Timee

FY24/10 Full Year
Financial Results

December 12, 2024

FY24/10 Full Year Financial Results Highlight

Timee

26.8bn JPY
/ +66.5% YoY
Net Sales(1) / Growth Rate
(FY24/10)

4.2bn JPY
/ 15.8%
Operating Profit / OPM
(FY24/10)

29.6%
Average Take Rate(2)
(FY24/10)

86.1%
Fill Rate(3)
(FY24/10)



90.7bn JPY
Transaction Volume(4)
(FY24/10)

649k
Active Client Accounts
(AA) (5)
(FY24/10)

139k JPY
Transaction Volume per
Active Client Accont
(FY24/10)

*1 Net revenue basis (transaction volume × take rate) / Nearly all of our net sales are the net sales from Time business which is calculated by multiplying total transaction volume by take rate
*2 Take rate is charged to employer / Calculated by dividing total net sales from Time business by total transaction volume
*3 Matching rate / Calculated by dividing # of job positions filled by # of job openings posted by clients
*4 Wages + transportation costs paid to workers by employers
*5 # of registered client accounts that posted at least one job opening in a given month. Yearly figures correspond to the sum of active client accounts for each of the 12 months in the year, 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 year

FY24/10 Full Year Results and FY25/10 Forecast Summary

Timee

FY24/10 4Q

- Net sales were 7.85 billion yen (+53.4% YoY), and operating profit was 1.45 billion yen (+567.8% YoY, OPM 18.5%).
- Net sales increased YoY due to an increase in the number of AAs in the three main industries. In FY23/10 4Q, client marketing costs were recorded in a large amount on a trial basis, but in FY24/10 4Q, operating profit increased significantly due to an increase in net sales and a decrease in the ratio of client marketing costs to net sales through disciplined investment.

FY24/10 4Q YTD

- Net sales were 26.88 billion yen (+66.5% YoU), and operating profit was 4.24 billion yen (+117.0% YoY, OPM 15.8%).
- Net sales increased YoY due to an increase in the number of AAs in the three main industries. Compared to the forecast, the logistics and retail industries performed well, but the second half of the year saw a slight shortfall in overall performance due to the impact of the macro environment and a reaction to the lifting of the mask rule last year (increased demand in restaurants), particularly in the food industry. Operating profit increased significantly, exceeding the forecast due to a decrease in worker marketing and the continuation of disciplined investment.

KPI (4Q)

- The transaction volume increased significantly to 26,638 million yen (+54.0%) due to an increase in AAs.
- The average take rate was 29.4%, almost unchanged QoQ, despite intensifying competition due to the entry of competitors.
- The fill rate remained high at 85.9%. It has decreased slightly QoQ due to the busy season.
- The number of AAs expanded, centered on the retail industry, to 189.2 thousand (+77.1% YoU).
- Transaction volume per AA was 140.7 thousand yen due to the acquisition of small-sized clients. Although YoU was -13.0%, the rate of decrease was on a downward trend. Due to seasonality, it increased QoQ.

FY25/10 Forecast

- Net sales are expected to be 34.3 - 35.7 billion yen (+28.0% - +32.8% YoY), and operating profit is expected to be 6.00 - 6.71 billion yen (+41.3% - +58.0% YoY, OPM 17.4% - 18.8%).
- Net sales will increase by increasing the number of AAs. OPM is expected to improve due to efficient and disciplined marketing investments, etc.

FY24/10 Difference between Forecast and Actual Results

JPY MM

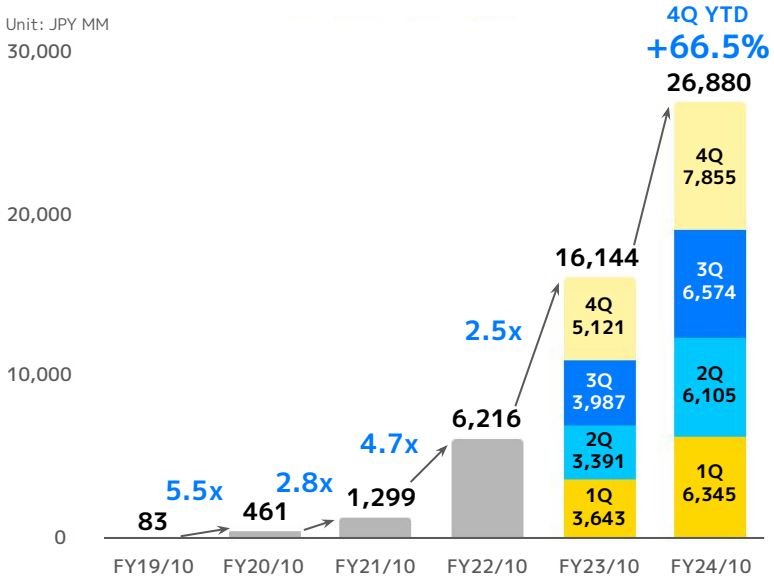
	FY24/10 Forecast	FY24/10 Actual	Difference	Ratio to forecast	Reasons
Net Sales	**27,556**	**26,880**	**▲675**	**97.5%**	Although a conservative estimate was incorporated into the forecast for this period because the significant increase in use in the food industry due to the special demand following the end of the COVID-19 pandemic last year was only temporary, the recovery in demand in the food industry as a whole fell short of the estimate, and the AAs and transaction volume per AA in the industry fell below the forecast. In addition, the cost pressures on clients mainly in the food industry, which were caused by the macro environment, were also a factor in the slower-than-expected expansion of usage. Despite the difficulties in the food industry, progress in other industries, particularly the retail industry, was steady, and we fell slightly short of its forecast, landing at 2.5% below the company's overall forecast.
Gross Profit	**26,489**	**25,606**	**▲882**	**96.7%**	In addition to the shortfall in net sales, cost of sales exceeded the forecast due to the strengthening of engineer recruitment, resulting in a shortfall in the forecast.
Gross Profit Margin	96.1%	95.3%	—	**▲0.9pt**	
Operating Profit	**4,091**	**4,247**	**155**	**103.8%**	Worker marketing costs were decreased compared to the forecast due to the steady increase in core workers. In addition, operating profit was higher than planned due to disciplined cost management.
Operating Profit Margin	14.8%	15.8%	—	**1.0pt**	
Profit	**2,253**	**2,797**	**543**	**124.1%**	An efficient IPO process decreased listing-related costs compared to the forecast. In addition, due to deductions under the tax measure to promote wage increases, profit for the period was 24% higher than planned.
Profit Margin	8.2%	10.4%	—	**2.2pt**	

FY24/10 Full Year and 4Q Financial Results Summary

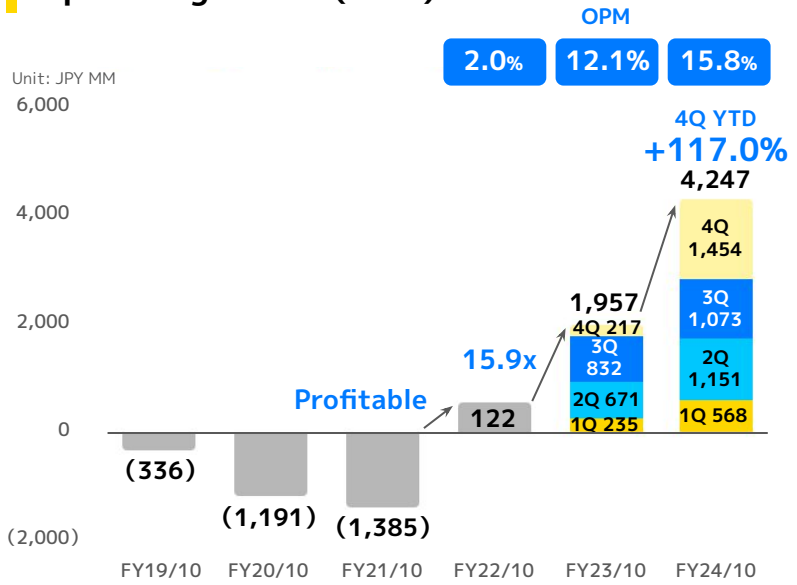
Yearly Trends (Net Sales, Operating Profit)

FY24/10 net sales increased by 66.5% YoY due to an increase in new companies and further use by existing companies in response to a serious labor shortage, and in particular, a steady increase in the number of AAs in the retail industry. Operating profit increased significantly by 117.0% YoY. In addition to the increase in net sales, the operating profit margin improved due to a decrease in worker marketing costs resulting from an increase in core workers, continued disciplined investment, and operating leverage.

Net Sales



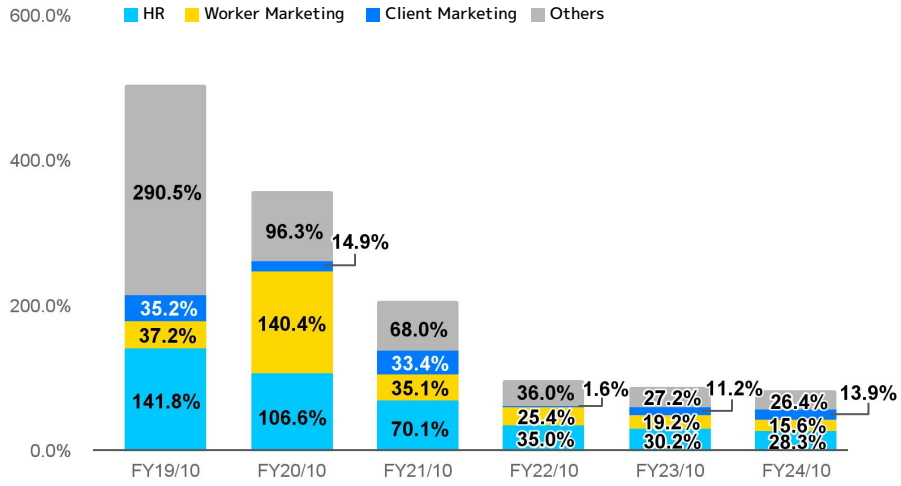
Operating Profit (Loss)



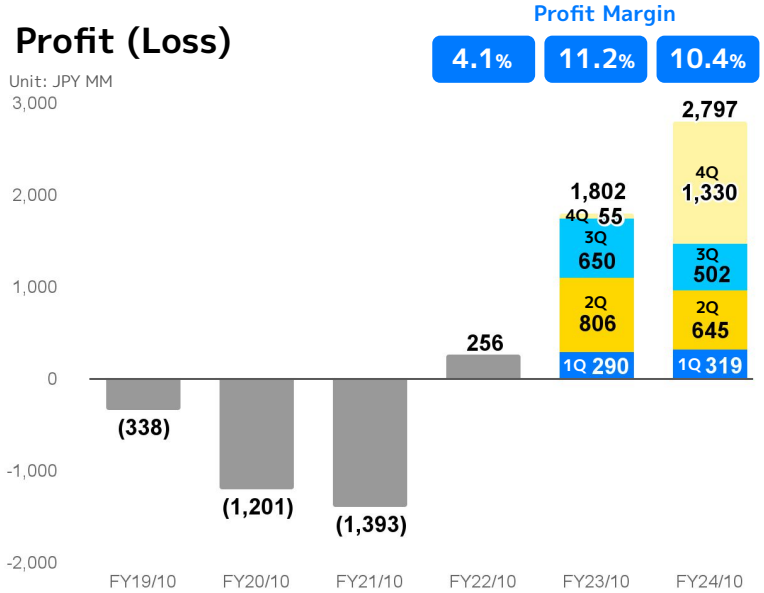
Yearly Trends (Costs, Profit)

In FY24/10, worker marketing costs were decreased, but actively invested in client marketing while considering the balance between overall marketing costs and operating profit levels. Improving sales productivity and operating leverage also contributed to an improvement in profit margins. The profit margin decreased YoY due to the impact of the loss carried forward applied in FY23/10 being eliminated in FY24/10 and listing-related costs, but these were one-off factors, and profit for the period increased significantly YoY.

