

1. Overview of Operating Results

(1) Operating Results

In the fiscal year ended May 31, 2024, the Japanese economy was anticipated to remain on a gradual recovery trajectory supported in part by the effects of various government initiatives against a backdrop of improving employment and income conditions. However, deteriorating overseas economies due to global monetary tightening among other factors have raised the risk of downward pressure on the Japanese economy. In this challenging environment, the LIKE Group must continue to pay close attention to the impact of price increases, fluctuations in financial and capital markets, and other factors.

The Group's businesses are closely related to social issues such as nursery waiting lists, participation of women in the workforce, labor shortages, the creation of employment, and circumstances that require workers to leave their jobs to care for elderly family members. In response to these challenges, we strive to consistently achieve customer satisfaction in our operations, leading to spontaneous expressions of gratitude that reflect fulfillment with the Group as the chosen service provider. Based on our Group philosophy of "...planning the future: developing people and creating the future," we will continue to focus on increasing the working population in an aging society with a declining birthrate and provide high-quality services in each of the Group's businesses in order to become an indispensable corporate group at every stage of life, thereby contributing to the realization of a sustainable society.

As a result, net sales in the fiscal year ended May 31, 2024 were ¥60,469 million (+0.8% year on year), operating profit was ¥3,333 million (-6.9%) due to increased personnel expenses and soaring food ingredient prices, ordinary profit was ¥3,953 million (-7.1%), and profit attributable to owners of parent was ¥2,447 million (-4.7%).

Segment Results

Child-Rearing Support Service Business

According to the Prompt Vital Statistics Report (preliminary data for December 2023) released by the Ministry of Health, Labour and Welfare (MHLW) in February 2024, the number of births in 2023 declined further from the 770,759 recorded in the previous year to 758,631, marking the lowest level since the survey began.

However, the number of latent children on waiting lists (the number of children seeking childcare services that do not appear on waiting lists) totaled 66,168, and the number of children on waiting lists for after-school clubs reached 16,276 as of May 1, 2023, up 1,096 year on year. This indicates that the waitlist issue remains serious, particularly in the Tokyo metropolitan area. In addition, the rising employment rate of women implies that the demand for childcare services is likely to remain high in major metropolitan areas, making the promotion of various measures to ensure the availability of childcare services a pressing issue. The Japanese government approved the Children's Future Strategy at a Cabinet meeting held in December 2023, toward implementing "unprecedented measures" to tackle the country's declining birthrate. Specifically, the government announced its plan to increase childcare allowances, establish the Nursery for All Children (tentative) program that allows all parents and guardians to use childcare services regardless of their eligibility (e.g., employment status and the number of working hours), improve staffing standards, and increase compensation for childcare workers. Through these initiatives, the government is expected to further bolster countermeasures for the declining birthrate at the national level.

Against this backdrop, in addition to opening private licensed nurseries, consolidated subsidiary LIKE Kids, Inc. has made efforts to improve the availability of childcare from various angles by operating nurseries established by local governments, opening new nurseries in large development projects led by real estate developers, operating on-site childcare facilities including company-run nurseries located at hospitals, companies, and universities, and operating after-school clubs and children's centers on behalf of local governments. At the same time, we have focused on recruiting excellent nursery teachers to ensure the quality of our childcare services by working closely with our consolidated subsidiary, LIKE Staffing, Inc.

Further, as of April 1, 2024, the number of facility openings during the fiscal year under review totaled 33, including four licensed nursery schools, eight on-site childcare facilities, and 21 after-school clubs and children's centers.

As a result, net sales in the fiscal year ended May 31, 2024 totaled ¥30,402 million (+4.7% year on year), and operating profit was ¥2,453 million (+4.0%) due to a drop in amortization of goodwill, despite higher personnel and food costs.

Comprehensive Human Resources Service Business

Securing human resources is an important management issue in our main business domains, which can be described as social infrastructure, as the working population shrinks in Japan due to declining birthrates and an aging population.

Accordingly, consolidated subsidiary LIKE Staffing, Inc. engaged in proactive sales activities to increase working populations in the business domains of mobile phone, logistics and manufacturing, call center, childcare and nursing care, and construction industries.

In the mobile phone industry, while personnel demand from electronics mass retailers—the epicenter of competition for customers among telecom carriers—increased, it was not enough to compensate for the decline in personnel demand at carrier shops, such as those operated by primary distributors. Sales in the logistics industry grew in response to strong demand for human resources as large logistics facilities began operations one after another across Japan to support the expanding e-commerce market. In the childcare and nursing care industries, where human resource shortages are increasing, we are reviewing our in-house sales system, promoting measures to optimize recruiting channels, and linking the facilities management expertise of consolidated subsidiaries LIKE Kids, Inc. and LIKE Care, Inc. with recruitment capabilities to strengthen our staffing and placement services.

