LIKE, Inc.

Financial Results Briefing for the Fiscal Year Ended May 2024

July 17, 2024

*This transcript was edited from the original transcript provided by SCRIPTS Asia Inc.

Presentation

Operating Performance for
the Fiscal Year Ended May 31, 2024

July 17, 2024
LIKE, Inc.
TSE Prime
(Securities code: 2462)

Okamoto: Hello, everyone. I'm Okamoto, Founder, President and Group CEO of LIKE, Inc. Thank you very much for taking time out of your busy schedule to participate in LIKE, Inc.'s financial results briefing for the fiscal year ended May 2024 today. I would like to use this slide to explain the situation.

Contents

This is the table of contents of the materials. Company profile, followed by the consolidated financial results for the fiscal year ended May 31, 2024. I would like to explain our earnings forecast for the fiscal year ending May 31, 2025, our medium-term management plan, and shareholder returns, in that order.

Company overview

Name	LIKE, Inc.
Established	September 1993
Listing	Tokyo Stock Exchange, Prime Market Securities code: 2462
Representative	Yasuhiko Okamoto Representative Director, President and Chairman Group CEO
Capital	¥1,548 million
Business	Holding company that has under its umbrella operating companies that engage in following three businesses: • Child-Rearing Support Service • Comprehensive Human Resources Service • Nursing Care-Related Service
Employees	7,712 (including 2,378 temporary employees) (Consolidated basis as of May 31, 2024)
Group companies	Consolidated Subsidiaries LIKE Kids, Inc. LIKE Staffing, Inc. LIKE Care, Inc. LIKE Products, Inc.

Locations	Head office Shibuya Mark City West 17F, 1-12-1 Dogenzaka, Shibuya-Ku, Tokyo Osaka head office (based on Companies Act) 8-1 Kakuda-cho, Kita-Ku, Osaka	
Offices & facilities	Childcare facilities	414
	Nursing care facilities	25
	Sales bases for comprehensive human resources services	13

4

This is an overview of the Company. Our name is LIKE Inc., and we were established in September 1993. The Company is listed on the Tokyo Stock Exchange Prime. The securities code is 2462.

Our businesses include child-rearing support service, comprehensive human resources service, and nursing care-related services. There are 7,712 employees as of May 31, 2024. Of these, 2,378 are temporary part-timers, mostly child care workers and caregivers.

LIKE is a holding company, and its operating companies include LIKE Kids, Inc., LIKE Staffing, Inc., LIKE Care, Inc., and LIKE Products, Inc.

Our Tokyo headquarters is located inside Mark City in Shibuya, and most of our employees, including our senior management, are based here. Also, our registered head office is located on the 19th floor above the Hankyu Department Store in Osaka.

Regarding offices and facilities, as of the end of June, one childcare facility is no longer under contract, so we now have 413 locations. There are 25 nursing care facilities and 13 human resources service offices.

Business overview

LIKE

LIKE Kids	LIKE Staffing	LIKE Care
Childcare	**Human resources**	**Nursing care**
Childcare facility operations	Comprehensive human resources services	Nursing care facility operations
Over 11,000 children enrolled	Over 8,000 staff members	Over 1,400 residents
414 facilities	Over 550 client companies	25 facilities

**With people at the core of our business,
we offer childcare, human resources,
and nursing care services to all generations.**

This is an overview of our business. Under the holding company called LIKE, we have LIKE Kids, a childcare business. The number of children enrolled is more than 11,000. This is for childcare, and if after-school care etc. are included the number increases by another 5,000 to 6,000 children. The number of facilities was 414 at the end of the period.

We have a human resources business with a company called LIKE Staffing. As of the end of May, we had over 8,000 working employees and over 550 business partners.

We also have LIKE Care, a nursing care business, which operates nursing care facilities. There are more than 1,400 residents in 25 facilities.

We are expanding our business in childcare, human resources, and nursing care for all generations, with people at the core of our business.

Group Philosophy

...planning the Future

—Developing people and creating the future —

Aiming to become a corporate group that is truly indispensable at every stage of life

6

Let me explain our group philosophy. "...planning the Future —Developing people and creating the future—", this philosophy was established shortly after our founding, and we aim to become a corporate group that is truly indispensable at every stage of life.

Consolidated performance summary

Millions of yen	FY05/23	FY05/24	YoY	
			Change	% change
Net sales	60,015	60,469	+454	+0.8%
Operating profit	3,580	3,333	-247	-6.9%
Ordinary profit	4,255	3,953	-301	-7.1%
Profit attributable to owners of parent	2,568	2,447	-121	-4.7%

- Net Sales
  Sales in the Child-Rearing Support Service and Nursing Care-Related Service businesses grew YoY.
  Sales in the Comprehensive Human Resources Service business declined YoY.

- Operating profit
  Operating profit fell YoY despite a reduction in amortization of goodwill due to increased personnel costs, higher food costs caused by soaring prices, and the following factors:
  Childcare: Decline in deferred subsidies recorded in Q1
  Human resources : Risen cost of sales ratio

8

I will now explain the status of our consolidated business results for the fiscal year ended May 31, 2024. This is a financial results summary. Net sales totaled JPY60,469 million, an increase of JPY454 million YoY, for a ratio of 100.8%.

Operating profit was JPY3,333 million, down JPY247 million YoY. The ratio was 93.1%. Ordinary profit was JPY3,953 million, also down JPY301 million YoY, or 92.9%. Profit attributable to owners of parent was JPY2,447 million, also down JPY121 million, or 95.3%.

Net sales increased YoY in the childcare and nursing care businesses but declined YoY in the human resources service business. As a result, we fell far short of our plan.

Regarding operating profit, although the amortization of goodwill decreased due to the completion of the amortization of LIKE Kids, factors such as increased labor costs and increased food costs due to rising prices have resulted in a decrease in profits compared to the same period last year. Another major reason for the decrease in profit was the decrease in the amount of the deferred subsidies recorded in the first quarter of the fiscal year.

Regarding the human resources business, the cost ratio increased. This is due to the fact that the unit price paid for temporary staff has risen dramatically in recent years, so our cost rate is rising.

