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To whom it may concern

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### **Frequently Asked Questions and Answers (January 2025)**

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

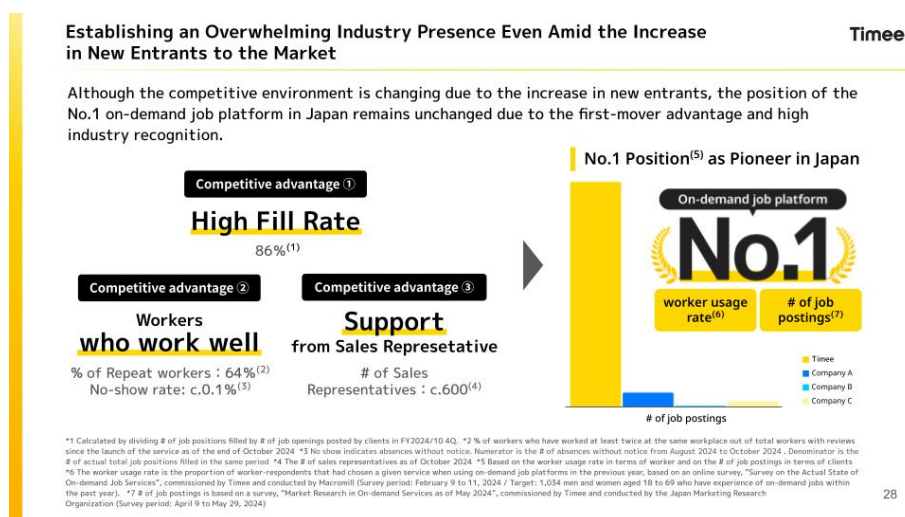
This disclosure is made for the purpose of enhancing information dissemination to investors and for fair disclosure. Although there may be some discrepancies in the content of responses due to time differences, the most recent responses are presented as Timee's most current policy.

## Q1. Is there any change in the competitive environment?

As an update from the FY24/10 3Q earnings report, DIP released “Spot Baitoru” in October 2024. In addition, we understand that Recruit Holdings commented at the earnings announcement briefing in November 2024 that the release of “Town Work Sukima”, scheduled for last autumn, would be postponed.

In terms of the competitive environment, we believe that our position as the No. 1 on-demand job platform in Japan is unassailable, as our competitive advantages of (1) high fill rate, (2) workers who work well, and (3) support from sales representatives remain unchanged.

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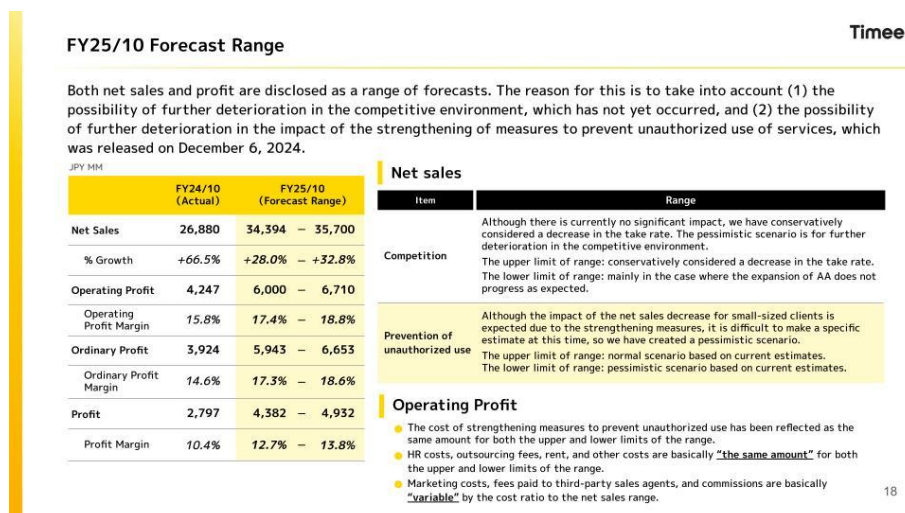


## Q2. How should we understand the upper and lower limits of the FY25/10 forecast range?

The upper limit of the range is based on the normal scenario. The lower limit of the range is set to take into account two downside risks: (1) further deterioration in the competitive environment, which has not yet occurred, and (2) further deterioration in the impact of the strengthening of measures to prevent unauthorized use of services.

Of the two downside risks, we estimate the intensification of the competitive environment to be relatively serious. Even at the upper limit of the range, we are assuming that the macroeconomic environment in 3Q-4Q of FY24/10 will continue, and we are not factoring in a recovery in the food industry, etc.

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**Q3. The FY25/10 forecast is based on the assumption that the average take rate will gradually decline in a conservative manner, but by how much is this decline factored in?**

Although we will not disclose specific figures, we do not expect to see a decline of a few percentage points, as the figures have remained stable at a high level up until now.

