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December 12, 2024

Financial Results for the Fiscal Year Ended October 31, 2024 (Under Japanese GAAP)

Company name: Timee, Inc.
Listing: Tokyo Stock Exchange
Securities code: 215A
URL: http://corp.timee.co.jp/
Representative: Ryo Ogawa, Representative Director and CEO
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Telephone: +81-3-6822-3013
Scheduled date of annual general meeting of shareholders: January 28, 2025
Scheduled date to commence dividend payments: –
Scheduled date to file annual securities report: January 29, 2025
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 fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

(1) Operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
October 31, 2024	26,880	66.5	4,247	117.0	3,924	103.9	2,797	55.2
October 31, 2023	16,144	159.7	1,957	–	1,924	–	1,802	602.1

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
October 31, 2024	29.31	25.63	36.7	17.7	15.8
October 31, 2023	19.01	–	34.1	14.5	12.1

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended October 31, 2024: –
For the fiscal year ended October 31, 2023: –

Notes 1. Diluted earnings per share for the fiscal year ended October 31, 2023 are not stated because, although there are share acquisition rights as potential shares, the Company's shares are unlisted and the average share price during each period cannot be determined.

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 fiscal year ended October 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 fiscal year ended October 31, 2024 as the average price of shares during the period.

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
October 31, 2024	26,575	9,095	34.2	93.47
October 31, 2023	17,800	6,201	34.7	(5.20)

Reference: Equity
As of October 31, 2024: ¥9,078 million
As of October 31, 2023: ¥6,182 million

Note: The Company conducted a 3,000-for-1 split of its common stock effective March 31, 2024. Net assets per share were calculated based on the assumption that said stock split was conducted at the beginning of the fiscal year.

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
October 31, 2024	1,183	(284)	3,343	12,238
October 31, 2023	(749)	(541)	5,306	7,996

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended October 31, 2023	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ended October 31, 2024	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ending October 31, 2025 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Financial results forecast for the fiscal year ending October 31, 2025 (from November 1, 2024 to October 31, 2025)

(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	34,394 ~35,700	28.0 ~32.8	6,000 ~6,710	41.3 ~58.0	5,943 ~6,653	51.4 ~69.5	4,382 ~4,932	56.7 ~76.3	45.12 ~50.78

Note: Financial results forecast for the fiscal year ending October 31, 2025 is disclosed with range. As the Company manages its operations on an annual basis, financial results forecast for the first six months are omitted. For further details, reference documents are the attached materials, “(4) Future Outlook” under “1. Overview of Operating Results and Others.”

***Notes**

(1) 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

(2) Number of issued shares (common stock)

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

As of October 31, 2024	97,122,000 shares
As of October 31, 2023	94,797,000 shares

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

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

(iii) Average number of shares outstanding during the period

For the fiscal year ended October 31, 2024	95,412,000 shares
For the fiscal year ended October 31, 2023	94,797,000 shares

Note: 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 were calculated based on the assumption that said stock split was conducted at the beginning of the fiscal year.

* Financial results are outside the scope of audit by certified public accountants or an audit firm.

* 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, reference documents are the attached materials, “(4) Future Outlook” under “1. Overview of Operating Results and Others.”

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1. Overview of Operating Results and Others

(1) Overview of Operating Results for the fiscal year

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 fiscal year ended October 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 raising interest rates caused by monetary policies by multiple countries.

In the labor market, the regional minimum wages in each prefecture have been revised, and the national average of the minimum wage has risen to 1,055 yen per hour, up 51 yen year on year. 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 9.5 million and the number of registered client accounts exceeded 316 thousand during the fiscal year ended October 31, 2024, generating transaction volume (the total amount of wages and transportation expenses paid to workers) of 90,779 million yen (up 66.6% year on year).

