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To whom may it concern

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Frequently Asked Questions and Answers

Thank you for your continued interest in our company. We would like to disclose the main questions we received from investors recently and the answers to them as follows.

This disclosure is made for the purpose of enhancing information dissemination to investors and for fair disclosure. Although there may be some discrepancies in the content of responses due to time differences, the most recent responses are presented as Timee's most current policy.

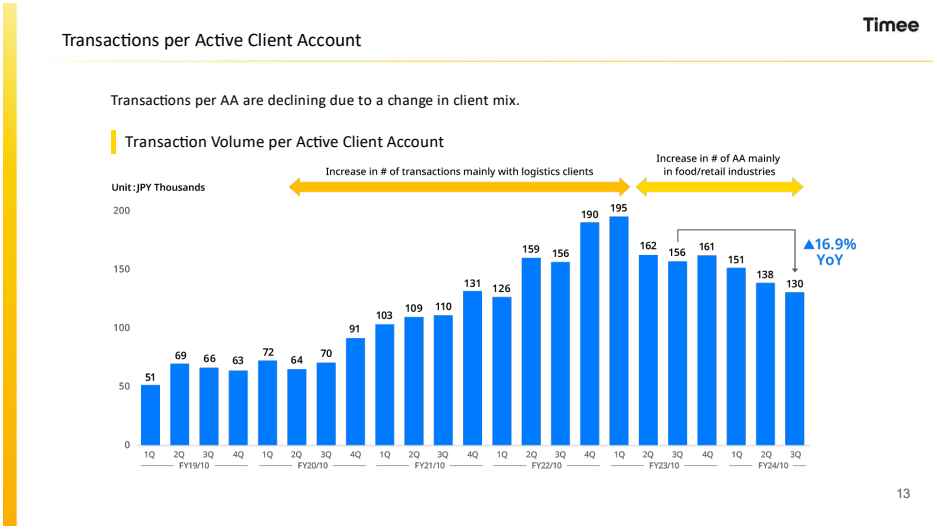
Q1. Why is there a downward trend in the Transactions per Active Client Account?

This is mainly due to a change in client mix.

The use of the logistics industry expanded with the COVID-19 pandemic, and since then, the use of the food industry has expanded with the reopening, and the retail industry as the third core industry, resulting in the current client mix. Comparing the transaction volume per active client account in each industry, the logistics industry is relatively large, and the increase in the share of the food and retail industries will lead to a decrease in the overall total amount of transaction volume per active client account.

In addition, we started full-scale client marketing in FY23/10 4Q to acquire small-sized clients, and the increase in the number of small-sized clients is another factor contributing to the decrease in the overall total transaction volume per active client account.

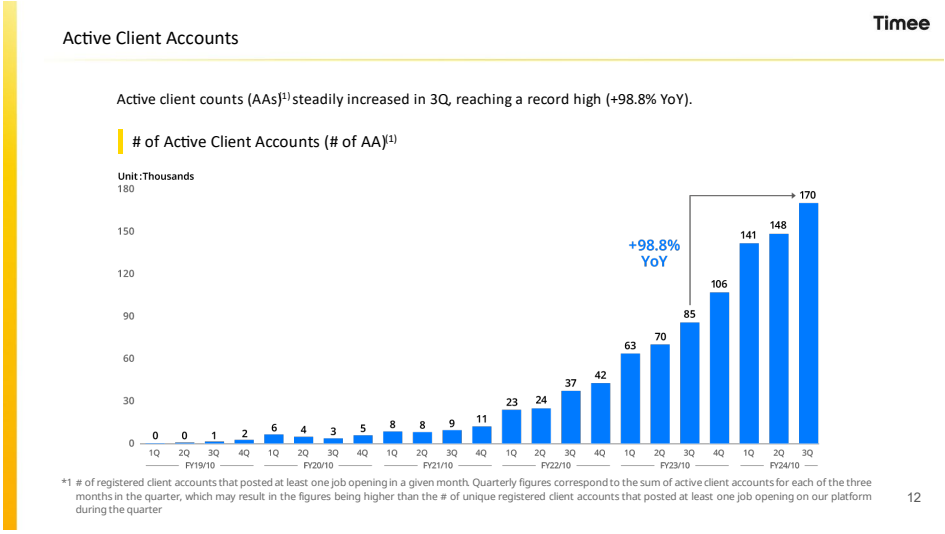
Presentation for FY2024.10 3Q Financial Results P13



On the other hand, we believe that expanding the use of the platform not only in the logistics industry but also in a wide range of industries such as food and retail, and expanding the use of the platform not only by large and medium-sized clients but also by small-sized clients will lead to an increase in the attractiveness of the platform and indirectly contribute to worker engagement.