Cost Breakdown as % of Net Sales(1)



Profit (Loss)

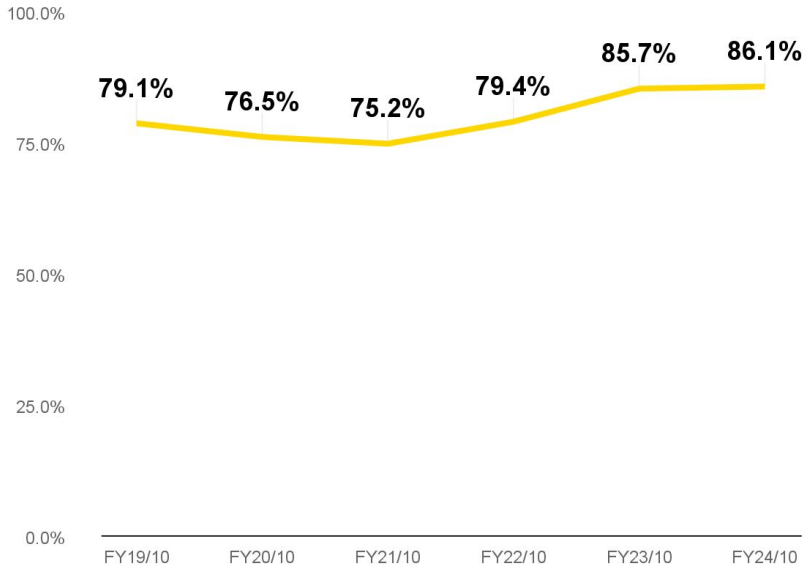


*1 Breakdown of SG&A costs is a non-GAAP item. HR costs include salaries for sales team, back office, and hiring costs etc. Worker marketing costs and client marketing costs include ad costs (mostly digital) to acquire workers or clients. Others include cost of sales (incl. engineering costs for product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

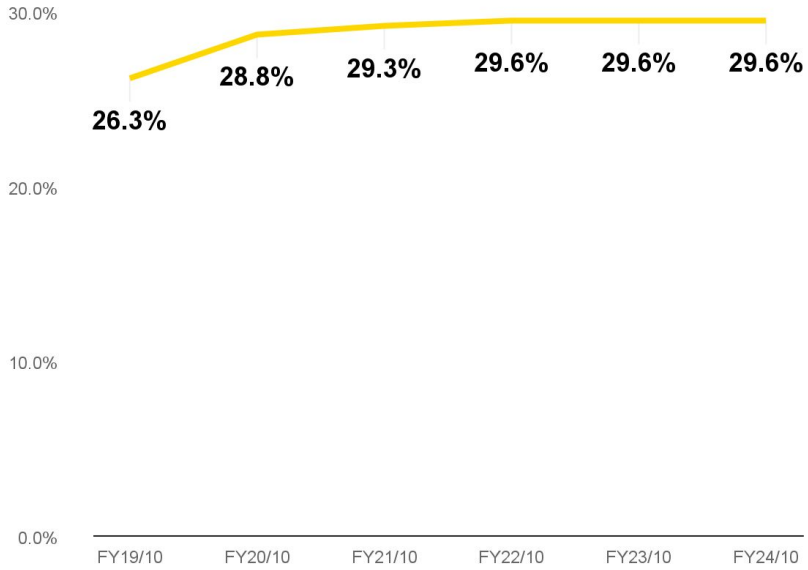
Yearly KPI Trends (Fill Rate, Average Take Rate)

The fill rate improved by 0.4pt YoY due to an increase in the number of core workers and worker marketing backed by accumulated worker data. Although the competitive environment intensified due to the entry of major companies, etc., maintained our competitive advantage through a high fill rate, an increase in repeat workers who work well, and sales support throughout Japan, which resulted in a high average take rate.

Fill Rate



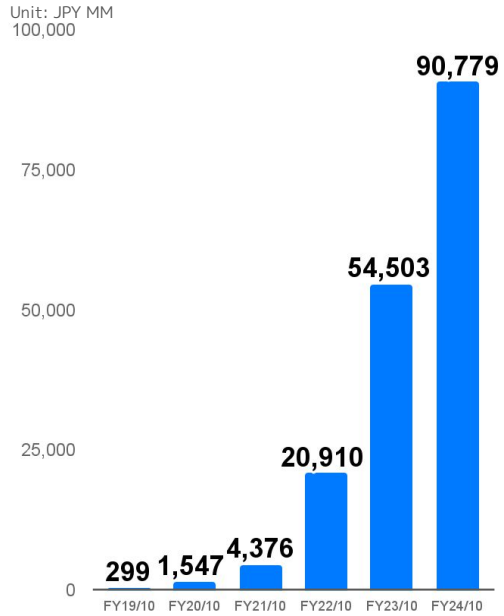
Average Take Rate



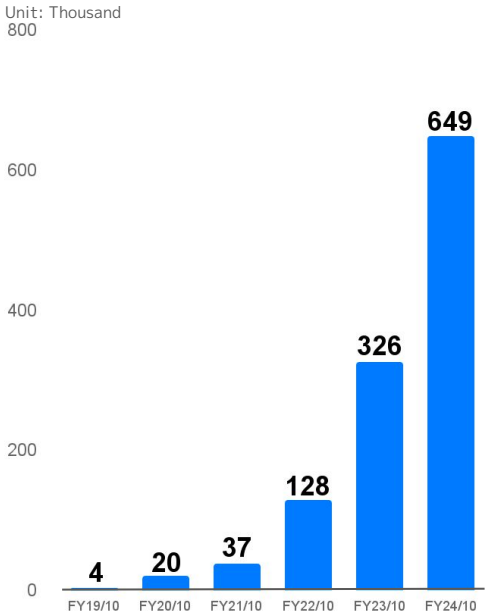
Yearly KPI Trends (Transaction Volume and Breakdown)

The increase in the number of AAs is driving the expansion of the total transaction volume. In FY24/10, there was a particular increase in the retail industry and small-sized AAs.
On the other hand, the total transaction volume per AA decreased due to changes in the client mix (industry and size).

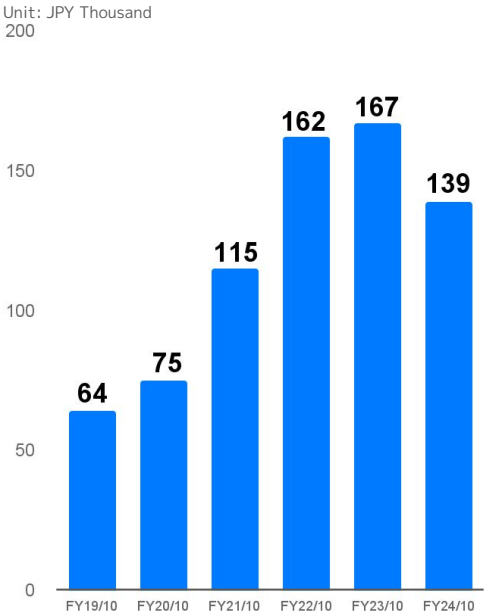
Transaction Volume



of AAs(1)



Transaction Volume per AA



*1 # of registered client accounts that posted at least one job opening in a given month. Yearly figures correspond to the sum of active client accounts for each of the 12 months in the year, 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 year

FY24/10 Full Year and 4Q Financial Results

FY24/10 Net sales increased by +66.5% YoY due to an increase in the number of retail industry/small-sized AAs. Operating profit increased significantly due to sales growth and disciplined investment, and the OPM improved by 3.7pt YoY. Profit also increased, but the profit margin decreased YoY due to the impact of the elimination of the loss carried forward applied in FY23/10, the return to normal levels of corporate tax, and listing related costs in FY24/10.
In FY24/10 4Q, although client marketing costs were significantly recorded on a trial basis in FY23/10 4Q, the ratio of client marketing costs to net sales also decreased due to the expansion of net sales and disciplined investment in this quarter, and both operating profit and profit for the quarter increased significantly.

JPY MM

	FY23/10 4Q YTD	FY24/10 4Q YTD	Difference	YoY	FY23/10 4Q	FY24/10 4Q	Difference	YoY
Net Sales[1]	**16,144**	**26,880**	**10,736**	**+66.5%**	**5,121**	**7,855**	**2,733**	**+53.4%**
Gross Profit	**15,472**	**25,606**	**10,134**	**+65.5%**	**4,918**	**7,469**	**2,551**	**+51.9%**
Gross Profit Margin	95.8%	95.3%	—	**▲0.6pt**	96.0%	95.1%	—	**▲0.9pt**
Operating Profit	**1,957**	**4,247**	**2,290**	**+117.0%**	**217**	**1,454**	**1,236**	**+567.8%**
Operating Profit Margin	12.1%	15.8%	—	**+3.7pt**	4.3%	18.5%	—	**+14.3pt**
Profit	**1,802**	**2,797**	**994**	**+55.2%**	**55**	**1,330**	**1,274**	**+2,300.7%**
Profit Margin	11.2%	10.4%	—	**▲0.8pt**	1.1%	16.9%	—	**+15.9pt**

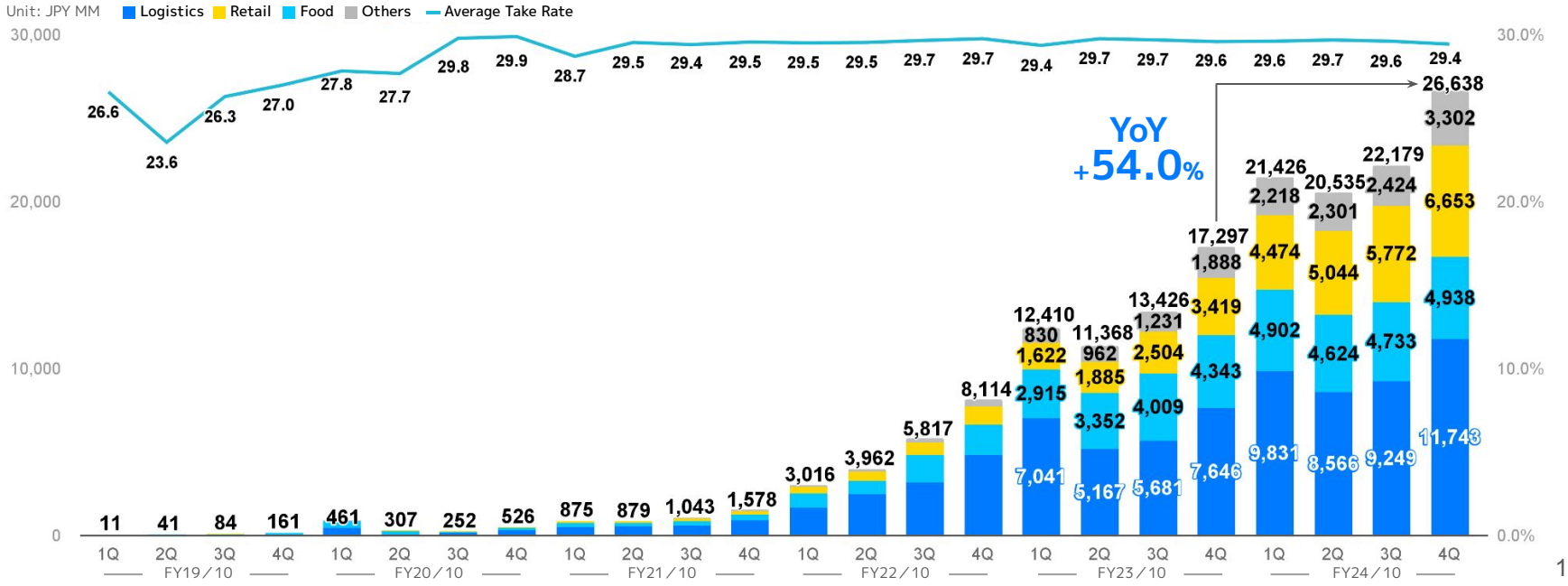
*1 Nearly all of our net sales are the net sales from Timee business which is calculated by multiplying total transaction volume by take rate. FY24/10 net sales for the full year excluding the Timee business were 42 million yen (Timee Career Plus, Timee Travel, etc.)

Steady Expansion of Transaction Volume and Stable Average Take Rate due to Serious Labor Shortage

Timee

While growth in the food industry remained low due to the impact of the reopening and cost pressures, the logistics industry remained strong, and the retail industry increased by around two times, with the increase in the number of AAs in the retail and logistics industries driving the overall increase. The average take rate remained at a high level, almost unchanged QoQ, despite intensifying competition due to the entry of competitors.

