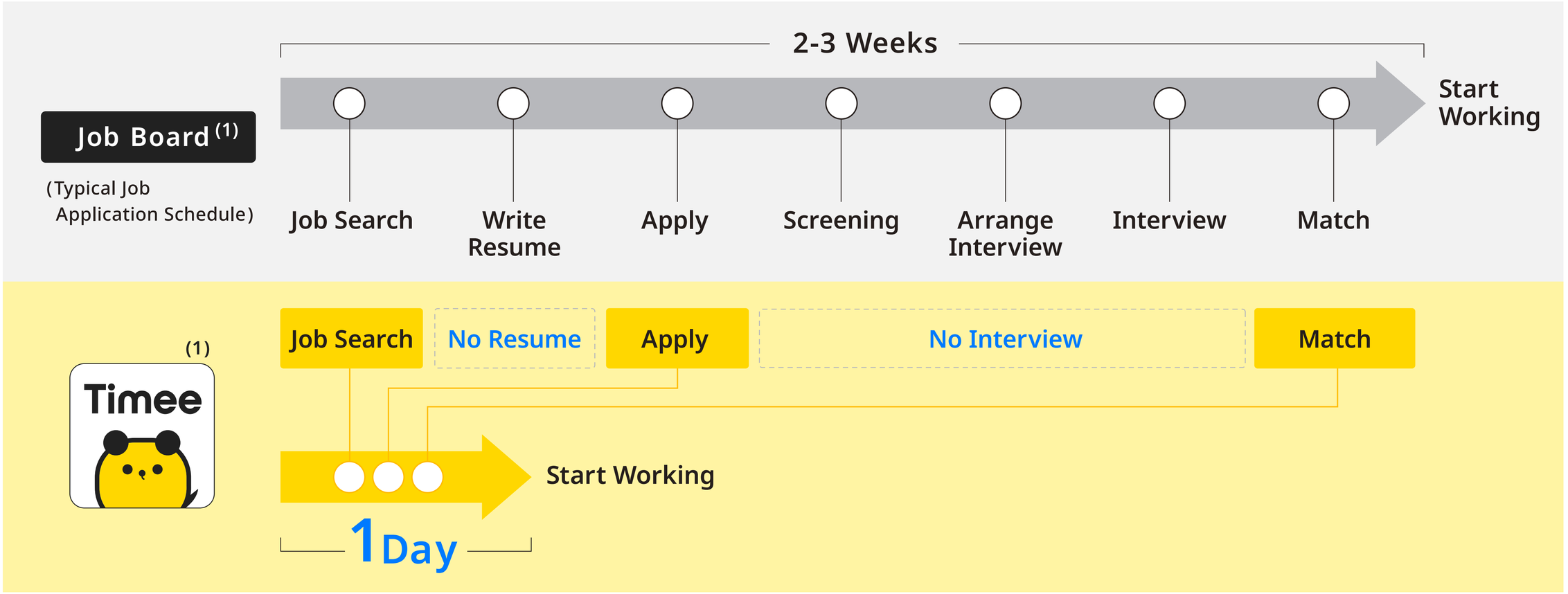
Timee



Available working time Unavailable working time

❷ On-demand Job Platform Enabled through Instant Matching

Workers are able to start at the earliest on the day they apply without resumes/interviews



*1 Image showing internal analysis of the job search process from the start of the job search to the start of work

❸ Unskilled/Low-Skill Jobs(1) Enable On-demand Job Platform

Timee

Logistics(2)

Food(2)

Retail(2)

Full time Employees


Training



Forklift


Hospitality


Cooking


Cooking


Food prep

Timee Workers


Shipping assistant


Inspection


Order


Waiter/Waitress


Cashier

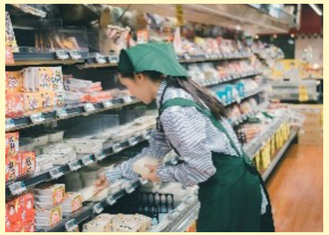

Cleaning


Packing


Picking


Bussing


Dishwashing


Shelf stocking

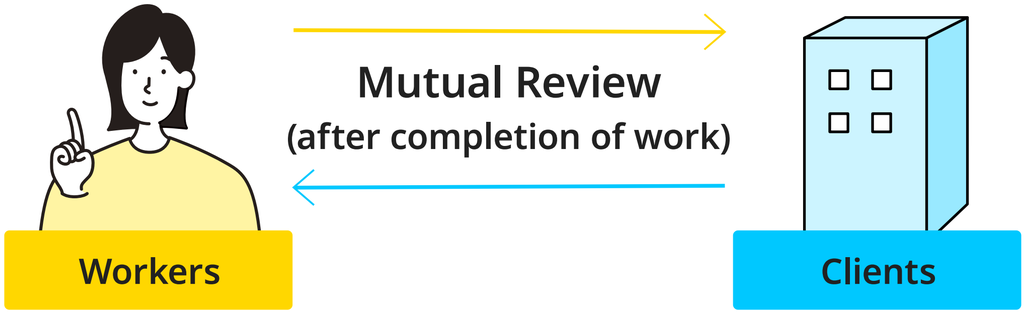

Discount sticker pasting

*1 Jobs that do not require special skills or experience

*2 For illustrative purposes only based on Timee's analysis

❹ Key Functions that Support Work Quality without Resumes/Interviews

Mutual Review System



▶ “Good review” given to **90%+** workers / clients (1)

Penalty System

Multiple last-minute cancellations (2)	>	Suspended for 2 weeks
No-show (3)	>	Suspended for a certain period

▶ No-show rate is **c.0.2%** (3)

*1 Accumulated figures since the service launch as of April 2024. % of “Good review” out of total reviews (good/bad rating) provided after workers’ first completed job at a workplace

*2 Penalty points imposed on cancellations within 48h, 24h, 12h, 8h and 4h are 1, 4, 5, 6, and 7, respectively. 8 penalty points will lead to a 2 weeks’ suspension from applications and automatic cancellations of all matched jobs

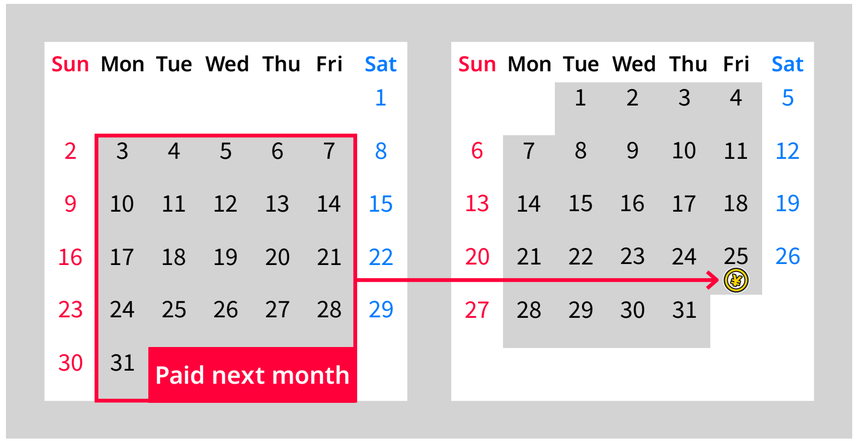
*3 No show indicates absences without notice. Numerator is the # of absences without notice from February 2024 to April 2024 . Denominator is the # of actual total job positions filled in the same period

❺ Fast Payment System Attracts Workers

Unlike traditional services, workers can get paid the same day after working through Timee.

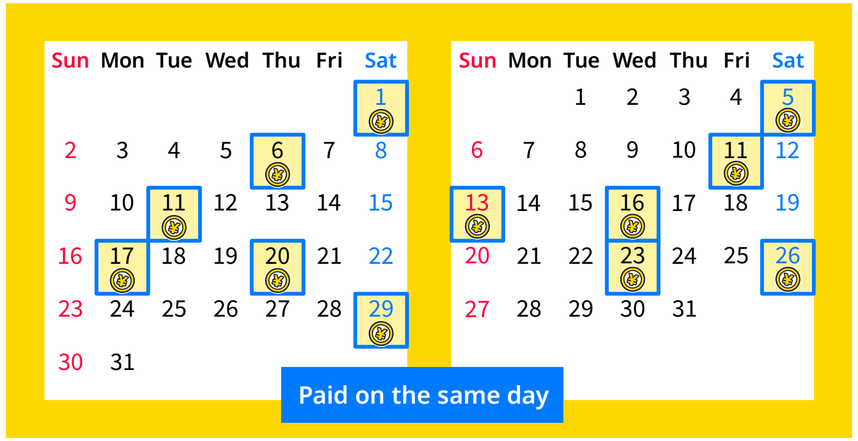
Job Board (1)

Working day
Payday



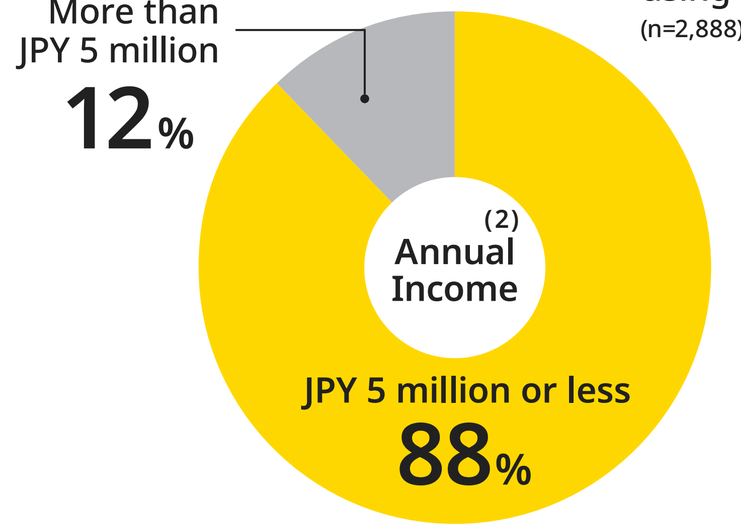
Timee (1)

