Timee

Our Business Model and Growth Strategy

December 12, 2024

Timee, Inc

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)
1,003 regular employees, in addition to 4 Directors,
3 Auditors, and 220 temp staff



Vision

Helping individuals
create more valuable time

Mission

Building infrastructure for expanding
life's possibilities through work

*1 As of the end of October, 2024

Board of Directors and Executive Officers



Founder & CEO

Ryo Ogawa

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)



CPO

Shun Ikeda

Career

Google



CTO

Toru Yamaguchi

Career

DeNa



CMO

Shoichi Nakagawa

Career

ADK
GO
Mercari / Merpay



VP of Business Development

Goeun Kim

Career

GO
Mercari / Merpay
(Ex-Executive Officer)



Director of Laboratory

Takanori Ishibashi

Career

TAKE AND GIVE. NEEDS
AP Company

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

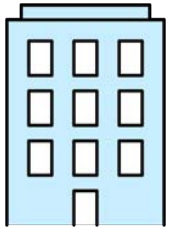
Instant matching

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

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)



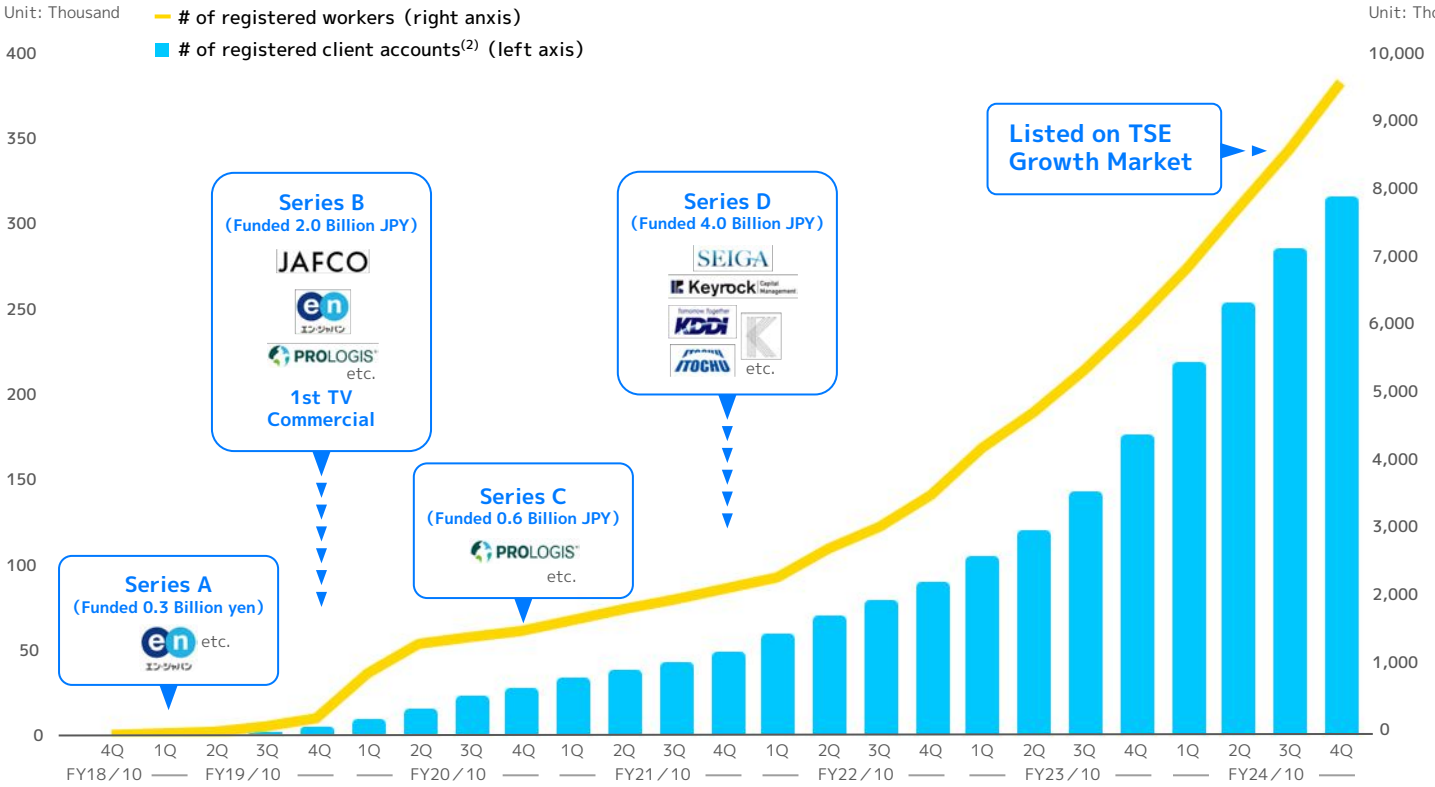
90.7bn JPY
Transaction Volume(4)
(FY24/10)

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

Steady Growth of Platform



# of registered workers(1)

9.5 Million



#of registered client accounts(1)(2)

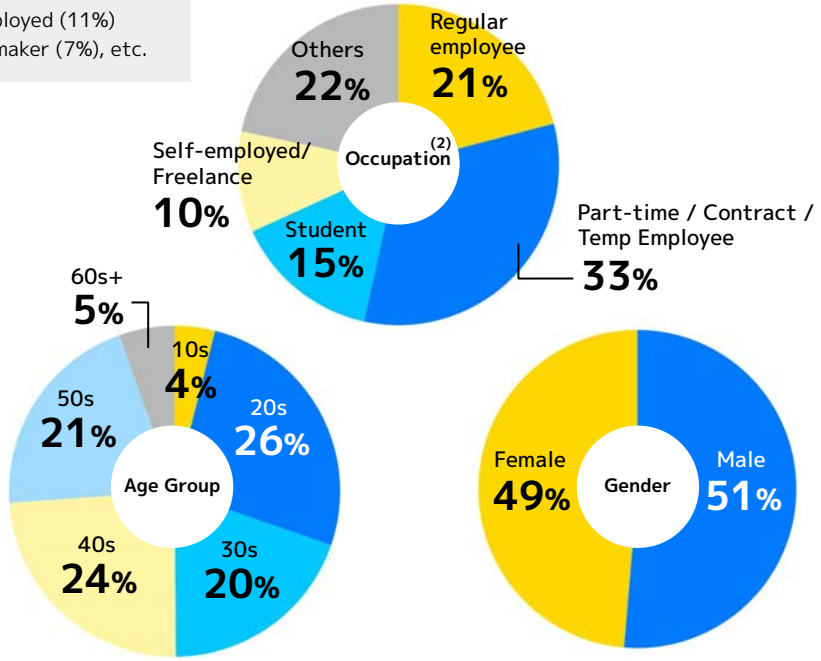
316 Thousand



*1 As of the end of October 2024. Accumulated figures since the launch of the service.
*2 Each registered client account generally corresponds to one client work location

Profile of Timee Workers (1) — Mainly Young & Diversified

Other include
- Unemployed (11%)
- Homemaker (7%), etc.



"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 October 2024 and # of job positions filled is for the month of October 2024)
*2 Excluding the job positions filled by workers who have not provided occupation as of the end of October 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 preparation assistance


Dishwashing

Hotel


Cashier


Self stocking

Retail


Bussing

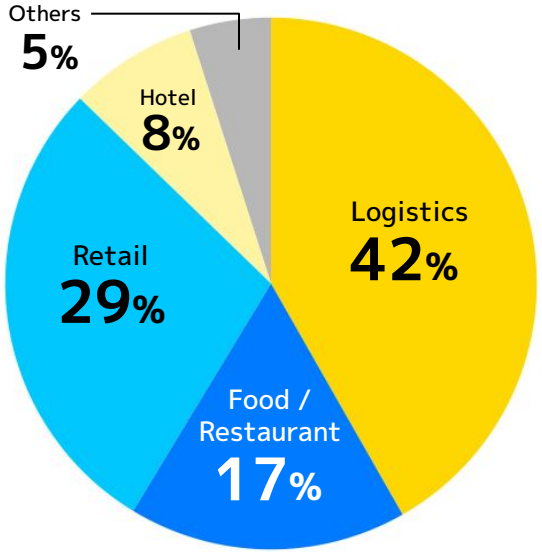

Order


Dishwashing


Waiter / Waitress

Food/ Restaurant

Others include
- Elderly Care
- Building Maintenance
- Cleaning
- Food Manufacturing, etc



Logistics


Packing


Picking


Inspection

*1 Calculated based on # of job openings posted by clients in October 2024 by industry

Business Overview

The Next Paradigm Shift (1)

Create a paradigm shift in "work".



Uber



airbnb



zoom



NETFLIX



Work

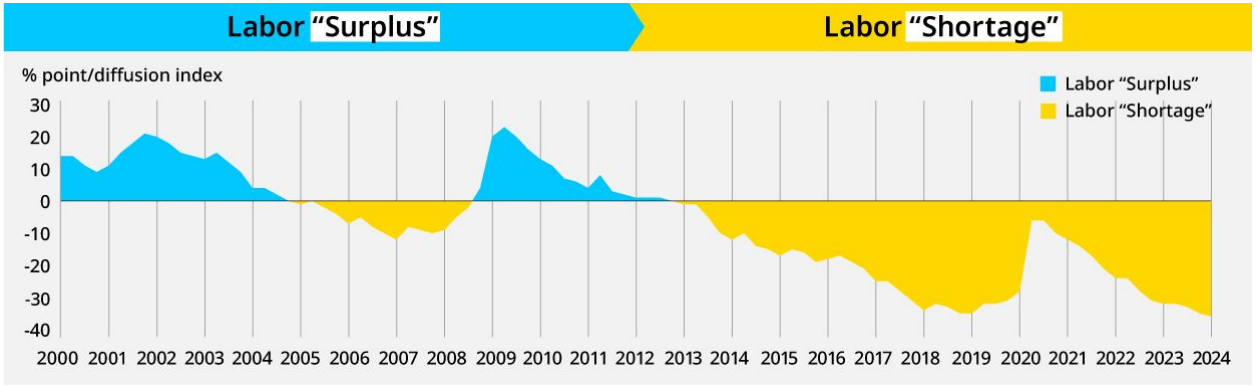
Timee

*1 For illustrative purposes only

Potential to Redefine "Work" — Solutions for Securing Human Resources are Now "Employee"- oriented Services

Timee

Labor Market(1)



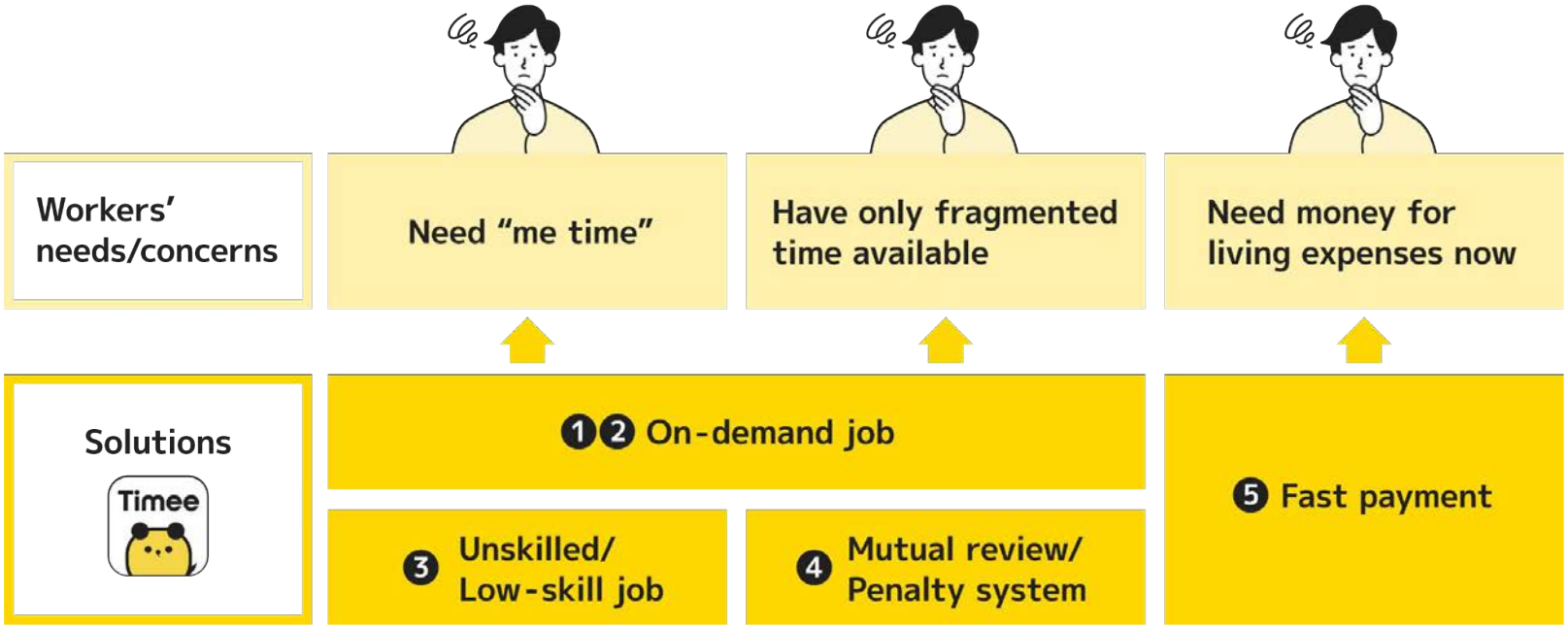
Solutions(2)