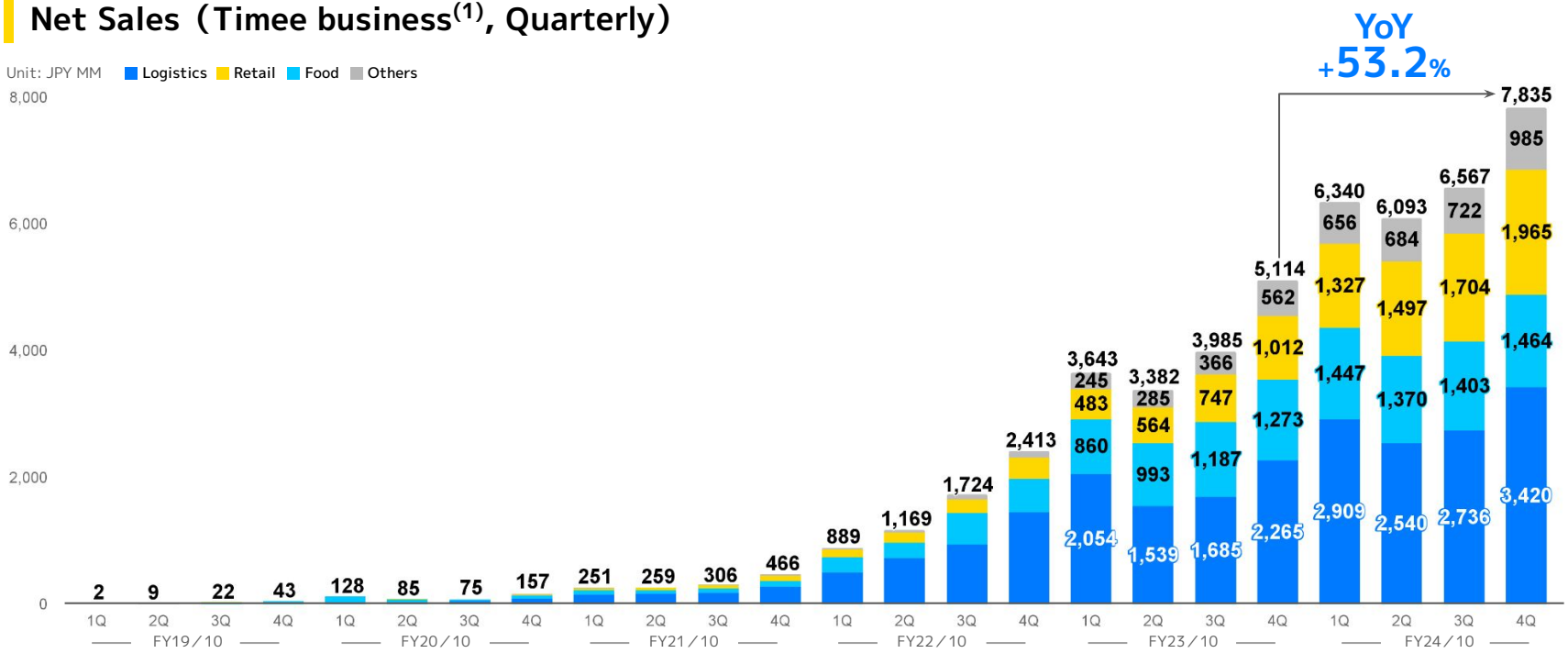
Transaction Volume / Average Take Rate（Quarterly）



Steady Expansion of Net Sales Backed by a Stable Average Take Rate

Average take rates are high and stable in all three industries, so net sales increased in line with the expansion of Transaction volume.

Net Sales（Timee business(1), Quarterly）



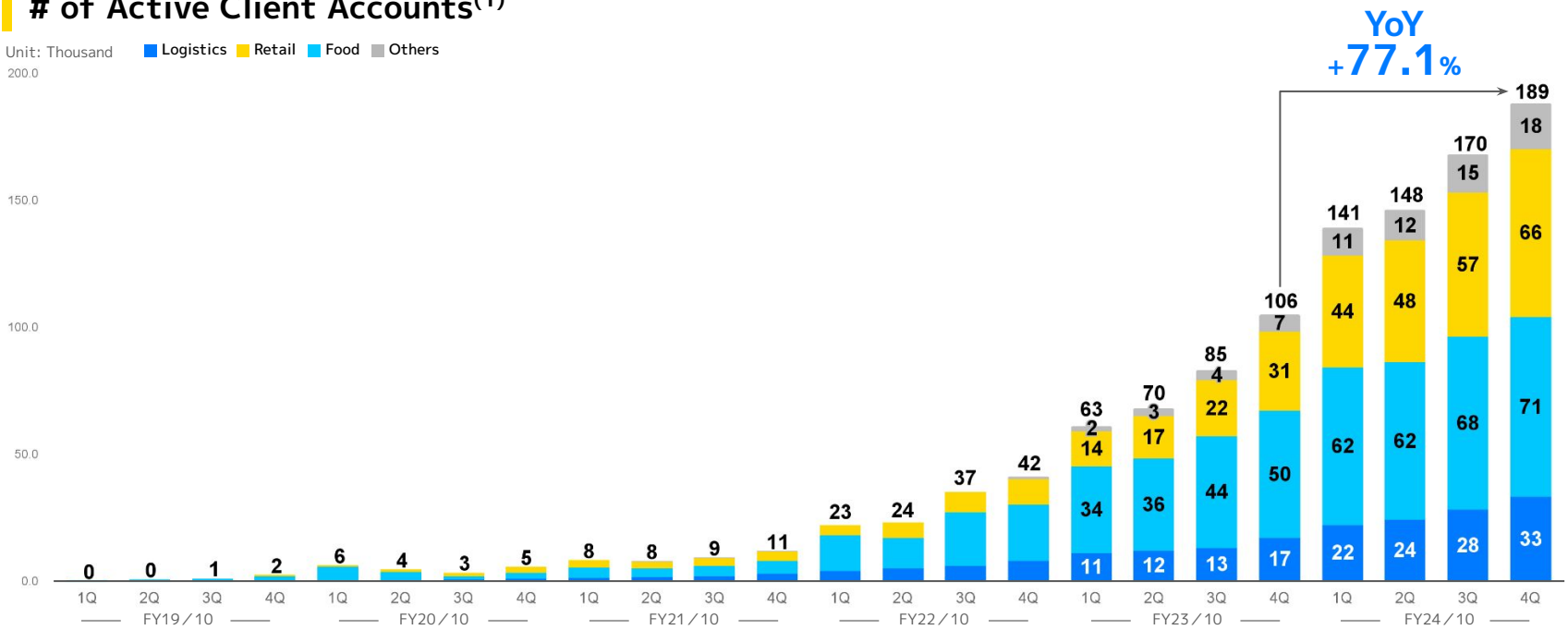
*1 Nearly all of our net sales are the net sales from Timee business which is calculated by multiplying total transaction volume by take rate

Achieving Steady Growth in the Number of Active Client Accounts in Each Major Industry

Timee

Due to a serious labor shortage, the number of AAs is steadily increasing, particularly in the retail and food industries, which have a large number of locations due to the nature of the industry. Currently, the increase in the number of AAs in the retail industry is driving the overall increase in the number of AAs.

of Active Client Accounts(1)



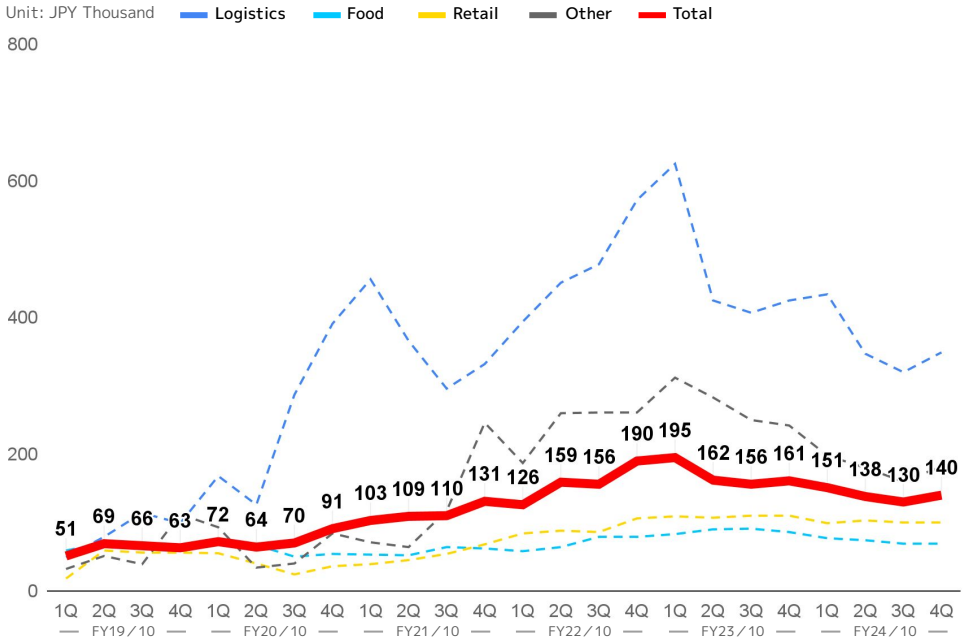
*1 # of registered client accounts that posted at least one job opening in a given month. Quarterly figures correspond to the sum of active client accounts for each of the three months in the quarter, which may result in the figures being higher than the # of unique registered client accounts that posted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

There is a Downward Trend in Each Industry due to an Increase in Small-sized Clients, but the Rate of Decrease is Shrinking YoY

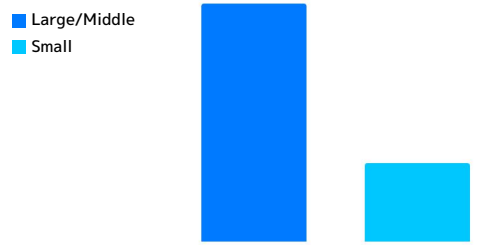
Timee

Transaction volume per AA decreased by 13.0% YoY due to changes in the client mix (in particular, the proportion of small-sized clients with low transaction volume per AA increased). The downward trend continued, but the YoY decrease narrowed (3Q: -16.9%). It increased QoQ due to seasonality.

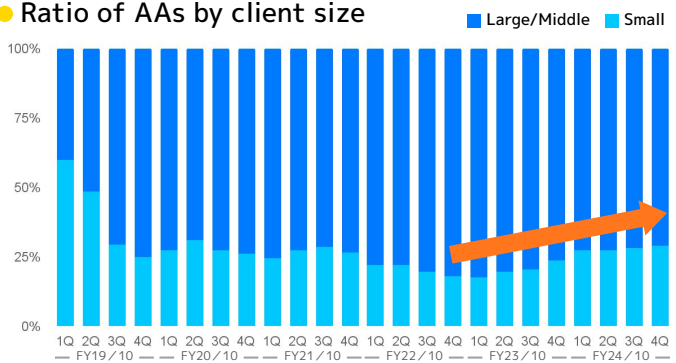
Transaction Volume per AA by Industry



● Image of the difference in transaction volume per AA by client size



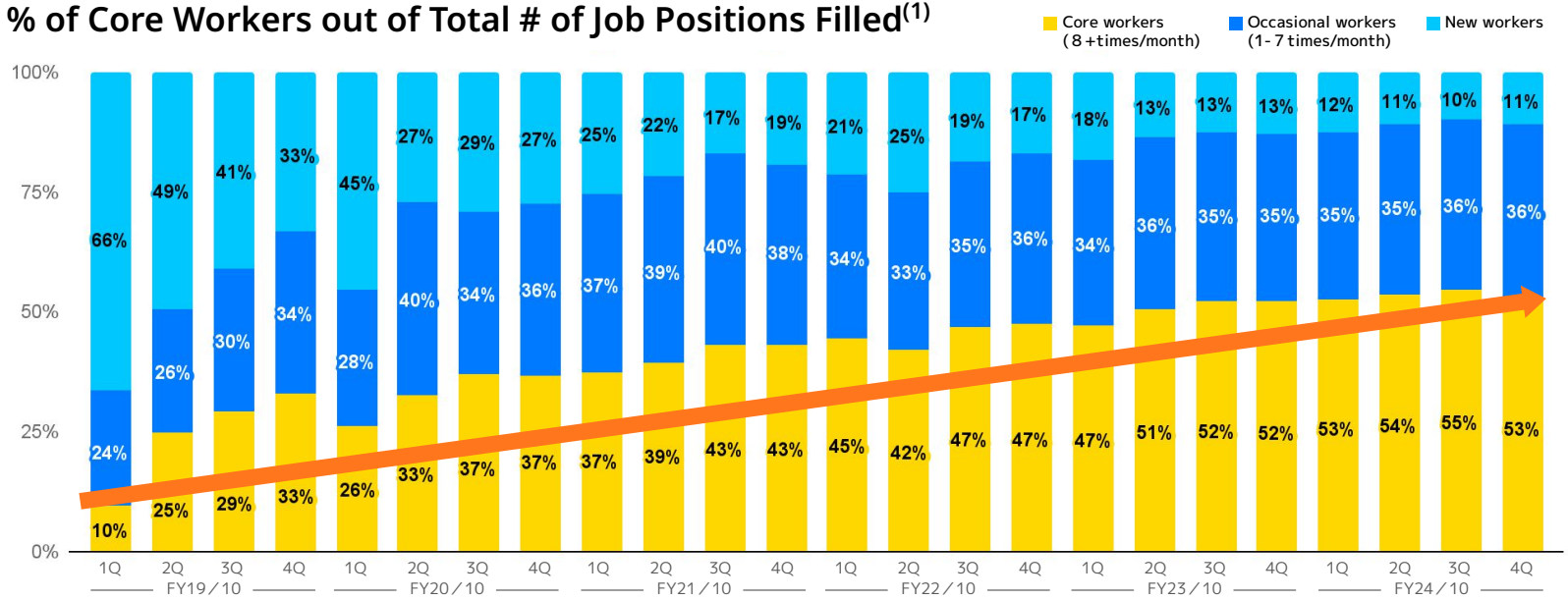
● Ratio of AAs by client size



Achieving a Stable Fill Rate through the Expansion of Core Workers

While the % of core workers has been increasing continuously until now, the % of new workers has been decreasing, and in light of the busy season at the end of the year, we invested aggressively in worker marketing in FY23/10 4Q to acquire new workers. The % of core workers remains at a high level, and we will continue to maintain a high % of core workers while maintaining a balance with new workers.