Working day
Payday



Strong financial needs to earn quick cash for living expenses

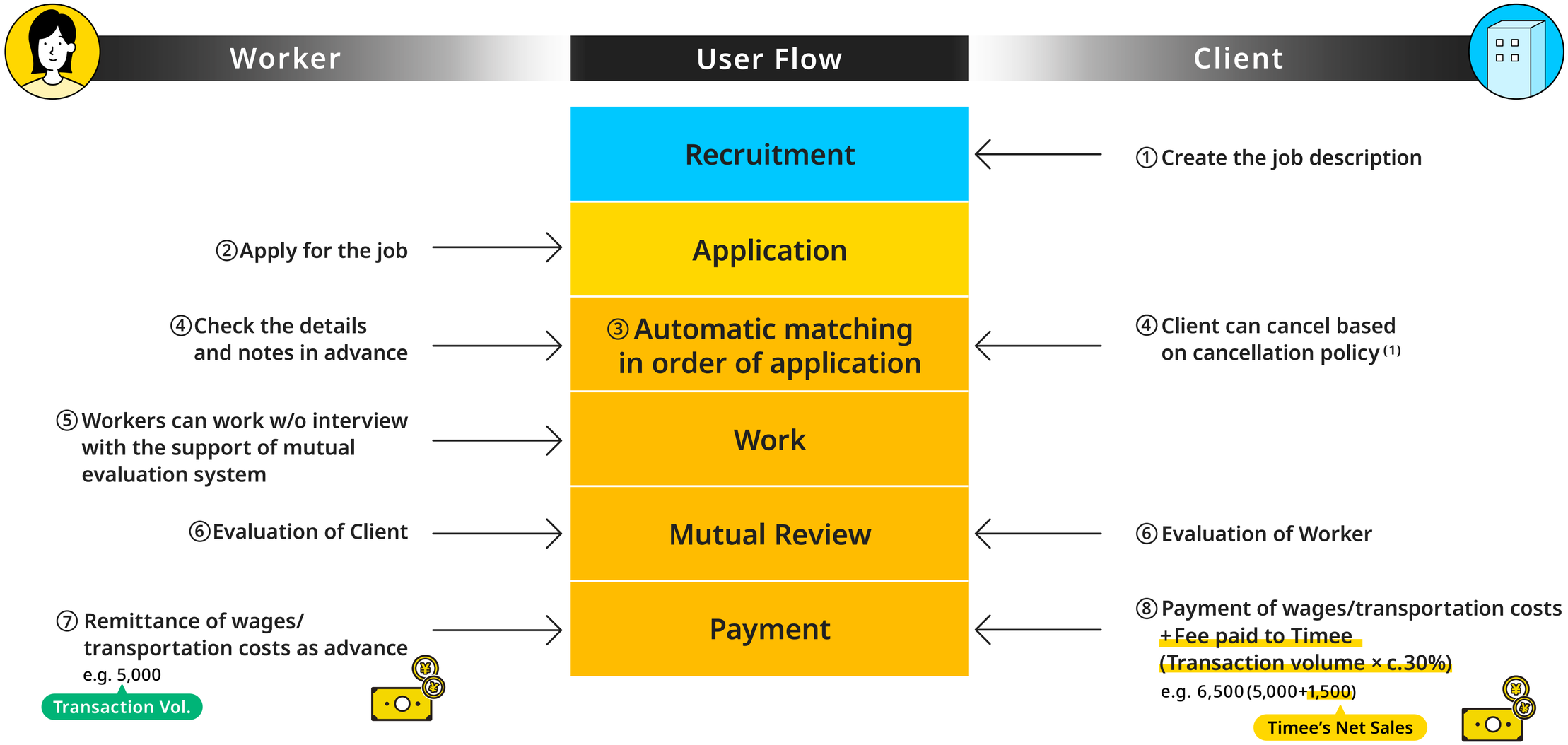
Side job workers (2) using Timee
(n=2,888)



*1 For illustrative purposes only

*2 Based on "Survey on side jobs" published by Timee on February 6, 2023. Survey period: January 16 to 18, 2023 / Target: 2,888 Timee workers who have main jobs as regular employees, officers, public employees or are self-employed

No More Resumes & Interviews. The World of Work Made Simple



*1 If the good ratio of mutual evaluation rating (Good/Bad) is less than 80%, or a worker has 4 or more penalty points, application conditions are not met, etc.

HR-related Legislation and initiatives to ensure safe and secure platform

Paid Employment Agency

Certified as a paid employment agency by the Minister of Health, Labor and Welfares

Timee

Employment Security Act of Japan

- *A person seeking to carry out paid employment placement services must be licensed by the Minister of Health, Labor and Welfare (Article 30(1))*
- *The term "employment placement" as used in this Act means taking applications to post job openings and job-search applications, and acting as an intermediary to establish employment relationships between job posters and job seekers (Article 4(1))*

Safe and secure platform

Reviewing job postings

- All job postings are reviewed 24 hours a day to ensure that they do not violate the Labor Standards Act and other laws/regulations or offend public order and morals by our job posting guidelines.

Whistle-blowing hotline

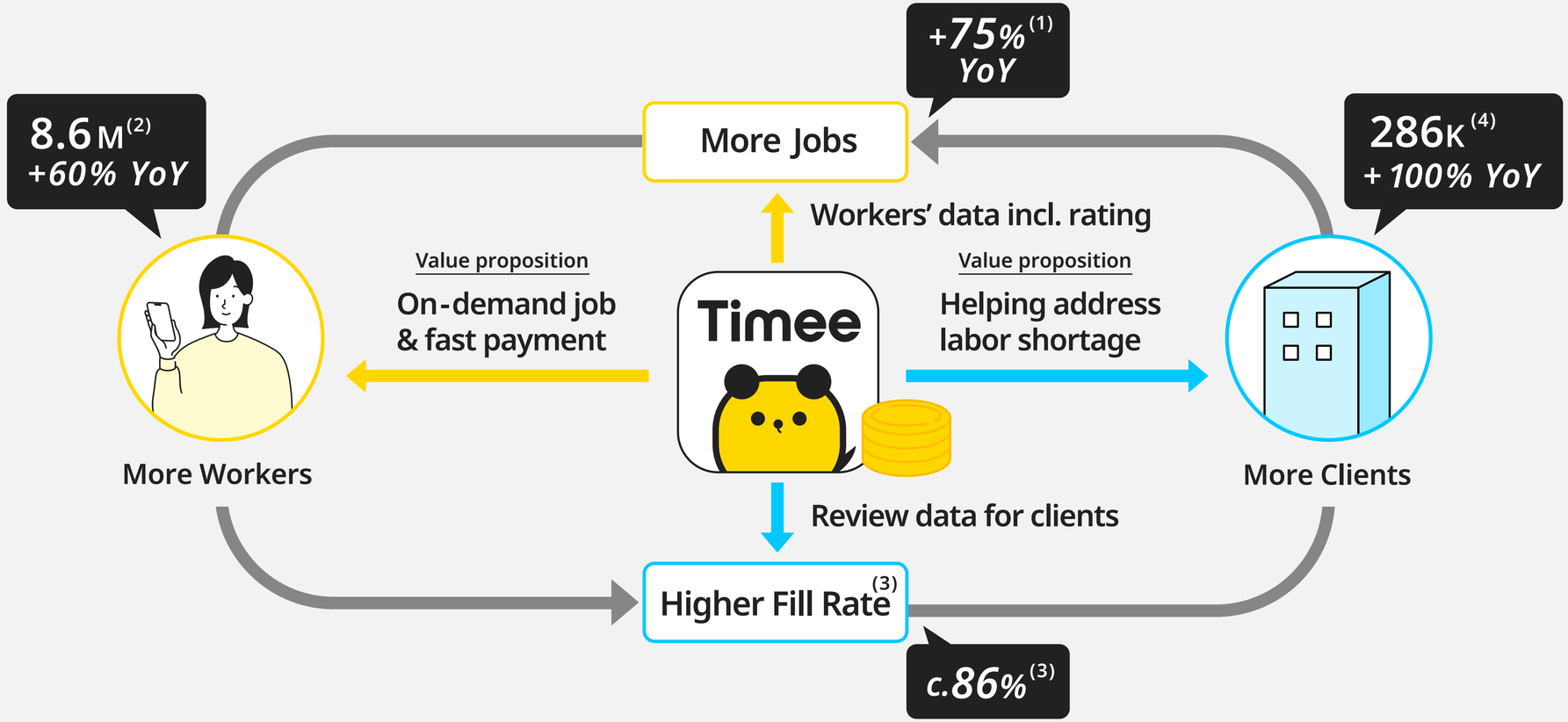
- Hotline for workers when they feel that the information in the job posting was inaccurate, did not reflect the actual work that they were asked to perform, etc.
- After a report is made, we take appropriate actions, such as requesting that the job posting be revised or suspending its use, as appropriate, by the job posting guidelines.

Mutual review system and penalty system

- **Mutual review system**
  After a worker has completed a shift, both they and the client are prompted to write mutual reviews of one another.
- **Penalty system**
  Penalty points are given for cancellations and late arrivals. Workers who reach a certain number of penalty points are suspended for a certain period of time.

Timee's Value Proposition to Both Workers and Clients

Clear value proposition and network effects boost further platform scaling



*1 # of job openings posted by clients as of FY2024/10 3Q and compared to that as of FY2023/10 3Q

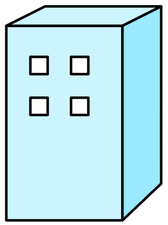
*2 Cumulative # of registered workers as of the end of July 2024 since the launch of the service and compared to that as of the end of July 2023

*3 Calculated by dividing # of job positions filled by # of job openings posted by clients in FY2024/10 3Q

*4 Cumulative # of registered client accounts as of the end of July 2024 since the launch of the service and compared to that as of the end of July 2023

Highly Competitive Moat as Leading Platform

High Client Retention



More comfortable for our clients

- Qualified and proven workers
- Higher fill rate with favorite workers
- Lower training costs

Driven by Qualified and Proven Workers

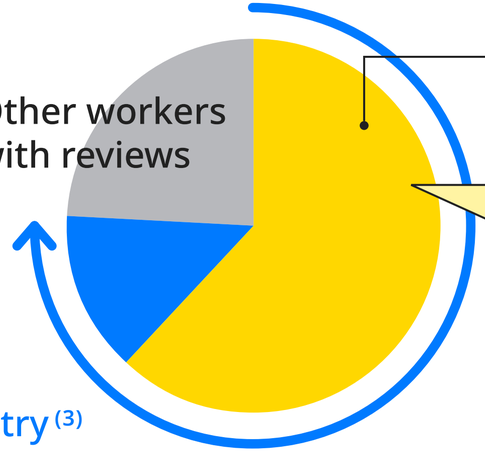


Qualified and proven workers repeat to work through Timee platform

Accumulated Worker Data

Reviews of workers by clients (2)

18.6M

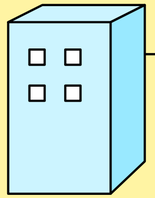


76%

Workers with experience in the same industry (3)

62% Workers with experience at the same workplace (1)

Favorite Function





Clients can post jobs exclusively to favorite workers

*1 % of workers who have worked at least twice at the same workplace out of total workers with reviews since the launch of the service as of the end of April 2024

*2 Since the launch of the service as of the end of April 2024 . A worker can receive multiple reviews if the worker has multiple working experiences

*3 % of workers who have worked at least twice in the same industry (including the same workplace) out of total workers with reviews since the launch of the service as of the end of April 2024

Further Strengthened Moat with Data Driven Solutions

Badge system / Skill Visualization (1)





For Workers

- ☑ Increasing hourly rate
- ☑ Improving skills

For Clients

- ☑ Encouraging increase in # of new job openings
- ☑ Improving the accuracy of matching by specifying job requirements
- ☑ Securing skilled workers quickly

Recommendation Function (1)





Customized display based on the accumulated data

*1 Images are for illustrative purposes only and do not depict actual company data

Established Overwhelming No.1 Position in Japan vs HR / Internet Giants

Key Players in Japanese On-demand Job Market

Continue to enter the market due to the huge market opportunities

	Category	Launch
Timee		2018/8
Company A	HR Giant	2019/1
Company B	IT Giant	2021/2
Company C	IT Giant	2024/3
Company D	HR Giant	2024 Autumn
Company E	HR Giant	2016/1 Withdrawal:2022/3 2024 Autumn *Re-entering

No.1 Position (1) as Pioneer in Japan



worker usage rate (2)

# of job postings (3)

*1 Based on the worker usage rate in terms of worker and on the # of job postings in terms of clients

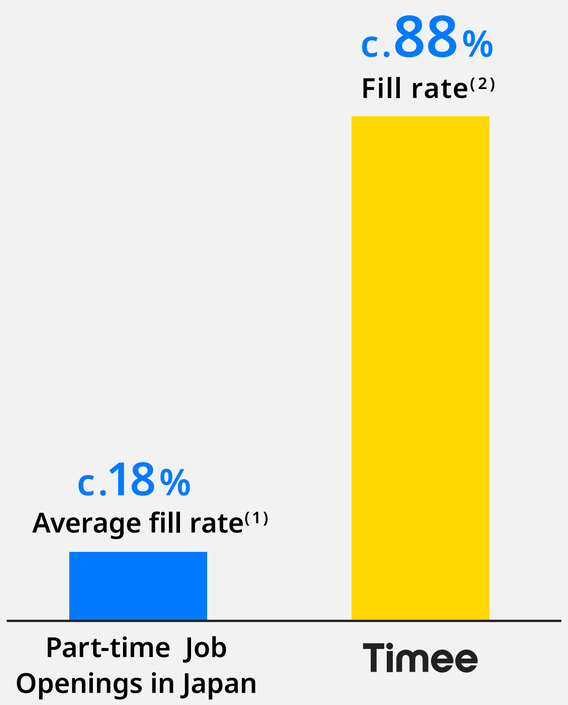
*2 The worker usage rate is the proportion of worker-respondents that had chosen a given service when using on-demand job platforms in the previous year, based on an online survey, “Survey on the Actual State of On-demand Job Services”, commissioned by Timee and conducted by Macromill (Survey period: February 9 to 11, 2024 / Target: 1,034 men and women aged 18 to 69 who have experience of on-demand jobs within the past year).