*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

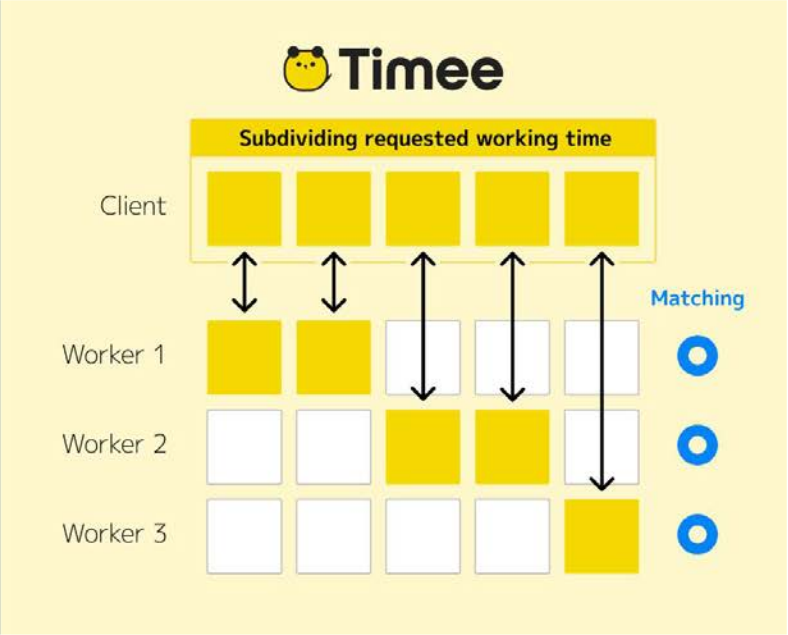
Workers have various needs/concerns, which are addressed by Timee's solutions



❶ Unlock Labor Force through Leveraging “Fragmented Working Hours”

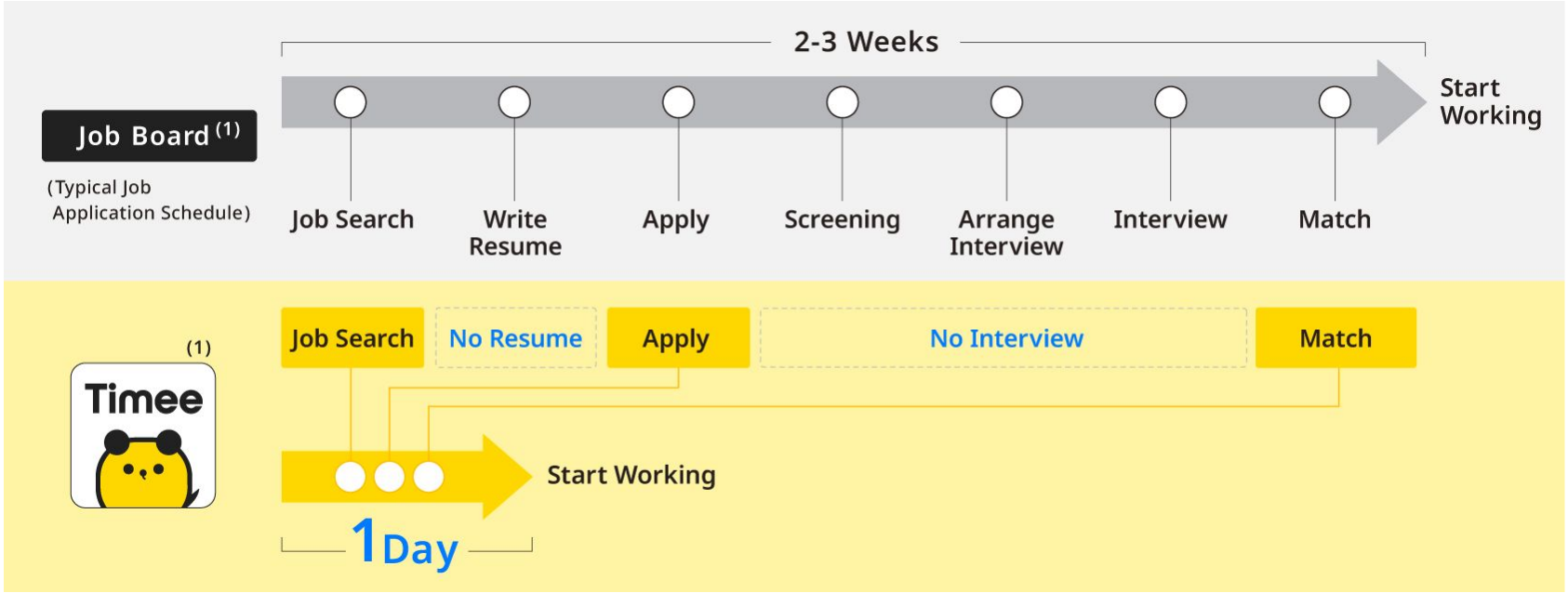
Workers who were unable to work under the traditional work hours/shift system are now able to work through leveraging “Fragmented Working Hours”





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

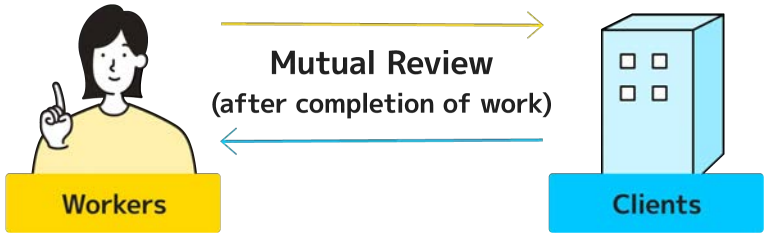
Timee

	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(2) cancellations	Suspended for 2 weeks
No-show (3)	Suspended for a certain period

▶ No-show rate is **c.0.1%**(3)

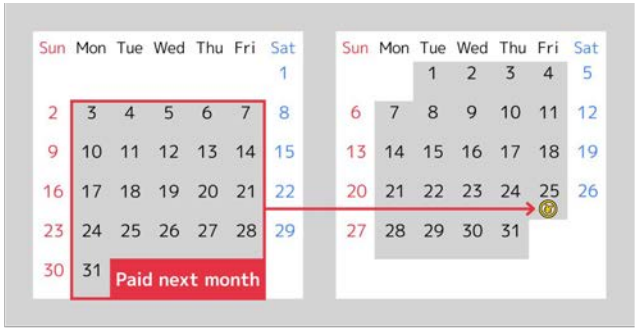
*1 Accumulated figures since the service launch as of October 2024. % of “Good review” out of total reviews (good/bad rating) provided after workers’ first completed job at a workplace
*2 Penalty points imposed on cancellations within 48h, 24h, 12h, 8h and 4h are 1, 4, 5, 6, and 7, respectively. 8 penalty 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 August 2024 to October 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)

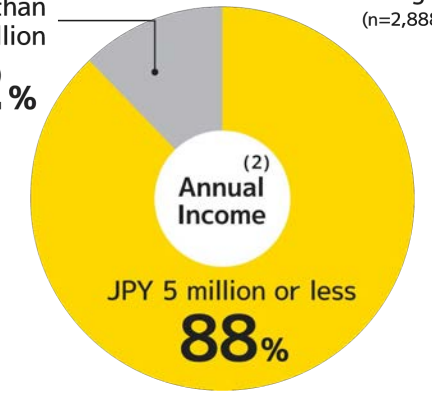
Working day
Payday



Strong financial needs to earn quick cash for living expenses

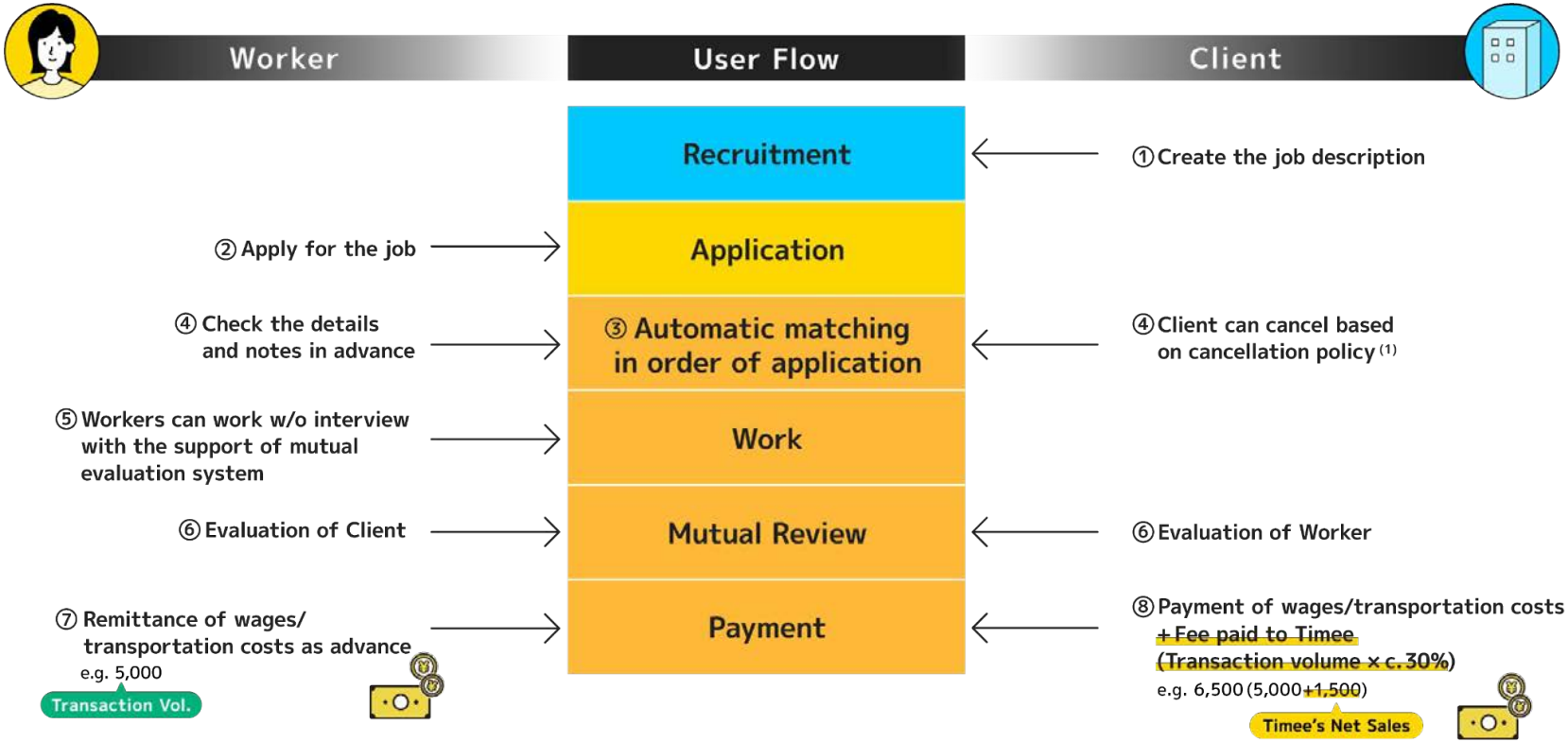
Side job workers(2) using Timee
(n=2,888)

More than JPY 5 million
12%



*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.

Distinguished Leadership

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

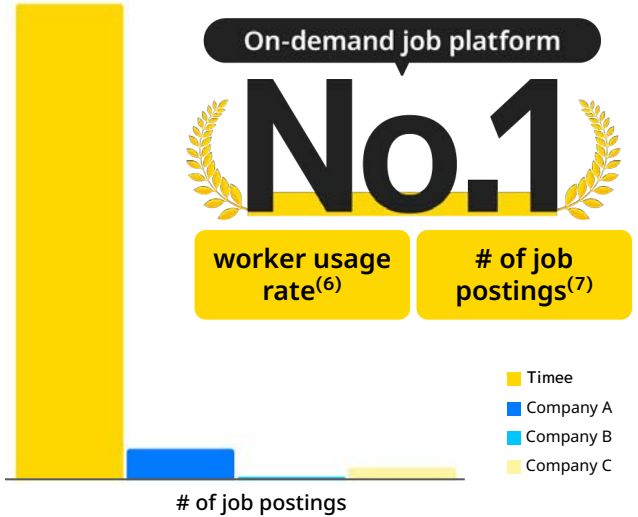
% of Repeat workers：64%(2)
No-show rate: c.0.1%(3)