In addition, we continued to work on expanding our services for the construction industry and our employment support services for foreign nationals with the aim of developing them into our next growth drivers.

To ensure the availability of services for the construction industry, which continues to incur sweeping impact from Japan's aging population, we are recruiting construction managers, site supervisors (assistants), on-site administrative staff, and building information modeling (BIM) and computer-aided design (CAD) operators. In addition, we are creating new value by offering our full-time employees serving as “experts” in the mobile phone industry a new career in the construction industry as a construction manager to encourage them to reskill while at the same time matching these expert employees with our clients' recruiting needs. Further, through aggressive sales activities, we are steadily cultivating new clients, and the number of inquiries from companies seeking human resources is on the rise.

Regarding employment support services for foreign nationals, the demand for human resources in various industries has been steadily improving as the economy shows signs of recovery. In addition, we have actively pursued sales efforts in the nursing care industry, which we had initially planned, as well as in the building cleaning, restaurant, accommodation, and food and beverage manufacturing industries. At the same time, we are also working to create comfortable work environments, including support for daily life, to ensure that more companies will be able to accept these workers effortlessly.

As a result, net sales in the fiscal year ended May 31, 2024 totaled ¥21,863 million (-4.9% year on year) due to a drop in sales to the mobile industry and operating profit was ¥1,485 million (-19.8%) due to a rise in personnel expenses.

Nursing Care-Related Service Business

In the Nursing Care-Related Service business, consolidated subsidiary LIKE Care, Inc. operates assisted-living nursing homes and other nursing care facilities in the metropolitan area of Kanagawa, Tokyo, and Saitama, where large numbers of people aged 65 or older reside. Taking advantage of their partnerships with medical institutions, many of these facilities provide end-of-life care with round-the-clock nursing support, providing living quarters to individuals who are in need of intensive nursing care and for whom providing care at home is prohibitively difficult.

Further, following the opening of Sunrise Villa Kotake Mukaihara in July 2022, LIKE Care opened Ferie-de Kami-igusa (102 rooms) in Suginami-ku, Tokyo in February 2024, bringing the total number of facilities in operation to 25.

As a result, net sales in the fiscal year ended May 31, 2024 totaled ¥8,111 million (+4.7% year on year), and operating profit was ¥348 million (+54.0%) due to a smaller cost burden for newly opened facilities during the fiscal year under review than in the previous fiscal year.

(2) Financial Position

As of May 31, 2024, total assets stood at ¥38,503 million, down ¥951 million from May 31, 2023. Total net assets amounted to ¥16,815 million, up 1,341 million. The shareholders' equity ratio increased 4.5 percentage points from May 31, 2023 to 43.7%.

Current assets

Current assets as of May 31, 2024 came to ¥16,605 million, down ¥1,167 million from May 31, 2023. This was mainly due to a decline in cash and deposits of ¥1,230 million resulting from the repayment of borrowings.

Non-current assets

Non-current assets as of May 31, 2024 amounted to ¥21,897 million, up ¥216 million from May 31, 2023. This mainly reflected a ¥247 million increase in property, plant and equipment following new nursery openings in the Child-Rearing Support Service business, which was partially offset by a ¥73 million decrease in amortization of goodwill.

Current liabilities

As of May 31, 2024, current liabilities stood at ¥11,019 million, down ¥4,169 million from May 31, 2023. This was attributable primarily to a ¥3,654 million decrease in current portion of long-term borrowings and a ¥228 million decrease in income taxes payable.

Non-current liabilities

Non-current liabilities as of May 31, 2024 amounted to ¥10,667 million, up ¥1,877 million from May 31, 2023. This was due to an increase in long-term borrowings of ¥1,598 million and an increase in asset retirement obligations of ¥384 million.

Net assets

Net assets as of May 31, 2024 totaled ¥16,815 million, up ¥1,341 million from as of May 31, 2023. This mainly reflected the booking of ¥2,447 million in profit attributable to owners of parent and ¥1,170 million in dividends paid.

(3) Overview of Cash Flows

As of May 31, 2024, cash and cash equivalents amounted to ¥9,439 million, down ¥1,210 million from May 31, 2023. Cash outflows resulting from the purchase of property, plant and equipment and repayments of long-term borrowings exceeded cash inflows, including the booking of profit before income taxes.

Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥3,637 million (-24.2% year on year). Primary sources of cash included ¥3,808 million in profit before income taxes, ¥1,404 million in depreciation, and ¥73 million in amortization of goodwill, while the main use of cash was ¥1,598 million in income taxes paid.