*3 # of job postings is based on a survey, “Market Research in On-demand Services as of May 2024”, commissioned by Timee and conducted by the Japan Marketing Research Organization (Survey period: April 9 to May 29, 2024)

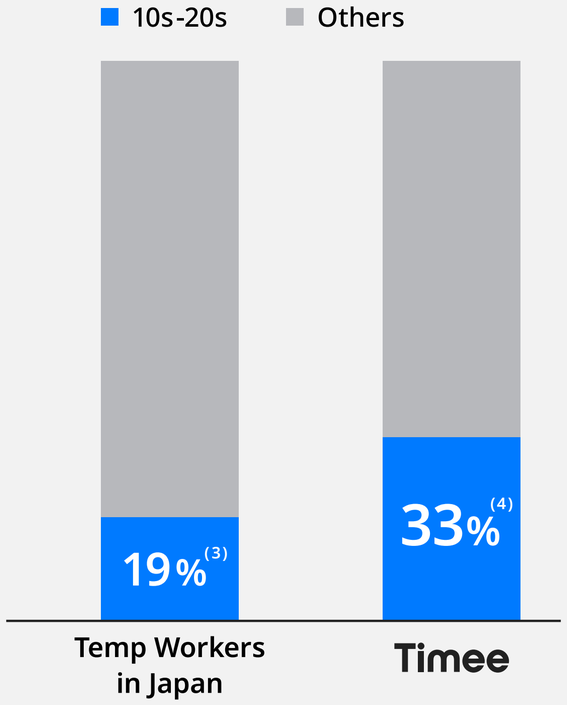
Multiple Benefits of Using Timee

Clients can secure young and ample workers in minutes at a low cost with Timee

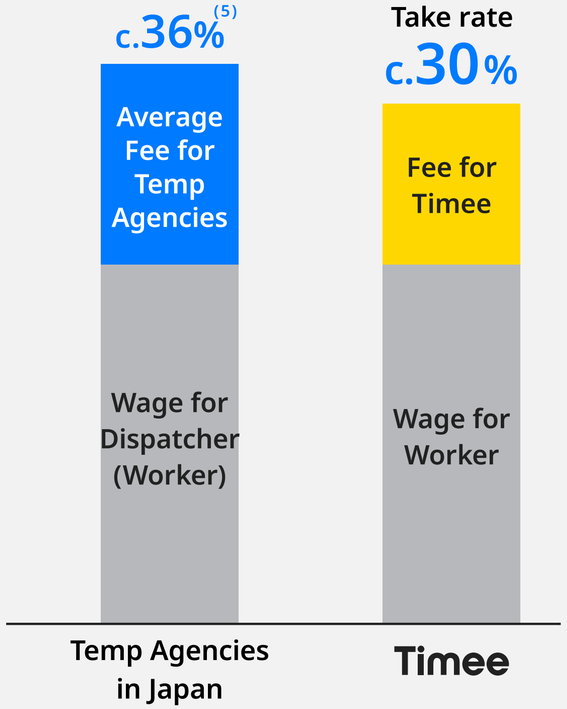
Easy to secure workers necessary for clients



Easy to secure ”young workers”



“Low” staffing cost for clients



*1 Fill rate of part time job openings is calculated by dividing # of employment by # of new job openings in Japan, from February 2024 to April 2024, from Employment Security Business Statistics, Ministry of Health, Labor and Welfare
*2 Timee’s fill rate is calculated by dividing # of job positions filled by # of job openings posted by clients during FY2024/10 2Q
*3 % of 10s-20s workers out of total temp workers dispatched from temp agencies in Japan based on Labor Force Survey as of April 2024 by the Statistics Bureau of Japan
*4 % of job positions filled by 10s-20s workers in April 2024, based on App registration information (respondents only)
*5 Calculated as (average dispatch fee-average wage for dispatch workers between April 2022 and March 2023)/average dispatch fee, which shows the margin level for temp agencies. Based on Labor Dispatch Business Report (FY2023/3) by Ministry of Health, Lab or and Welfare

Deep Moat that Presents Significant Barrier for Competitors

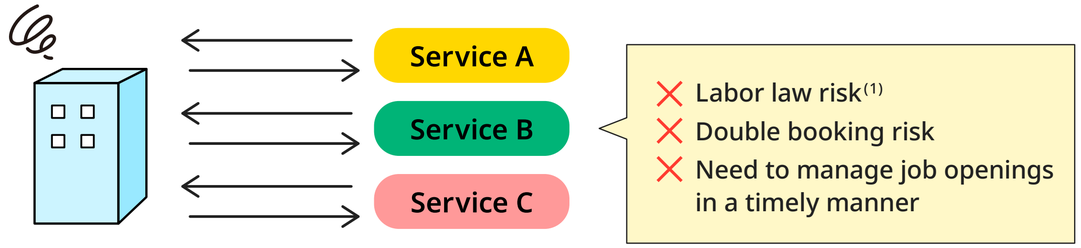
One Company, One Service

Cumbersome to use multiple services given the instant matching system

Single Service



Multiple Services

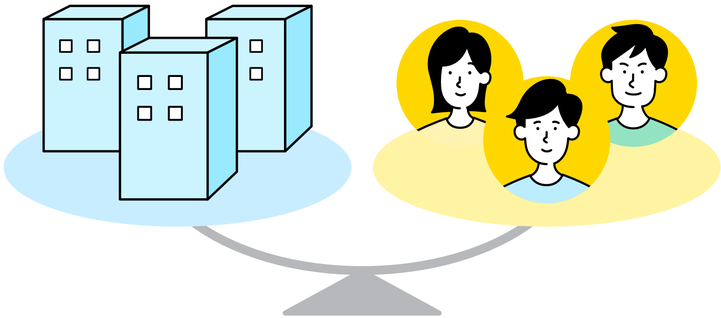


Long Lead Time Required to Match Scale

Demand & Supply well balanced

An on-demand job business needs to expand its platform while keeping a balance between workers and clients. Therefore, it is difficult to rapidly expand the platform in a short time, and it is difficult for newcomers to catch up.

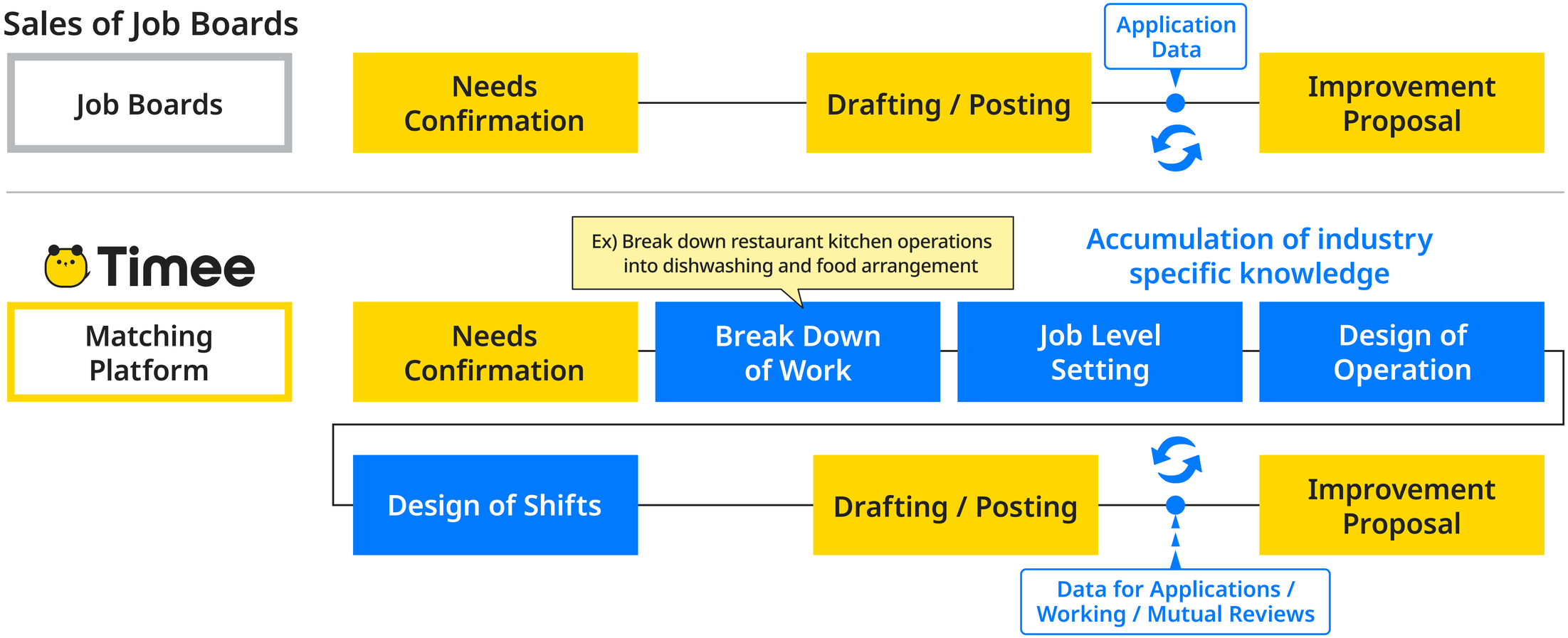
Ex) If the number of workers is too large, it is difficult to find a job to work, and if the number of clients is too large, it is difficult to secure workers.



*1 If a client and worker engage through multiple services, the client risks accidentally violating labor regulations such as maximum working hours. On the contrary, when a client hires a worker only via Timee, matching will be automatically blocked if their total working hours exceed certain hours

High Entry Barrier Supported by the Sales Model and Data (1)

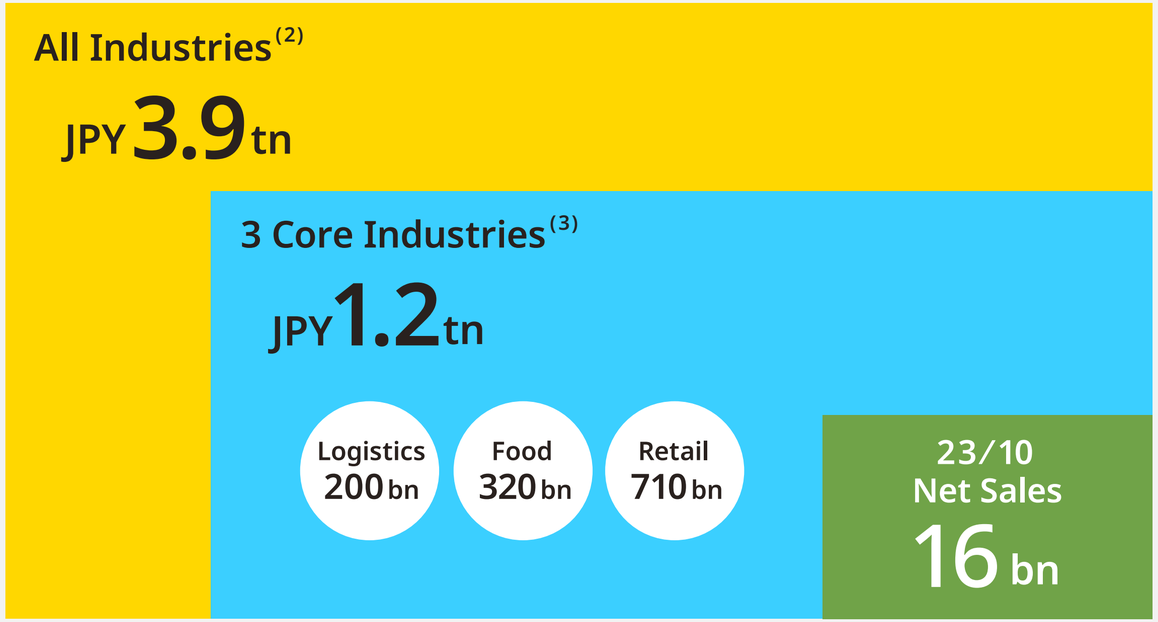
The sales model and accumulated data are very different between job boards and Timee.
Timee provides specialized consulting services with a dedicated industry-specific team.