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FY25/10 Forecast — P/L and KPI Assumptions Summary		Timee	
KPI	Concept	Cost	Concept
<b>Average Take Rate</b>	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.	<b>HR (incl. hiring)</b>	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.
<b>Fill Rate</b>	Maintaining a high and stable level, mostly flat	<b>Worker/Client Marketing</b>	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.
<b># of AAs</b>	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.	<b>Others</b>	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.
<b>Transaction Volume per AA</b>	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).		

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**Q4. The impact of measures to prevent unauthorized use of services on the FY25/10 forecast is a decrease in Net Sales due to a deterioration in conversion for small-sized clients. What does this mean exactly?**

New companies are required to submit official documents when opening a Timee account. We expect that the additional step in the process of opening an account will lead to some new companies dropping out (= deterioration in conversion).

In addition, in FY25/10 we re-confirmed the status of existing companies and suspended job postings for companies that could not be confirmed, and we expect this to lead to a deterioration in conversion.

**Q5. How should we understand the investment in worker/client marketing in the FY25/10 forecast?**

The ratio of Net Sales will be decreased by a few percentage points from FY24/10. Each marketing cost is invested by balancing the ratio of workers and clients throughout the year, not every quarter, so the ratio of each cost will differ from the ratio of each quarter's actual results in FY24/10.

The following are assumptions about how costs will be used and profit levels in each quarter of FY25/10.

[1Q] Due to the busy season at the end of the year and the beginning of the year, we 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, we 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.

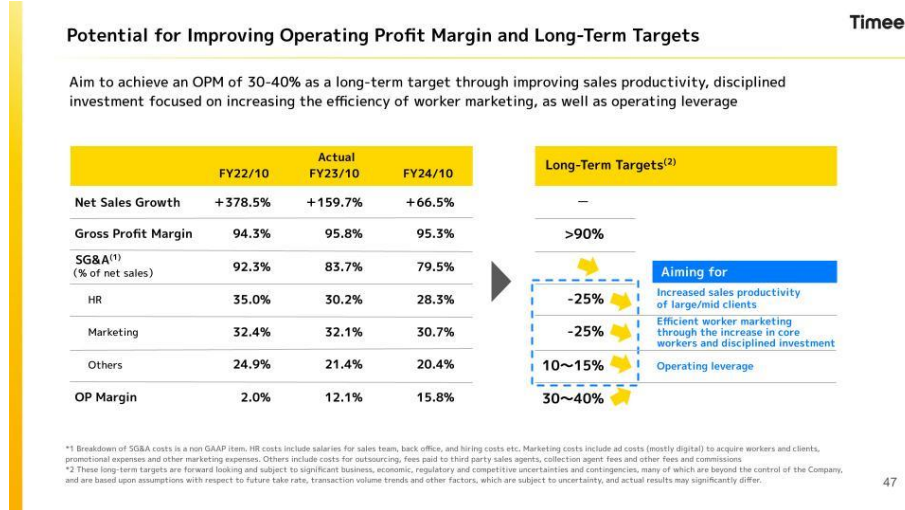
[2Q] It is the off-season, so marketing investment will be lower, resulting in an improvement of OPM.

[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.

**Q6. You have set a long-term target of 30-40% for OPM, but when do you think you will achieve this?**

The specific timing will not be disclosed. While it is possible to significantly increase the profit margin by reducing costs, our policy is to steadily increase profits and improve the profit margin by a few percentage points each year, while reinvesting in the business to achieve top-line growth.

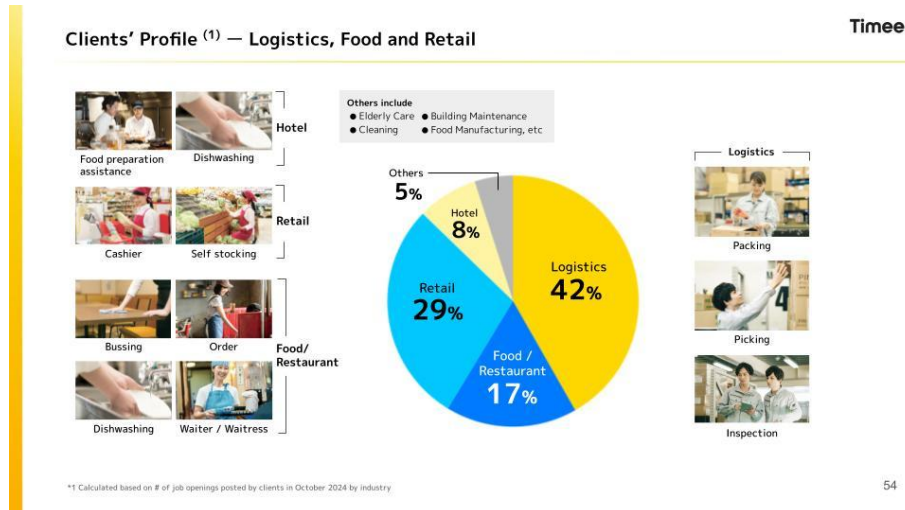
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**Q7. What is the breakdown of the other industries?**

Based on the number of job openings posted by clients for October 2024, approximately 13% of all jobs are in other industries. Of these, hotels account for approximately 8%, making up more than 60% of all jobs in other industries.