Cash Flows from Investing Activities

Net cash used in investing activities came to ¥1,432 million (-3.0% year on year). The main use of cash was ¥1,367 million for the acquisition of property, plant and equipment associated with new nursery openings in the Child-Rearing Support Service business.

Cash Flows from Financing Activities

Net cash used by financing activities amounted to ¥3,414 million (+4.3% year on year). The main use of cash was ¥3,055 million in repayment of long-term borrowings and ¥1,169 million in dividends paid.

(Reference) Cash Flow Indicators

	Year ended May 31, 2020	Year ended May 31, 2021	Year ended May 31, 2022	Year ended May 31, 2023	Year ended May 31, 2024
Shareholders' equity ratio (%)	25.3	31.7	35.6	39.2	43.7
Shareholders' equity ratio on a market value basis (%)	76.7	107.7	107.8	82.3	77.5
Ratio of interest-bearing debt to cash flow (years)	5.0	3.0	3.5	3.0	3.4

Interest coverage ratio (x)	70.1	79.9	68.0	62.5	35.0
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Shareholders' equity ratio: shareholders' equity / total assets

Shareholders' equity ratio on a market value basis: market capitalization / total assets

Ratio of interest-bearing debt to cash flow: interest-bearing debt / cash flow

Interest coverage ratio: cash flow / interest payments

(Note 1) Each indicator is calculated based on consolidated financial figures.

(Note 2) Market capitalization is calculated on the basis of the number of shares outstanding (excluding treasury shares).

(Note 3) Cash flow reflects net cash provided by (used in) operating activities.

(Note 4) Interest-bearing debt is the sum of all liabilities shown on the consolidated balance sheet for which interest is paid.

(4) Outlook

The LIKE Group remains strongly committed to the growth of each of its businesses as they are closely aligned with social issues, and their growth will directly contribute to solving social issues, which in turn will help create a sustainable society.

Based on our Group philosophy, "... planning the future: developing people and creating the future," we will push forward with businesses and do our utmost to be a corporate group that is truly indispensable to society at every stage of life.

Looking at market trends in the Child-Rearing Support Service business, the number of children on waiting lists for nurseries and other childcare facilities is declining. However, the problem of latent children on waiting lists remains serious, especially in the Tokyo metropolitan area, and this trend is expected to persist due to future demographic dynamics in the region. Further, the so-called "barrier of the first graders," a term used to refer to the shortage of after-school care services for children when they graduate from nursery and start elementary school, has become a social issue, with the rise in the number of children waitlisted for after-school clubs exacerbating the issue. We expect that the medium- to long-term demand for childcare will increase, as nurseries supplant the existing demand for kindergarten care as the employment rate of women will also increase going forward. Furthermore, as of January 2024, the job offer-to-applicant ratio for nursery teachers remained high at 3.54x, compared with an average of 1.35x for all professions. These high figures suggest that a persistent shortage of nursery teachers is an urgent problem.

In response, the government established the Children and Families Agency in April 2023 to centralize policies related to children and place them at the center of society under the concept of a Children-Centered Society, to seriously address various issues surrounding families. The Children's Future Strategy, approved by the Cabinet in December 2023, includes measures such as revising the staffing standards for childcare workers for the first time in 76 years and improving their working conditions.

Given these circumstances, in the Child-Rearing Support Service business, we plan to proactively open about 20 new facilities, including licensed nurseries, on-site childcare facilities, after-school clubs, and children's centers, in the fiscal year ending May 31, 2025. To ensure sufficient nursery teachers, we will strengthen new graduate recruitment and collaborate with the Comprehensive Human Resources Service business within the Group, aiming to recruit superior talent and boost the quality of our childcare services. Furthermore, given the increasingly competitive environment due to declining birth rates and the fragmented nature of the industry with many small players and a small market share of large operators, we will execute M&A deals. This strategy will not only leverage internal resources for autonomous growth but also target discontinuous performance expansion.

Market trends in the Comprehensive Human Resources Service business are characterized by the shift in customer acquisition battles among carriers in the mobile industry from carrier shops, such as primary agents, to electronics retail stores, rising demand for call center personnel as the e-commerce market expands, the launch of operations at large-scale logistics facilities, the expected shortage of hundreds of thousands of personnel in the nursing care and construction industries in the future, and the demand for foreign personnel to supplement this shortage. The markets in which our business operates have very high growth potential.