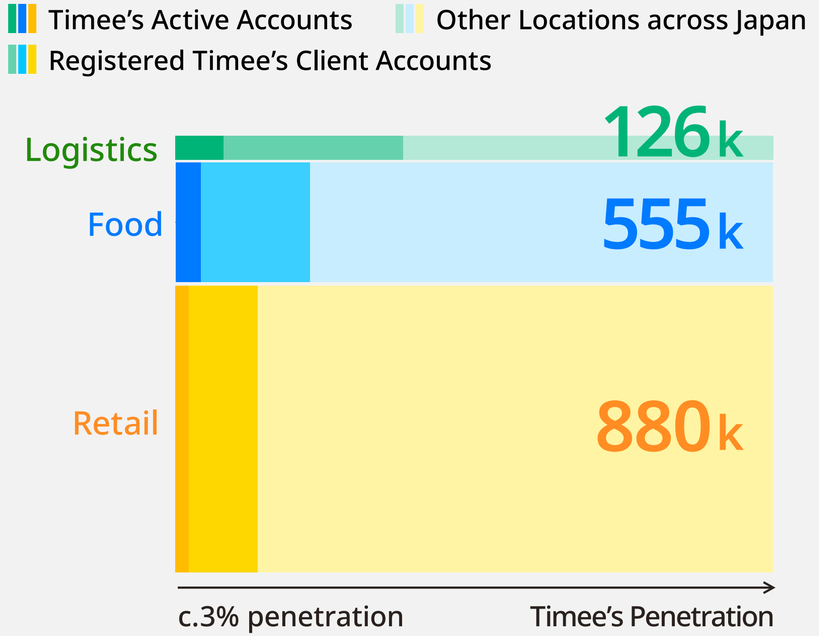
*1 For illustrative purposes only and based on Timee's analysis

Huge Market Opportunities for an On-demand Job Platform(1)

Estimated Potential TAM for Timee's On-demand Job Platform(1)

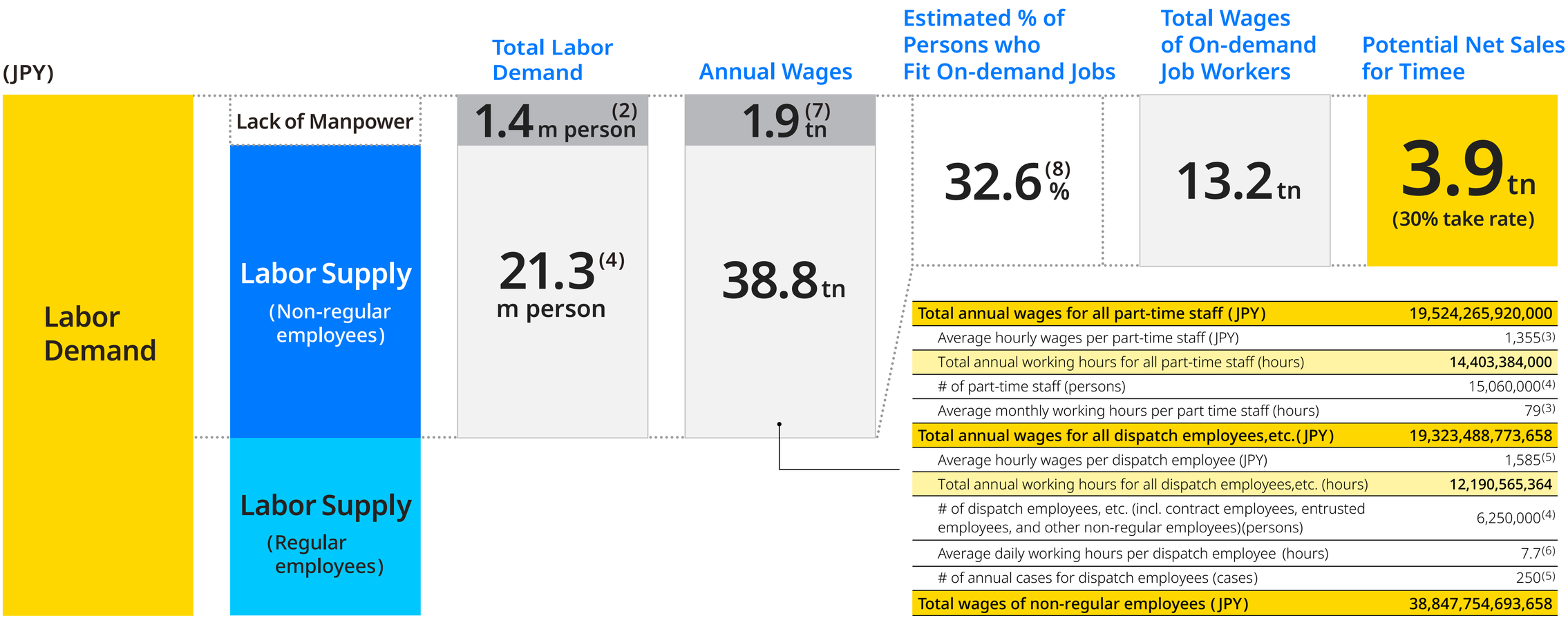


Estimated Potential Active Accounts in Japan(4)



*1 The actual market size may differ from the above estimates as this is calculated based on publicly available information and certain assumptions by management to indicate the potential market size *2 Detailed calculations are described in the following page *3 Calculated based on the # of part time staff, # of dispatch workers, average monthly wages and average monthly working hours per part-time staff in each industry. Based on "Labor Force Survey" as of March 2024 by the Statistics Bureau of Japan and "Provisional Report of Monthly Labor Survey" as of March 2024 by Ministry of Health, Labor and Welfare . Logistics includes transport and postal activities, Food includes restaurants and food take away/delivery services, and Retail includes retail trade *4 # of Timee's active accounts and # of registered Timee's client accounts are as of April 2024. Active accounts are accounts that posted at least one job opening in a given month. # of locations across Japan is based on "Economic Census" by the Statistics Bureau of Japan as of 2021. Logistics includes transport and postal activities (excl. port transportation), Food includes restaurants and food take away/delivery services, and Retail includes retail trade. Timee's penetration is calculated by dividing # of Timee's active accounts by total # of locations across Japan for Logistics, Food, and Retail industries

Timee's Potential Net Sales are 3.9tn(1)



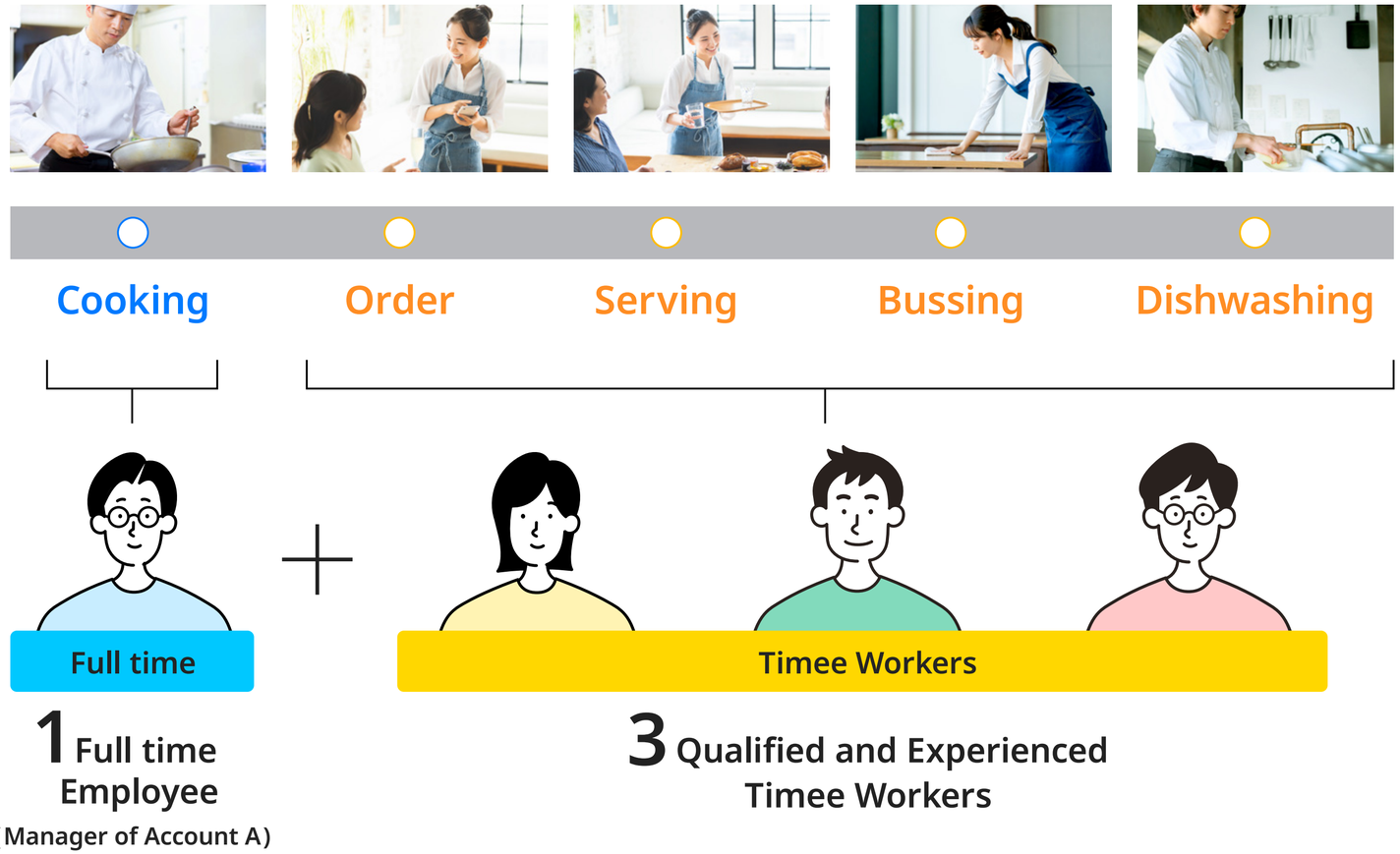
Total annual wages for all part-time staff (JPY)	**19,524,265,920,000**
Average hourly wages per part-time staff (JPY)	1,355(3)
Total annual working hours for all part-time staff (hours)	**14,403,384,000**
# of part-time staff (persons)	15,060,000(4)
Average monthly working hours per part time staff (hours)	79(3)
Total annual wages for all dispatch employees,etc.(JPY)	**19,323,488,773,658**
Average hourly wages per dispatch employee (JPY)	1,585(5)
Total annual working hours for all dispatch employees,etc. (hours)	**12,190,565,364**
# of dispatch employees, etc. (incl. contract employees, entrusted employees, and other non-regular employees)(persons)	6,250,000(4)
Average daily working hours per dispatch employee (hours)	7.7(6)
# of annual cases for dispatch employees (cases)	250(5)
Total wages of non-regular employees (JPY)	**38,847,754,693,658**