Results vs. forecast in FY05/24

Millions of yen	FY05/23 forecast	FY05/23 results	Vs. forecast	
			Change	% change
Net sales	63,300	60,469	-2,830	-4.5%
Operating profit	4,450	3,333	-1,116	-25.1%
Ordinary profit	5,200	3,953	-1,246	-24.0%
Profit attributable to owners of parent	3,450	2,447	-1,002	-29.1%

- Sales were substantially below the forecast in Comprehensive Human Resources Service
- Operating profit fell short of the forecast in addition to the following:
  Childcare: Increase in repair and other costs, delays in the recording of subsidies (¥179 million expected to be recorded in FY05/24)
  Human resources: Risen cost of sales ratio
- Ordinary profit was affected by lower -than-anticipated subsidy income for facility openings in Child-Rearing Support Service in FY05/24, due to the decreased number of licensed nursery openings compared to the planned number.

9

I will explain our results compared to the plan. The budgeted sales amount was JPY63,300 million, but the result was JPY60,469 million, which was JPY2,830 million, significantly less than the budget.

Operating profit, which was expected to be JPY4,450 million, was JPY3,333 million, which was 74.9% of the budget. Ordinary profit was also budgeted at JPY5,200 million, but was JPY3,953 million, or 76%. Net income landed at JPY2,447 million, compared to the planned JPY3,450 million, or 70.9%.

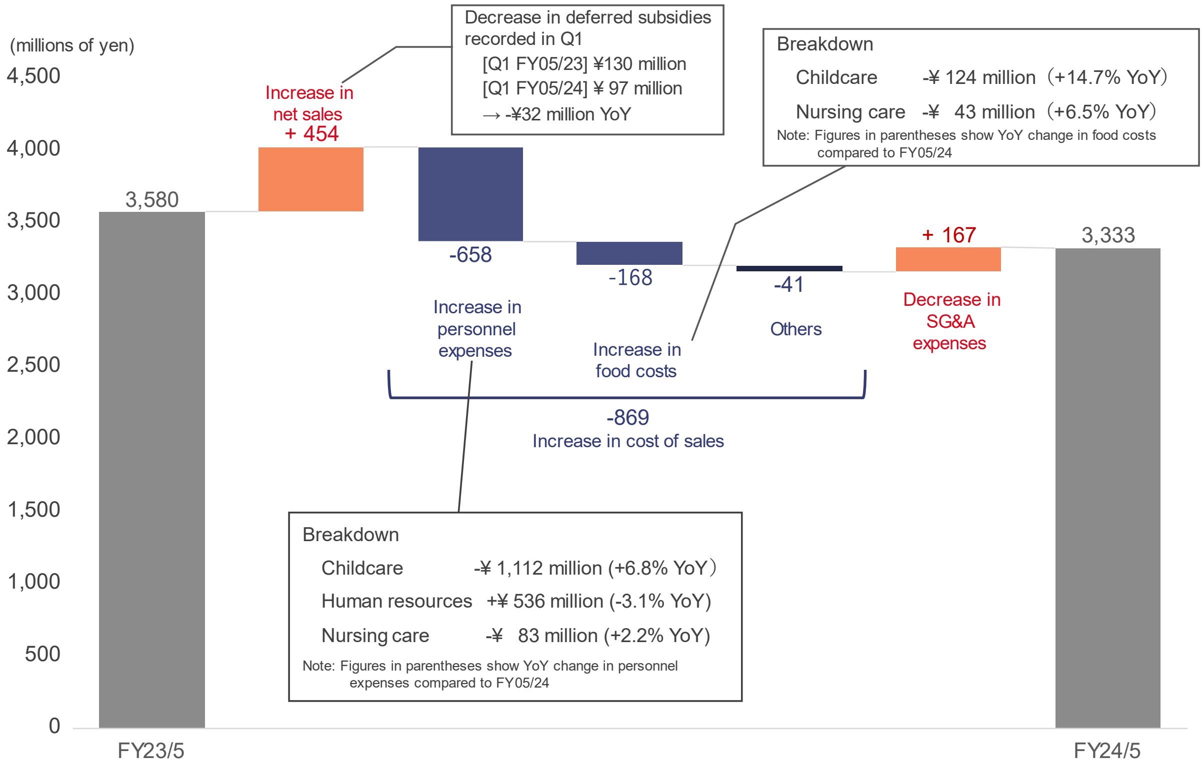
As I mentioned earlier, the biggest reason for the net sales was that we significantly underachieved our budget in the human resources business. In addition to the above, operating profit fell short of budget due to the following factors.

First, costs for facility repairs and other expenses increased. We have been actively opening licensed nursery schools and other facilities for more than five years now, and we have found that the cost of repairing air conditioning, kitchen equipment, flooring, etc. at these facilities is higher than we had expected, and this is something we had not fully anticipated in our budget.

In addition, there is a projected amount of JPY179 million that will be recorded as deferred subsidies in the fiscal year ending May 31, 2025. As I explained earlier, in the human resources business, I believe the main factor was the increase in cost rates due to the sudden increase in hourly wages paid to staff.

The main reason for the decrease in ordinary profit was that the number of licensed childcare facilities opened in the childcare business was lower than planned, resulting in lower income from facility subsidies in the fiscal year ended May 31, 2024, than originally planned.

Factors affecting operating profit



Notes: Consolidation adjustments to cost of sales are included in “Others.”
Food costs include expenses related to outsourcing cafeteria operations in facilities.

10

As for the explanation of the increase/decrease in operating profit, I would appreciate it if you could refer to this.