For the fiscal year ended October 31, 2024, the Company reported net sales of 26,880,693 thousand yen, operating profit of 4,247,676 thousand yen, ordinary profit of 3,924,631 thousand yen and profit of 2,797,078 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) Overview of Financial Position for the fiscal year

(Assets)

Current assets as of the end of the current fiscal year under review were 25,360,846 thousand yen, up 8,530,818 thousand yen compared with the end of the previous fiscal year. This was mainly due to a 4,242,776 thousand yen increase in cash and deposits as a result of borrowing, a 1,017,072 thousand yen increase in accounts receivable – trade by as a result of increased net sales, a 3,251,146 thousand yen increase in advances paid for wages and transportation expenses paid to workers as a result of increased use of "Timee". Also, non-current assets as of the end of the current fiscal year under review were 1,214,163 thousand yen, up 244,034 thousand yen compared with the end of the previous fiscal year. This was mainly due to a 115,740 thousand yen increase in guarantee deposits related to the head office where we plan to increase floor space and a 132,483 thousand yen increase in deferred tax assets.

As a result, total assets were 26,575,010 thousand yen, up 8,774,853 thousand yen compared with the end of the previous fiscal year.

(Liabilities)

Current liabilities as of the end of the current fiscal year under review were 16,699,104 thousand yen, up 6,027,436 thousand yen compared with the end of the previous fiscal year. This was mainly due to a 3,449,800 thousand yen increase in short-term borrowings for paying advances for business expansion and a 1,262,782 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 current fiscal year under review were 779,913 thousand yen, down 146,610 thousand yen compared with the end of the previous fiscal year. This was mainly due to a 143,315 thousand yen decrease in long-term borrowings as a result of repayment of borrowings.

As a result, total liabilities were 17,479,018 thousand yen, up 5,880,826 thousand yen compared with the end of the previous fiscal year.

(Net assets)

Net assets as of the end of the current fiscal year under review were 9,095,992 thousand yen, up 2,894,027 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 2,797,078 thousand yen for the fiscal year ended October 31, 2024.

(3) Overview of Cash Flows for the fiscal year

Cash and cash equivalents ("cash") as of the end of the current fiscal year under review increased by 4,242,776 thousand yen from the end of the previous fiscal year and amounted to 12,238,870 thousand yen.

The status of each cash flow and the drivers of its change during the current fiscal year are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities in the current fiscal year under review was 1,183,639 thousand yen (749,230 thousand yen used in the previous fiscal year). This was mainly due to an increase in advanced paid of 3,251,146 thousand yen (down 183,159 thousand yen compared with the previous fiscal year), profit before income taxes of 3,925,158 thousand yen (up 2,000,812 thousand yen compared with the previous fiscal year).

(Cash flows from investing activities)

Net cash used in investing activities in the current fiscal year under review was 284,335 thousand yen (541,618 thousand yen used in the previous fiscal year). This was mainly due to purchase of property and equipment of 138,038 thousand yen (down 355,335 thousand yen compared with the previous fiscal year), payments of leasehold and guarantee deposits of 146,758 thousand yen (up 82,513 thousand yen compared with the previous fiscal year).

(Cash flows from financing activities)

Net cash provided by financing activities in the current fiscal year under review was 3,343,471 thousand yen (5,306,420 thousand yen provided in the previous fiscal year). This was mainly due to net increase in short-term borrowings of 3,449,800 thousand yen (down 2,100,400 thousand yen compared with the previous fiscal year).

(4) Future Outlook

The policy for the fiscal year ending October 31, 2025 is to further enhance the safety of the platform while aiming for continued growth in net sales and accelerated growth in operating profit. The Company has started strengthening new measures to prevent unauthorized use of the "Timee" service, such as re-confirming what the actual situation of existing clients are, requiring new clients to submit official documents before starting to use "Timee", and establishing a new system to check all job openings before they are published on the platform and so on. In addition, since on-demand job market is a rapidly expanding market in recent years, there is a possibility for several competitors to enter the market. Since it is difficult to incorporate these changes of the business environment into the financial results forecast precisely, the Company disclosed it with range. Specifically, the Company disclosed the net sales forecast using a lower limit in case the impact of the decrease in net sales due to strengthening the system to prevent unauthorized use of service and intensifying competition is worse than currently expected, and an upper limit in case the impact is as anticipated.

For net sales, which is the most important management indicator, the Company aims to achieve a year-on-year growth rate of 28.0% to 32.8%. For operating profit, in selling, general and administrative expenses, the Company prioritizes investment in worker marketing mainly to maintain the fill rate, and also invests in client marketing taking into account profit level. At the same time, by reducing investment through the continued activation of registered workers, the Company aims the operating profit to net sales for the fiscal year ending October 31, 2025 of 17.4% to 18.8%, reducing the ratio of advertising expenses to net sales for the full year from the previous fiscal year.