Competitive advantage ③

Support
from Sales Represetative

# of Sales Representatives：c.600(4)

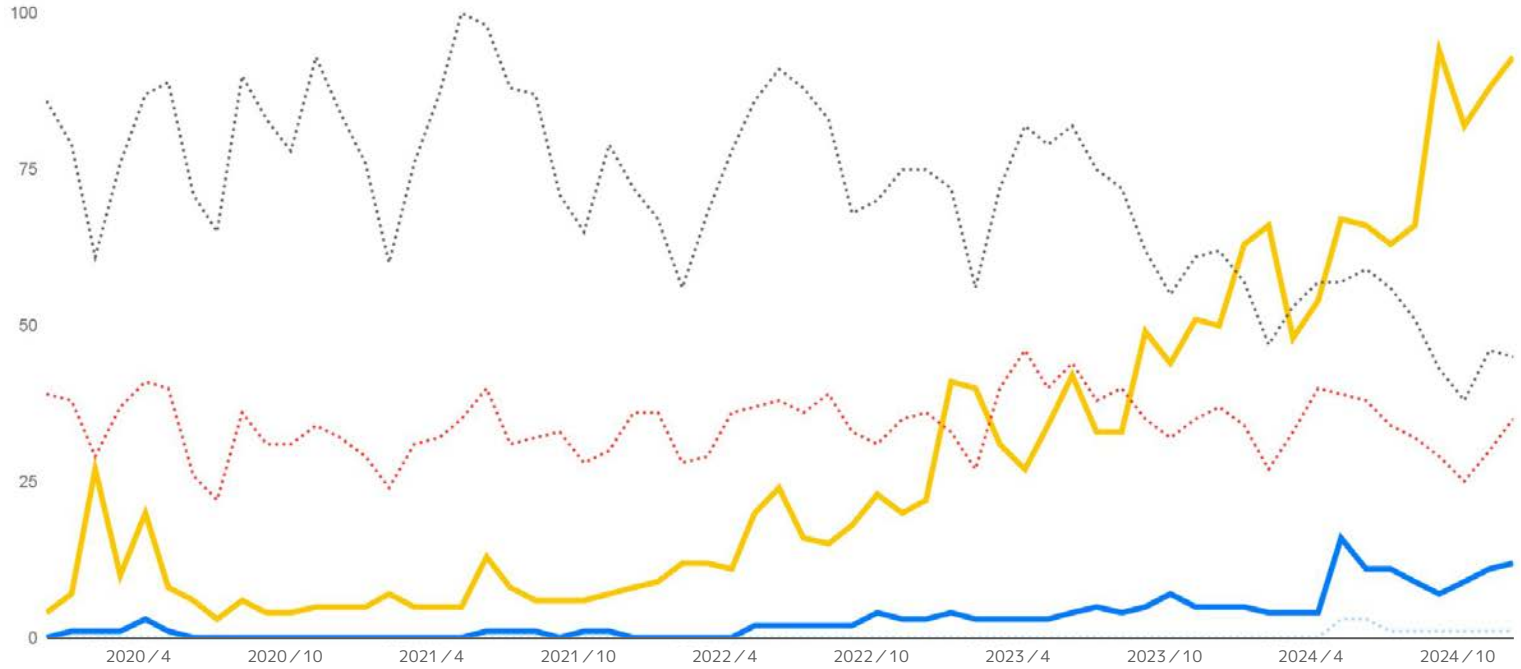
No.1 Position(5) as Pioneer in Japan



*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)

Awareness has Improved Significantly Compared to Job Boards since being Listed

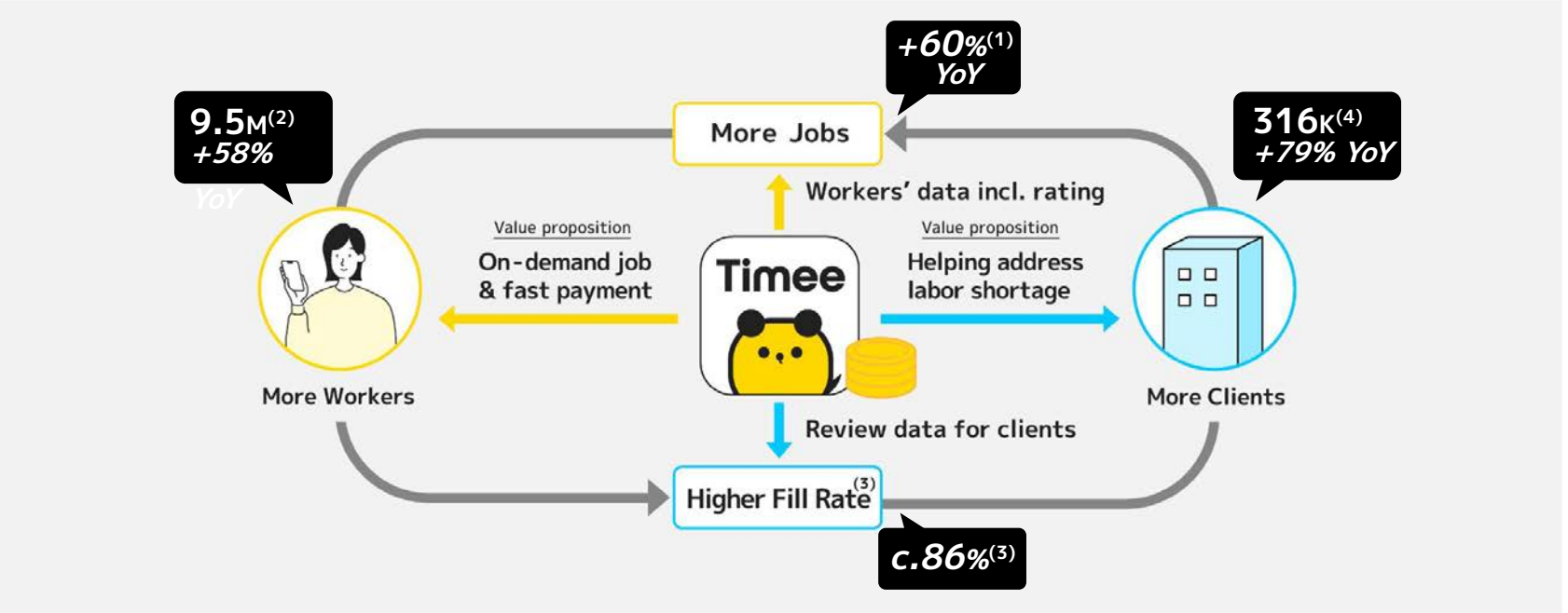
Popularity Trend in Japan[1] (Weekly)



*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

Timee's Value Proposition to Both Workers and Clients

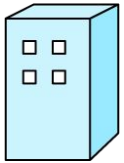
Clear value proposition and network effects boost further platform scaling



*1 # of job openings posted by clients as of FY2024/10 4Q and compared to that as of FY2023/10 4Q
*2 Cumulative # of registered workers as of the end of October 2024 since the launch of the service and compared to that as of the end of October 2023
*3 Calculated by dividing # of job positions filled by # of job openings posted by clients in FY2024/10 4Q
*4 Cumulative # of registered client accounts as of the end of October 2024 since the launch of the service and compared to that as of the end of October 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

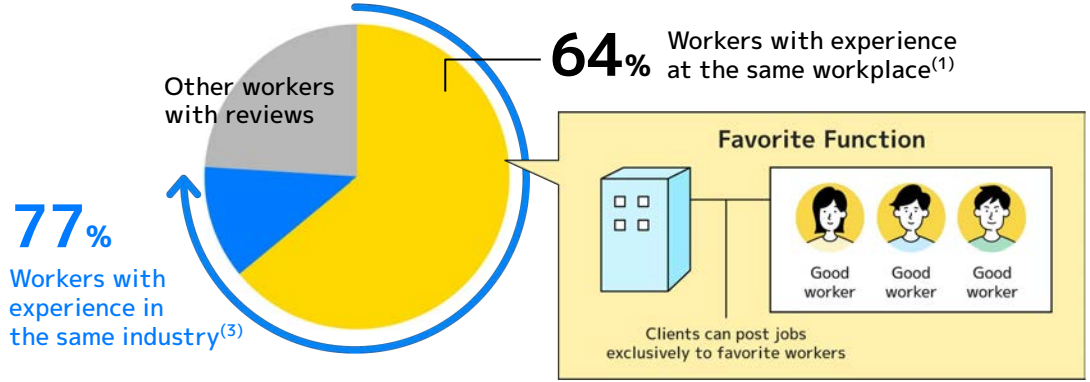


Qualified and proven workers repeat to work through Timee platform

Accumulated Worker Data

Reviews of workers by clients(2)

26.5M



*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 October 2024
*2 Since the launch of the service as of the end of October 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 October 2024

Badge System that Utilizes Accumulated Data

Badge System / Skill Visualization(1)



For Workers

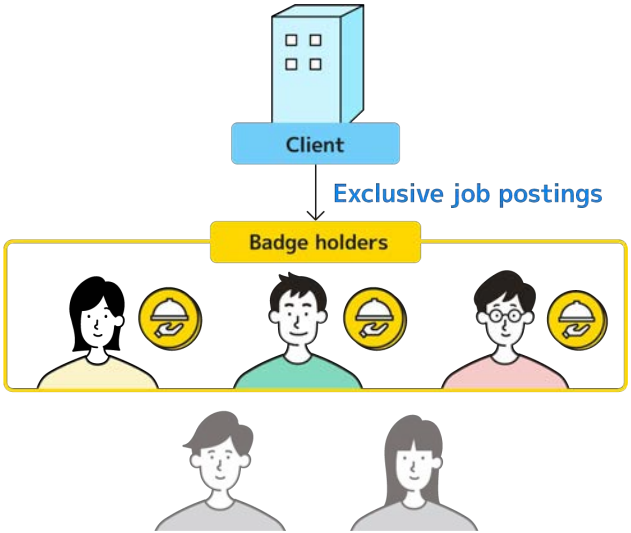
- ☑ Increasing hourly rate
- ☑ Improving skills

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

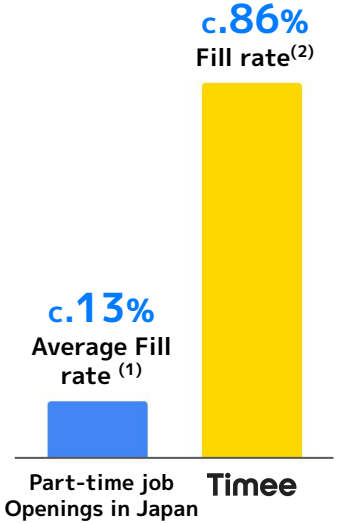


*1 Images are for illustrative purposes only and do not depict actual company data

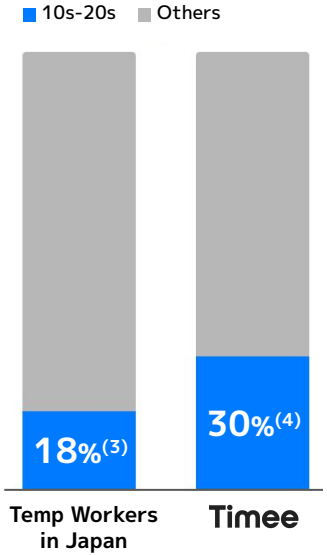
Multiple Benefits of Using Timee

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

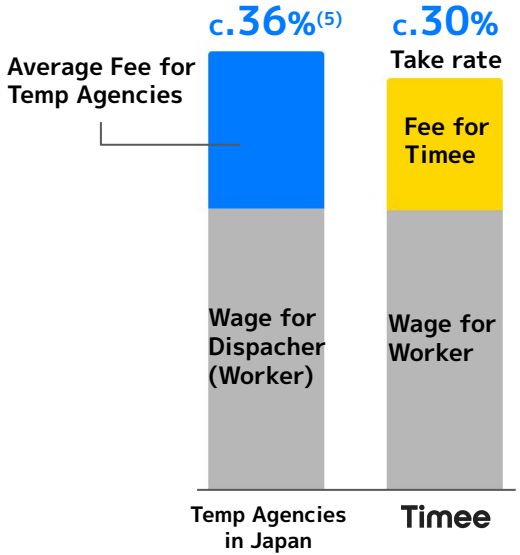
Easy to secure workers necessary for clients



Easy to secure "young workers"



"Low" staffing cost for clients

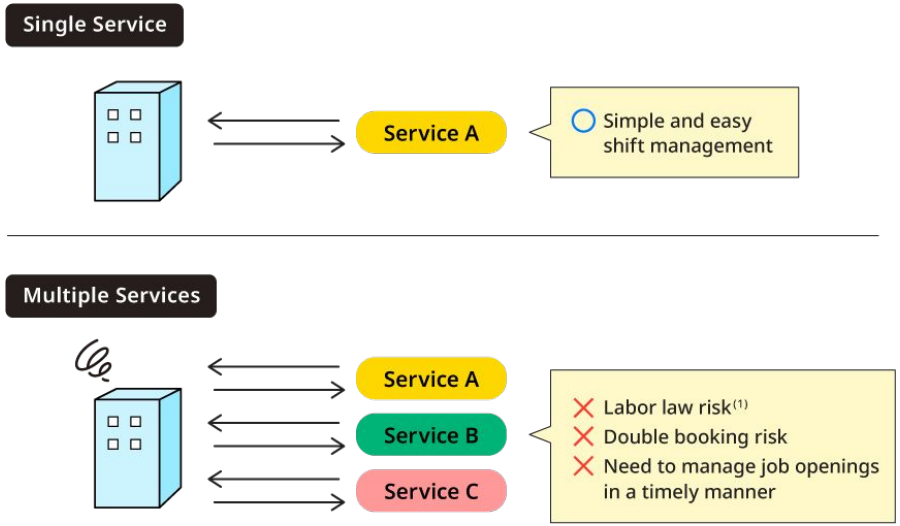


*1 Fill rate of part time job openings is calculated by dividing # of employment by # of new job openings in Japan, from August 2024 to October 2024, from Employment Security Business Statistics, Ministry of Health, Labor and Welfare *2 Timee's fill rate is calculated by dividing # of job positions filled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

Deep Moat that Presents Significant Barrier for Competitors

One Company, One Service

Cumbersome to use multiple services given the instant matching system

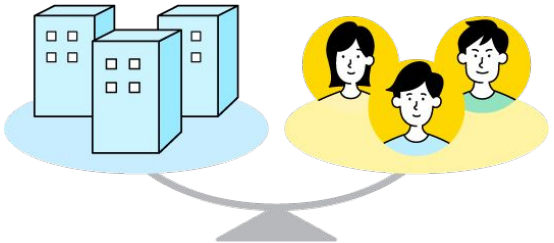


Long Lead Time Required to Match Scale

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.