*1 The actual market size may differ from the above estimates as this is calculated based on publicly available information and certain assumptions by management to indicate the potential market size *2 The # of lack of manpower is based on "Survey on Employment Trends" as of June 2023 by Ministry of Health, Labor and Welfare *3 Calculated by dividing average monthly wages per part-time staff by average monthly working hours per part-time staff. Based on "Provisional Report of Monthly Labor Survey" as of March 2024 by the Statistics Bureau of Japan *4 Based on "Labor Force Survey" as of March 2024 by the Statistics Bureau of Japan *5 Calculated based on the result of a web survey regarding temp staff as of 2023 by the Japan Staffing Services Association *6 Calculated by dividing average monthly working hours per employee by average monthly working days per employee. Based on "Provisional Report of Monthly Labor Survey" as of March 2024 by the Statistics Bureau of Japan *7 Based on the assumption that part-time staff make up for the lack of manpower with hourly wages of JPY 1,355 *8 Calculated as follows: [total annual wages for non-regular employees (excluding contract employees, entrusted employees, and other non-regular employees with a relatively long contract period) and lack of manpower × the estimated total percentage of employed persons who are engaged in relatively unskilled/low-skill jobs (50.3%)] ÷ total annual wages for all non-regular employees and lack of manpower. The estimated 50.3% is the total percentage of workers engaged in the following types of jobs: Sales / Service / Agricultural, forestry and fishery /Manufacturing process / Transport and machine operation / Carrying, cleaning, and packaging, according to the "Labor Force Survey" as of March 2024 published by the Statistics Bureau of Japan. In making such calculation, we assumed that all of the above types of jobs are unskilled/low-skill and other types of jobs do not include any that are unskilled/low-skill. Thus this is only a rough estimate due to the unavailability of more accurate statistical information

Timee's Potential to Capture Huge Market Opportunities

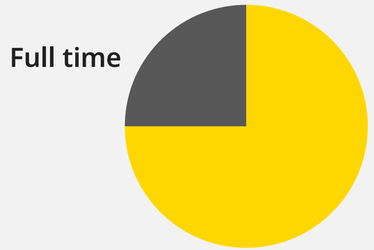
Case Study in Food Industry (1) — Account A (One day at dinner time) —

Timee has been widely utilized in daily operations



Successfully operated by only Timee workers and the account manager

Among all staff

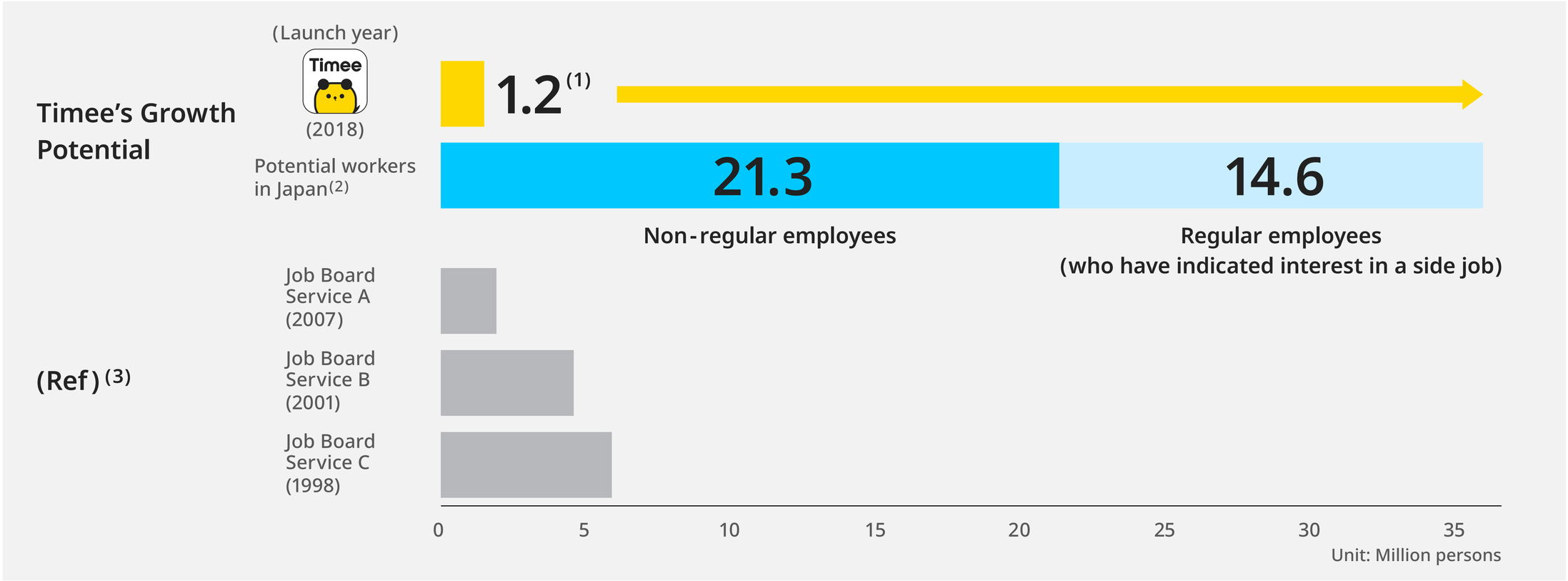


Among non-regular employees

*1 For illustrative purposes only . Showing an example of Timee's client, which may not be applicable to other clients

Growth Potential for # of Workers

Penetration rate is still low in relation to the number of potential workers, but has great growth potential for the future.



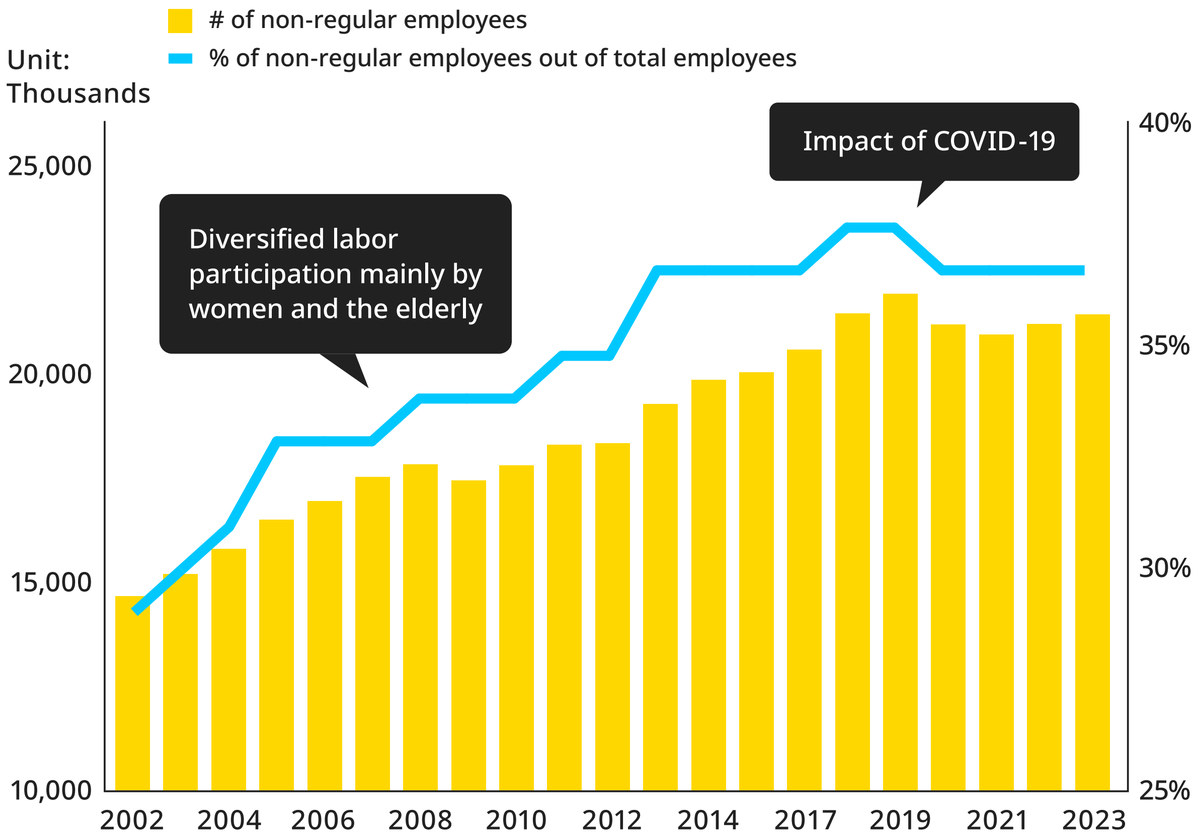
*1 # of active workers who worked at least once since the launch of the service as of the end of July 2024

*2 # of non-regular employees and regular employees are based on "Labor Force Survey" as of March 2024 by the Statistics Bureau of Japan . # of regular employees (intent with side job) is calculated by multiplying # of regular employees × the percentage of employees who have indicated interest in a side job based on " The Third Quantitative Survey of the Actual Situation and Attitude about Side Jobs" as of 2023 by PERSOL RESEARCH AND CONSULTING CO., LTD

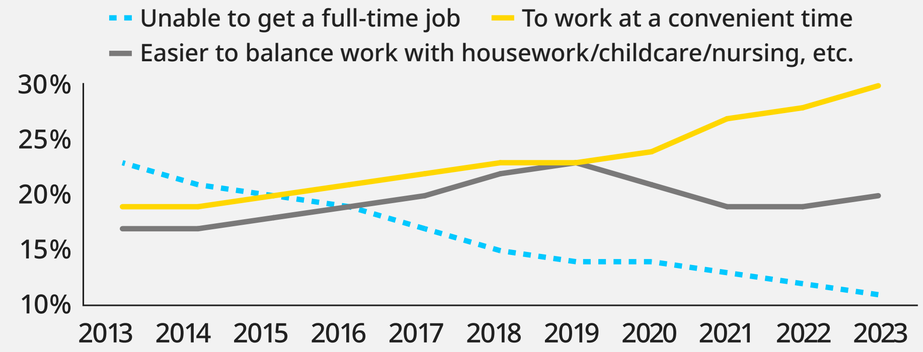
*3 Figures for Job Board Service A, B, and C show # of monthly unique visitors to their website in April 2024 and are from Similarweb analytics

Growing Non-regular Labor Market in Japan

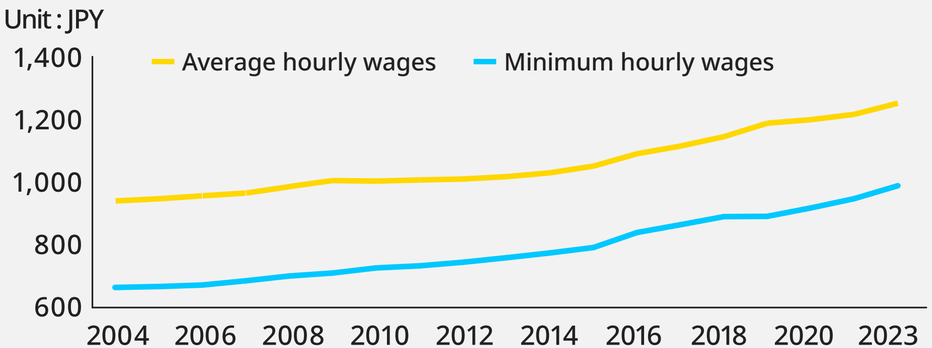
of Non-regular Employees and % of Non-regular Employment in Japan Continue to Rise(1)



More People "Choose" to be a Non-regular Employee(1)(2)



Hourly Wages in Japan Continue to Rise(3)



*1 Based on "Labor Force Survey" as of February 2024 by the Statistics Bureau of Japan

*2 Showing reasons for current employment status for non-regular employees aged 25-44