(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	34,394 ~35,700	28.0 ~32.8	6,000 ~6,710	41.3 ~58.0	5,943 ~6,653	51.4 ~69.5	4,382 ~4,932	56.7 ~76.3	45.12 ~50.78

The financial results forecast and other forward-looking statements above are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and they are subject to various risks and uncertainties.

Reference document is "Presentation for FY2024.10 Full Year Financial Results" announced on December 12, 2024.

2. Basic Policy on Selecting Accounting Standards

The Company prepares its financial statements in accordance with generally accepted accounting principles in Japan (Japanese GAAP), taking into account the year-on-year comparability and intercompany comparability of financial statements.

3. Financial Statements and Principal Notes
(1) Balance Sheets

(Thousands of Yen)

	As of October 31, 2023	As of October 31, 2024
Assets		
Current assets		
Cash and deposits	7,996,093	12,238,870
Accounts receivable - trade	2,080,449	3,097,521
Accounts receivable - other	7,657	1,005
Advances paid	6,496,633	9,747,779
Advance payments	-	7,470
Prepaid expenses	270,321	338,881
Allowance for doubtful accounts	(21,127)	(70,681)
Total current assets	16,830,027	25,360,846
Non-current assets		
Property and equipment		
Leasehold improvements	336,223	338,519
Tools, furniture and fixtures	304,962	446,625
Leased assets	21,600	21,600
Accumulated depreciation	(148,514)	(299,435)
Total property and equipment	514,271	507,309
Investments and other assets		
Investments in capital	10	10
Guarantee deposits	324,647	440,388
Long-term prepaid expenses	134	2,906
Deferred tax assets	131,065	263,548
Total investments and other assets	455,856	706,853
Total non-current assets	970,128	1,214,163
Total assets	17,800,156	26,575,010

(Thousands of Yen)

	As of October 31, 2023	As of October 31, 2024
Liabilities		
Current liabilities		
Short-term borrowings	7,050,200	10,500,000
Current portion of long-term borrowings	200,628	143,315
Lease liabilities	3,175	3,295
Accounts payable - other	1,747,764	2,185,159
Accrued expenses	1,031,095	1,665,447
Advances received	37,839	84,089
Deposits received	55,348	82,184
Income taxes payable	103,597	1,366,379
Accrued consumption taxes	442,019	669,233
Total current liabilities	10,671,667	16,699,104
Non-current liabilities		
Long-term borrowings	908,415	765,100
Lease liabilities	18,109	14,813
Total non-current liabilities	926,524	779,913
Total liabilities	11,598,191	17,479,018
Net assets		
Shareholders' equity		
Share capital	100,000	149,472
Capital surplus		
Legal capital surplus	3,538,396	3,587,869
Other capital surplus	3,438,396	3,438,396
Total capital surplus	6,976,793	7,026,266
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(894,128)	1,902,950
Total retained earnings	(894,128)	1,902,950
Total shareholders' equity	6,182,665	9,078,689
Share acquisition rights	19,299	17,302
Total net assets	6,201,964	9,095,992
Total liabilities and net assets	17,800,156	26,575,010

(2) Statements of Operations

(Thousands of Yen)

	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024
Net sales	16,144,584	26,880,693
Cost of sales	672,401	1,274,115
Gross profit	15,472,182	25,606,577
Selling, general and administrative expenses	13,514,545	21,358,901
Operating profit	1,957,637	4,247,676
Non-operating income		
Interest income	24	503
Income from point programs	8,996	17,567
Miscellaneous income	869	5,597
Total non-operating income	9,890	23,668
Non-operating expenses		
Interest expenses	33,532	61,374
Loss on disposal of property and equipment	742	328
Office relocation expenses	7,305	182
Miscellaneous expenses	1,601	2,347
Listing expenses	-	282,480
Total non-operating expenses	43,182	346,712
Ordinary profit	1,924,345	3,924,631
Extraordinary gain		
Gain on extinguishment of share acquisition rights	-	526
Total extraordinary gain	-	526
Profit before income taxes	1,924,345	3,925,158
Income taxes – current	103,605	1,260,563
Income taxes – deferred	17,970	(132,483)
Total income taxes	121,576	1,128,079
Profit	1,802,769	2,797,078