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

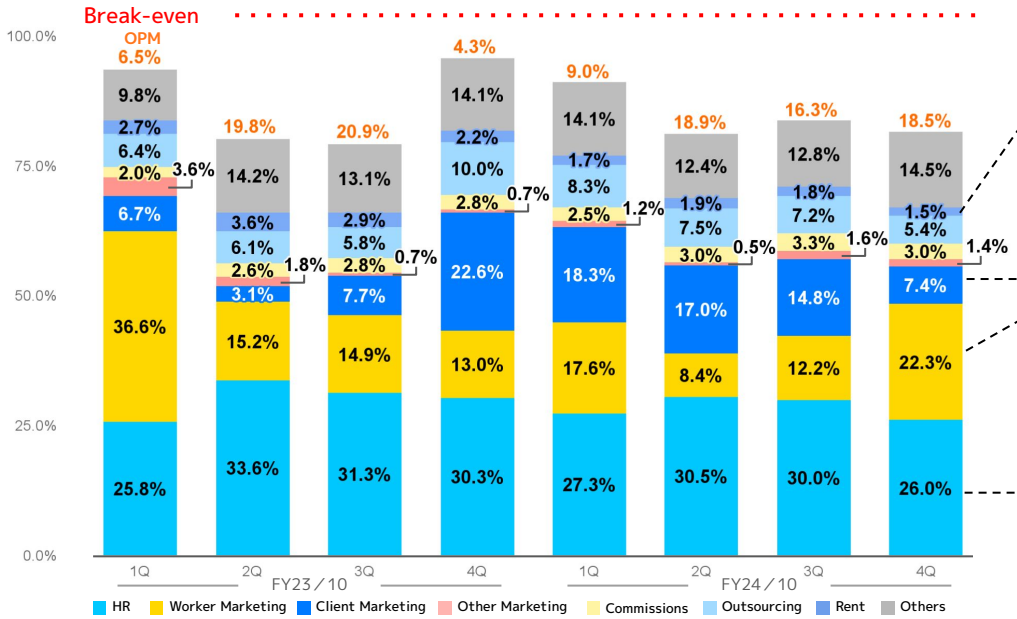


*1 Core workers are existing workers who work eight times or more a month. Occasional workers are existing workers who work fewer than eight times a month. New workers are workers who started working during the period regardless of the # of times worked. Calculated by dividing the total # of job positions 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

Achieving Stable Operating Profit by Improving the Cost Ratio YoY

In FY24/10 4Q, worker marketing was increased intentionally to acquire new workers, and there was an increase both QoQ and YoY. On the other hand, client marketing costs decreased due to continued investment with balance and discipline based on the ratio of overall marketing costs to net sales. Operating profit was stable due to a decrease in the ratio of major costs through operating leverage including HR costs.

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



Outsourcing ▲4.6pt YoY

From FY23/10 4Q, multiple BPO measures were implemented to acquire clients as PoC. During FY24/10, the measures were reviewed and the ratio of net sales decreased.

Worker Marketing +9.4pt YoY
Client Marketing ▲15.3 pt YoY

To cope with the busy season at the end of the year, invested aggressively in worker marketing to acquire new workers. At the same time, decreased client marketing to maintain a balance in overall marketing costs.

HR ▲4.3pt YoY

The number of employees increased by 288 (including 133 in sales) compared to the previous year, and the ratio of net sales has decreased compared YoY due to steady sales growth.

*1 Breakdown of SG&A costs is a non-GAAP item. HR costs include salaries for sales team, back office, and hiring costs etc. Worker marketing costs and client marketing costs include ad costs (mostly digital) to acquire workers or clients. Other marketing includes promotional expenses. Others include cost of sales (incl. engineering costs for product improvements), costs for outsourcing, and fees paid to third-party sales agents.

FY25/10 Forecast

FY25/10 Forecast Range

Timee

Both net sales and profit are disclosed as a range of forecasts. The reason for this is to take into account (1) the possibility of further deterioration in the competitive environment, which has not yet occurred, and (2) the possibility of further deterioration in the impact of the strengthening of measures to prevent unauthorized use of services, which was released on December 6, 2024.

JPY MM

	FY24/10 (Actual)	FY25/10 (Forecast Range)
Net Sales	**26,880**	**34,394 – 35,700**
% Growth	*+66.5%*	*+28.0% – +32.8%*
Operating Profit	**4,247**	**6,000 – 6,710**
Operating Profit Margin	*15.8%*	*17.4% – 18.8%*
Ordinary Profit	**3,924**	**5,943 – 6,653**
Ordinary Profit Margin	*14.6%*	*17.3% – 18.6%*
Profit	**2,797**	**4,382 – 4,932**
Profit Margin	*10.4%*	*12.7% – 13.8%*

Net sales

Item	Range
Competition	Although there is currently no significant impact, we have conservatively considered a decrease in the take rate. The pessimistic scenario is for further deterioration in the competitive environment. The upper limit of range: conservatively considered a decrease in the take rate. The lower limit of range: mainly in the case where the expansion of AA does not progress as expected.
Prevention of unauthorized use	Although the impact of the net sales decrease for small-sized clients is expected due to the strengthening measures, it is difficult to make a specific estimate at this time, so we have created a pessimistic scenario. The upper limit of range: normal scenario based on current estimates. The lower limit of range: pessimistic scenario based on current estimates.

Operating Profit

- The cost of strengthening measures to prevent unauthorized use has been reflected as the same amount for both the upper and lower limits of the range.
- HR costs, outsourcing fees, rent, and other costs are basically **“the same amount”** for both the upper and lower limits of the range.
- Marketing costs, fees paid to third-party sales agents, and commissions are basically **“variable”** by the cost ratio to the net sales range.

Measures to Prevent Unauthorized Use of Services

So-called yami baito, “dark” part-time jobs, that are disguised as legitimate job offers and are aimed at getting people involved in crime have become a social problem, and there is an urgent need to create an environment where workers can use our platform safely and with peace of mind. We continue strengthening measures to prevent unauthorized use, including yami baito.



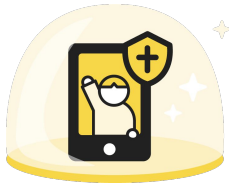
Preventing unauthorized companies

- Confirmation of the actual situation and status of existing companies, and suspension of posting job openings for companies that could not be confirmed
- New companies are required to submit official documents, etc.
- Automatically preventing a company that has similar characteristics to those of a company that conducted unauthorized use in the past from using the service



Preventing the posting of unauthorized job openings

- Checking all job openings 24 hours a day, 365 days a year before publishing
- Whistle-blowing hotline for workers



Protection of workers

- The phone numbers of workers are not disclosed until just before work begins
- Whistle-blowing hotline in the message function
- Educational activities for workers regarding unauthorized job openings

Impact on FY25/10 Forecast

Net Sales

- Due to further strengthening of the confirmation of actual conditions, the deterioration of conversion mainly for small-sized clients will be a factor in the decrease in net sales. Furthermore, the impact of the strengthening of the confirmation of actual conditions for existing businesses will only occur in FY25/10, so the impact is expected to decrease from FY26/10 onwards.

Profit

- Recording of costs for strengthening measures to prevent unauthorized use
- As the number of workers needed decreases in line with the decrease in the number of AA and the decrease in the number of job openings posted by clients, the amount invested in worker marketing also decreases, and the impact will be less than the decrease in net sales.
- Client marketing will be a carefully selected investment with discipline based on conversion, and the impact will be mitigated.

FY25/10 Forecast — P/L and KPI Assumptions Summary

KPI	Concept
Average Take Rate	No major changes in policy. Although there are discounts for certain cases, the impact will be limited as clients are well-diversified. Conservatively, gradual decrease.
Fill Rate	Maintaining a high and stable level, mostly flat
# of AAs	In FY24/10, the YoY growth rate decreased continuously from 1Q to 4Q, but in FY25/10, the pace of decrease will be bottomed out. The YoY increase in the number of AA clients will be greater than in FY24/10. The retail and food industries will drive overall growth. To strengthen efficient acquisition, will focus on horizontal expansion among large and medium-sized clients, while taking an intensive approach to strategic commercial areas, etc for small-sized clients.
Transaction Volume per AA	Although rebounded QoQ due to seasonality in FY24/10 4Q, the overall structure continued due to an increase in small-sized clients, and the downward trend will continue in FY25/10 (on the other hand, the number of AAs will be increased).

Cost	Concept
HR (incl. hiring)	Although sales productivity will improve, due to the allocation of human resources to new businesses, the ratio of net sales will be similar to or slightly higher than in FY24/10.
Worker/Client Marketing	The ratio of net sales will be decreased by a few percentage points from FY24/10. We prioritize worker marketing, which is necessary to maintain the fill rate and invest in client marketing in a disciplined manner while monitoring the profit level on a company-wide basis. Because the probability of return on investment through the continued working of core workers is high, we plan to invest more aggressively in worker marketing in FY25/10 1Q than in FY24/10 1Q, even as the ratio of net sales.
Others	The ratio of net sales is expected to be at the same level as in FY24/10. Although we expect to see an increase in the ratio of net sales for business process outsourcing (BPO) related to client acquisition measures (strategic commercial areas, etc.), we expect to see a decrease in the ratio of net sales for other costs due to operating leverage, etc.

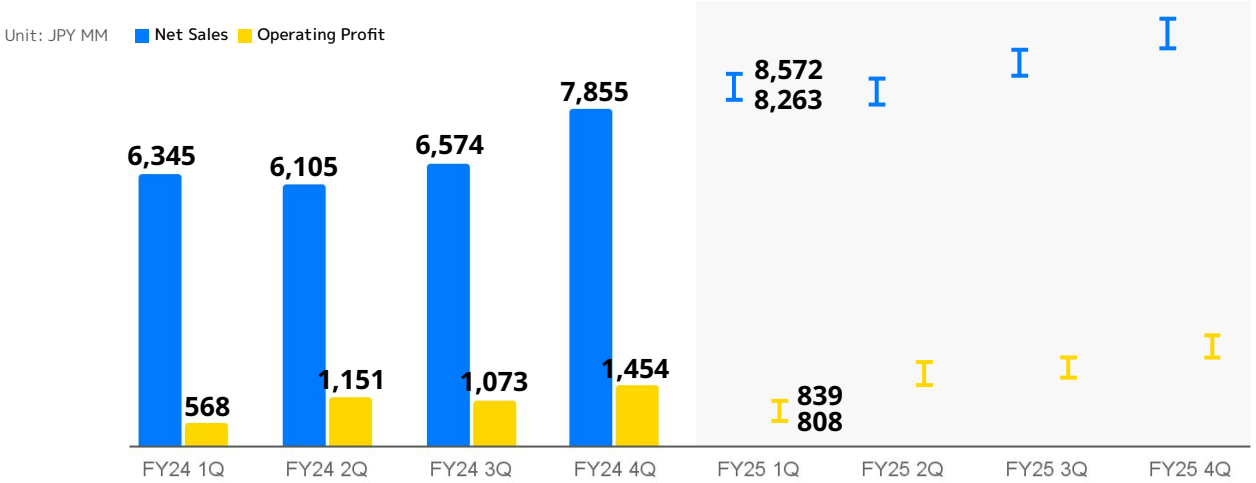
FY25/10 Forecast — Image of Quarterly Forecast

The seasonality of net sales and costs will be basically in line with previous years. As marketing costs will be invested throughout the year, while maintaining a balance between worker marketing and client marketing, rather than on a quarterly basis, the ratio of net sales will differ from the actual results for each quarter in FY24/10.

【1Q】 Due to the busy season at the end of the year and the beginning of the year, will aggressively invest in worker marketing to maintain our fill rate. As in previous years, OPM will be relatively low.
In particular, in FY25/10 1Q, plan to aggressively invest in worker marketing compared to last year's 1Q, even as a ratio of net sales, and OPM will be similar to last year's.