Given these circumstances, in the Comprehensive Human Resources Service business, we will strengthen the recruitment of full-time employees who operate at our clients as "experts" and focus on the mobile industry, which is the Group's founding business, as well as the growing logistics and manufacturing industries. At the same time, we will invest management resources in the foreign human resource field, where high growth can be expected, and position our business axis in the growth market to substantially expand our business.

The market surrounding the Nursing Care-Related Service business is characterized by accelerating aging. The

percentage of elderly in the population and the number of people aged 75 or older are forecast to grow, with the number of people aged 65 or older increasing in Japan's major cities. Accordingly, we expect demand for nursing care to rise, particularly in the Tokyo metropolitan area. Meanwhile, the country is likely to face a major shortage in care workers to meet this demand, and with the domestic workforce alone, this shortage cannot be resolved. The shortage in care workers, as a result, has become a serious social issue.

Consequently, in the Nursing Care-Related Service business, we plan to continue opening new facilities, particularly assisted-living nursing homes, in response to rising demand for nursing care in the Tokyo metropolitan area. At the same time, we will work in concert with the Comprehensive Human Resources Service business to accelerate the placement of foreign nationals with specified skills in nursing care facilities, thereby securing care workers and improving the quality of services we provide at these facilities. Furthermore, we will continue to maximize Group synergies by introducing educated and talented foreign nationals to other nursing care providers to help alleviate the social issue of the shortage in care workers while improving the quality of services provided by the nursing care industry as a whole.

Through these business activities, for the next fiscal year (ending May 31, 2025), the LIKE Group aims to deliver net sales of ¥63,000 million (+4.2% year on year), operating profit of ¥3,350 million (+0.5%), ordinary profit of ¥4,000 million (+1.2%), and profit attributable to owners of parent of ¥2,500 million (+2.1%).

We aim to enhance our corporate value by strengthening our financial position and reinvesting profits into businesses. Our dividend policy targets a consolidated payout ratio of roughly 30% and calls for active and timely profit distributions by issuing dividends twice a year through interim and year-end dividends.

For the fiscal year ended May 31, 2024, we have set annual dividends at ¥58 per share, consisting of an interim dividend of ¥29 per share (already paid) and a projected year-end dividend of ¥29 per share for a consolidated payout ratio of 45.4%.

In line with our target of maintaining a consolidated dividend payout ratio of 30%, for the fiscal year ending May 31, 2025, we intend to award an interim dividend of ¥29 per share and a year-end dividend of ¥29 per share.

2. Basic Policy Regarding Selection of Accounting Standards

The LIKE Group applies the Japanese Generally Accepted Accounting Principles (J-GAAP), as the majority of its stakeholders are domestic shareholders, creditors, and business partners, and the Group has little need to raise capital overseas.

3. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of May 31, 2023	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	10,669,717	9,439,595
Notes and accounts receivable—trade, and contract assets	5,793,123	6,127,312
Merchandise	3,811	—
Raw materials and supplies	7,745	4,321
Other	1,311,676	1,056,694
Allowance for doubtful accounts	(13,245)	(22,490)
Total current assets	17,772,829	16,605,433
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,764,865	20,544,476
Accumulated depreciation	(6,321,666)	(7,300,317)
Accumulated impairment	(18,666)	(18,666)
Buildings and structures, net	12,424,532	13,225,492
Machinery, equipment and vehicles	31,556	34,263
Accumulated depreciation	(23,829)	(12,089)
Machinery, equipment and vehicles, net	7,726	22,174
Leased assets	3,663,611	3,663,611
Accumulated depreciation	(630,723)	(801,127)
Leased assets, net	3,032,888	2,862,484
Construction in progress	452,477	68,622
Other	1,999,180	2,148,217
Accumulated depreciation	(1,627,588)	(1,790,090)
Accumulated impairment	(5,729)	(5,729)
Other, net	365,862	352,397
Total property, plant and equipment	16,283,488	16,531,172
Intangible assets		
Goodwill	73,610	—
Other	131,105	191,335
Total intangible assets	204,716	191,335
Investments and other assets		
Investment securities	428,961	460,061
Shares of subsidiaries and associates	46,000	30,000
Long-term loans receivable	821,874	736,405
Guarantee deposits	2,784,478	2,852,564
Deferred tax assets	786,527	815,012
Other	367,229	322,716
Allowance for doubtful accounts	(41,984)	(41,586)
Total investments and other assets	5,193,087	5,175,172
Total non-current assets	21,681,291	21,897,679
Total assets	39,454,121	38,503,113

(Thousands of yen)