Operating expenses

Millions of yen	FY05/23 results		FY05/24 results		YoY	
	Amount	% of net Sales	Amount	% of net sales	Change	% change
Cost of sales	50,355	83.9%	51,224	84.7%	+869	+1.7%
SG&A expenses	6,079	10.1%	5,911	9.8%	-167	-2.8%
Personnel expenses	2,129	3.5%	2,162	3.6%	+33	+1.6%
Recruiting and education expenses	1,033	1.7%	953	1.6%	-80	-7.7%
Rent expenses on land and buildings	551	0.9%	550	0.9%	-0	-0.1%
Amortization of goodwill	443	0.7%	73	0.1%	-369	-83.4%
Other	1,921	3.2%	2,171	3.6%	+249	+13.0%
Operating profit	3,580	6.0%	3,333	5.5%	-247	-6.9%

The cost of sales ratio rose from 83.9% to 84.7%(+0.8pp YoY).

The rise was due to increases in personnel and food costs booked as cost of sales.

11

I will now move on to an explanation of operating expenses. Cost of sales. In the fiscal year ended May 2023, it was JPY50,355 million, and in the fiscal year ended May 2024, it increased by JPY869 million to JPY51,224 million. SG&A expenses decreased by JPY167 million from JPY6,079 million to JPY5,911 million.

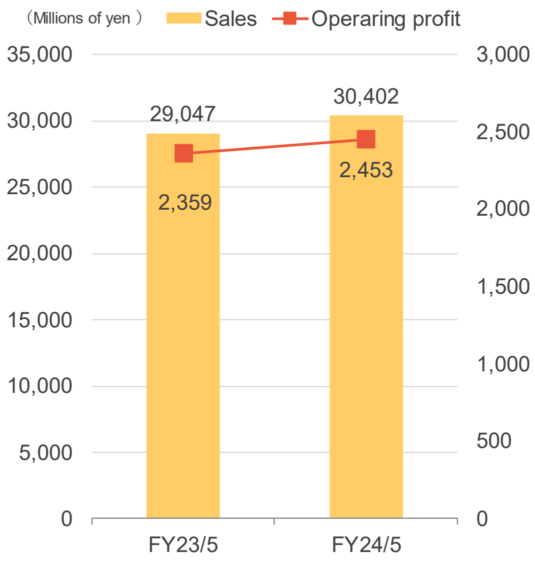
In terms of the breakdown of SG&A expenses, personnel expenses increased slightly. Regarding recruiting and education expenses, this is particularly the case for the human resources business, in the third and fourth quarters of the fiscal year ended May 2024, it was difficult to get a proper return on recruitment expenses and to secure the right personnel given the costs incurred, so we began to restrain these expenses. As a result, the expenses have decreased compared to the same period last year.

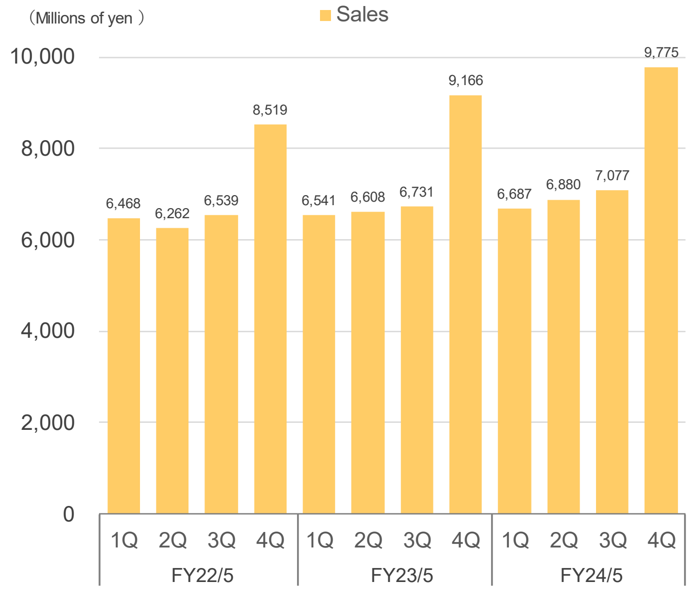
As for amortization of goodwill, the amortization of the former Success Holdings, the current LIKE Kids, has been completed, so goodwill has been significantly reduced. Other expenses increased about JPY250 million due to the costs of internal systems including digital transformation and so on.

As a result, operating profit decreased.

Performance by segment: Child-Rearing Support Service

- Sales up 4.7%, operating profit up 4.0%
- Sales and operating profit increased YoY as a drop in amortization of goodwill offset negative factors such as soaring food prices driven by soaring commodity prices. (FY05/23：¥441 million, FY05/24 : ¥73 million)





12

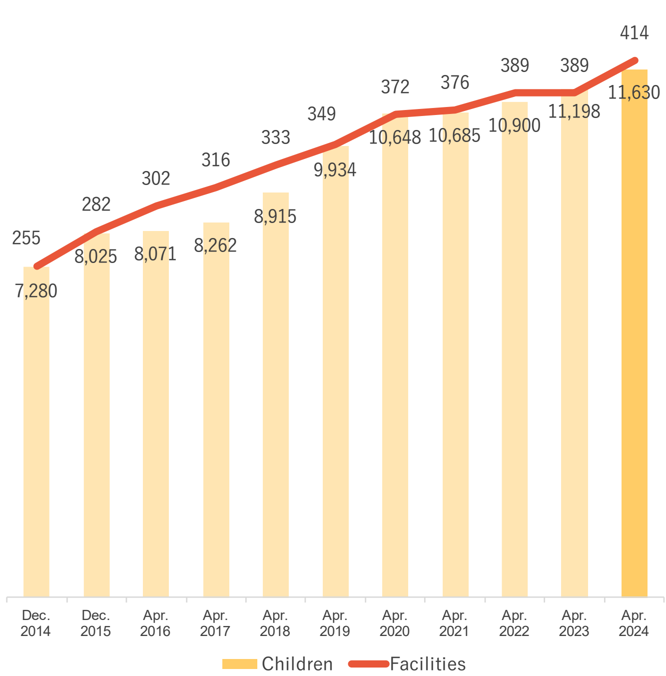
I will now explain the results by segment. First, Child Rearing Support Service. Net sales increased by 4.7%. Operating profit increased by 4%.

This too has been affected by rising prices more than we had anticipated. There was an increase in food costs and other expenses. In addition, the environment for recruiting childcare workers through traditional recruitment channels has changed, and many childcare providers, including our company, are now using recruitment agencies. We believe that the soaring per-person referral fees have had an impact on operating profit.