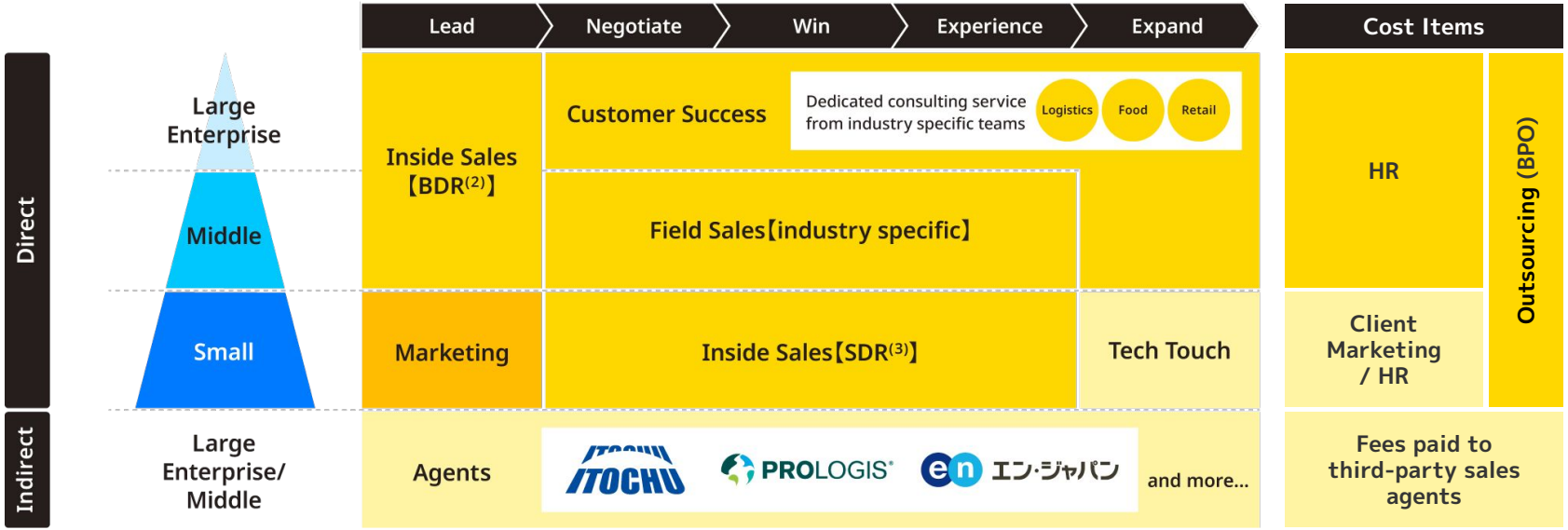
【2Q】 It is the off-season, and net sales are expected to be lower than in the 1Q, the busy season. Marketing investment will be lower, resulting in an improvement of OPM.

【3-4Q】 Operating profit will be steadily increasing thanks to the continued working of workers acquired through the worker marketing investment made in 1Q, which will also decrease the necessary marketing investment. Although the profit margin for 1H will only improve slightly compared to last year due to the upfront investment made in 1Q, the OPM is expected to improve through 3-4Q, and it is also expected to improve compared to last year on an annual basis.



Client Acquisition Measures and Cost Structure(1)

For large and middle-sized clients, a dedicated sales representative is assigned to accompany the client as they expand their use of the service and aim to increase net sales (HR costs). From an economic perspective, however, we do not assign sales representatives to small-sized clients and instead utilize digital advertising, TV commercials, etc. (client marketing (advertising costs)). We invest in acquiring large and middle-sized clients on a priority basis and adjust the amount of investment for client marketing while monitoring the profit level on a company-wide basis. Business process outsourcing (BPO) is used on an ad hoc basis in a supporting role.



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

Net Sales and Cost Structure Image

The number of job openings posted by clients is linked to their busy season, so there is a tendency for the number of job openings to increase relatively during busy seasons and decrease during off-seasons. To meet the required fill rate according to the # of job openings posted by clients, we invest in worker marketing (digital ads, TV commercials, etc.) to secure sufficient workers. **As more investment is required during busy seasons, net sales tend to increase, but the profit margin tends to decrease.** Furthermore, since the workers we acquire will work repeatedly, there is also a characteristic where **future marketing investment can be decreased by acquiring workers in advance**, depending on the balance between supply and demand.

Investment in worker marketing based on the # of job openings posted by clients

- There is a tendency for busy periods to be 1Q (Nov-Jan) > 4Q (Aug-Oct) > 3Q (May-Jul) > 2Q (Feb-Apr).
  * February (few events and few days) and June (rainy season) are slow periods.

【Main Events】

1Q（Nov-Jan）	2Q（Feb-Apr）	3Q（May-Jul）	4Q（Aug-Oct）
Christmas Year-end/New-year sales Year-end/New-year parties	New fiscal year (Farewell and welcome party) New life（Moving, etc） *Feb is off-season	Golden Week Gift season *Jun is off-season	Gift season Summer vacation/Obon Silver Week

- There is a significant difference between 1Q and 2Q due to seasonality, and 2Q net sales tend to be lower than 1Q.
- Net sales increase during the busy season. However, since a large amount of investment is required, the profit margin decreases.
- If the # of job openings posted by clients is lower than planned, the amount of investment in worker marketing required at the same time is also decreased, so profits are maintained.

Mid- to Long-Term Growth Strategy

Founding Story

A service that was born from the questions that the founder himself felt while working part-time

Turning Point





- ☑ Need more money for living expenses
- ☑ Burdensome job application process
- ☑ The appreciation from employer during a part-time job

User-Friendly Platform

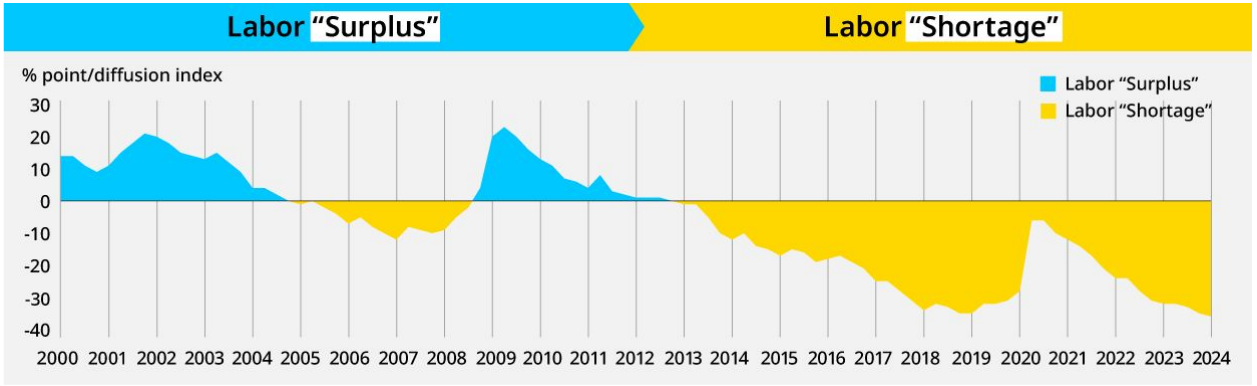
- ☑ Work flexibly & Earn cash quickly
- ☑ No resume & No interview
- ☑ Mutual feedback system



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

The Strategy for FY25/10



Establishing an Overwhelming Industry Presence Even Amid the Increase in New Entrants to the Market

Timee

Although the competitive environment is changing due to the increase in new entrants, the position of the No.1 on-demand job platform in Japan remains unchanged due to the first-mover advantage and high industry recognition.

Competitive advantage ①

High Fill Rate

86%[1]

Competitive advantage ②

Workers
who work well

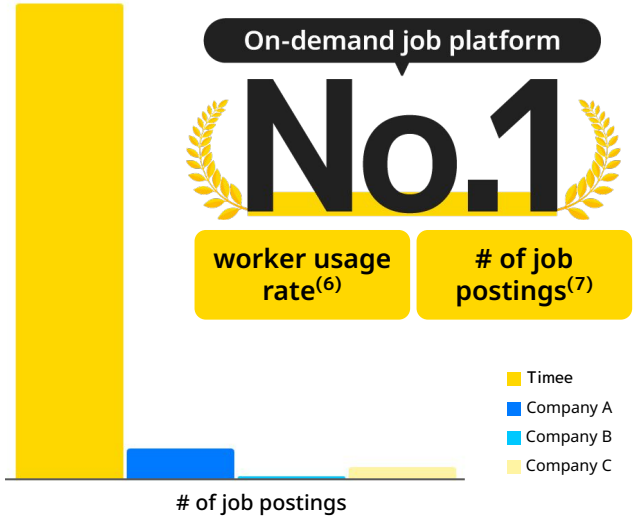
% of Repeat workers：64%[2]
No-show rate: c.0.1%[3]

Competitive advantage ③

Support
from Sales Represetative

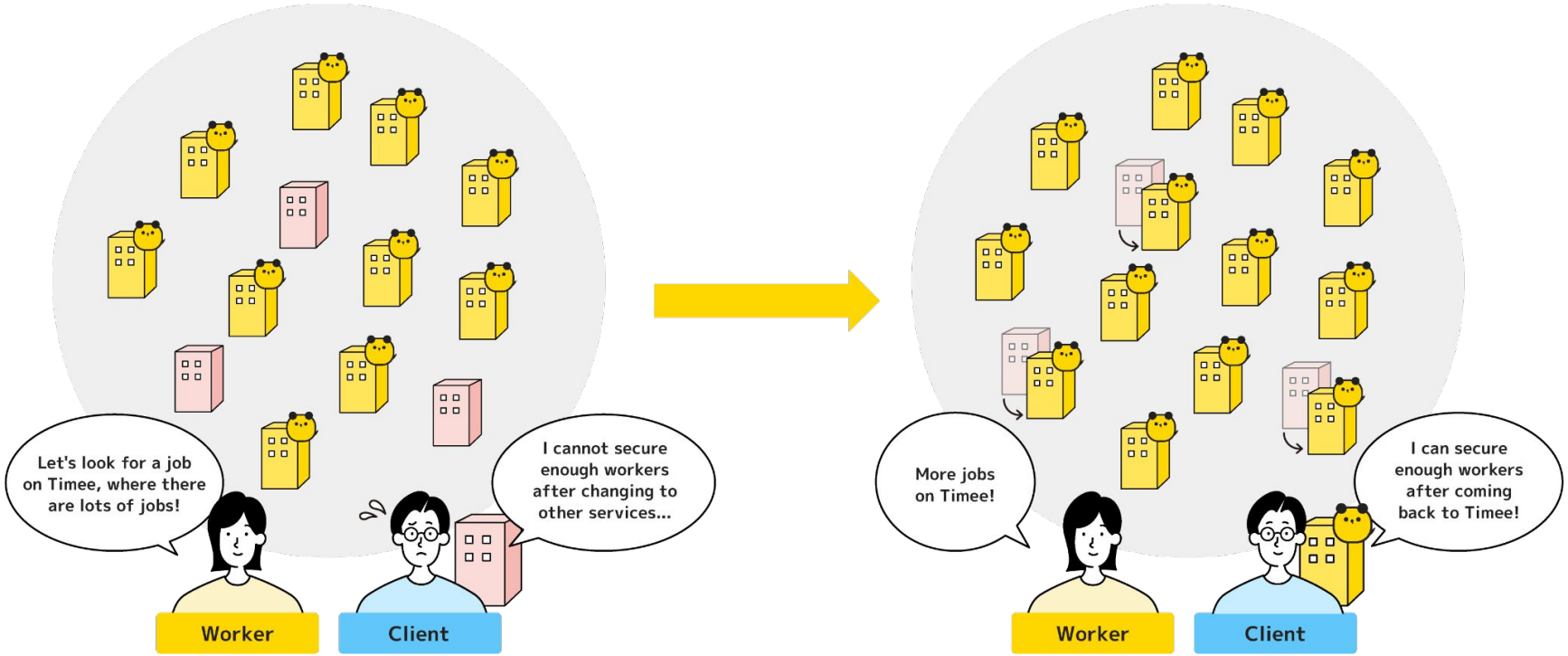
# of Sales Representatives：c.600[4]

No.1 Position[5] as Pioneer in Japan



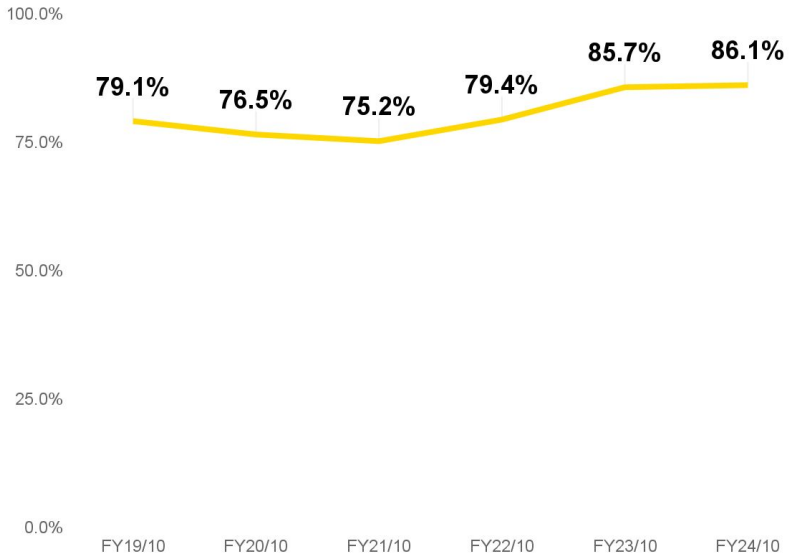
*1 Calculated by dividing # of job positions filled by # of job openings posted by clients in FY2024/10 4Q. *2 % of workers who have worked at least twice at the same workplace out of total workers with reviews since the launch of the service as of the end of October 2024 *3 No show indicates absences without notice. Numerator is the # of absences without notice from August 2024 to October 2024 . Denominator is the # of actual total job positions filled in the same period *4 The # of sales representatives as of October 2024 *5 Based on the worker usage rate in terms of worker and on the # of job postings in terms of clients *6 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). *7 # 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)