*3 Average hourly wages are calculated by dividing annual average wages for part-time employees by annual average working hours based on " Monthly Labor Survey" as of February 2024 by the Ministry of Health, Labor and Welfare. Minimum hourly wages are weighted average of minimum hourly wages of each prefecture based on "Status of revision of minimum wages by region from FY2003/3 to FY20 24/3" by the Ministry of Health, Labor and Welfare

Growth Potential for # of Young/Elderly Workers

Potential TAM for Young/Elderly Timee Workers(1)



Students
(Age:16-18)

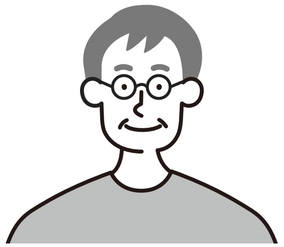
# of high school students in Japan(2) **2.8** m persons

With part-time experience(2) **1.2** m persons

Currently working part-time(2)

23/10
261k(3)

690k persons



The elderly
(Age:65-74)(5)

# of elderly in Japan(6)

16.1 m persons

23/10
47k

Further growth potential for # of young workers



Intention of unemployed students to work part-time(4) (n=913)

65%

Regulations changed to permit online age verification for underage workers in Japan from October 2023

Major reasons for using Timee

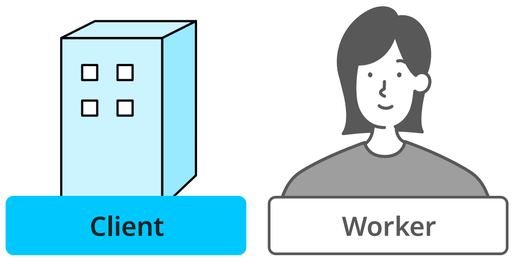
- ☑ Able to work flexibly
- ☑ Able to work regardless of age
- ☑ To feel a sense of fulfillment through working and social connection
- ☑ To stay healthy both mentally and physically

*1 Timee's figures show # of registered workers for each age category as of October 2023, based on App registration information. Accumulated figures since the launch of the service *2 Based on "Part-time Survey of High School Students (2024)" from Mynavi Corporation *3 This figure indicates # of Timee's registered workers aged 16-18 who are not necessarily high school students. Currently only workers 18 years old or older can work jobs through Timee due to age verification when applying for jobs (currently set at 18 years old or older). We are considering updating Timee's system to permit 16-17 years old workers to use our service through online age verification etc. in the future *4 65% indicates the total % of students who have indicated interest in a part-time job and who have indicated interest to a certain degree in session among students who are not working part-time based on "Part-time Survey of High School Students (2024)" from Mynavi Corporation *5 Between 65-74 years old based on the healthy life expectancy in Japan. The healthy life expectancy announced by the Ministry of Health, Labour and Welfare in 2019 is 72.68 years old for men and 75.38 years old for women *6 Estimates for 2023 based on the National Institute of Population and Social Security Research's "Future Population Projections for Japan (2023 estimates)"

Multiple Priority Actions for Further Platform Scaling

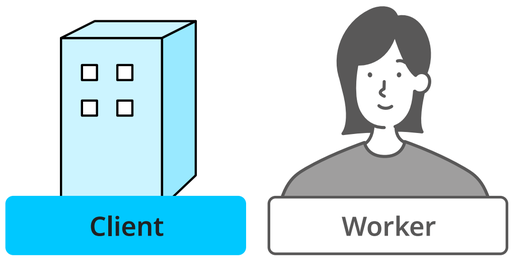
Strategy 1

Expansion from Existing Clients



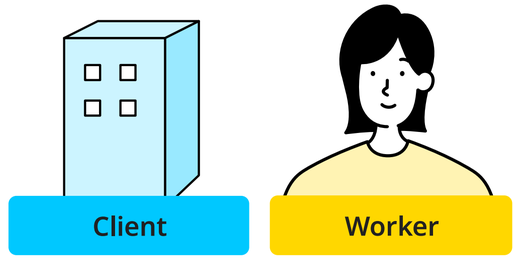
Strategy 2

Go-to-Market Strategy



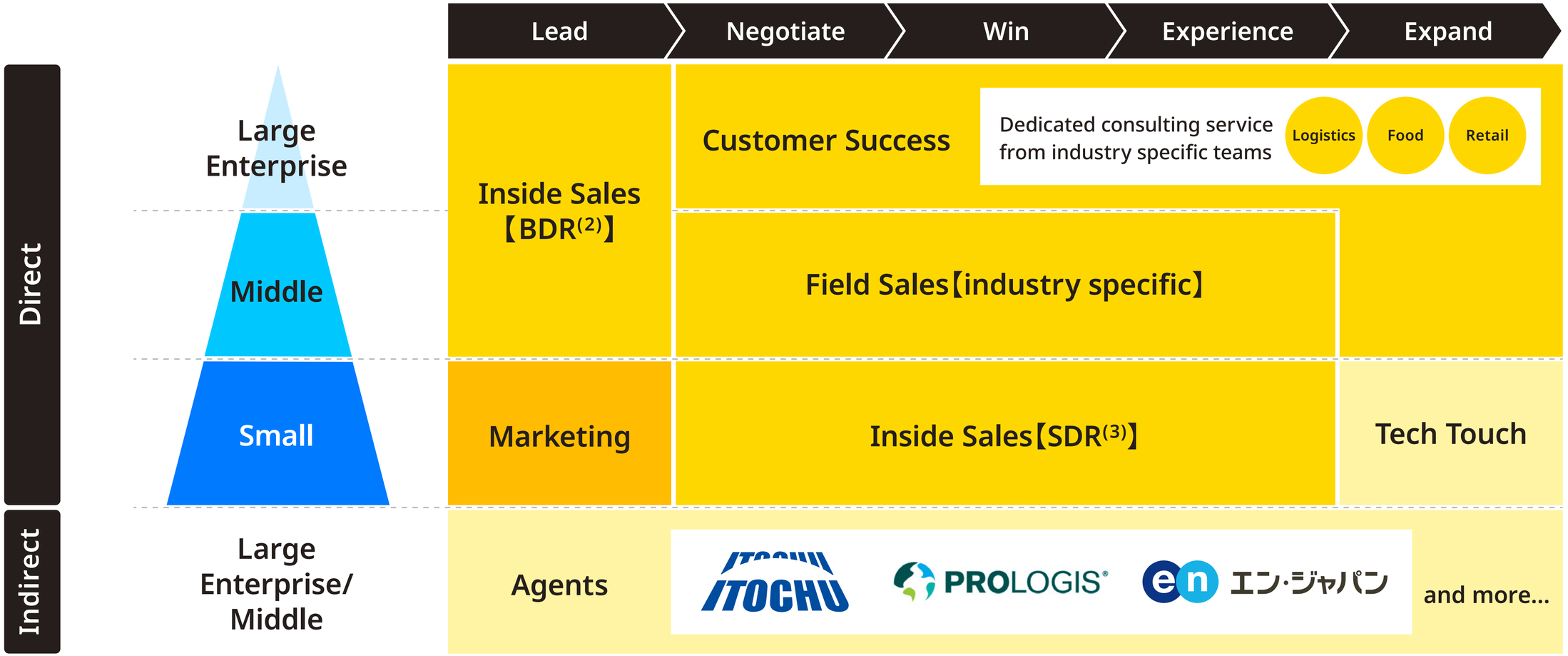
Strategy 3

Product Development



Strategy 1 Strategy 2

Scalable and Efficient Go-to-Market Strategy (1) (Short-Mid term)

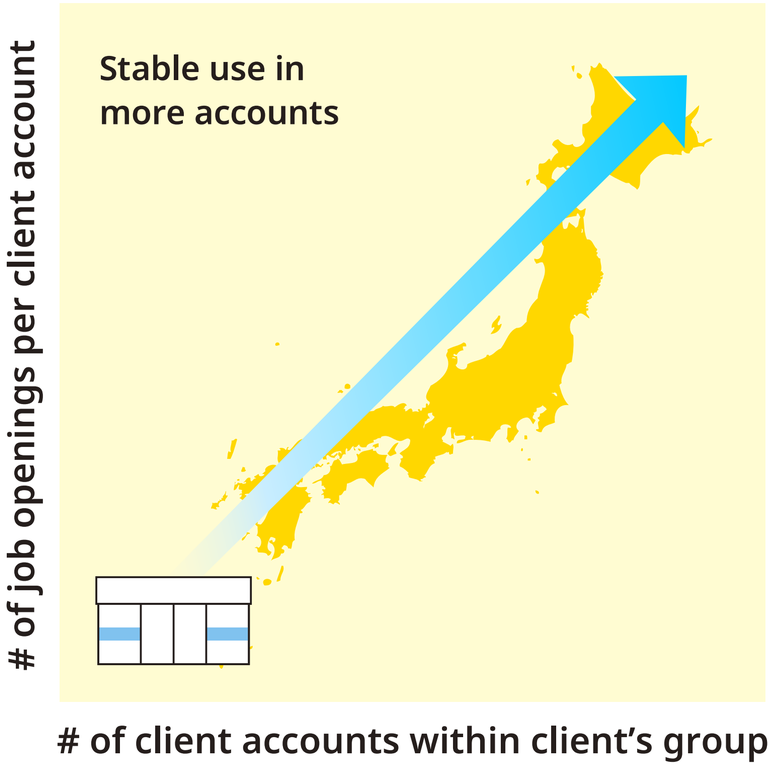


*1 For illustrative purposes only
*2 BDR indicates Business Development Representative (mainly outbound calling)
*3 SDR indicates Sales Development Representative (mainly inbound calling)

Strategy 1

Continuous Net Sales Expansion from Existing Clients (Short-Mid term)

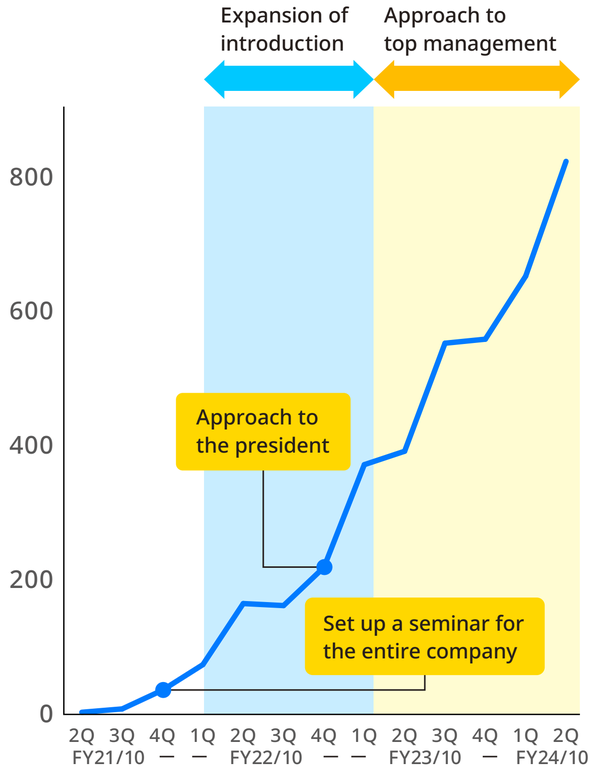
Land & Expand Strategy(1)



Case Study(2)