On the other hand, since the end of the fiscal year ended May 31, 2024, the Company has made a decision to focus again on direct recruitment and to stop using recruitment agencies. We expect to see significant effects from the fiscal year ending May 31, 2026, onwards.

Furthermore, even if we do use a recruitment agency, we would like to recruit in a planned manner and negotiate strongly with the recruitment agency to reduce referral fees.

Number of children and facilities: Child-Rearing Support Service



Note: The number of children does not include children enrolled in after -school clubs.
In addition, the number of children in outsourced childcare facilities changes daily.

Facilities by type

	Apr. 30, 2023	Apr. 30, 2024
Public childcare	256	280
Licensed nurseries	172	176
After-school clubs	84	104
Outsourced childcare	133	134
Nurseries at hospitals	115	115
Nurseries at offices and other institutions	18	19
Total	389	414

Scheduled facility openings for FY05/24
- Four licensed nurseries
- Twenty-one after-school clubs, etc.
- Eight outsourced childcare facilities

Note: Facilities opened through April 1, 2024

Breakdown of children

	Apr. 30, 2023	Apr. 30, 2024
Public childcare	9,447	9,826
Outsourced childcare	1,751	1,804
Total	11,198	11,630

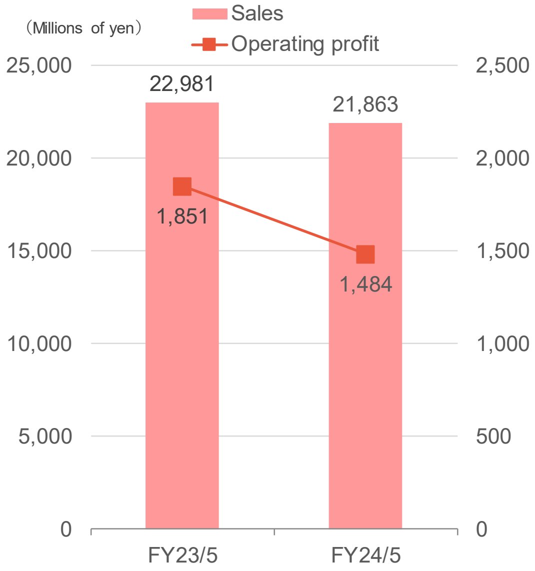
13

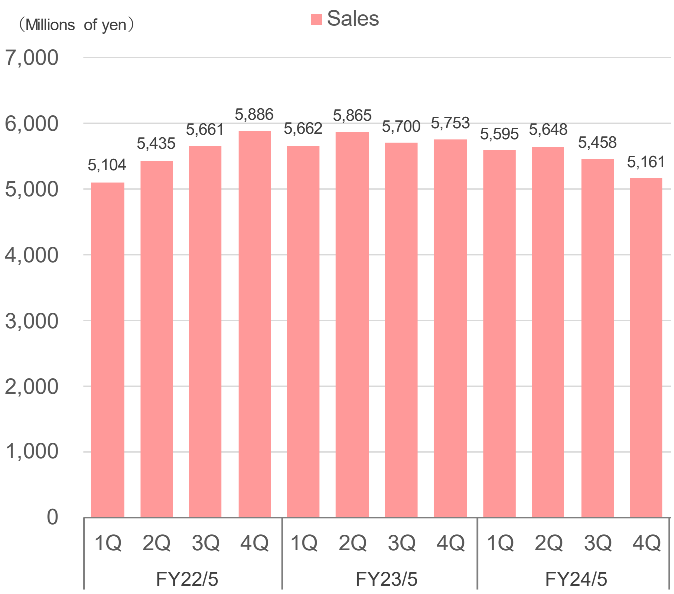
This is the trend for the number of children and facilities. At the end of the fiscal year ended May 2024, there were 414 facilities and 11,630 children.

The number of facilities is steadily increasing. The other day, the Nikkei newspaper reported in a large article that although new facilities have been built by local governments over the past year, they have not attracted as many children as expected. However, in anticipation of such a situation, we have been operating in the Tokyo metropolitan area, especially in Tokyo and Kanagawa, so we have not yet seen such a phenomenon in our new facilities. As in the past, the occupancy rate is naturally low in the first or second year after opening, but it has been increasing year by year.

Performance by segment: Comprehensive Human Resources Service

- Sales down 4.9%, operating profit down 19.8%
- Sales and operating profit declined YoY due to factors such as lower sales to the mobile phone and call center industries, and risen cost of sales ratio.





14

Next, I would like to explain our business performance for comprehensive human resources service. Net sales decreased by 4.9% and operating profit decreased by 19.8%.

As I will explain later, most of the decrease in sales was to the mobile industry, plus call centers. Sales to the mobile industry require a great deal of specialization and are therefore a highly profitable industry, so we believe that the decline in this area has had a direct impact on operating profit.

Sales by industry: Comprehensive Human Resources Service

Millions of yen	FY05/23	FY05/24	YoY Change	YoY % change
Mobile phone	11,442	9,771	-1,671	-14.6%
Logistics and manufacturing	7,600	8,713	+1,113	+14.7%
Call center	2,417	2,045	-371	-15.4%
Childcare	415	431	+16	+4.0%
Nursing care	97	79	-18	-18.6%
Construction	270	270	+0	+0%
Others	737	550	-186	-25.3%
Total	22,981	21,863	-1,117	-4.9%

■ Mobile phone

Personnel demand from home electronics mass retailers increased. However, sales to distributors and telecom carriers declined.
（home electronics mass retailers : +¥ 205 million, Distributors : -¥ 510 million, Telecom carriers : -¥ 1,501 million)

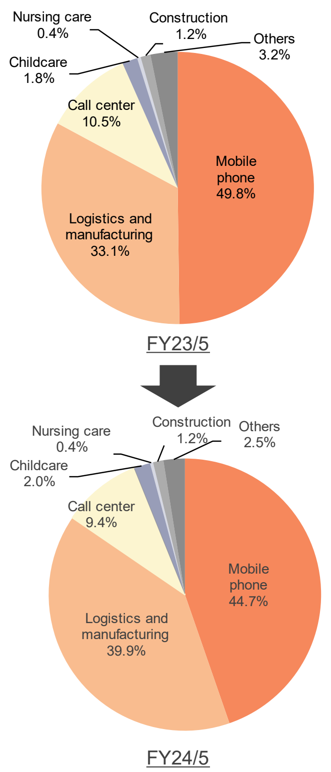
■ Logistics and manufacturing

Personnel demand at large logistics facilities remained at high levels.