The Structural Background behind Timee's Continued Success

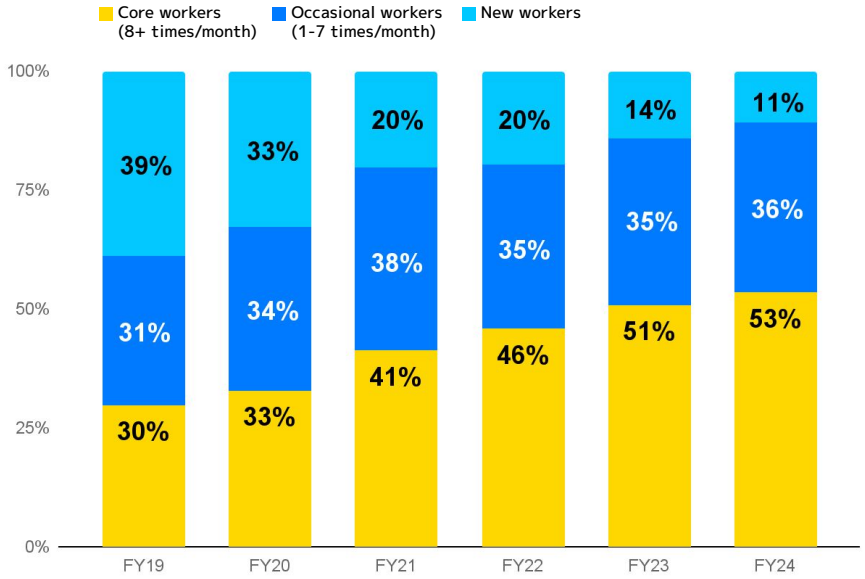


Stable and High Fill Rate is Achieved by Accumulated Core Workers

Fill Rate



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



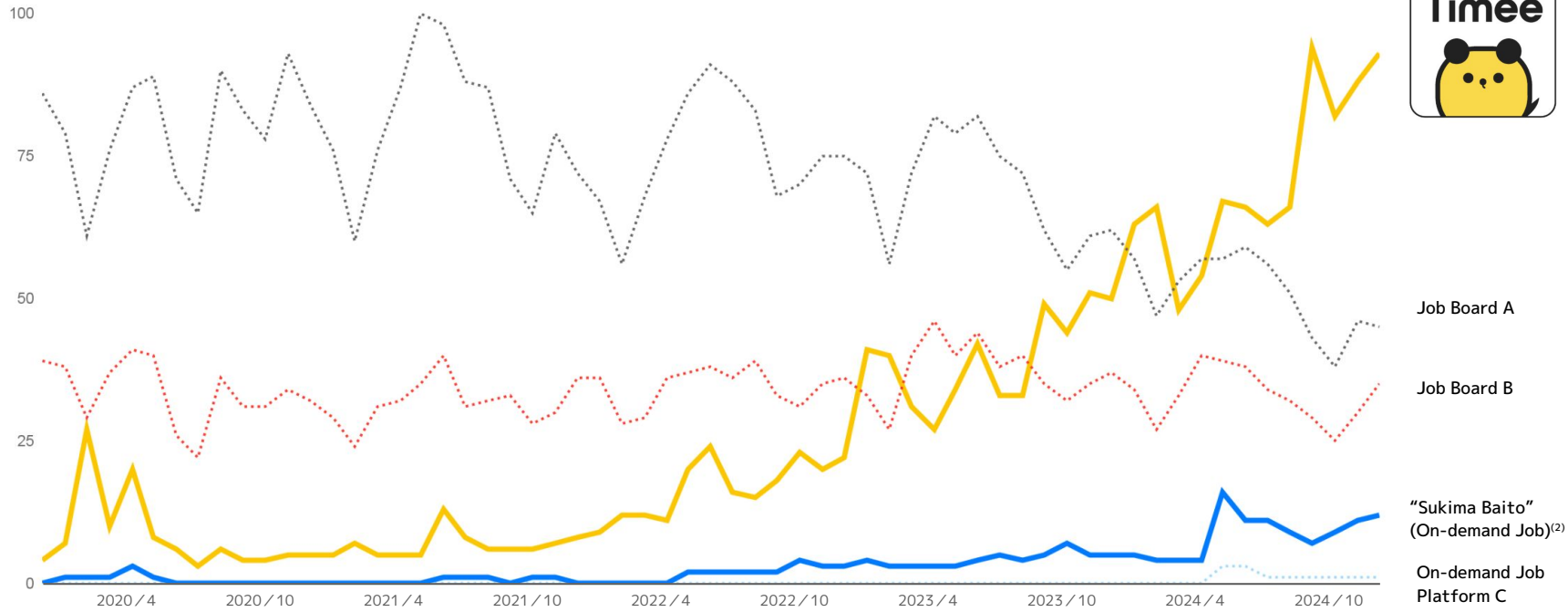
*1 Core workers are existing workers who work eight times or more a month. Occasional workers are existing workers who work fewer than eight times a month. New workers are workers who started working during the period regardless of the # of times worked. Calculated by dividing the total # of job positions filled by each worker group for the 12 months by the total # of job positions filled for the 12 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 12 months

Fill Rate

Awareness has Improved Significantly Compared to Job Boards since being Listed

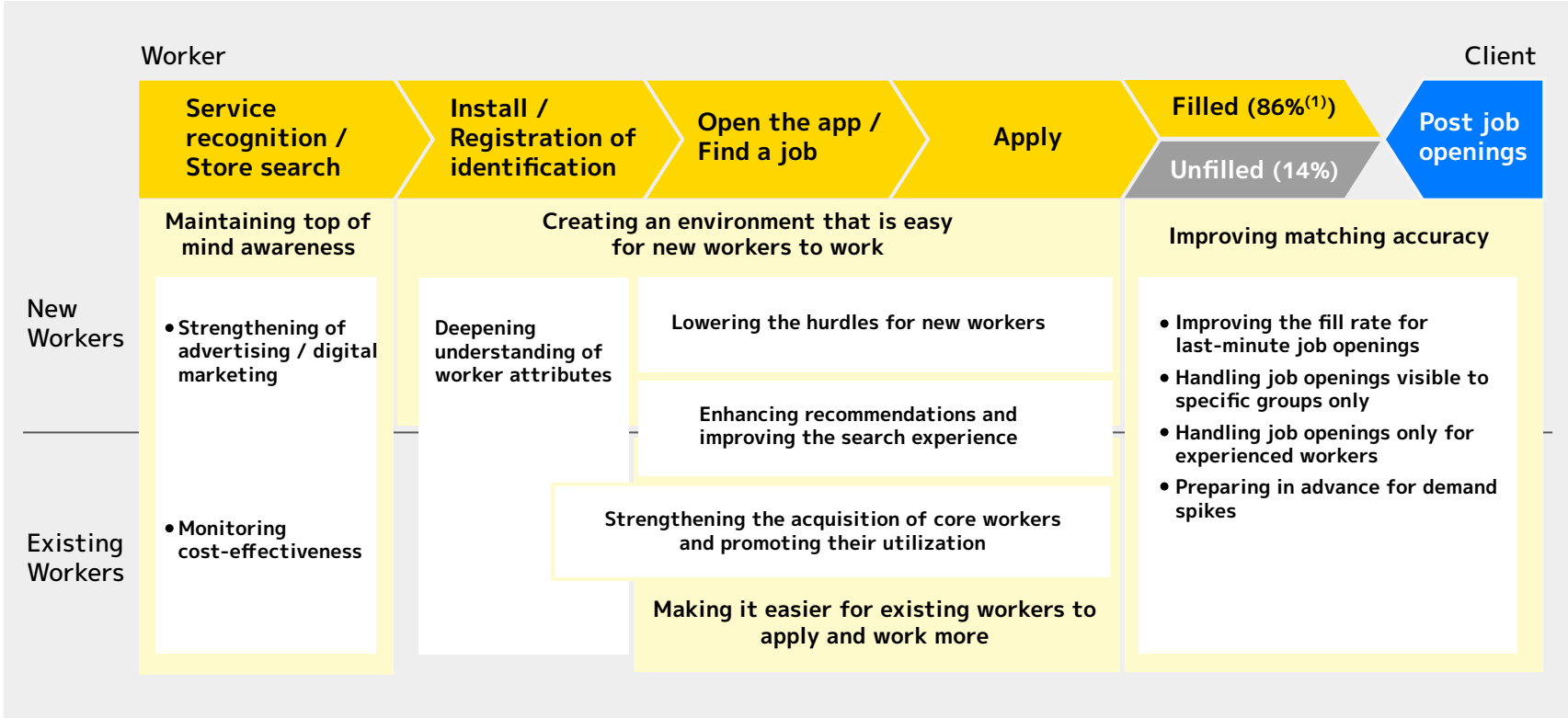
Timee

Popularity Trend in Japan[1] (Weekly)



*1 Based on Google Trends, a website by Google that analyzes the popularity of top search queries in Google Search in the 5 years ended October 2024
*2 “Sukima Baito” is not a name of a company, service or brand but a terminology indicating “on-demand job” in Japanese

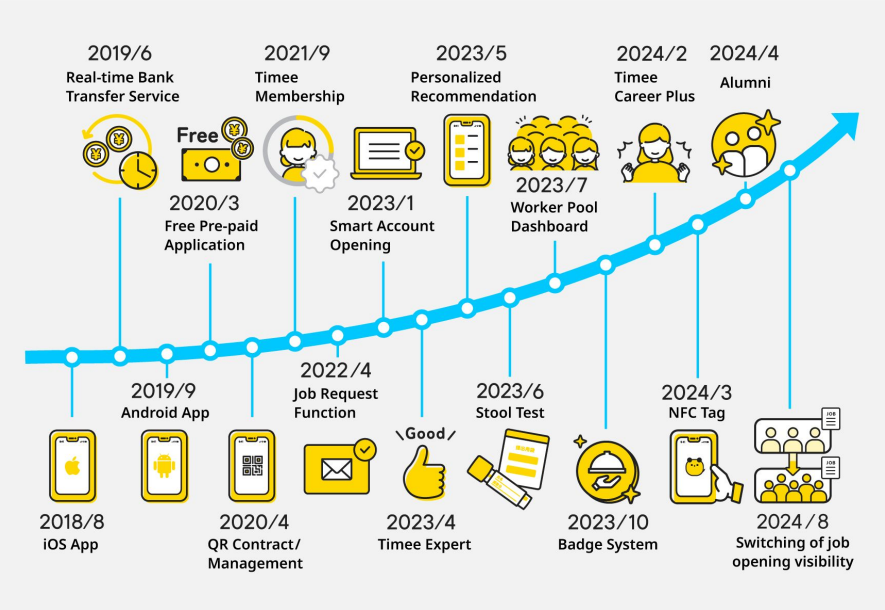
Important Measures to Improve Fill Rate



*1 Calculated by dividing # of job positions filled by # of job openings posted by clients in FY2024/10 4Q

Product Development that Pursues User Convenience and a Safe and Secure Platform

Track Record of Product Development(1)



Updates

Automatic switching of job openings visibility
Improved Fill Rate

- A function to automatically switch job openings visibility from “Group-only” to “Public”
  【Group-only】Only workers registered in the specified group
  【Public】All workers who are not blocked
- By turning on the automatic switching function, the fill rate increased by about 5%(2)

Attendance management using NFC tags
Improved security and operability

- Obtained a patent for a method of accurately managing attendance using NFC tags
- Compared to conventional management using QR, security and operability have been improved
- Being used on a limited basis for some clients at present



*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. Automatic switching of job openings visibility: A function that automatically switches “Group-only” job openings to “Public”