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Q8. How will changes in the policies regarding the 1.03 million yen wall (income tax) and the 1.06 million yen wall (social insurance) affect the Timee business?

As for the 1.03 million yen wall, we believe that there will be a positive impact. We expect that the reduction in the number of people holding back from working due to the 1.03 million yen wall will lead to an expansion of the labor market, and we believe that the number of people working at Timee, which is gaining recognition as a new way of working, will increase.

As for the 1.06 million yen wall, we believe that there will be almost no impact. The reason for this is that the lowering or removal of the annual income requirement (1.06 million yen) and company size requirement (51 or more employees) are part of the requirements for social insurance enrollment, and the requirement of 20 hours or more per week will still remain.

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Impact of Policies on Timee business <sup>(1)</sup>		Timee
<p><b>1.03 million yen wall (Income Tax)</b></p> <p><b>Overview</b></p> <p>If annual income is 1.03M yen or more</p> <ul style="list-style-type: none"> <li>Income tax is incurred (excl. students)</li> <li>Removed from tax dependents (there is a possibility that the amount of money per household will decrease)</li> </ul> <p><b>Recent Trends</b></p> <p>The LDP<sup>(2)</sup>, the KP<sup>(3)</sup>, and the DFPF<sup>(4)</sup> agreed on the content of a comprehensive economic stimulus package that includes a plan to raise the "1.03 million yen wall" (November 2024)</p> <p><b>Impact on business</b></p> <p>Positive</p> <ul style="list-style-type: none"> <li>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"</li> </ul>	<p><b>1.06 million yen wall (Social Insurance)</b></p> <p><b>Over view</b></p> <p>If annual income is 1.06M yen or more</p> <ul style="list-style-type: none"> <li>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)</li> </ul> <p><b>Recent Trends</b></p> <p>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)</p> <p><b>Impact on business</b></p> <p>Almost no effect (The requirement of 20 hours or more per week remains)</p> <ul style="list-style-type: none"> <li>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.</li> </ul>	<p><b>Minimum wage</b></p> <p><b>Impact on business</b></p> <p>Positive</p> <ul style="list-style-type: none"> <li>The hourly wage for the job on Timee must be at least the minimum wage.</li> <li>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.</li> <li>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)</li> </ul>

<sup>(1)</sup> Timee's opinion based on information as of December 12, 2024 <sup>(2)</sup> Liberal Democratic Party <sup>(3)</sup> Komeito <sup>(4)</sup> Democratic Party for the People

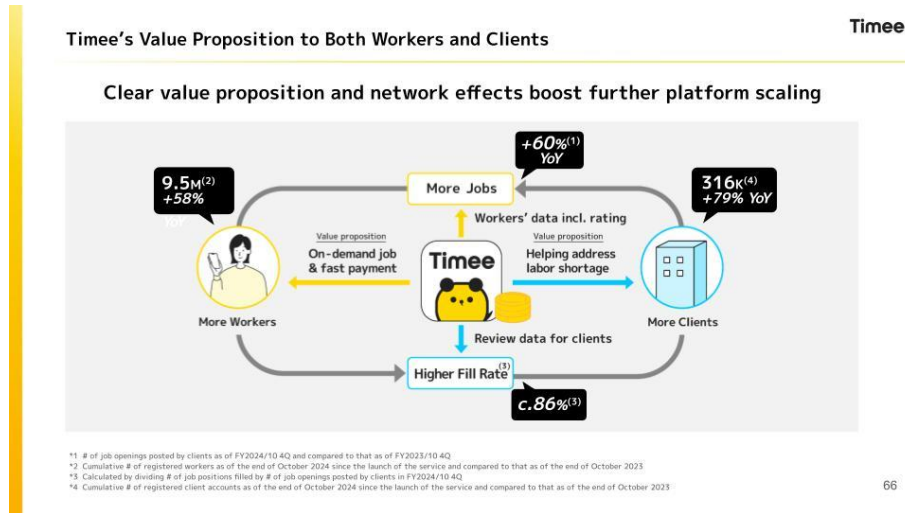
Q9. What were the numbers of registered workers, registered client accounts, and the accumulated number of workers with active history (Active workers) as of the end of FY24/10 4Q?

There are 9.5 million registered workers, 316 thousand registered client accounts, and 1,382 thousand accumulated active workers.

\*The figures above are disclosed in the Appendix to the “Presentation for FY2024.10 Full Year Financial Results (with Appendix)” on the company's website.

\*Furthermore, on January 8, 2025, it was disclosed that the number of registered workers had reached 10 million (as of December 2024).

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