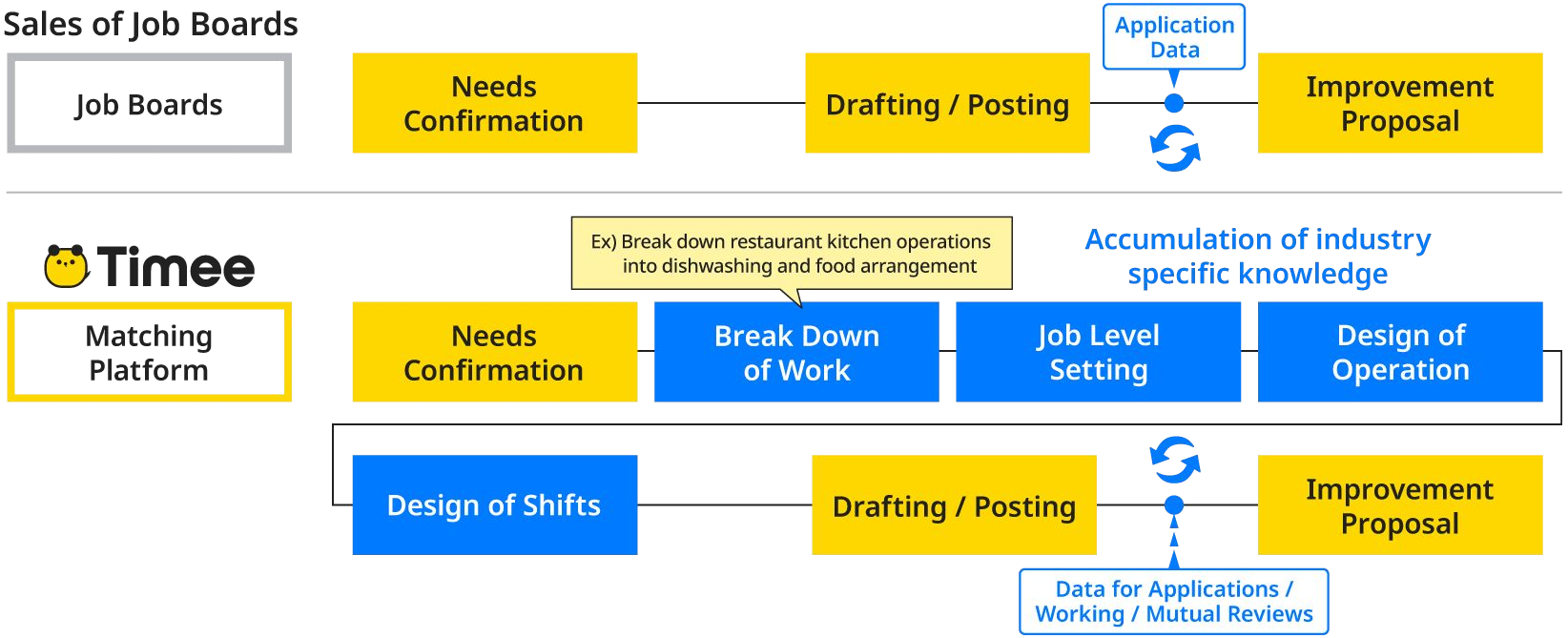
Ex) If the number of workers is too large, it is difficult to find a job to work, and if the number of clients is too large, it is difficult to secure workers.



*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.

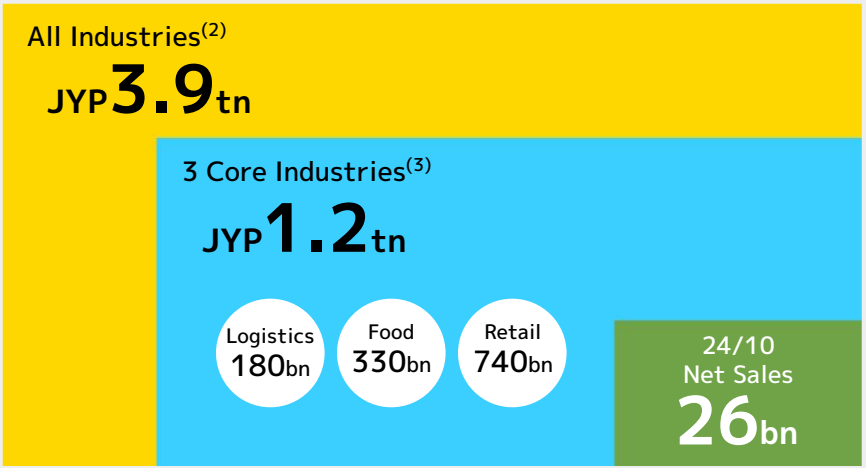


*1 For illustrative purposes only and based on Timee's analysis

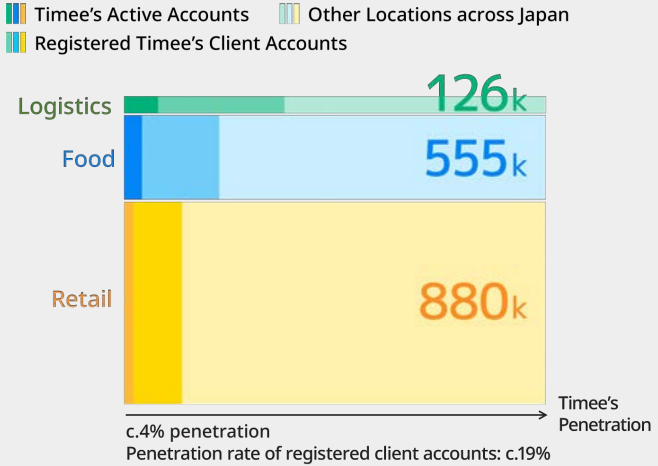
Market Opportunities

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

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

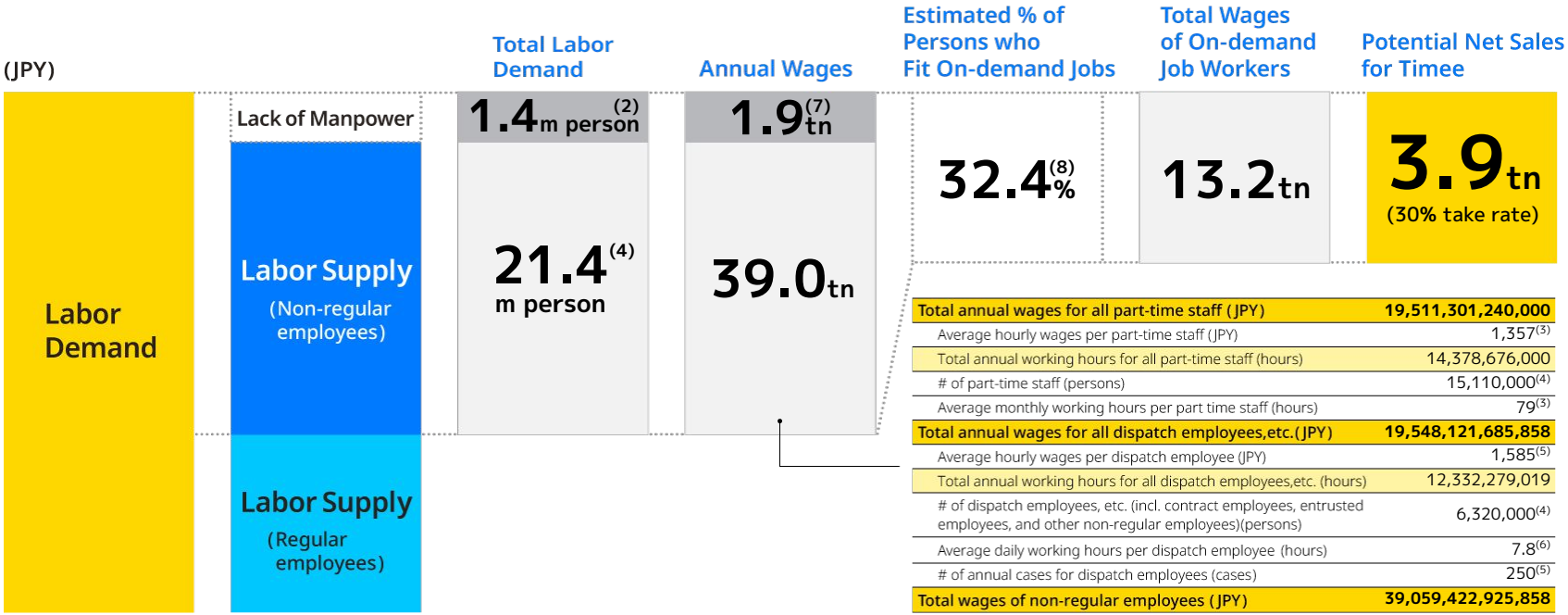


Estimated Potential Active Accounts in Japan (4)



*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 November 2024 by the Statistics Bureau of Japan and "Provisional Report of Monthly Labor Survey" as of September 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 October 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)



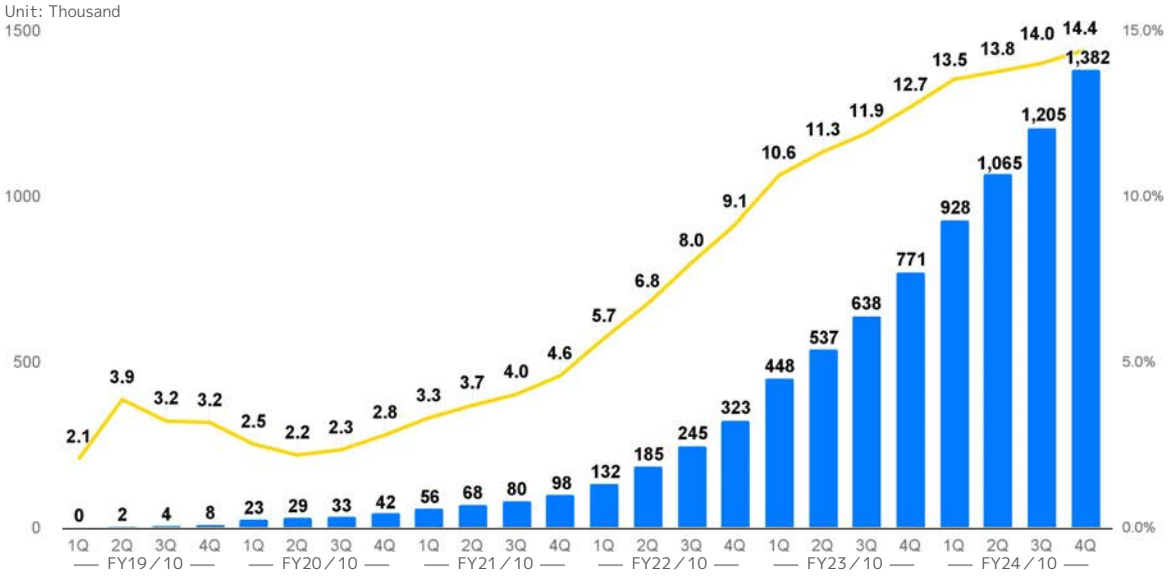
Total annual wages for all part-time staff (JPY)	**19,511,301,240,000**
Average hourly wages per part-time staff (JPY)	1,357(3)
Total annual working hours for all part-time staff (hours)	14,378,676,000
# of part-time staff (persons)	15,110,000(4)
Average monthly working hours per part time staff (hours)	79(3)
Total annual wages for all dispatch employees,etc.(JPY)	**19,548,121,685,858**
Average hourly wages per dispatch employee (JPY)	1,585(5)
Total annual working hours for all dispatch employees,etc. (hours)	12,332,279,019
# of dispatch employees, etc. (incl. contract employees, entrusted employees, and other non-regular employees)(persons)	6,320,000(4)
Average daily working hours per dispatch employee (hours)	7.8(6)
# of annual cases for dispatch employees (cases)	250(5)
Total wages of non-regular employees (JPY)	**39,059,422,925,858**

*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 September 2024 by the Statistics Bureau of Japan *4 Based on "Labor Force Survey" as of November 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 September 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 1,357 *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 (50.1%)] ÷ total annual wages for all non-regular employees and lack of manpower. The estimated 50.1% 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 November 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

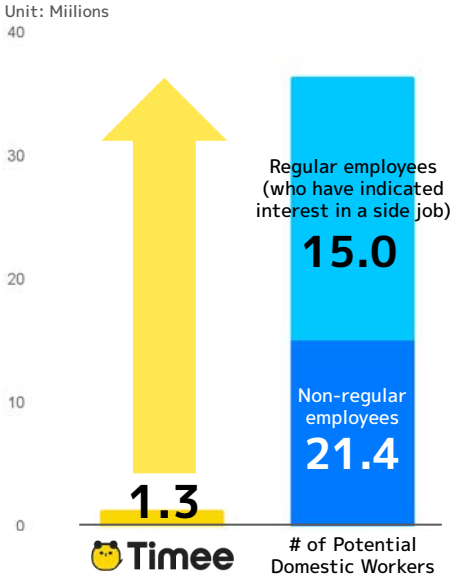
Steady Growth of Active Workers and Ample Room for Growth

The accumulated number of workers with active history continued to increase steadily in 4Q, and the accumulated active worker ratio also rose. Given the number of non-regular employees and regular employees who have indicated interest in a side job, there is ample room for future expansion.