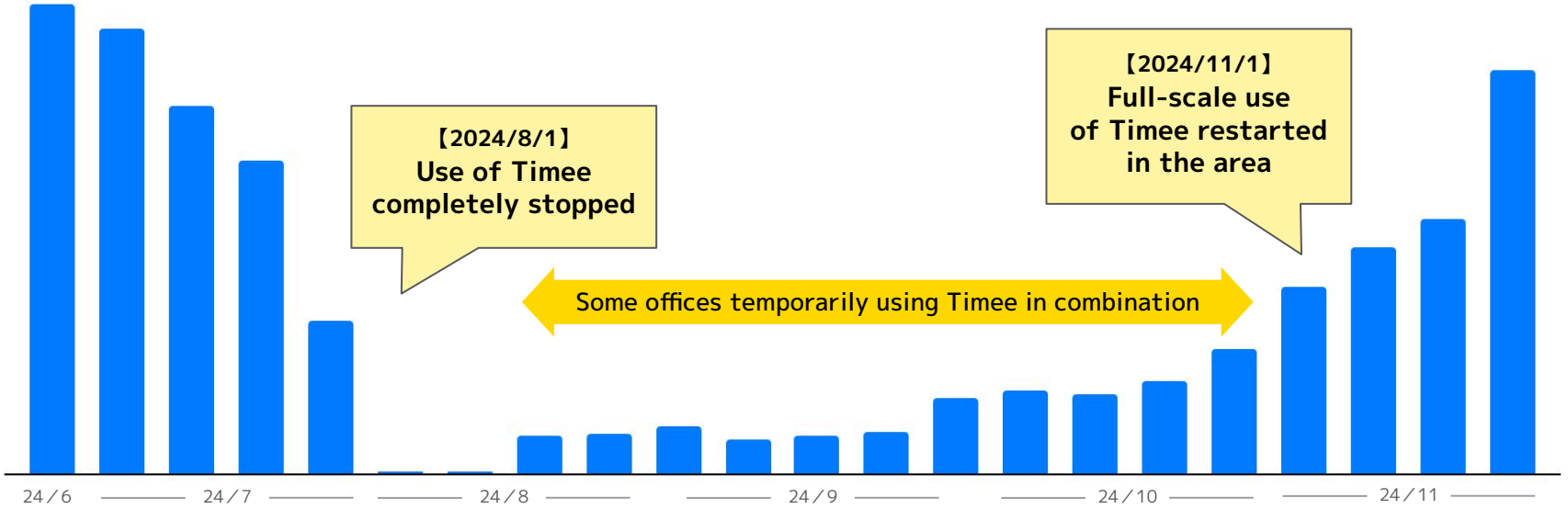
*2 Approximately one month from September 30, 2024, to November 3, 2024. The difference in fill rates between job openings with automatic switching on and off

Case: Replaced a Competitor (Nation-wide Logistics Company's All Offices in the Northern Kanto Area[1])

Timee

At one point, Timee was completely replaced by a competing service due to a low commission rate. However, the high fill rate and the thorough follow-up by the sales representatives were highly evaluated, and the full-scale use of Timee was restarted.

Trends of Transaction Volume (Weekly)



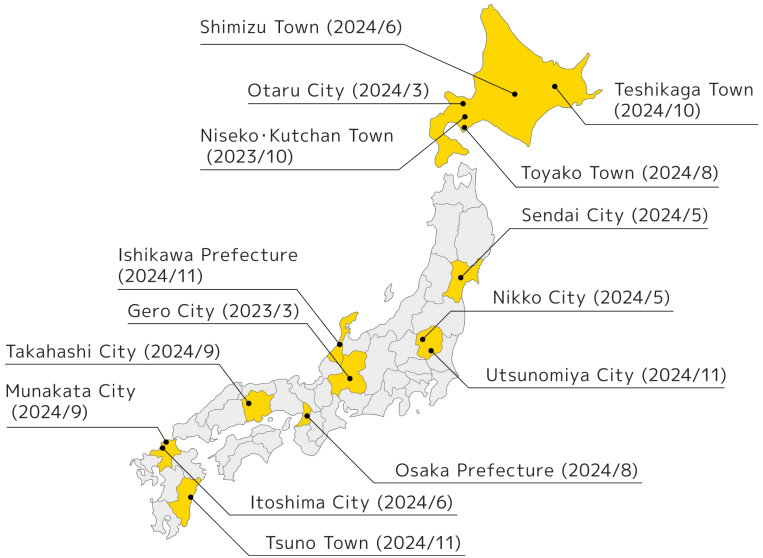
*1 Showing actual examples of Timee's clients, although they may not necessarily be characterizable as typical clients.

AAs Expansion of Areas: Strengthening of Cooperation with Local Governments and Focus on Strategic Commercial Areas

Timee

Strengthening cooperation with local governments and commercial areas that are suffering from serious labor shortages. Commercial areas with labor shortages and high concentrations of companies and populations are positioned as “strategic business areas” and efforts are made to increase the number of companies and workers acquired and matched.

- To date, cooperation agreements have been implemented with 15 cases and 16 local governments(1), and most recently, cooperation has been implemented on a prefectural basis.
- Cooperation is not only with local governments, but also with local banks, chambers of commerce and industry, and commercial areas such as Yokohama's Chinatown



Updates

2024／11	Ishikawa Prefecture, Akita Bank Utsunomiya City, Tsuno Town
2024／10	Shizuoka Bank, Teshikaga Town JA Nagano Chuo-kai
2024／9	Munakata City, Yokohama Chinatown Takahashi City, Tochigi Bank, Hirosaki Chamber of Conf. & Ind.
2024／8	Osaka Prefecture, Toyako Town
2024／6	Shimizu Town, Itoshima City, Bank of The Ryukyus
2024／5	Sendai City, Nikko City
2024／4	Yufuin Hot Spring Ryokan Association
2023／3	Otaru City
2023／11	ZEN-NOH Iwate(2)







*1 As of the end of November 2024
*2 National Federation of Agricultural Cooperative Association Iwate

AAs

Expansion of the Industry: Hotels and Elderly Care are in the Scale Phase. Continue to Develop Other Industries

Timee

In addition to the three main industries, the hotel and elderly care industries have achieved PMF[(1)] and are growing significantly. In the hotel industry, there has been an increase in use such as restaurant staff, backstage work, and making beds. In the elderly care industry, in addition to an increase in the number of jobs that do not require a qualification (such as cleaning and clerical work), the number of jobs that require a qualification is also increasing, with the number of qualified workers reached over 280 thousand as of July 2024. Aiming to grow in the cleaning, building maintenance, and food manufacturing industries as well.

Hotel





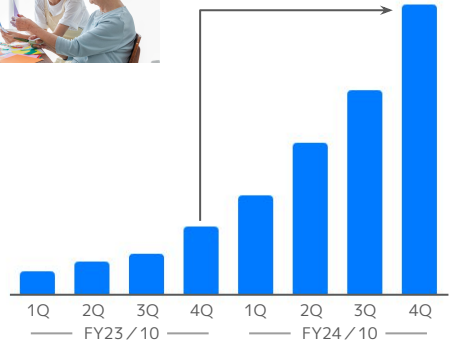
Transaction Volume
+83.2% YoY

Elderly Care





Transaction Volume
+325.8% YoY



Others

- Cleaning



- Building Maintenance



- Food Manufacturing

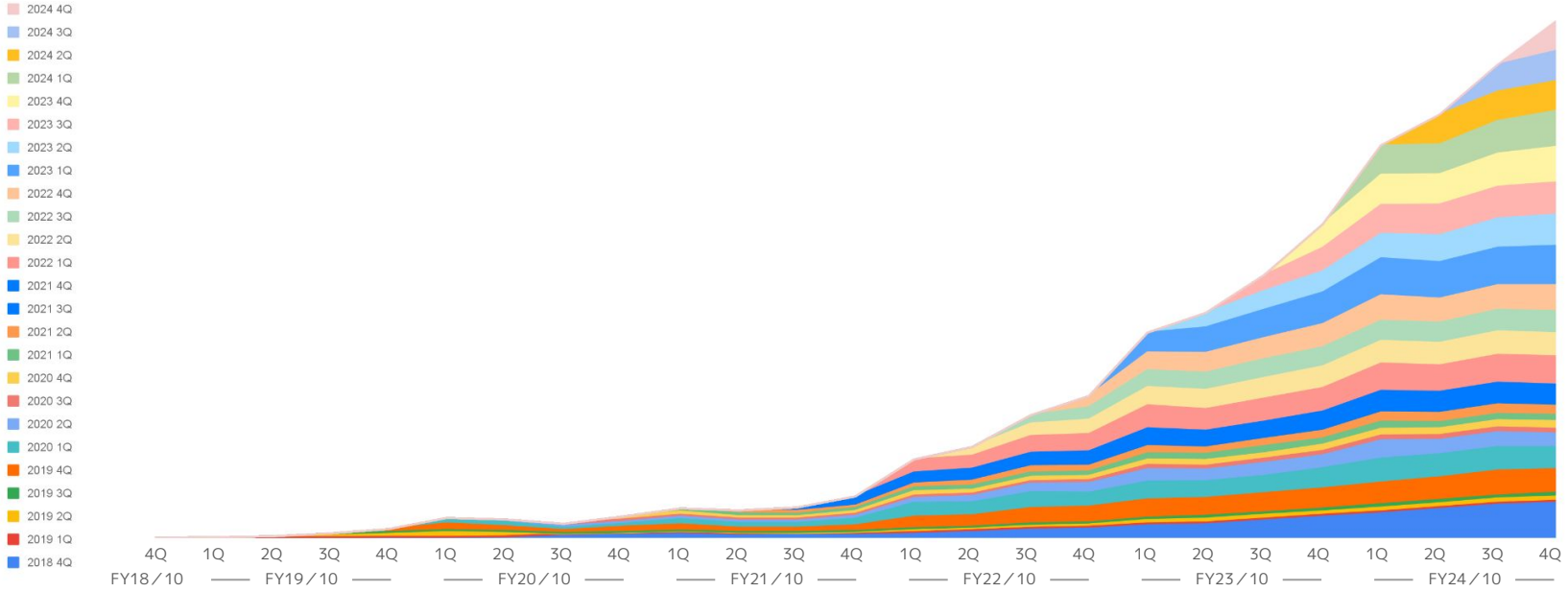


*1 PMF indicates Product-market Fit

Expansion of Existing Large Clients: Continuous Expansion of the # of AAs through Support from Sales Representatives

By implementing the horizontal expansion of offices within the same company, the # of AAs within the same company has increased. Although there is a certain decrease in quarters with low demand due to seasonality, cumulative business growth has been achieved through the stable expansion of use by existing clients.

AA Composition by Quarterly Cohort（2018-2024）(1)



*1 From August 1, 2018 to October 31, 2024. Showing the AA composition by quarterly cohort which is based on the timing of the first transaction with each client company (only large- and middle-sized)

BPR(1) solves Issues in Each Industry and promotes an Increase in the Number of Job Openings

Timee

Get more deeply involved in the client's workplace and carry out various BPR consulting. Clarify the issues that are preventing the use of Timee, promote the use of Timee by providing solutions that suit the industry, and increase the number of job openings

Project to increase profit through using Timee in restaurants(2)

Until Now

On-demand staffing Service

Concerns about using Timee

Rising labor costs



Value proposition

Service that contributes to increase profit for clients

Proven through a project

Using Timee correctly contributes to increase sales while maintaining an appropriate labor cost ratio(3)

Project to reduce the burden of worker on-boarding in logistics centers

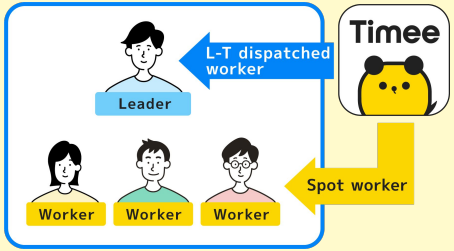
Current Issues

Increased Burden

- Preparing necessary items
- Roll call of workers
- Guiding workers to their work locations
- Guide of the workplace
- Instructions to workers, etc

Solutions

Timee assigns “leader employees” to be in charge of worker on-boarding



Obtained a license for a worker dispatch business in November 2024

*1 BPR indicates Business Process Re-engineering. Consulting services such as analyzing, breaking down, and restructuring the client's business operation processes, and redesigning them so that even Timee workers can work immediately *2 A trial at 9 restaurants in the metropolitan area. The target period is from 2024/4/1 to 2024/5/31 *3 Results from one of the trial stores listed above

Securing Workers Who Meet the Skills Required by the Client

Timee

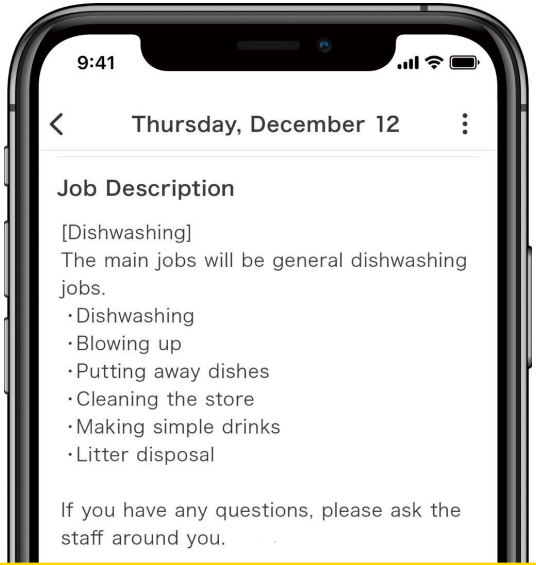
Case: High-class Sushi Restaurant

Ideal Worker

- ☑ Experience in dishwashing
- ☑ Customer service skills
- ☑ Soft skills



Posting job openings only for badge holders



Can secure workers who meet the skills

Badge System that Utilizes Accumulated Data

Badge System / Skill Visualization(1)