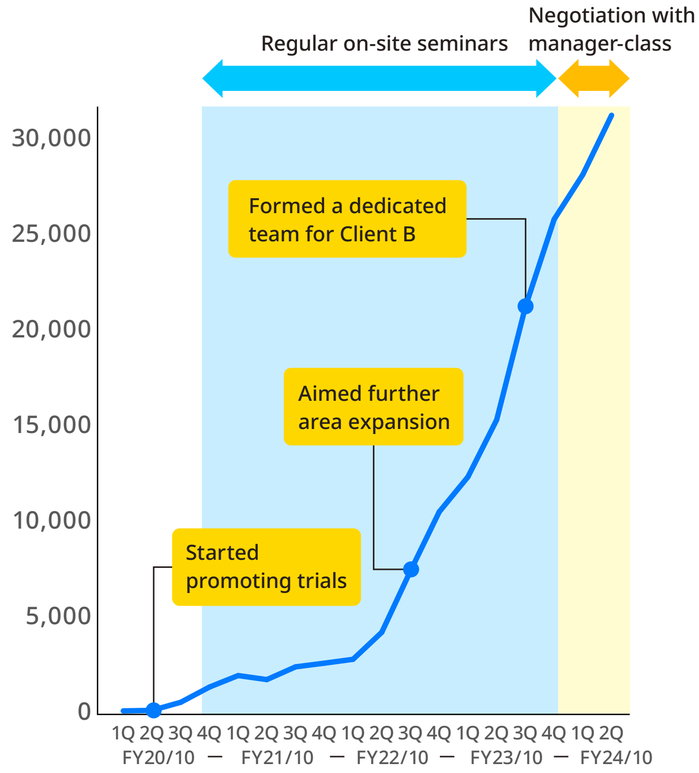
Client A (Logistics)

Timee's Net Sales Index



Client B (Retail)

Timee's Net Sales Index



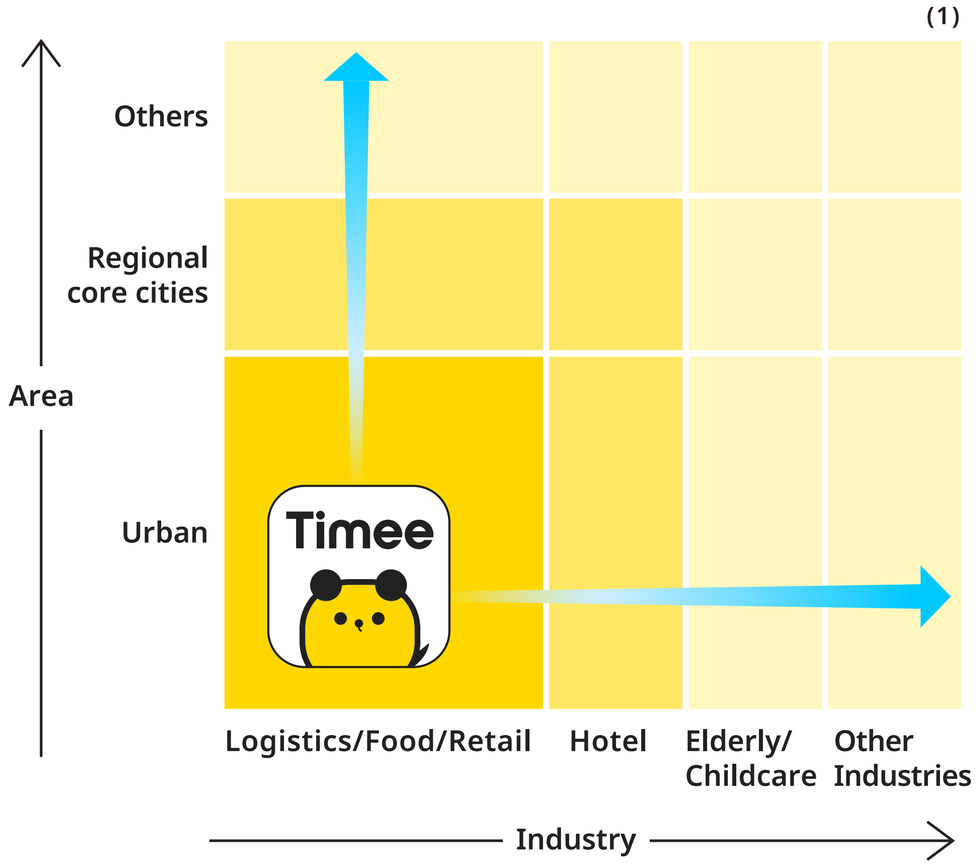
*1 For illustrative purposes only, indicating Timee's net sales expansion strategy

*2 Showing actual examples of Timee's clients, although they may not necessarily be characterizable as typical clients. Timee's net sales in the first quarter from each client is indexed as 1

Go-to-Market Strategy to Expand Target Markets (Short-Mid term)

Timee

Diving into other industries with serious labor shortages as well as expanding to regional core cities



Other industries

Hotel



Dishwashing



Cooking support

Elderly care



Care support



Cleaning

Child care



Care support



Cleaning

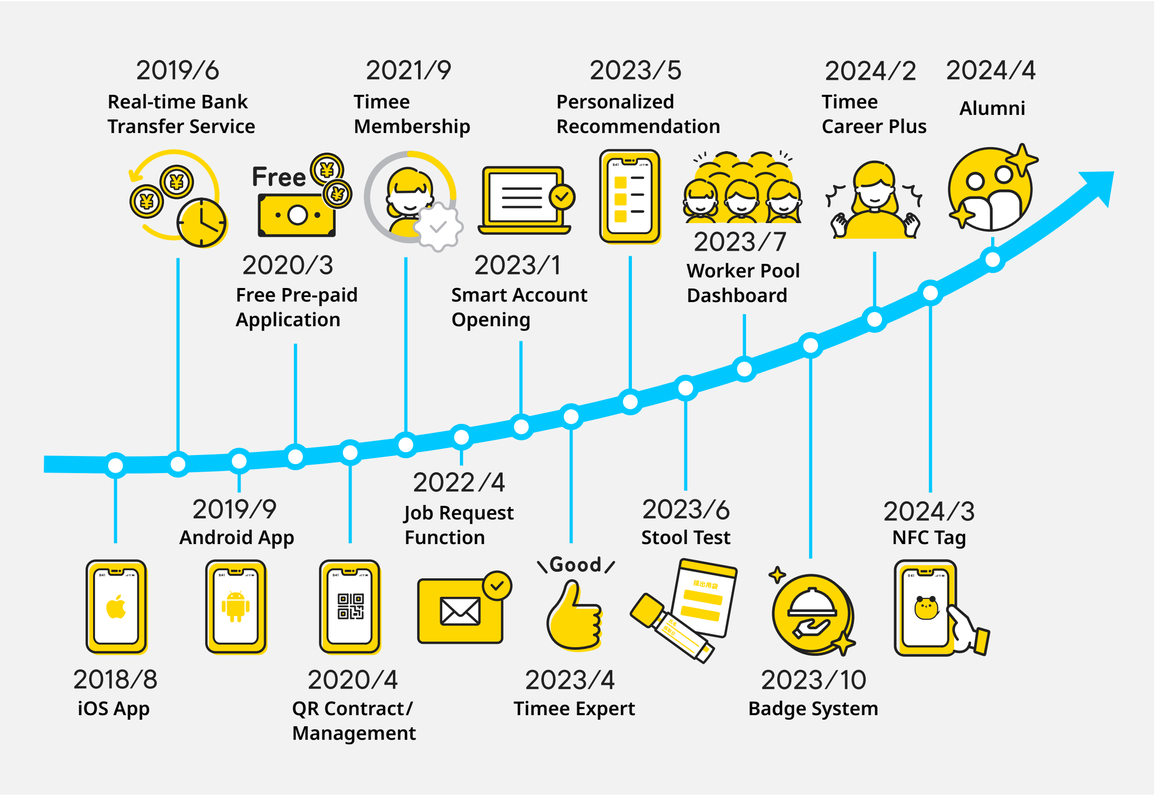
*1 For illustrative purposes only, indicating the intensity of Timee's focus areas

Strategy 3

Developing Multiple Products by Utilizing Accumulated Workers' Data (Short-Mid term)

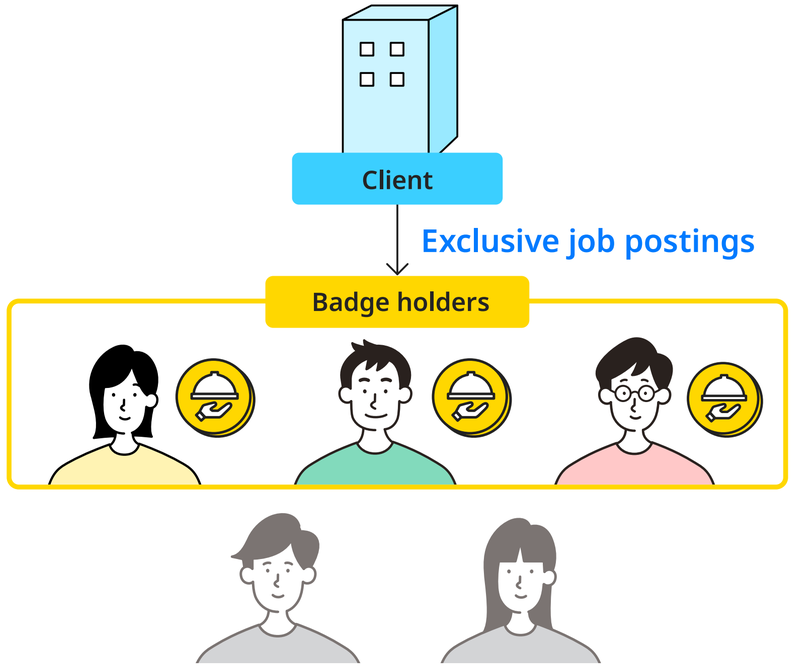
Timee

Track Record of Product Development (1)



Further Product Enhancement

New function launched in April has enabled clients to post job openings exclusively to badge holders



*1 Timee Membership: A royalty program that accumulates worker levels and grades based on working experiences. Timee Expert: A title automatically given to workers after achieving certain conditions such as acquisition of high ratings. Timee Expert can preferentially receive new job opening notifications and displays. Stool Test: Corresponding to stool testing, a requirement for employment at many food manufacturing and food processing jobs in Japan to prevent the spread of disease. Worker Pool Dashboard: A function to visualize workers within a certain distance. NFC Tag: A function that enables to manage attendance on a smartphone using NFC tags. Alumni: A function that allows exclusive job postings to alumni of the part-time job within a client group

Focusing on Unskilled/Low-skill Jobs but Aiming to Expand to Adjacent Categories[1] (Short-Mid term)

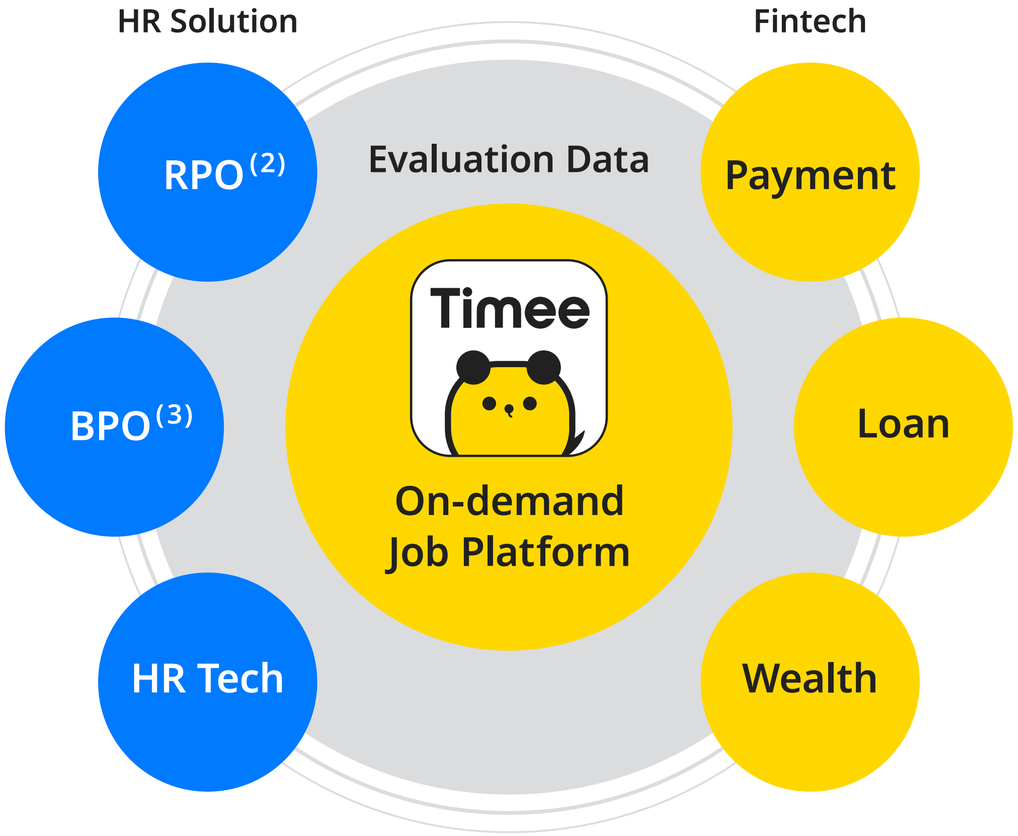
Timee

Required skill	Employment period			
	Industry/Job	On-demand (1day)	Short-term (1month)	Long-term (Regular)
Unskilled	• Logistics • Moving • Food processing	Timee	Temp agency	"Timee Career Plus" to further strengthen moat
Low-skill	• Restaurant • Retail • Office work	Timee	Aiming to expand to adjacent categories Job board	 (Recruitment of full-time employees)
High-skill	• Engineer • Designer • Consultant	Crowdsourcing (We have no plan to enter this area)		Job board (We have no plan to enter this area)