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



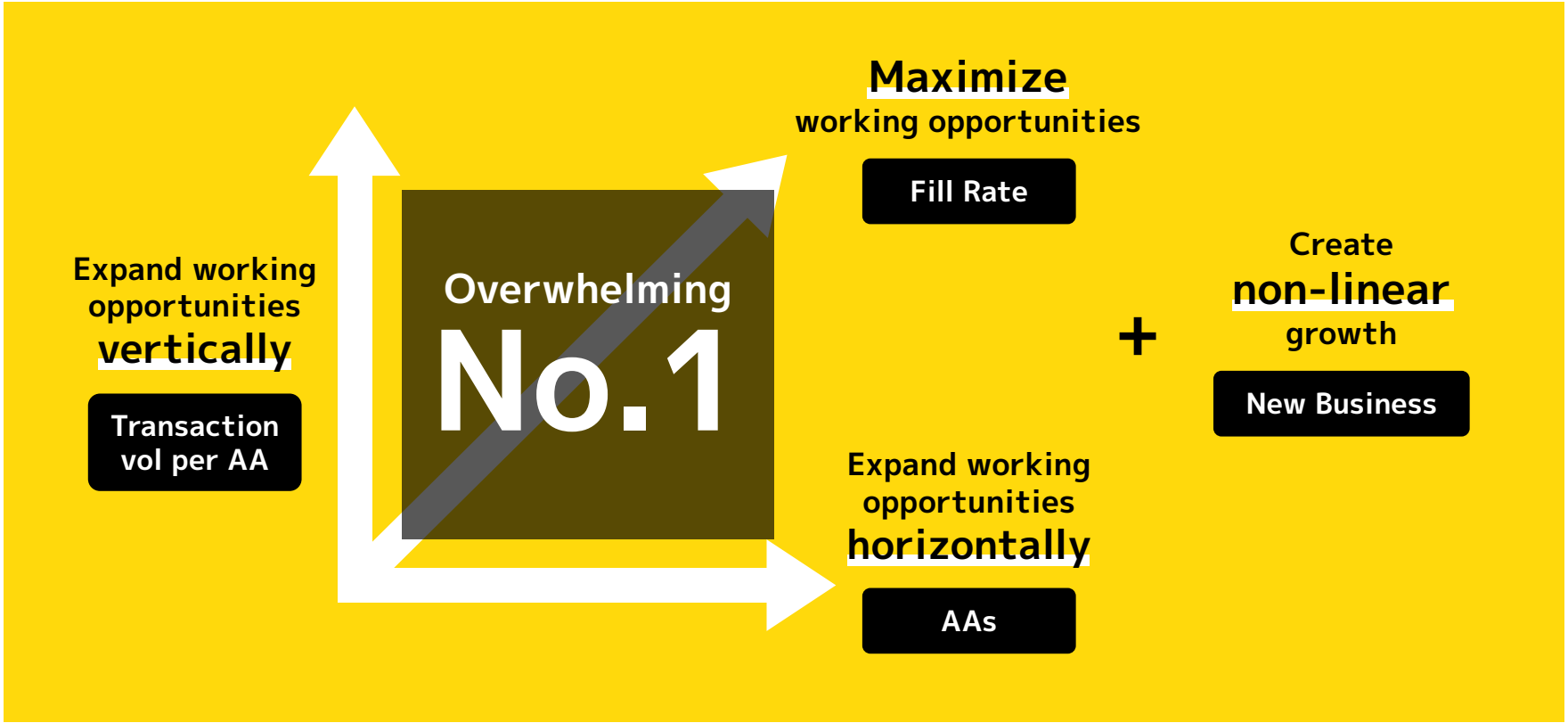
Growth Potential for # of Workers(3)



*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 *3 # of non-regular employees and regular employees are based on "Labor Force Survey" as of November 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

Growth Strategy

The Strategy for FY25/10

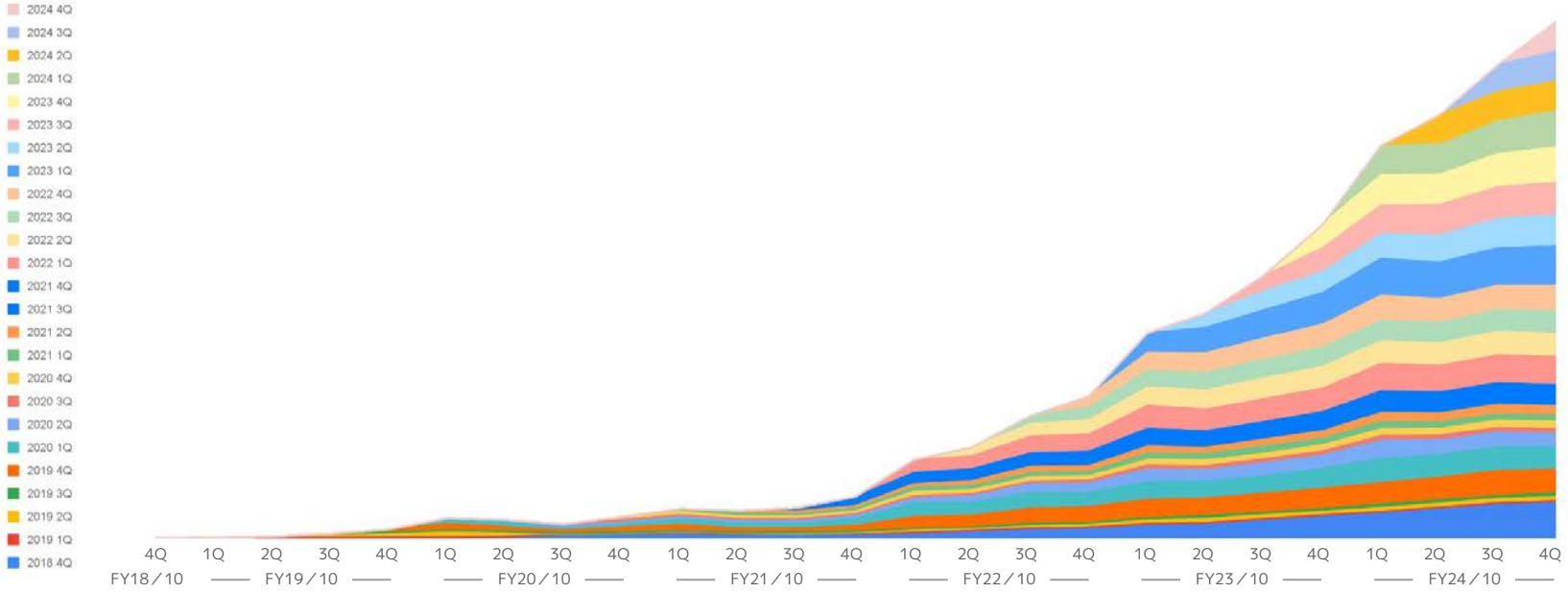


*1 The progress of the growth strategy described in the “Our Business Model and Growth Strategy” as of July 26, 2024 is as follows. The strategies related to the Timme business (Strategy 1: Expansion from Existing Clients, Strategy 2: Go-to-Market Strategy, Strategy 3: Product development, and Expanding to Adjacent Categories (multiple-day applications, etc.)) are described separately in terms of the KPI for the Timee business (# of AAs, Transaction volume per AA, and Fill Rate). With regard to long-term strategies, the progress of the new business Timee Career Plus is described together with the approach and criteria for new business investment.

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)

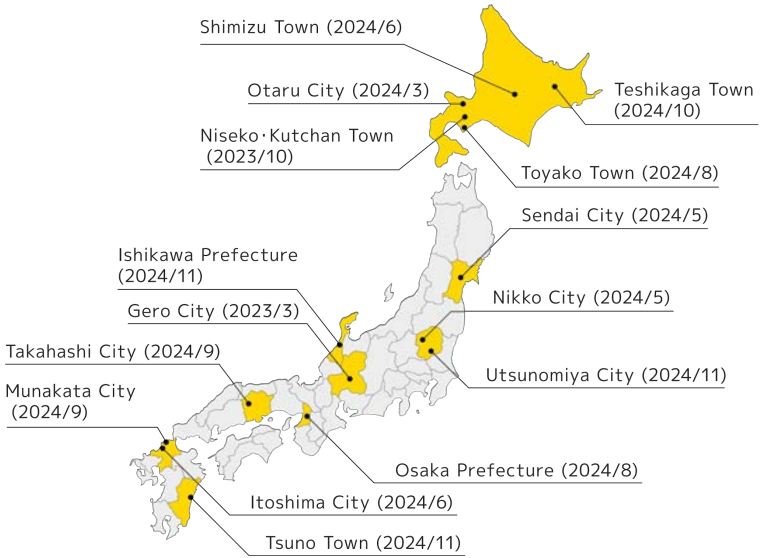
AAs

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





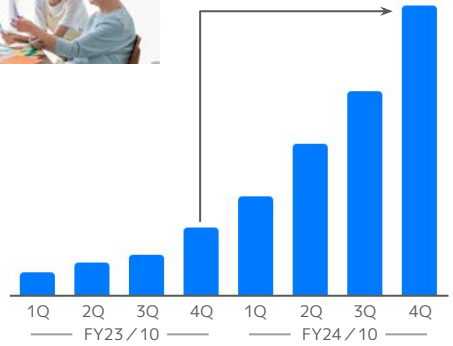
Transaction Volume
+83.2% YoY

Elderly Care





Transaction Volume
+325.8% YoY



Others

- Cleaning



- Building Maintenance



- Food Manufacturing



*1 PMF indicates Product-market Fit

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

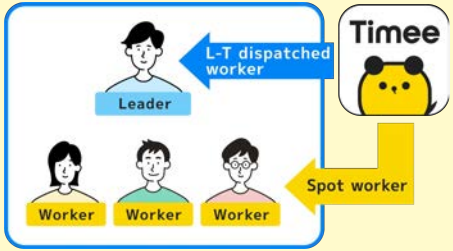
Current Issues

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

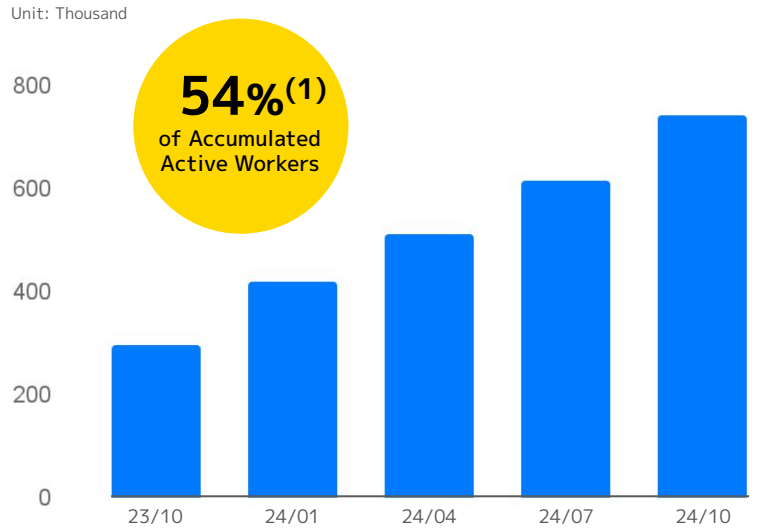
*1 BPR indicates Business Process Re-engineering. Consulting services such as analyzing, breaking down, and restructuring the client's business operation processes, and redesigning them so that even Timee workers can work immediately *2 A trial at 9 restaurants in the metropolitan area. The target period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

The Use of the Badge System is Expanding Rapidly

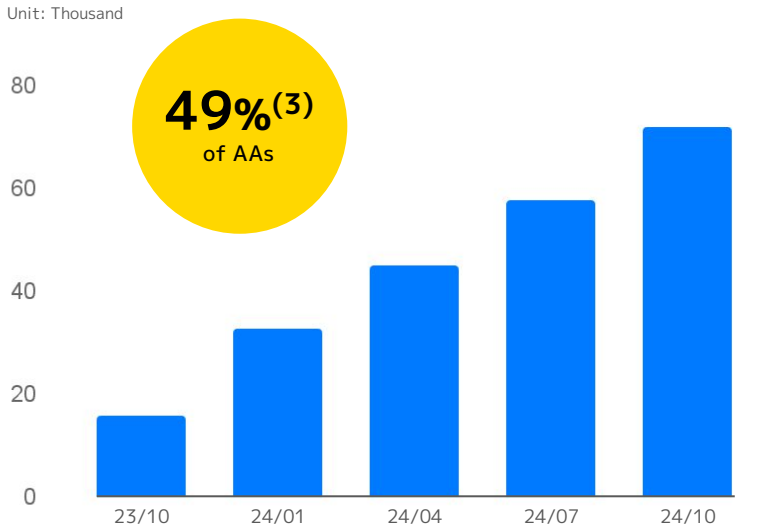
Timee

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.