For Workers

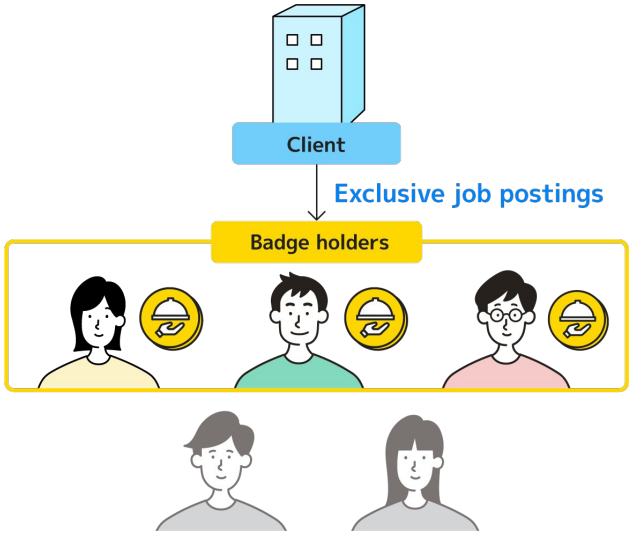
- ☑ Increasing hourly rate
- ☑ Improving skills

For Clients

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

Further Product Enhancement

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



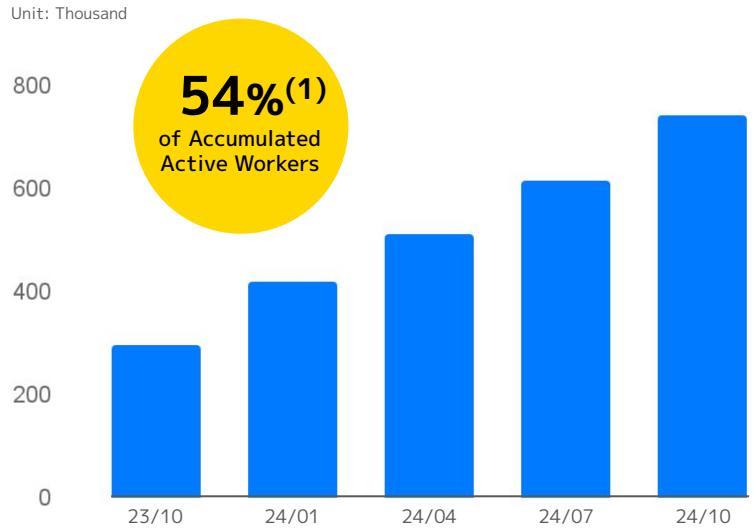
*1 Images are for illustrative purposes only and do not depict actual company data

The Use of the Badge System is Expanding Rapidly

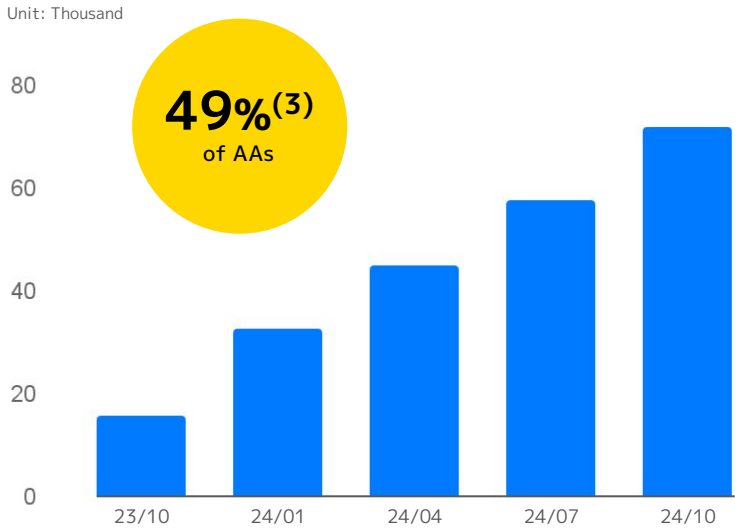
Timee

Worker skills are becoming more visible, making it easier to secure workers with skills. The aim is to increase the use of Timee in conjunction with the increase in job openings that require a certain level of skill.

Accumulated # of Badge Holders



Accumulated # of Clients That Granted Badges(2)



*1 As of the end of October 2024. Accumulated total of the number of workers who have at least one badge between the launch of the service and the end of each quarter. Accumulated active workers are the number of workers who worked at least once between the launch of the service and the end of each quarter. *2 Accumulated total of registered client accounts that granted at least one badge. *3 The percentage of registered client accounts that granted at least one badge during the same period as the number of active client accounts in October 2024. Depending on the timing of the badge granting, the client that granted the badge may not be an active client account during the same period.

Expanding to Adjacent Areas Such As Multiple-day, Not Just Single-day

From the perspective of workers, there is a need to work at the same workplace repeatedly for a certain period, and from the perspective of clients, there is a need for many jobs that can be assigned if the same worker can work for a certain period. Will consider adding specifications that allow multiple days or short periods, not just for one day, to acquire more job openings.

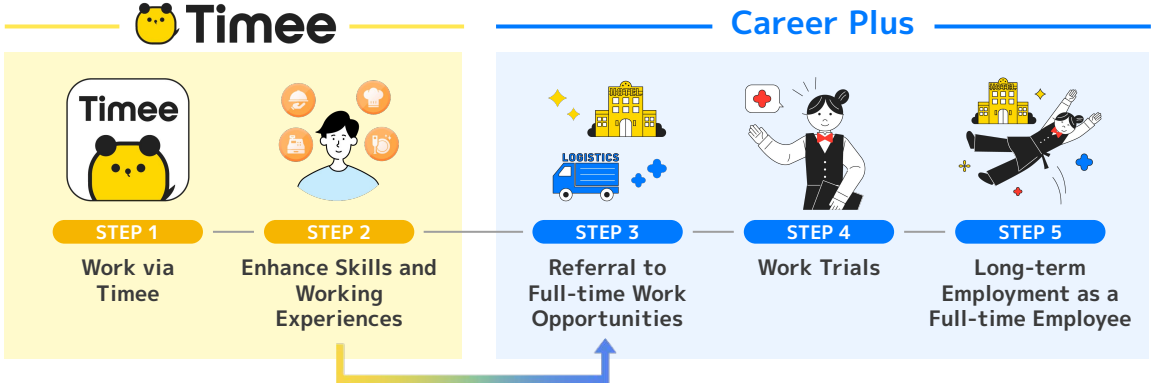
Required skill	Employment period			
	Industry/Job	On-demand (1day)	Short-term (1month)	Long-term (Regular)
Unskilled	• Logistics • Moving • Food processing	Timee	Temp agency	"Timee Career Plus" to further strengthen moat
Low-skill	• Restaurant • Retail • Office work	Timee	Aiming to expand to adjacent 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

Growth of Timee Career Plus

Business Model



✔ **Transition depending on the worker's needs**
✔ **Leverage data of skills and working experiences enhanced via Timee**

- Full-time employee placement service that utilizes the skills and work performance data accumulated on Timee.
- New solution for the various recruitment issues faced by our clients.
- Full-scale operations began in the spring of 2024, and sales grew to 18 million yen in FY24/10.
- In FY25/10, will aim to increase sales by hiring sales staff and expanding industries.
- Developed a unique resume (see right) of Timee workers to more effectively appeal to clients (*PoC).

Automatically generate a resume based on work history data at Timee



Approach and Criteria for New Business Investment

Areas of investment

limited to areas where synergy with the Timee business can be expected

Short term

- Dispatch / Outsourcing
  Areas: general, logistics, BPO, manufacturing, engineers, security, events, etc.
- Full-time job placement
- BPR consulting, Shift management, Full-time job placement
- Welfare

Long term

- Overseas
- Fintech, etc.

Investment discipline

- Investment funds will be used in the following order: cash on hand, bank loans, and equity financing (in principle, cash on hand or bank loans will be used, and equity financing will be only used when it is expected to improve financial soundness or provide a return that exceeds the investment capital).
- Make disciplined investments based on investment profitability and payback period.

Changes in the Main Areas of Responsibility of Executive Officers for the Execution of Strategies from FY25/10



New CPO

Shun Ikeda
(Ex-CSO)

Appointed Shun Ikeda, who was previously in charge of mid- to long-term business strategies, as CPO to strengthen the close coupling of company-wide strategies and product strategies, as well as the collaboration between products and the business side



New CTO

Toru Yamaguchi
(Ex-CPO)

Appointed Toru Yamaguchi, who was previously in charge of CPO, as CTO to facilitate cooperation between the rapidly expanding Engineering Division and Product Division.



New VP of Business Development

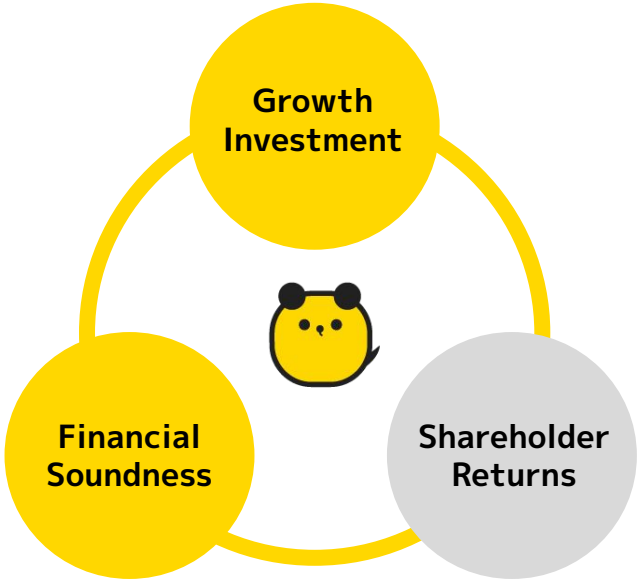
Goeun Kim
(Ex-Head of Business)

Appointed Goeun Kim to achieve non-linear growth by linking up the industry-specific team in charge of expanding into other industries with the team in charge of alliances and M&A

*1 Ex-CTO Kei Kameda and Ex-Head of HR Hiroaki Ogata have resigned as executive officers.
*2 Sales division and HR divisions have been reorganized under the direct control of Representative Director Ryo Ogawa.

Capital Allocation

To improve enterprise value over the mid-to long-term, prioritize allocation to existing and new businesses while maintaining financial soundness. At the same time, consider shareholder returns taking into account the market environment and stock price trends.



Growth Investment

- Reinvesting in existing businesses (mainly in human resources and marketing) to achieve sustained high growth
- Investing in new businesses through M&A and alliances

Financial Soundness

- Securing working capital, mainly for advances to workers
- Securing capital strength
- Securing future borrowing capacity

Shareholder Returns

- Relatively low priority compared to growth investment and financial soundness
- On the other hand, if there is a surplus of capital as a result of making disciplined new and existing investments while maintaining financial soundness, we will consider this taking into account the market environment and stock price trends

Potential for Improving Operating Profit Margin and Long-Term Targets

Aim to achieve an OPM of 30-40% as a long-term target through improving sales productivity, disciplined investment focused on increasing the efficiency of worker marketing, as well as operating leverage

	Actual FY22/10	Actual FY23/10	Actual FY24/10	Long-Term Targets(2)
Net Sales Growth	+378.5%	+159.7%	+66.5%	—
Gross Profit Margin	94.3%	95.8%	95.3%	>90%
SG&A(1) (% of net sales)	92.3%	83.7%	79.5%	
HR	35.0%	30.2%	28.3%	-25%
Marketing	32.4%	32.1%	30.7%	-25%
Others	24.9%	21.4%	20.4%	10〜15%
OP Margin	2.0%	12.1%	15.8%	30〜40%

Aiming for

- Increased sales productivity of large/mid clients
- Efficient worker marketing through the increase in core workers and disciplined investment
- Operating leverage

*1 Breakdown of SG&A costs is a non GAAP item. HR costs include salaries for sales team, back office, and hiring costs 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

*2 These long-term targets are forward looking and subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company, and are based upon assumptions with respect to future take rate, transaction volume trends and other factors, which are subject to uncertainty, and actual results may significantly differ.

Timee

Vision

Helping individuals create more valuable time

Mission

Building infrastructure for expanding life’s possibilities through work

Disclaimer

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