*1 For illustrative purposes only, indicating Timee's business expansion strategy

Long-term Strategy Leveraged by On-demand Job Platform (Long term)

Adding Platform Functions (1)



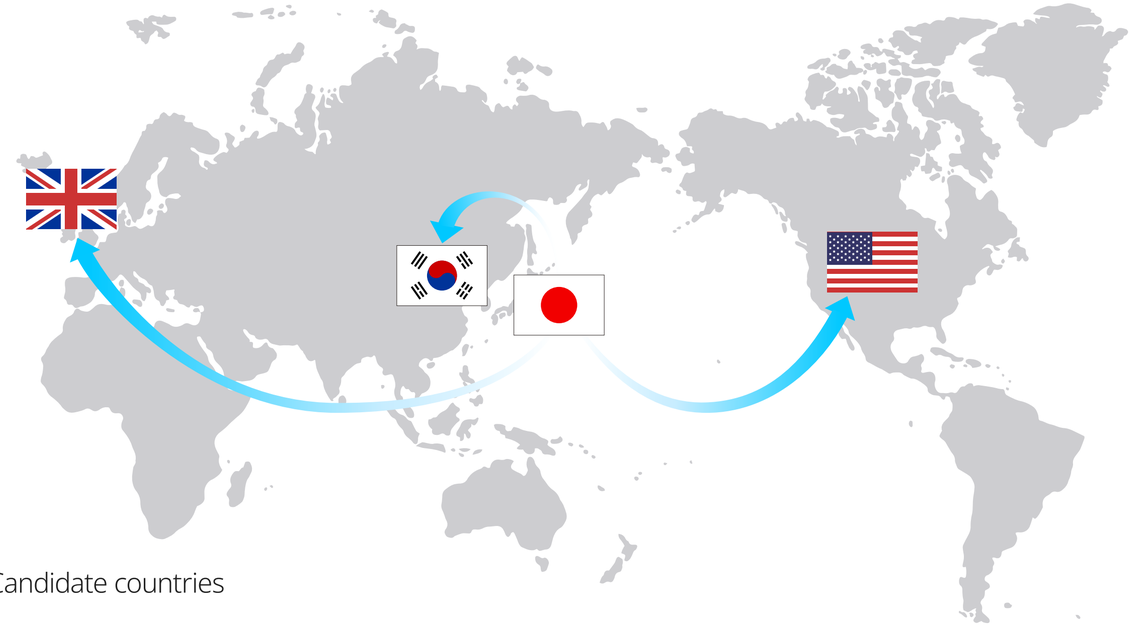
Go Global (1)

Huge Market Size

Recruiting Practices Similar to Japan

Serious Labor Shortage

Localization / Regulation



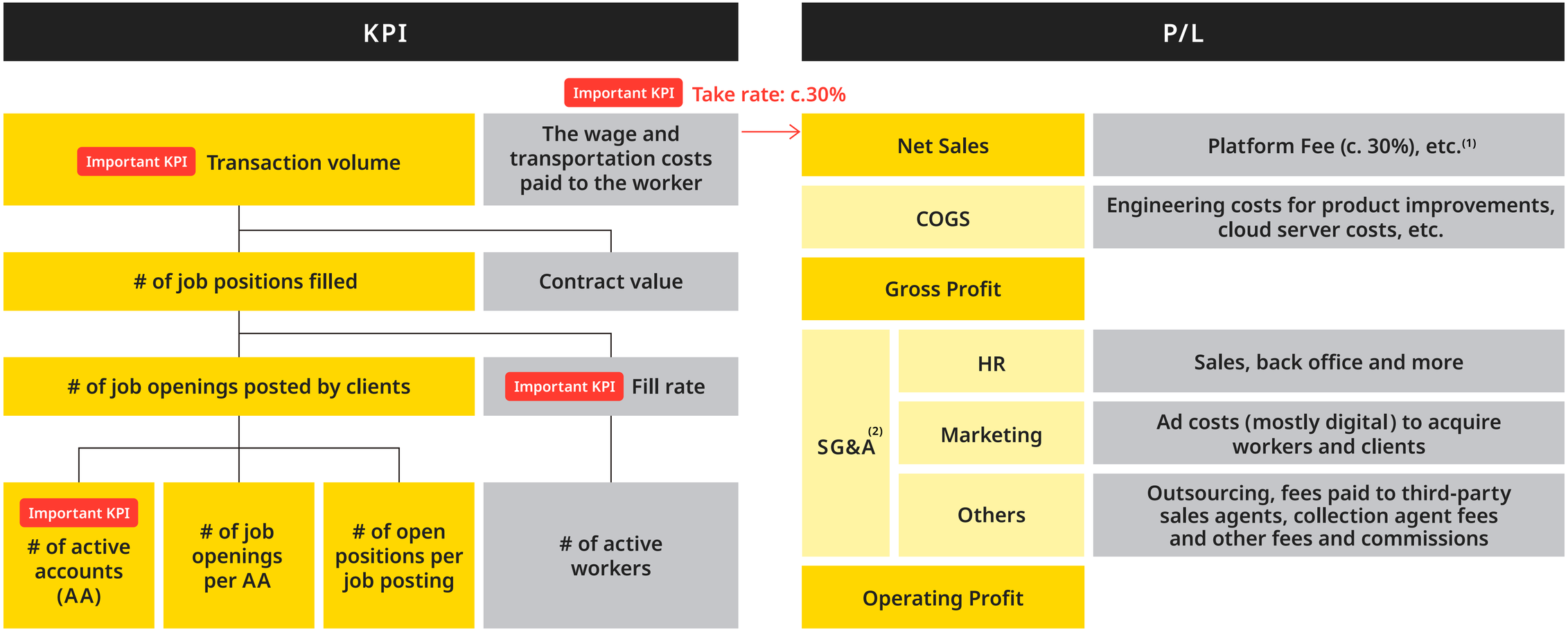
*Candidate countries

*1 There are no concrete plans at this stage to add these functions or expand globally

*2 Recruitment Process Outsourcing

*3 Business Process Outsourcing

Illustrative Image of P/L Structure

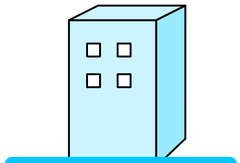


*1 Nearly all of our net sales are the net sales from Timee platform business

*2 Breakdown of SG&A costs is a non-GAAP item. HR costs include salaries for sales team, back office, etc. Marketing costs include Ad costs (mostly digital) to acquire workers and clients, promotional expenses and other marketing expenses. Others include costs for outsourcing, fees paid to third party sales agents, collection agent fees and other fees and commissions

Sales and Marketing Expense Structure

Sales & marketing expense structure varies depending on client type and workers



Clients



Workers

	Large	Middle	Small
Marketing	Inside Sales【BDR(1)】		Marketing
Sales	Customer Success	Field Sales【industry specific】	Inside Sales【SDR(2)】
Customer Success		Customer Success	Tech Touch
	Indirect Channels		

Marketing Expense

Timee

Sales Expense (HR Expense)

Marketing

TV commercials

Offline Ads/events

Online Ads

*1 BDR indicates Business Development Representative (mainly outbound calling)

*2 SDR indicates Sales Development Representative (mainly inbound calling)

Profit and Loss Statement

JPY MM

	FY2022/10	FY2023/10	FY2023/10 3Q YTD	FY2024/10 3Q YTD
Net Sales	6,216	16,144	11,022	19,025
% Growth	378.5%	159.7%	190.1%	72.6%
Gross Profit	5,860	15,472	10,553	18,136
Gross Profit Margin	94.3%	95.8%	95.7%	95.3%
EBITDA (1)	205	2,145	1,873	2,641
EBITDA Margin	3.3%	13.3%	17.0%	13.9%
Operating Profit	122	1,957	1,739	2,793
Operating Profit Margin	2.0%	12.1%	15.8%	14.7%
Profit	256	1,802	1,747	1,466
Profit Margin	4.1%	11.2%	15.9%	7.7%

*1 EBITDA is a non-GAAP item. See "Reconciliation" on the next page

Reconciliation: EBITDA

JPY MM

	FY2022/10	FY2023/10	FY2023/10 3Q YTD	FY2024/10 3Q YTD
Profit for the Year / Period	256	1,802	1,747	1,466
+) Total Income Taxes	(136)	121	(33)	1,005
+) Interest Expenses	13	33	24	41
-) Interest Income	(0)	(0)	(0)	(0)
+) Depreciation	72	187	135	127
EBITDA[1]	205	2,145	1,873	2,641
EBITDA Margin	3.3%	13.3%	17.0%	13.9%

*1 EBITDA is a non-GAAP item

Balance Sheet

JPY MM

Assets	2022/10	2023/10	2024/7
Current assets	**8,175**	**16,830**	**21,242**
Cash and deposits	3,980	7,996	9,787
Accounts receivable-trade	985	2,080	2,700
Advances paid	3,062	6,496	8,442
Other current assets	146	256	311
Non-current assets	**614**	**970**	**1,266**
Property and equipment	140	514	531
Intangible assets	0	0	0
Investments and other assets	474	455	735
Total assets	**8,789**	**17,800**	**22,508**

Liabilities and Shareholders' Equity	2022/10	2023/10	2024/7
Current liabilities	**3,251**	**10,671**	**14,010**
Short-term borrowings	1,711	7,250	8,400
Accounts payable-other	632	1,747	2,237
Accrued expenses	554	1,031	1,522
Lease liabilities	0	3	3
Other current liabilities	353	638	1,847
Non-current liabilities	**1,147**	**926**	**815**
Long-term borrowings	1,147	908	800
Lease liabilities	0	18	15
Total liabilities	**4,399**	**11,598**	**14,826**
Total net assets	**4,390**	**6,201**	**7,682**
Total liabilities and net assets	**8,789**	**17,800**	**22,508**

FY24/10 Financial Forecast

JPY MM

	FY2023/10	FY2024/10 (Forecast)
Net Sales	**16,144**	**27,556**
% Growth	159.7%	70.7%
Operating Profit	**1,957**	**4,091**
Operating Profit Margin	12.1%	14.8%
Ordinary Profit	**1,924**	**3,623**
Ordinary Profit Margin	11.9%	13.2%
Profit	**1,802**	**2,253**
Profit Margin	11.2%	8.2%

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