Transaction vol per AA

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

Timee

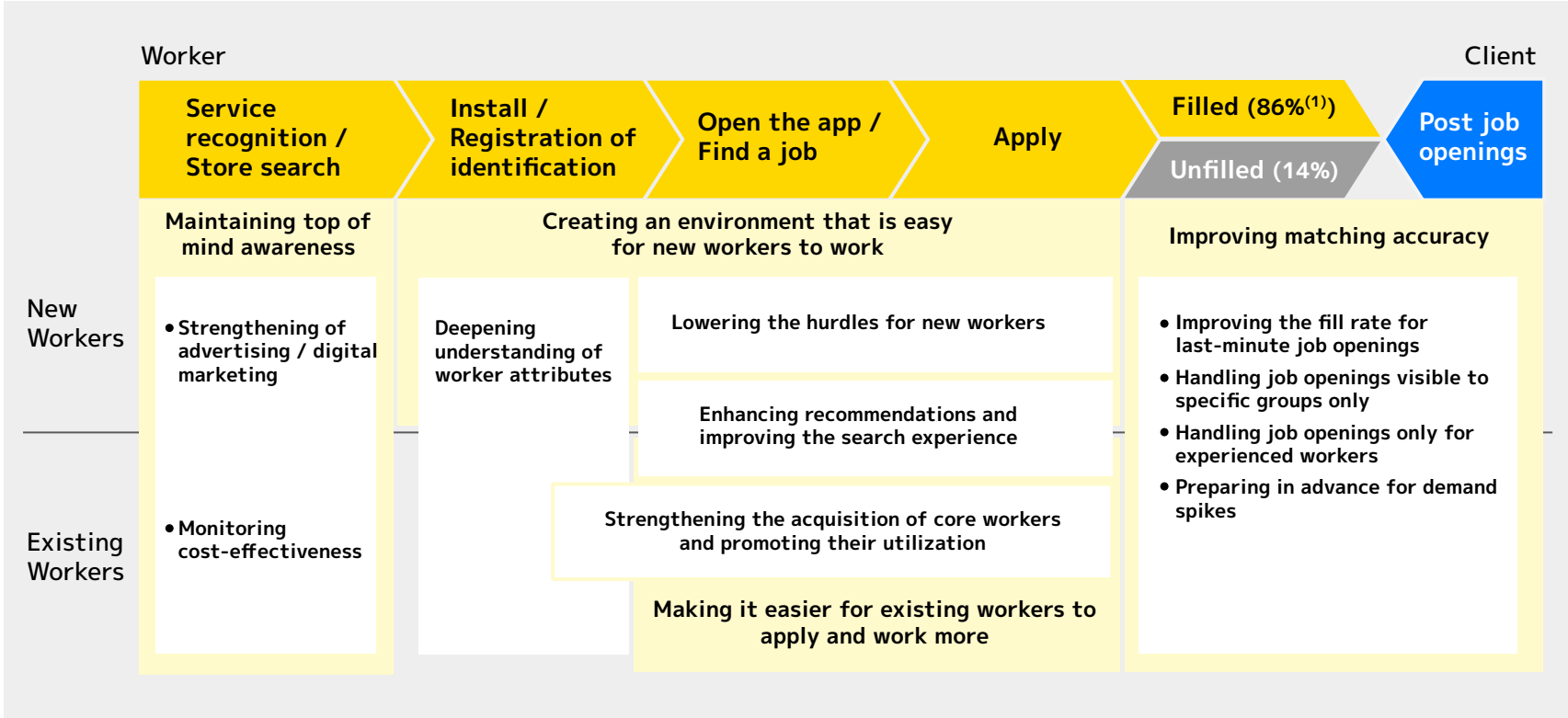
From the perspective of workers, there is a need to work at the same workplace repeatedly for a certain period, and from the perspective of clients, there is a need for many jobs that can be assigned if the same worker can work for a certain period. Will consider adding specifications that allow multiple 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

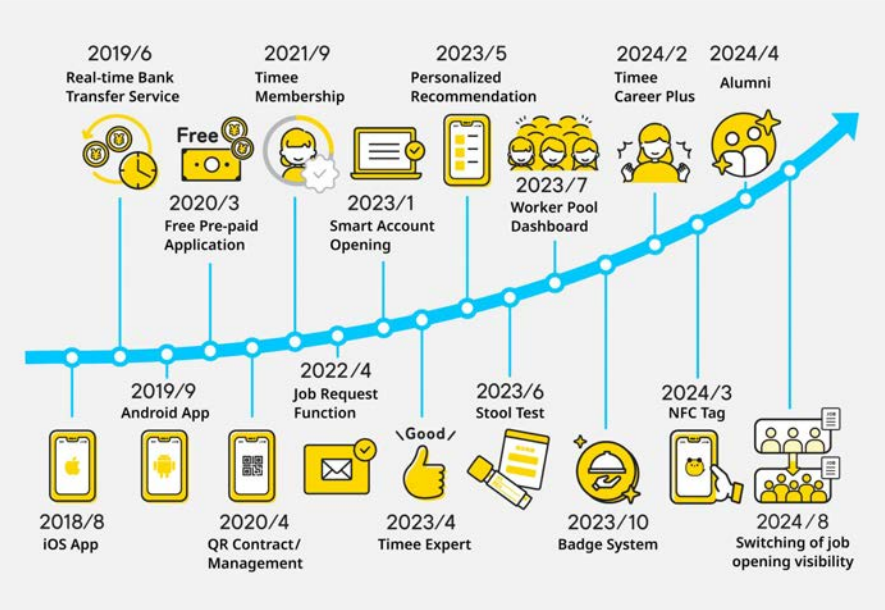
Important Measures to Improve Fill Rate



*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

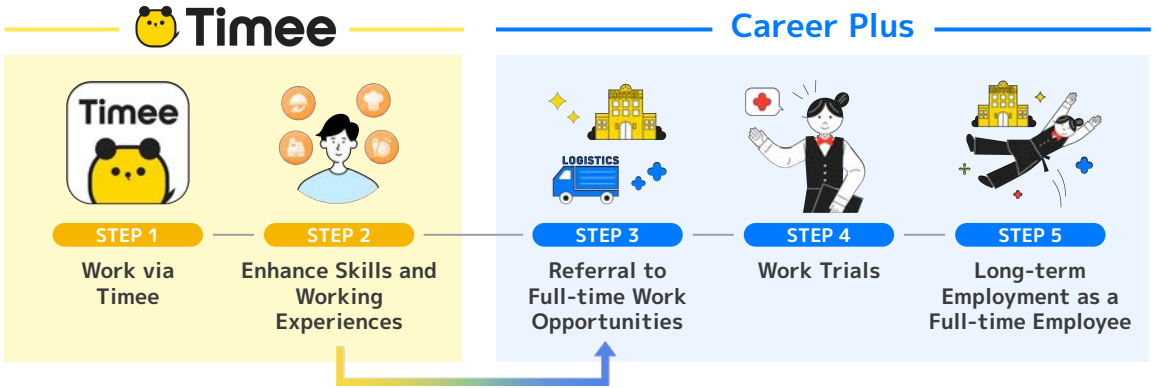


*1 Timee Membership: A royalty program that accumulates worker levels and grades based on working experiences. Timee Expert: A title automatically given to workers after achieving certain conditions such as acquisition of high ratings. Timee Expert can preferentially receive new job opening notifications 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

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.

Impact of Policies on Timee business(1)

1.03 million yen wall (Income Tax)

Overview

If annual income is 1.03M yen or more

- Income tax is incurred (excl. students)
- Removed from tax dependents (there is a possibility that the amount of money per household will decrease)

Recent Trends

The LDP(2), the KP(3), and the DPFP(4) agreed on the content of a comprehensive economic stimulus package that includes a plan to raise the “1.03 million yen wall” (November 2024)

Impact on business

Positive

- There is a possibility that the # of job positions filled will increase as people will be encouraged to work more due to the raising of the “1.03 million yen wall"

1.06 million yen wall (Social Insurance)

Over view

If annual income is 1.06M yen or more

- There is a possibility that the employer will be obliged to enroll a worker in social insurance (the criteria for this include working at least 20 hours per week and having 51 or more employees)

Recent Trends

MHLW to lower/remove the annual income requirement for enrolling the welfare pension scheme (1.06 million yen) and the company size requirement (51 or more employees) (November 2024)

Impact on business

Almost no effect (The requirement of 20 hours or more per week remains)

- The conditions for the block function, which is the background to one company and one service, may be changed from 88,000 yen per month to more than 20 hours per week.

Minimum wage

Impact on business

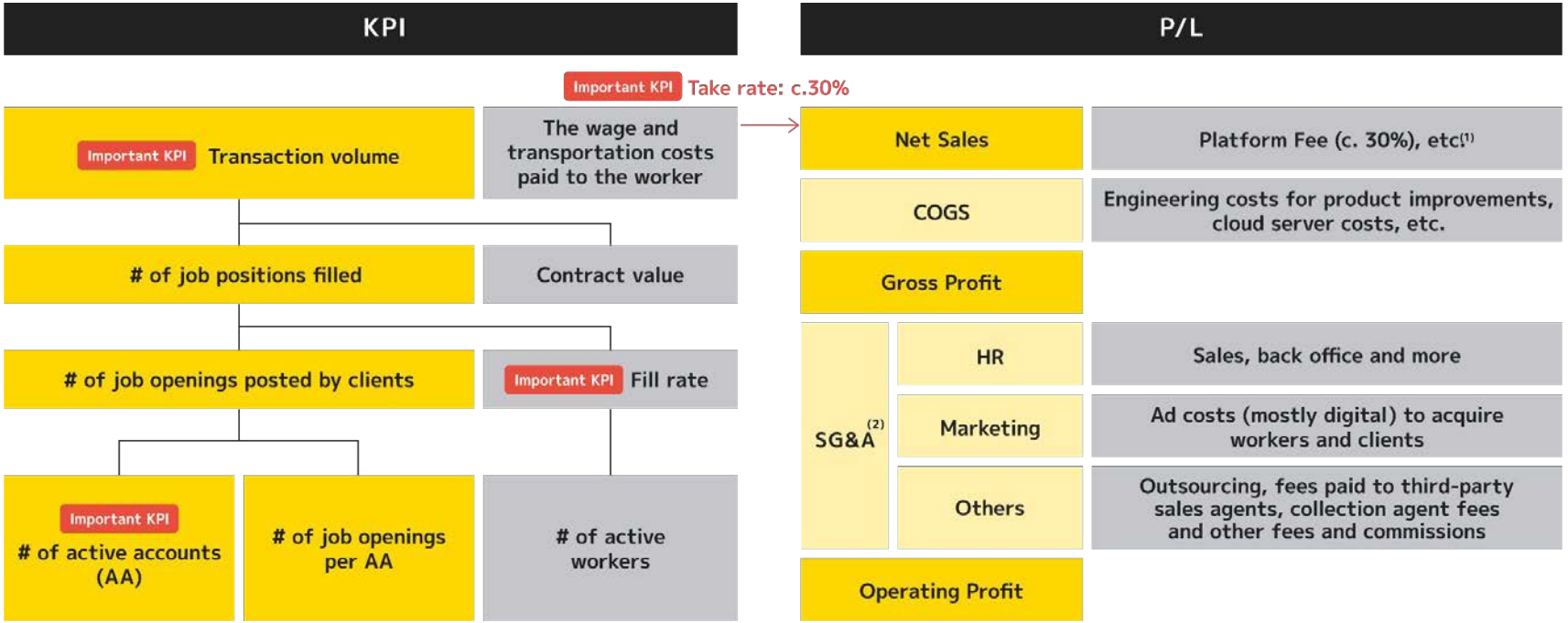
Positive

- The hourly wage for the job 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. If the minimum wage is increased and the wages paid to workers increase, this will contribute to an increase in net sales.
- 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)

*1 Timee’s opinion based on information as of Decenmber 12, 2024 *2 Liberal Democratic Party *3 Komeito *4 Democratic Party for the People

Financial Summary

Illustrative Image of P/L Structure



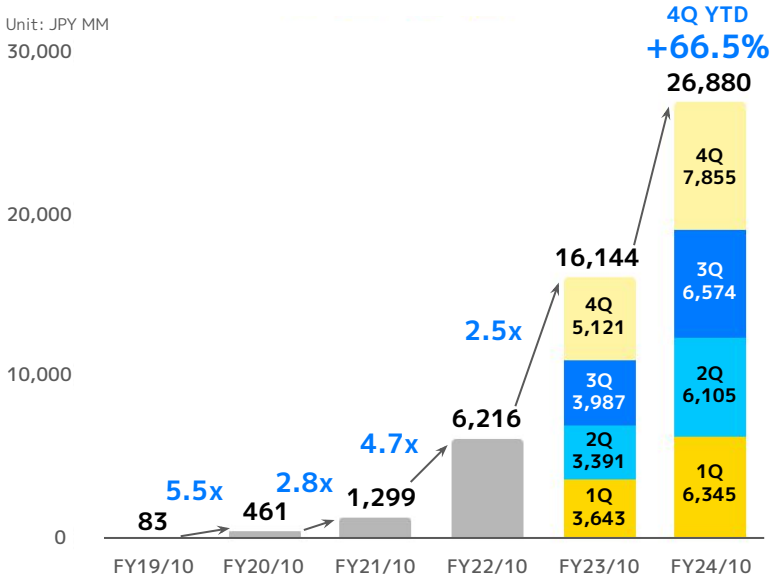
*1 Nearly all of our net sales are the net sales from Timee business

*2 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 and other fees and commissions

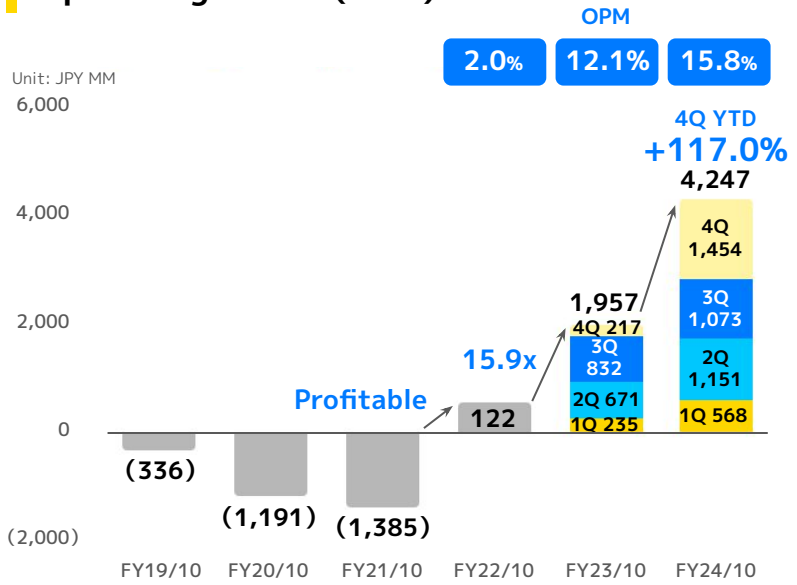
Yearly Trends (Net Sales, Operating Profit)