■ Sales to Group companies

Sales to LIKE Kids : ¥269 million （-¥12 million YoY）
Sales to LIKE Care : ¥267 million （-¥41 million YoY）

Sales composition



15

By industry, sales to the mobile industry decreased from JPY11,442 million to JPY9,771 million, a decrease of JPY1,671 million. Of this, approximately JPY1,200 million was to Rakuten and JPY450 million was to KDDI, and the decrease in sales to these two companies was almost the entire reason for the decrease in sales. In the case of Rakuten, we made a comprehensive judgment and decided to end our business relationship with them in December of the fiscal year ended May 2023, but in the case of KDDI, they have been making various efforts, and many of their employees have been directly hired, which has resulted in a decrease in our business.

Sales to call center also decreased by about JPY370 million, and within these call centers, sales to telecommunications carriers.

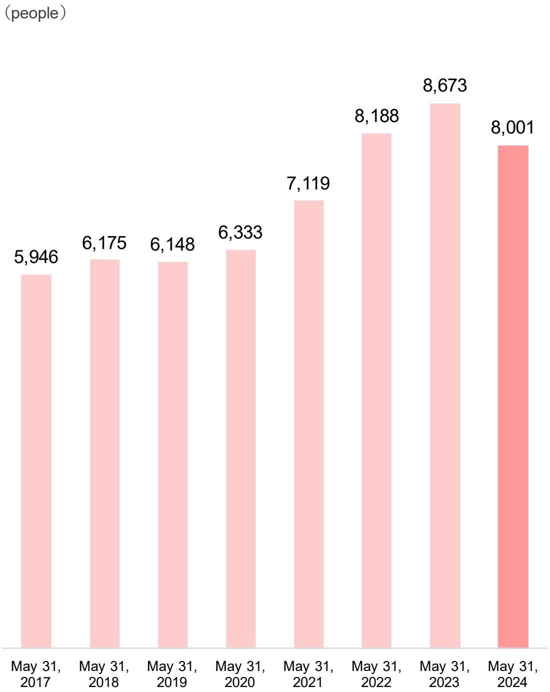
Sales to telecommunications carriers and primary distributors are struggling, but, on the other hand, demand from home appliance retailers for mobile sales and other services is very strong. As noted below, there was a JPY200 million increase in sales to home electronics mass retailers; however, we were unable to absorb JPY500 million from agencies and JPY1,500 million from carriers. In this fiscal year ending May 2025, we will focus more on personnel introduction and dispatch services for home appliance retailers, and as for carriers, the largest carrier has made significant changes, so I think this will be a positive thing for us.

There remains a high demand from logistics and manufacturing industries, and we are able to adequately secure the necessary personnel. We intend to further expand this area in the fiscal years ending May 2025 and May 2026.

Finally, sales to group companies were JPY269 million for LIKE Kids and JPY267 million for LIKE Care, both slightly down from the same period last year. As a company, we believe that sales to group companies has decreased slightly because of our efforts to be proactive in supplying personnel to other companies in the same industry rather than simply supplying personnel to group companies.

Dispatched staff: Comprehensive Human Resources Service

Dispatched staff



Dispatched staff by industry

People	May. 31, 2023	May. 31, 2024
Mobile phone	2,137	1,802
Logistics and manufacturing	5,152	5,295
Call center and others	1,057	640
Childcare	217	183
Nursing care	62	49
Construction	48	32
Total	8,673	8,001

Note: From Q2 FY05/24, some dispatched staff previously included in "Call center and others" have been reclassified to "Logistics and manufacturing." Figures for previous fiscal years are based on the previous classification.

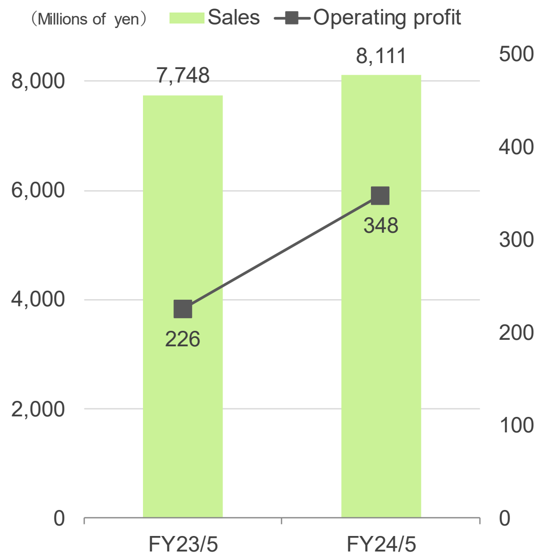
16

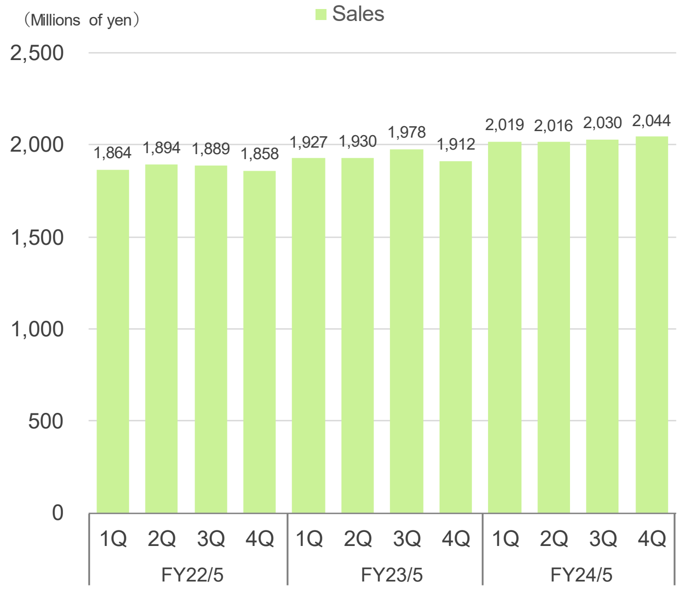
To explain the number of active staff, the number of staff at the end of May 2024 was unfortunately about 700 fewer than at the end of May 2023. In the past, the number of active staff has been increasing at the end of each fiscal year, but it has finally started to decline.