In addition to the total amount of transaction volume per active client account, we also consider the number of active client accounts as an important KPI, and the number of active client accounts is steadily increasing.

Presentation for FY2024.10 3Q Financial Results P12

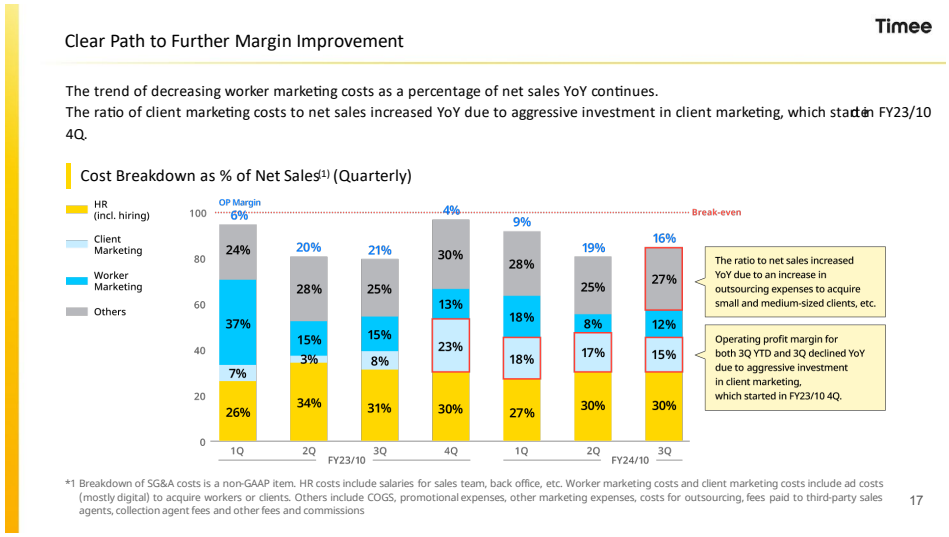


Q2. What is the reason for the year-on-year decline in operating margin in both FY24/10 3Q YTD and 3Q?

This is due to the impact of client marketing, which began in earnest in FY23/10 4Q. This is because the increase in client marketing is included only this year when comparing last year and this year, and will be leveled off from FY24/10 4Q on a year-on-year basis.

Client marketing is aimed at small-sized client acquisition. With regard to client acquisition, since the start of our services, we have been actively engaged in sales activities for large and medium-sized clients, and this policy will not change significantly in the future. While keeping an eye on the company-wide profit level, we also invest an appropriate amount in client marketing, within the scope of not worsening our acquisition efficiency.

Presentation for FY2024.10 3Q Financial Results P17



Q3. What is the reason for the decrease in profit in both FY24/10 3Q YTD and 3Q?

Profit declined due to net operating loss carryforwards. Net operating loss carryforwards were applied in FY23/10 but eliminated in FY24/10.

Q4. How will some of the reports on October 14, 2024 affect the Timee business?

On October 14, 2024, the media reported that according to the Ministry of Health, Labour and Welfare's guidance, it is illegal to suspend the use of an on-demand job platform indefinitely when a worker who uses the service doesn't show up. Last year, after consulting with the Ministry of Health, Labour and Welfare, we already changed the period of service suspension from “indefinite” to “a certain period”.

We have been working with the relevant organizations following the Ministry of Health, Labour and Welfare's policies, and have been improving our services. We will continue to provide services that you can use with peace of mind while consulting with the relevant organization.

Q5. How will the "minimum wage" increase affect the Timee business?

We believe this will be positive for the Timee business.

The hourly rate for job positions posted on Timee must be at least the minimum wage. Net sales can be calculated by multiplying the total transaction volume (wages paid to the worker and transportation costs) by the average take rate.

On the other hand, not all hourly rates listed on Timee are set at the minimum wage, so our net sales will not increase in proportion to the rise in the minimum wage (even if the minimum wage increases by 5%, it does not mean that our net sales increase by 5% as well).

Q6. Are there any foreign workers?

There are some foreign workers, but their percentage of the total is very small.

Currently, Timee only handles applicants with residency status without work restrictions and verifies their identity documents in person.

Reference: Past "Frequently Asked Questions and Answers
Frequently Asked Questions and Answers on October 9, 2024