(3) Statements of Changes in Net Assets

Fiscal year ended October 31, 2023

(Thousands of Yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings	
Balance at beginning of year	100,000	3,538,396	3,438,396	6,976,793	(2,696,897)	(2,696,897)	4,379,895
Changes during year							
Profit					1,802,769	1,802,769	1,802,769
Net changes in items other than shareholders' equity							
Total changes during year	-	-	-	-	1,802,769	1,802,769	1,802,769
Balance at end of year	100,000	3,538,396	3,438,396	6,976,793	(894,128)	(894,128)	6,182,665

	Share acquisition rights	Total net assets
Balance at beginning of year	10,822	4,390,717
Changes during year		
Profit		1,802,769
Net changes in items other than shareholders' equity	8,477	8,477
Total changes during year	8,477	1,811,246
Balance at end of year	19,299	6,201,964

Fiscal year ended October 31, 2024

(Thousands of Yen)

	Shareholders' equity						
		Capital surplus			Retained earnings		
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings	Total shareholders' equity
Balance at beginning of year	100,000	3,538,396	3,438,396	6,976,793	(894,128)	(894,128)	6,182,665
Changes during year							
Issuance of new shares-exercise of share acquisition rights	49,472	49,472		49,472			98,945
Profit					2,797,078	2,797,078	2,797,078
Net changes in items other than shareholders' equity							
Total changes during year	49,472	49,472	-	49,472	2,797,078	2,797,078	2,896,024
Balance at end of year	149,472	3,587,869	3,438,396	7,026,266	1,902,950	1,902,950	9,078,689

	Share acquisition rights	Total net assets
Balance at beginning of year	19,299	6,201,964
Changes during year		
Issuance of new shares-exercise of share acquisition rights		98,945
Profit		2,797,078
Net changes in items other than shareholders' equity	(1,996)	(1,996)
Total changes during year	(1,996)	2,894,027
Balance at end of year	17,302	9,095,992

(4) Statements of Cash Flows

(Thousands of Yen)

	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,924,345	3,925,158
Depreciation	187,785	182,153
Gain on extinguishment of share acquisition rights	-	(526)
Increase in allowance for doubtful accounts	14,967	49,553
Interest income	(24)	(503)
Interest expenses	33,532	61,374
Loss on disposal of property and equipment	742	328
Office relocation expenses	7,305	182
Listing expenses	-	282,480
Increase in trade receivables	(1,094,713)	(1,017,072)
Decrease in accounts receivable-other	8,332	6,652
Increase in advances paid	(3,434,305)	(3,251,146)
Increase in accounts payable-other	1,100,428	430,469
Increase in accrued expenses	476,554	634,352
(Decrease) increase in advances received	(25,692)	46,249
Increase in accrued consumption taxes	214,626	227,214
Increase in other assets	(119,923)	(78,802)
Increase in other liabilities	7,258	188,484
Subtotal	(698,781)	1,686,602
Interest received	24	426
Interest paid	(33,532)	(61,374)
Office relocation expenses paid	(4,796)	(182)
Listing expenses paid	-	(282,480)
Income taxes paid	(12,145)	(159,352)
Net cash provided by (used in) operating activities	(749,230)	1,183,639
Cash flows from investing activities		
Purchase of property and equipment	(493,373)	(138,038)
Payments of leasehold and guarantee deposits	(64,245)	(146,758)
Refund of leasehold and guarantee deposits	15,999	461
Net cash used in investing activities	(541,618)	(284,335)
Cash flows from financing activities		
Net increase in short-term borrowings	5,550,200	3,449,800
Proceeds from long-term borrowings	1,000,000	-
Repayments of long-term borrowings	(1,249,447)	(200,628)
Proceeds from issuance of shares	-	97,475
Repayments of lease liabilities	(2,809)	(3,175)
Proceeds from issuance of share acquisition rights	8,477	-
Net cash provided by financing activities	5,306,420	3,343,471
Net increase in cash and cash equivalents	4,015,571	4,242,776
Cash and cash equivalents at beginning of year	3,980,522	7,996,093
Cash and cash equivalents at end of year	7,996,093	12,238,870

(5) Notes to Financial Statements

(Notes on going concern assumption)

Not applicable.