As you can see from the table on the right, the main reason for this was that demand from the mobile industry has decreased and we have been unable to cover it elsewhere.

Performance by segment: Nursing Care-Related Service

- Sales up 4.7%, operating profit up 54.0%
- Sales and operating profit increased YoY owing to a revision of service fees, and the recording of subsidies related to rising prices.





17

Now, let me explain the sales by segment for Nursing Care-Related Service. Net sales were up 4.7% and operating profit was up 54%.

During the fiscal year ended May 2024, we revised the fees. Since we could not fully absorb the increases in utility and food costs in our profits, we raised the monthly fees for all facilities. Fortunately, we have just over 1,400 residents, and with everyone’s understanding, we were able to raise prices all at once.

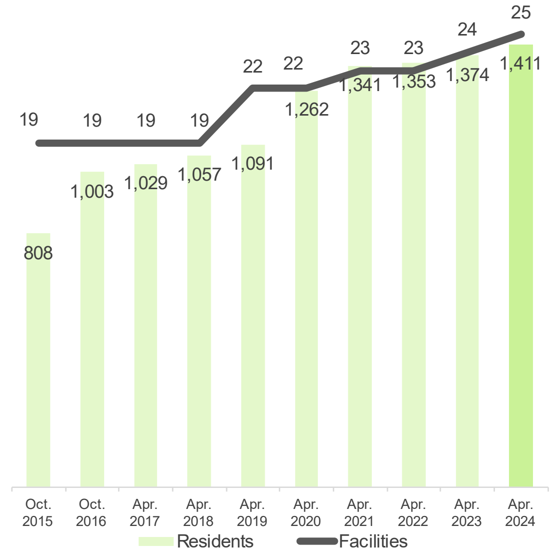
However, the price increase was not enough to absorb all our increased costs, and it is true that we have had to bear some of the costs.

The reason for the increase in profits, however, was that the number of new residents at existing facilities, including the newly built facilities, has been lower than we had expected. When it comes to finding residents, we rely heavily on referral agencies, so a decrease in the number of new residents means a decrease in payments to those referral agencies. Profits have increased, but it is not a healthy increase in profits, but rather a result of occupancy rates that did not meet our expectations.

The most important factor in this business is how to secure a high occupancy rate over the long term, and we are developing this business with the aim of achieving a high occupancy rate in the fiscal year ending May 2025.

Residents, facilities, and occupancy rates: Nursing Care-Related Service

Number of residents and facilities

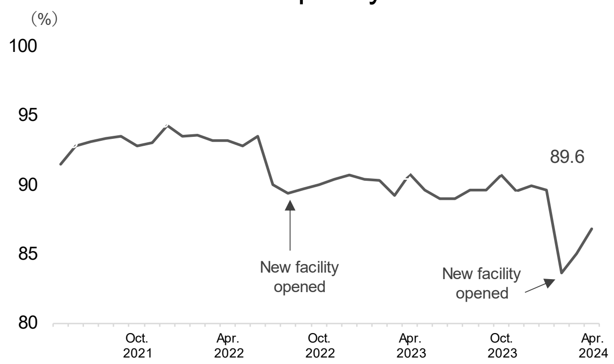


Note: In Q4 FY05/23, the Company changed the method of counting facilities, e.g., excluding day service centers that also functioned as paid nursing homes. The revised counting method has been retroactively applied to previous fiscal years.

[Newly opened facilities]
February 2024: Ferie-de Kami-igusa (102 rooms; Suginami-Ku, Tokyo)

[Facility scheduled for opening]
February 2025:Sunrise Villa Kasukabe-higashi (72 rooms; Kasukabe-Shi, Saitama)

Occupancy rates



Note: Includes newly opened facilities

Facility breakdown

Assisted-living nursing home	19
Residence-type nursing home	4
Serviced housing facility for seniors	2
Group home	1
Day service center	1

Notes: Assisted-living nursing homes include a new facility opened in February 2024.
Two facilities that serve as both assisted-living nursing homes and serviced housing facilities for seniors are counted as one assisted-living nursing home and one serviced housing facility for seniors.
There are two more day service centers in addition to the above that also function as residence-type nursing homes.

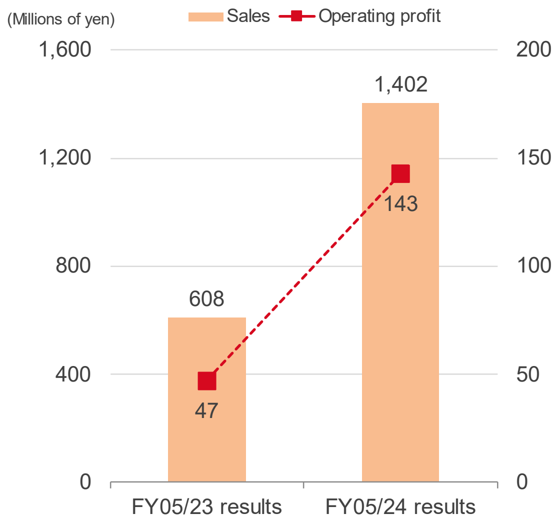
18

The table shows the number of residents, facilities, and occupancy rates, and there were 25 locations at the end of April 30, 2024. In February 2024, we opened Ferie-de Kami-igusa, a large facility for our company with 102 rooms. As you can see from the occupancy rate trends on the right, there was a sharp drop in occupancy rates at one point. However, occupancy rates at Ferie-de Kami-igusa and Sunrise Villa Kotake Mukaihara, which we opened before that, are currently rising, although they are still lower than expected. The overall rate is now 86.8%.