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



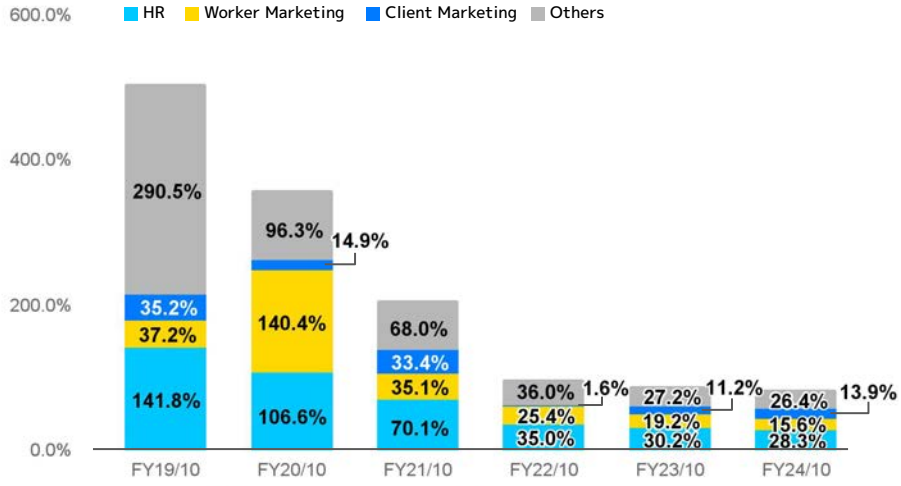
Operating Profit (Loss)



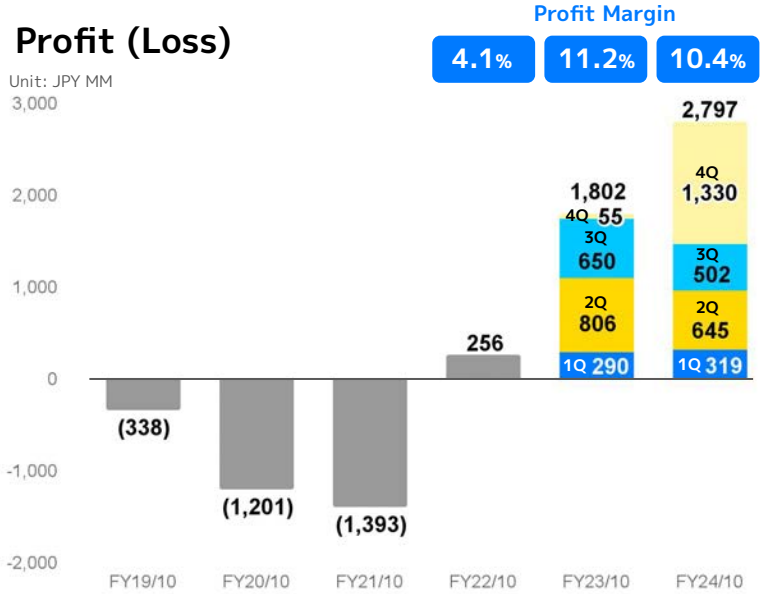
Yearly Trends (Costs, Profit)

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)

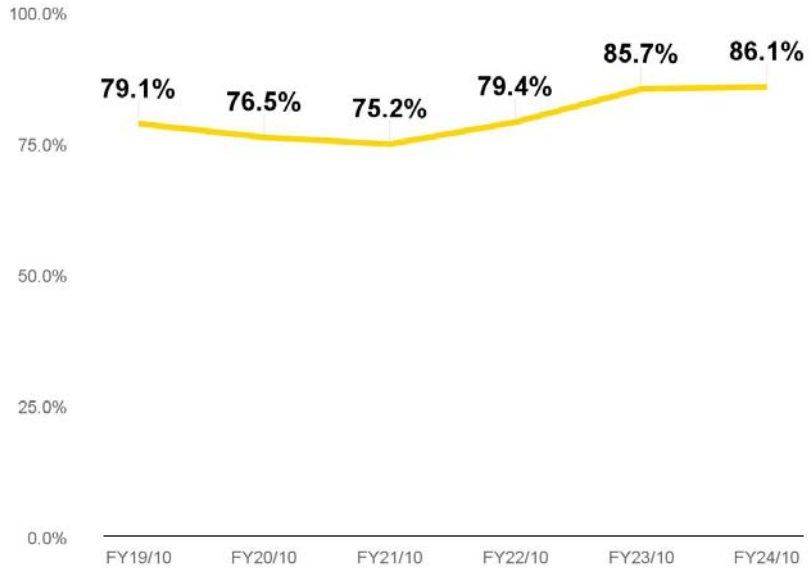


*1 Breakdown of SG&A costs is a non-GAAP item. HR costs include salaries for sales team, back office, and hiring costs etc. Worker marketing costs and client marketing costs include ad costs (mostly digital) to acquire workers or clients. Others include cost of sales (incl. engineering costs for product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

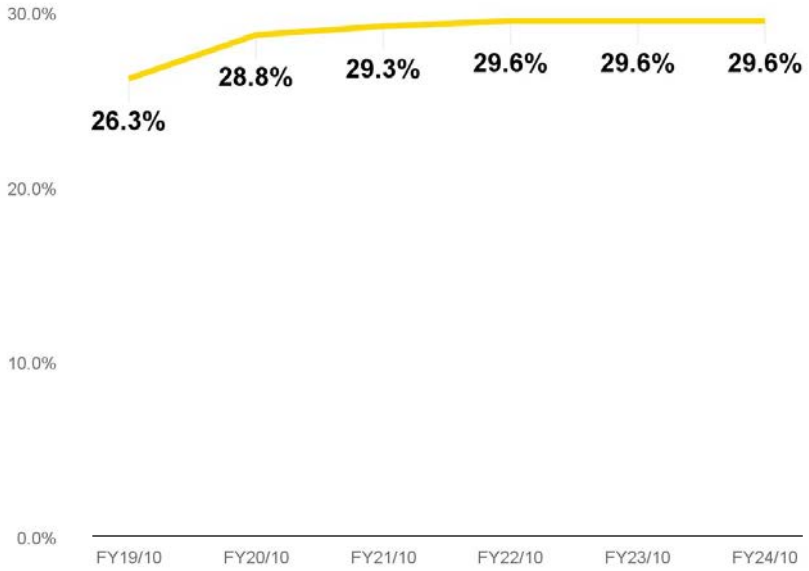
Yearly KPI Trends (Fill Rate, Average Take Rate)

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



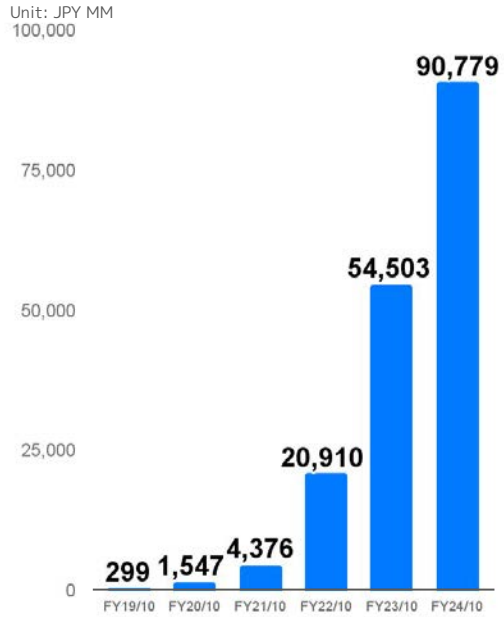
Average Take Rate



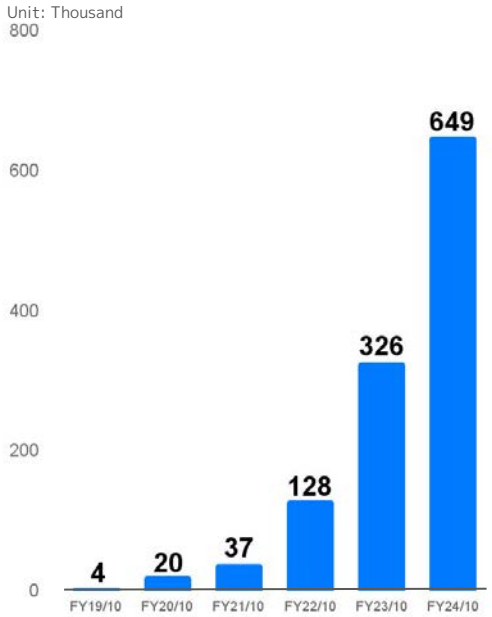
Yearly KPI Trends (Transaction Volume and Breakdown)

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).

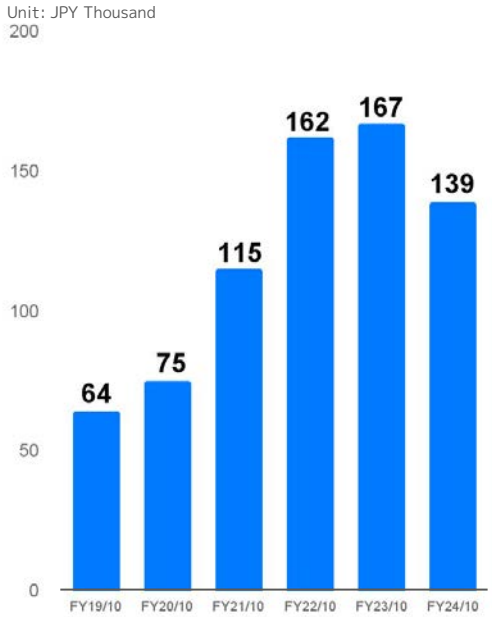
Transaction Volume



of AAs(1)



Transaction Volume per AA

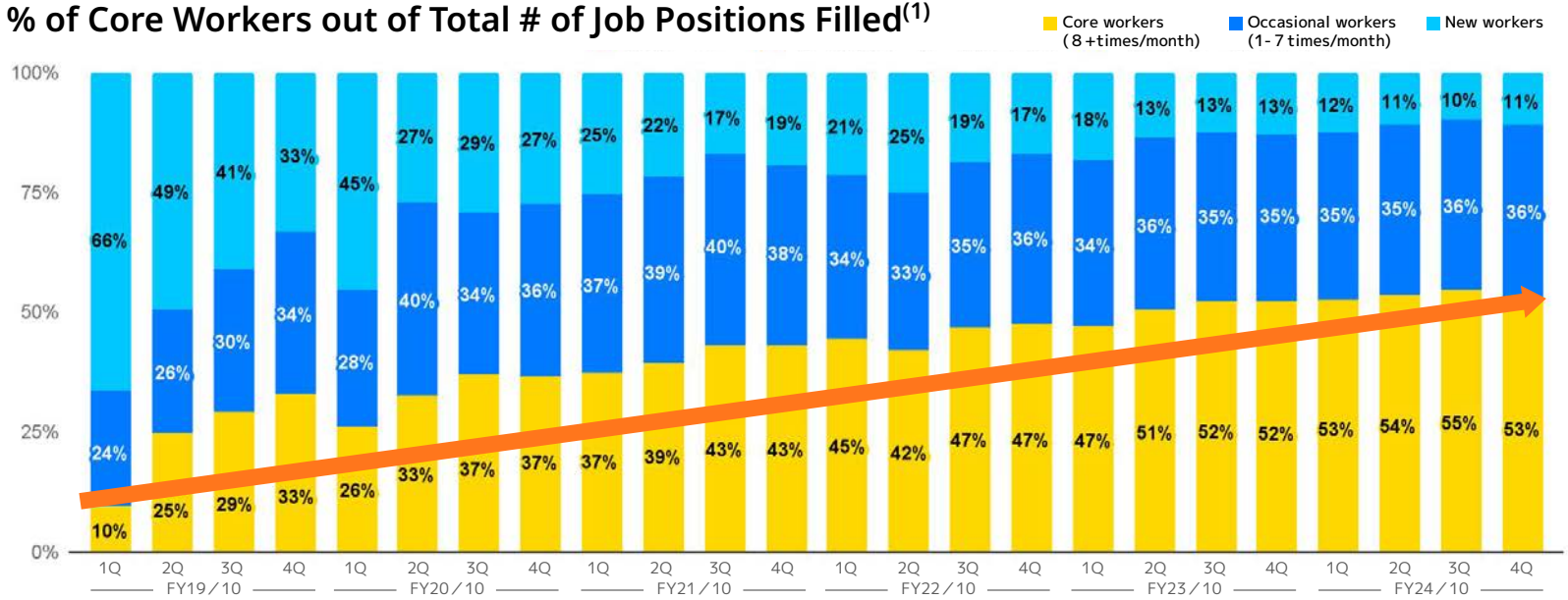


*1 # of registered client accounts that posted at least one job opening in a given month. Yearly figures correspond to the sum of active client accounts for each of the 12 months in the year, which may result in the figures being higher than the # of unique registered client accounts that posted at least one job opening on our platform during the year

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.