(Profit or loss of entities accounted for using equity method)

Not applicable.

(Segment information, etc.)

[Segment information]

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

(Per share data)

(Yen)

	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024
Net assets per share	(5.20)	93.47
Basic earnings per share	19.01	29.31
Diluted earnings per share	-	25.63

Notes:

1. Diluted earnings per share for the fiscal year ended October 31, 2023 are not stated because, although there are share acquisition rights as potential shares, the Company's shares are unlisted and the average share price during the period cannot be determined.
2. At the extraordinary board of directors meeting held on February 26, 2024, it was resolved to acquire all Class A preferred stock, Class B preferred stock, and Class C preferred stock based on the acquisition clause outlined in the Articles of Incorporation. The shares were acquired as treasury shares on March 12, 2024, and as consideration, one common stock was issued to each of the Class A preferred stockholders, Class B preferred stockholders, and Class C preferred stockholders for each share held. Furthermore, on the same date, all Class A preferred stock, Class B preferred stock, and Class C preferred stock were cancelled in accordance with the provisions of Article 178 of the Companies Act.
3. The Company conducted a 3,000-for-1 split of its common stock effective March 31, 2024. Basic earnings per share are calculated assuming that the said stock split was conducted at the beginning of the fiscal year.
4. As the Company was listed on the Growth Market of the Tokyo Stock Exchange on July 26, 2024, diluted earnings per share for the fiscal year ended October 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 fiscal year ended October 31, 2024 as the average price of shares during the period.
5. The bases for calculating basic earnings per share and diluted earnings per share are as follows:

	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024
Basic earnings per share		
Profit (Thousands of Yen)	1,802,769	2,797,078
Profit not attributable to common shareholders (Thousands of Yen)	-	-
Profit attributable to common stock (Thousands of Yen)	1,802,769	2,797,078
Weighted-average number of common stock outstanding during the period (Shares)	94,797,000	95,412,000
(Common stock (Shares))	(51,282,000)	(-)
(Class A preferred stock (Shares))	(23,580,000)	(-)
(Class B preferred stock (Shares))	(5,505,000)	(-)
(Class C preferred stock (Shares))	(14,430,000)	(-)
Diluted earnings per share		
Adjustment on profit (Thousands of Yen)	-	-
Increase in common stock (Shares)	-	13,719,298
(of which share acquisition rights (Shares))	-	(13,719,298)
Outline of potential shares excluded from the calculation of diluted earnings per share due to its non-dilutive effect	-	-

*Class A, B and C preferred stock are treated as common stock in the calculation of basic earnings per share because they have the same rights as common stock with respect to the right to claim dividends of surplus.

6. The bases for calculating net assets per share are as follows:

	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024
Net assets (Thousands of Yen)	6,201,964	9,095,992
Amount deducted from net assets (Thousands of Yen)	6,695,294	17,302
(Share acquisition rights (Thousands of Yen))	(19,299)	(17,302)
(Class A preferred stock (Thousands of Yen))	(2,004,300)	(-)
(Class B preferred stock (Thousands of Yen))	(669,775)	(-)
(Class C preferred stock (Thousands of Yen))	(4,001,920)	(-)
Net assets attributable to common stock (Thousands of Yen)	(493,329)	9,078,689
Number of common stock at the year-end used for the calculation of net assets per share (Shares)	94,797,000	97,122,000
(Common stock (Shares))	(51,282,000)	(97,122,000)
(Class A preferred stock (Shares))	(23,580,000)	(-)
(Class B preferred stock (Shares))	(5,505,000)	(-)
(Class C preferred stock (Shares))	(14,430,000)	(-)

*Since Class A, B and C preferred stock are preferred over common stock in the distribution of residual assets, the amount to be distributed to Class A, B and C preferred stock is deducted from net assets in the calculation of net assets per share. Class A, B and C preferred stock are treated as common stock in the calculation of net asset per share because they have the same rights as common stock with respect to the right to claim dividends of residual assets after the preferential distribution.

(Significant subsequent events)

Not applicable.