We expect the possibility that Sunrise Villa Kotake Mukaihara, which opened earlier than Ferie-de Kami-igusa and initially struggled, will be able to achieve 90% occupancy rate by the end of the current fiscal year.

Sunrise Villa Kasukabe-higashi is scheduled to open in February 2025. We already have two locations in the Kasukabe area that have been very well received and there are waiting lists, so we think we can get off to a rocket start in Kasukabe-higashi.

Other business: LIKE Products



Note: Sales and operating profit include intra -group transactions.

Sales breakdown

Millions of yen	FY05/23 results	FY05/24 results
Internal	582	1,311
External	25	91
Total	608	1,402

Service

- For business operators
  Goods sales and service provision to facility operators
  Ex) sales of food ingredients and consumables, provision of back office system services
- For consumers
  Goods sales, service provision
  Ex) sales of childcare-related goods, provision of educational contents and subscription services

Initiatives

- Target number of partner facilities by FY05/27: 600
- Started operation of the child -rearing support platform "nanapocke cheer."
  First, provide child -rearing support services for users of group company facilities.
- Launched a B2B business and began operating business process outsourcing (BPO) projects The Company also began selling goods to business operators, with the aim of expanding various transactions.
- Conducted test sales in the B2C business
  To enhance services, LIKE aims to increase the number of partner business operators.

19

In other business, we have LIKE Products. We established this business to sell products to our stakeholders, such as parents of preschool children, grandparents, and so on.

These sales to the group companies amounted to about JPY1,300 million, which is almost nothing, since it is a consolidated group offset. Ingredients for group companies, which were previously procured separately by group companies, with LIKE Kids for LIKE Kids and LIKE Care for LIKE Care, etc., are now consolidated by LIKE Products, which allows us to reduce costs.

We have about JPY90 million in external sales, which comes from the sale of photographs, and from contracting with a nursery school operator that is smaller in scale than our company to run its back-of-house operations. Once we have gained a certain level of experience, we are planning to sell more to other companies in the same industry. Perhaps in a few years, we believe that sales and profits for external parties other than group companies will stand up considerably as LIKE Products.

FY05/24 consolidated earnings forecast

Millions of yen	FY05/24 results		FY05/25 forecast		YoY	
	Amount	% of net sales	Amount	% of net sales	Change	% change
Net sales	60,469	100.0%	63,000	100.0%	+2,530	104.2%
Child-Rearing Support Service	30,402	50.3%	31,800	50.7%	+1,397	104.6%
Comprehensive Human Resources Service	21,863	36.2%	22,300	35.8%	+436	102.0%
Nursing Care-Related Service	8,111	13.4%	8,800	14.0%	+688	108.5%
Other	92	0.2%	100	0.2%	+7	108.4%
Operating profit	3,333	5.5%	3,350	5.3%	+16	100.5%
Ordinary profit	3,953	6.5%	4,000	6.3%	+46	101.2%
Profit attributable to owners of parent	2,447	4.1%	2,500	4.0%	+52	102.1%
Earnings per share (yen)	127.55	—	130,28	-	+2.73	-

21

I will now explain the consolidated earnings forecast for the fiscal year ending May 2025. Net sales are projected to be JPY63,000 million, an increase of JPY2,530 million compared to the fiscal year ended May 2024. This includes an increase of JPY31,800 million, or JPY1,397 million, for child-rearing support service. Comprehensive human resources service is JPY22,300 million, also a JPY436 million increase. Nursing-care related service is JPY8,800 million, an increase of JPY688 million.

In the area of child-rearing support service and nursing-care related service, we believe that if we properly operate and manage the facilities that we have opened in the past, children will come to these facilities and residents will move in, and we will be more likely to meet the budget.

We are considering an increase of about JPY400 million for the comprehensive human resources service, and we think that the mobile area almost bottomed out in the last fiscal year. We believe that the needs of our clients will increase from the fiscal year ended May 2024, but on the other hand, what we are concerned about is to secure excellent human resources and the cost of recruitment.

So, we are making a different effort from the fiscal year ended May 2024, which is to use “expert position employees” in our human resources service. Even though we are in a seller's market, there are many people who graduate from university or vocational school without having found work.

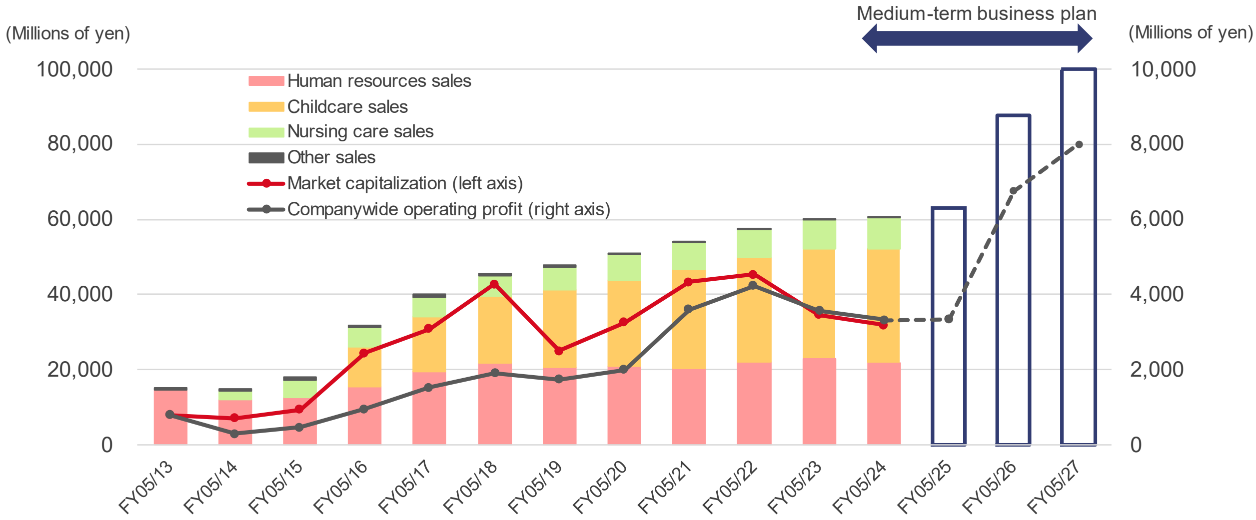
In the past, such people stayed in school or worked part-time, but we hire them, and over the course of three to four years, we raise their awareness of and experience in working, and then introduce them to other companies as second-time graduates or hire them for career-track positions and area-specific general positions.