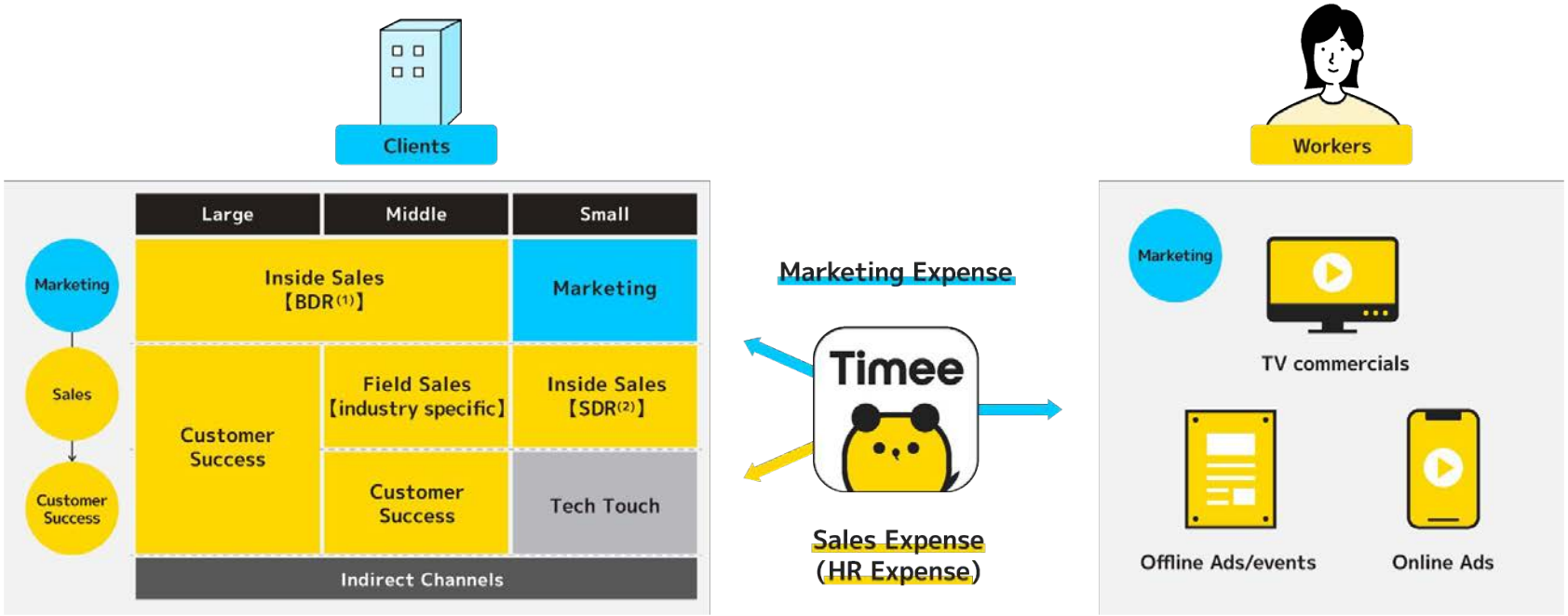
% of Core Workers out of Total # of Job Positions Filled(1)



*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

Sales and Marketing Cost Structure

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

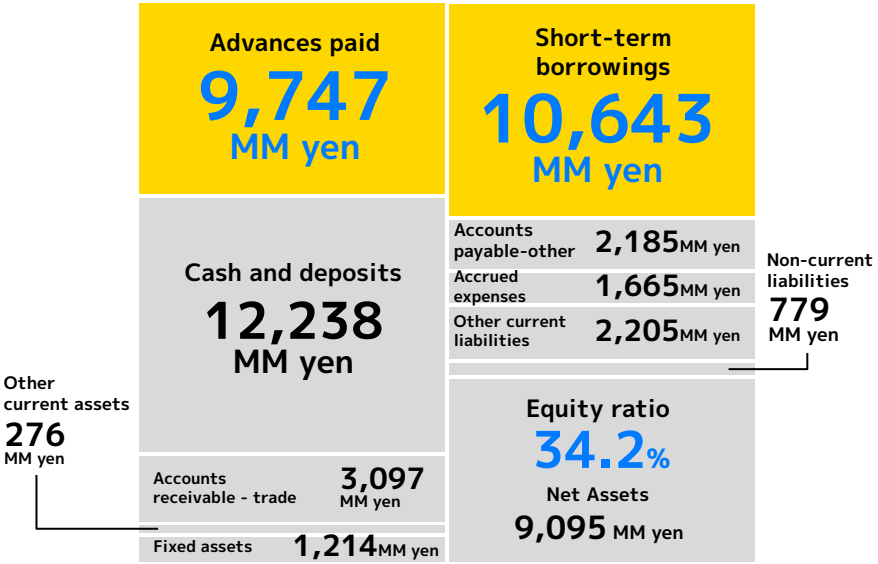


*1 BDR indicates Business Development Representative (mainly outbound calling)
*2 SDR indicates Sales Development Representative (mainly inbound calling)

Strategic Working Capital Management

Bank loans are used for short-term working capital needed for fast payment. The equity ratio is 34.2%, 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)

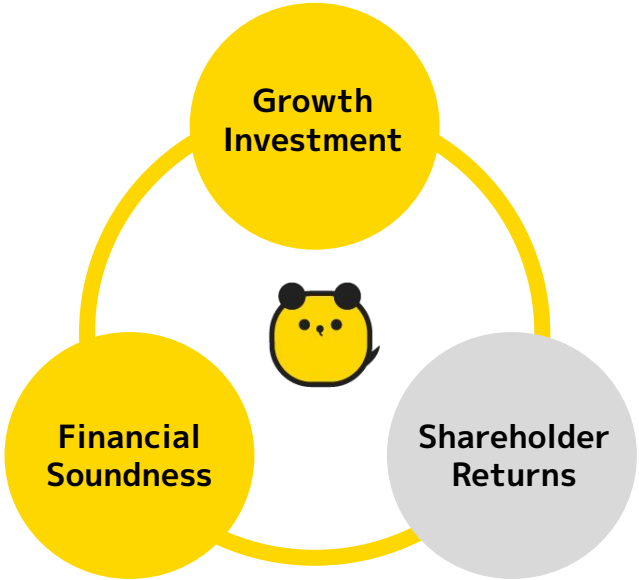
Mizuho Bank
MUFG Bank
Resona Bank
SMBC
etc.

Total Available Funding Amount	Interest Rate	
JPY 33 Bn	<1.0%	Un guaranteed Un secured

*1 As of October 31, 2024

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

Reconciliation: EBITDA

JPY MM

	FY2022/10	FY2023/10	FY2024/10
Profit for the Year / Period	256	1,802	2,797
+) Total Income Taxes	(136)	121	1,128
+) Interest Expenses	13	33	61
-) Interest Income	(0)	(0)	(0)
+) Depreciation	72	187	182
EBITDA[(1)]	205	2,145	4,168
EBITDA Margin	3.3%	13.3%	15.5%

*1 EBITDA is a non-GAAP item

Balance Sheet

JPY MM

Assets	2022/10	2023/10	2024/10
Current assets	**8,175**	**16,830**	**25,360**
Cash and deposits	3,980	7,996	12,238
Accounts receivable-trade	985	2,080	3,097
Advances paid	3,062	6,496	9,747
Other current assets	146	256	276
Non-current assets	**614**	**970**	**1,214**
Property and equipment	140	514	507
Intangible assets	0	0	0
Investments and other assets	474	455	706
Total assets	**8,789**	**17,800**	**26,575**

Liabilities and Shareholders' Equity	2022/10	2023/10	2024/10
Current liabilities	**3,251**	**10,671**	**16,699**
Short-term borrowings	1,711	7,250	10,643
Accounts payable-other	632	1,747	2,185
Accrued expenses	554	1,031	1,665
Lease liabilities	0	3	3
Income taxes payable	12	103	1,366
Other current liabilities	341	535	835
Non-current liabilities	**1,147**	**926**	**779**
Long-term borrowings	1,147	908	765
Lease liabilities	0	18	14
Total liabilities	**4,399**	**11,598**	**17,479**
Total net assets	**4,390**	**6,201**	**9,095**
Total liabilities and net assets	**8,789**	**17,800**	**26,575**

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**	

FY25/10 Forecast Range

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.

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.

Risk Factors

Risks Related to Our Business and Countermeasures

Risks	Actions to Mitigate Risks	Likelihood of Occurrence	Time of Occurrence
Competition In addition to competing mainly with companies operating the same type of business domestically and internationally, we also compete with companies that provide temporary staffing services and crowdsourcing services. The market for on-demand platforms, in which our group operates, has been expanding rapidly in recent years, and a large number of competitors may enter the market. If we are unable to maintain our reputation and credibility, or if we lose our competitive edge, our business and earnings could be adversely affected.	We are striving for continuous business growth by providing services that leverage the proprietary development know-how that we have accumulated over the years, as well as by developing strategic measures to acquire new clients and expand points of contact with workers.	High	No specific period
Soundness of Platform On the platform we operate, the majority of clients have been large and middle-sized, but with the implementation of the smart account opening function (an account creation function that does not involve sales representatives for clients) in January 2023 and the full-scale launch of client marketing in FY23/10 4Q to acquire small-sized clients, the use of our services by small-sized clients has also been increasing recently. There is a risk that some of these small-sized clients may be companies attempting to use our services in an unauthorized way. In addition, our platform provides a function that allows workers to apply for jobs posted by clients. After working, clients and workers mutually evaluate each other and freely send information through review comments. However, there is a risk that job review comments may contain information that is untrue or defamatory. If we are unable to detect or discover fraudulent use of the service or inappropriate review comments promptly, we may suffer damage or be held liable. In addition, if our credibility as a service operator is damaged or our image deteriorates due to malicious word-of-mouth postings on the Internet, our business and earnings may be affected.	We have implemented the following measures to prevent unauthorized use of our services. ■ Preventing unauthorized companies from using the service - Re-confirmed the actual situation of existing companies and suspended the job postings of any companies that could not be confirmed. - New companies must submit official documents, etc. - If a new company has characteristics that match those of a suspended company, we will automatically suspend its account. ■ Preventing the posting of unauthorized job openings - We have recently established a system to check all job postings 24 hours a day, 365 days a year before they are published. - In case of any inappropriate job postings, we have a whistle-blowing hotline that allows workers to report to customer support immediately. ■ Protection of workers - We have created a system in which the worker's personal phone number, which is given to them as an emergency contact, is not disclosed until just before work. - We have also installed a whistle-blowing hotline in the message function between companies and workers, which can be used after matching - We also conduct educational activities for workers regarding unauthorized job openings. In addition, we monitor the review comments that are posted, and if we judge that the information is not true, slanderous, etc., we delete the content, etc., to maintain the soundness of the service. When a problem arises between a client and a worker, our customer support team will intervene and, after conducting interviews with both parties, will work to resolve the problem smoothly. If a client or worker repeatedly engages in problematic behavior, we may take measures such as suspending the client or worker who has engaged in problematic behavior.	High	No specific period

*1 For other risks, please refer to the Securities Registration Statement, etc.

Risks Related to Our Business and Countermeasures

Risks	Actions to Mitigate Risks	Likelihood of Occurrence	Time of Occurrence
Regulations The services provided by our "Timee" business are subject to legal regulations under the Labor Standards Act, the Employment Security Act, the Order for Enforcement of the Employment Security Act, and the Enforcement Regulations of the Employment Security Act. If we are unable to respond in a timely and appropriate manner to trends in regulatory authorities and revisions to existing laws and regulations, or if new regulations are enacted or revised concerning the industry in which we operate, our business and earnings could be affected.	We have established a system to comply with these laws and regulations by building an internal management system, etc. We also clearly state in our terms of use that we encourage our clients and workers who use our services to comply with these laws and regulations. In addition, we plan to respond appropriately to trends in regulatory authorities and revisions to existing laws and regulations.	Medium	No specific period
Impact of Business Expansion on the Balance Sheet We make advance payments of wages and other compensation to workers after their work is completed, and sell a portion of the client receivables associated with these advances to other debt collectors. As a result, our short-term borrowings to make advances increased significantly from 1,500 million yen at the end of the 6th fiscal year to 7,050 million yen at the end of the 7th fiscal year due to the recent rapid business expansion, while advances also increased significantly from 3,062 million yen at the end of the 6th fiscal year to 6,496 million yen at the end of the 7th fiscal year. The balance sheet has expanded rapidly. If interest rates rise or borrowings become difficult to procure due to changes in the financial situation, if fees charged by debt collectors are raised, or if some other event occurs that hinders the collection of advances to clients or proceeds from sales to debt collectors, our business and earnings could be affected.	We manage our business by paying attention to cash flow, for example, by entering into credit facilities with multiple banks so that we can secure the necessary funds. We also manage the risk of bad debts by thoroughly managing credit for new and existing clients to prevent bad debts from occurring and managing receivables.	Medium	No specific period
Recruitment and Training of Human Resources As we expand in the future, we believe it is important to build a strong organization by continuously hiring highly motivated and talented personnel who share our philosophy. Although we plan to actively recruit in the future, our business and earnings could be affected if we are unable to secure and train enough of the personnel we seek, especially engineers required for the development and introduction of new functions and enhancements to our platform, or if there is an exodus of human resources.	We will continue to create an environment in which the individual can challenge and grow through the growth of our business and build an attractive HR system so that our employees can have a comfortable and rewarding work environment.	Medium	No specific period

*1 For other risks, please refer to the Securities Registration Statement, etc.

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This material contains non-GAAP financial measures of us, including EBITDA and a breakdown of SG&A expenses. These non-GAAP financial measures should not be considered in isolation or as a substitute for the most directly comparable financial measures presented by Japanese GAAP or accounting principles generally accepted in other jurisdictions, including U.S. GAAP and IFRS. Our use, definition, and calculation of its non-GAAP measures may differ significantly from, and therefore may not be directly comparable to, similarly titled measures of other companies.

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