We had been doing it in the past, but we did not put that much effort into it. The main reason we have not focused on this is that we have been able to hire temporary workers by simply posting job ads, but we have found that spending money on recruitment through recruitment agencies, as in the past, is not producing satisfactory results. Therefore, we have formed proper alliances with universities and vocational schools, and have them provide introductions to us, so that we can ensure that we have a certain number of such people.

First, for example, from April 2025, we are planning to take people hired as “expert position employees” and have them work in the highly specialized mobile industry or the construction industry.

We are sowing various seeds for the fiscal year ending May 2025, and actively work on overseas human resources in both Vietnam and Indonesia, so we understand that this is a period of such investment. As a result, sales are expected to increase by about JPY2,500 million, but we are forecasting that operating profit and ordinary profit will increase only slightly.

Consolidated operating performance and Medium-term business plan



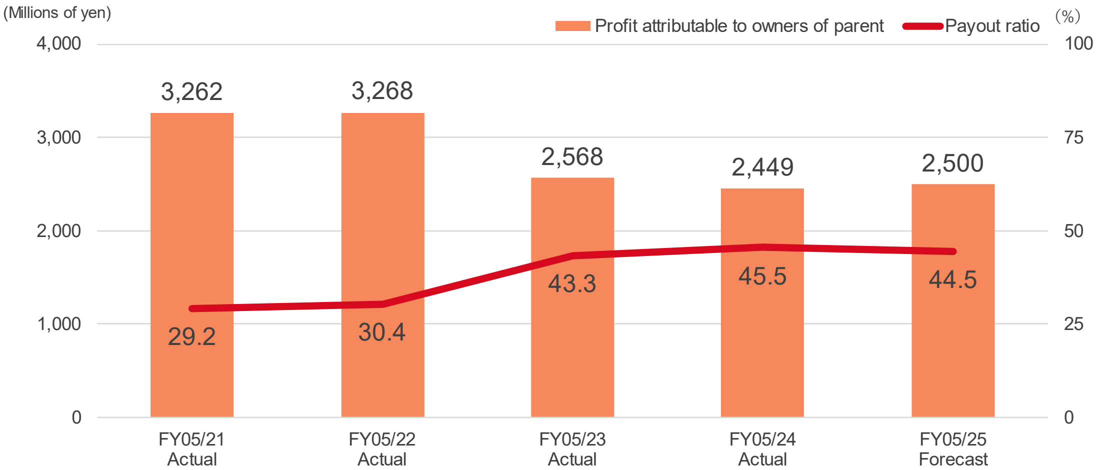
FY05/27 net sales target: **¥100 billion**

FY05/27 operating profit target: **¥8 billion**

23

This is the medium-term management plan. This is nothing different from the previous version. For now, we would like to aim for JPY100 billion and JPY8 billion, including M&A. Looking at the current progress, it is true that the situation is quite severe.

Dividends and payout ratio



Yen	Interim	Year-end	Annual
FY05/21 actual	15	35	50
FY05/22 actual	26	26	52
FY05/23 actual	26	32 Incl. ¥5 commemorative dividend	58 Incl. ¥5 commemorative dividend
FY05/24 actual	29	29	58
FY05/24 forecast	29	29	58

Dividend policy

- Payout ratio target: approx. 30%
- Two dividends per year (interim and year-end)

25

Lastly, I would like to talk about shareholder returns. As for the dividend and dividend payout ratio, the dividend for the fiscal year ended May 31, 2024, is JPY29 per share and JPY29 per share, for an annual dividend of JPY58 per share. For the current fiscal year ending May 2025, we plan to pay dividends of JPY29 and JPY29, totaling JPY58.

Shareholder benefit program

LIKE Premium Shareholder Benefits Club

- Objective
  Increase the number of shareholders with longer-term holdings
- Eligible people
  Shareholders who hold at least 300 shares of the Company and are listed or recorded in the shareholder register as of May 31 each year.
- Shareholder benefits
  Shareholders can redeem their benefit points for more than5,000 items, including food, electronic appliances, gifts, and sundry goods, on the exclusive shareholder website (https://like.premium -yutaiclub.jp)

Number of shares held	Shareholding period		
	Less than one year	Over one year	
300–399	5,000 points	5,000 points	(±0 points)
400–499	8,000 points	8,000 points	(±0 points)
500–599	12,000 points	15,000 points	(+3,000 points)
600–699	15,000 points	18,000 points	(+3,000 points)
700–799	18,000 points	21,000 points	(+3,000 points)
800–899	21,000 points	25,000 points	(+4,000 points)
900–999	25,000 points	30,000 points	(+5,000 points)
1,000–1,999	30,000 points	40,000 points	(+10,000 points)
2,000–2,999	60,000 points	75,000 points	(+15,000 points)
3,000 or more	80,000 points	100,000 points	(+20,000 points)

26

This is a measure for individuals, and we have implemented the LIKE Premium Shareholder Benefits Club. As a result, the number of individual investors has increased dramatically. To meet the expectations of such individual investors, we would like to work together as a team to not only provide benefits and dividends, but also to increase our stock price by improving our performance.

The forward-looking statements, including earnings forecast, contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ materially due to a variety of factors.

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This concludes my explanation. Thank you very much for taking time out of your busy schedules to join us today. I will now close the meeting.

[END]

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Document Notes

1. *Portions of the document where the audio is unclear are marked with [Inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*