	As of May 31, 2023	As of May 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable–trade	181,196	190,109
Short-term borrowings	1,400,000	1,400,000
Current portion of long-term borrowings	6,445,909	2,791,315
Accounts payable–other	3,965,858	3,942,911
Income taxes payable	711,278	482,825
Accrued consumption taxes	473,158	289,314
Provision for bonuses	835,939	819,083
Provision for shareholder benefit program	67,679	116,233
Other	1,108,172	987,580
Total current liabilities	15,189,192	11,019,374
Non-current liabilities		
Long-term borrowings	3,943,034	5,541,915
Deferred tax liabilities	38,578	65,666
Asset retirement obligations	769,838	1,154,402
Move-in security deposits received	746,130	788,418
Retirement benefit liability	450,931	462,609
Lease obligations	2,774,662	2,578,065
Other	67,289	76,920
Total non-current liabilities	8,790,464	10,667,999
Total liabilities	23,979,656	21,687,373
Net assets		
Shareholders' equity		
Share capital	1,548,683	1,548,683
Capital surplus	165,827	165,827
Retained earnings	14,363,295	15,640,443
Treasury shares	(741,087)	(741,143)
Total shareholders' equity	15,336,719	16,613,811
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	177,053	205,396
Remeasurements of defined benefit plans	(39,308)	(3,467)
Total accumulated other comprehensive income	137,745	201,928
Total net assets	15,474,464	16,815,740
Total liabilities and net assets	39,454,121	38,503,113

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

(Thousands of yen)

	Year ended May 31, 2023 (June 1, 2022 to May 31, 2023)	Year ended May 31, 2024 (June 1, 2023 to May 31, 2024)
Net sales	60,015,221	60,469,358
Cost of sales	50,355,286	51,224,229
Gross profit	9,659,935	9,245,129
Selling, general and administrative expenses		
Payroll, remuneration and allowances	1,644,042	1,720,098
Provision for bonuses	119,082	88,426
Amortization of goodwill	443,465	73,610
Hiring and education expenses	1,033,487	953,387
Rent expenses	551,252	550,868
Taxes and dues	944,909	1,067,826
Provision for shareholder benefit program	67,679	137,681
Other	1,275,401	1,319,791
Total selling, general and administrative expenses	6,079,319	5,911,690
Operating profit	3,580,616	3,333,438
Non-operating income		
Interest income	6,054	5,679
Dividend income	15,285	15,286
Gain on investments in investment partnerships	48,235	—
Facilities subsidy income	675,306	687,527
Other	29,715	35,926
Total non-operating income	774,597	744,419
Non-operating expenses		
Interest expenses	76,859	103,465
Donations	12,000	12,000
Loss on investments in investment partnerships	—	1,446
Other	10,814	7,037
Total non-operating expenses	99,674	123,949
Ordinary profit	4,255,539	3,953,909
Extraordinary income		
Gain on sale of non-current assets	27	3,186
Total extraordinary income	27	3,186
Extraordinary losses		
Loss on retirement of non-current assets	35,074	2,096
Loss on cancellation of rental contracts	—	146,228
Other	842	—
Total extraordinary losses	35,917	148,325
Profit before income taxes	4,219,649	3,808,770
Income taxes—current	1,673,117	1,389,891
Income taxes—deferred	(22,411)	(28,864)
Total income taxes	1,650,706	1,361,026
Profit	2,568,943	2,447,744
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	2,568,943	2,447,744

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Year ended May 31, 2023 (June 1, 2022 to May 31, 2023)	Year ended May 31, 2024 (June 1, 2023 to May 31, 2024)
Profit	2,568,943	2,447,744
Other comprehensive income		
Valuation difference on available-for-sale securities	(77,767)	28,343
Remeasurements of defined benefit plans, net of tax	(40,832)	35,840
Total other comprehensive income	(118,600)	64,183
Comprehensive income	2,450,342	2,511,927
Comprehensive income attributable to:		
Owners of parent	2,450,342	2,511,927
Non-controlling interests	—	—

(3) Consolidated Statement of Changes in Equity

Year ended May 31, 2023 (June 1, 2022 to May 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,548,683	165,827	12,792,238	(741,087)	13,765,661
Changes during period					
Dividends of surplus			(997,885)		(997,885)
Profit attributable to owners of parent			2,568,943		2,568,943
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,571,057	—	1,571,057
Balance at end of period	1,548,683	165,827	14,363,295	(741,087)	15,336,719

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	254,820	1,524	256,345	14,022,007
Changes during period				
Dividends of surplus				(997,885)
Profit attributable to owners of parent				2,568,943
Net changes in items other than shareholders' equity	(77,767)	(40,832)	(118,600)	(118,600)
Total changes during period	(77,767)	(40,832)	(118,600)	1,452,457
Balance at end of period	177,053	(39,308)	137,745	15,474,464

Year ended May 31, 2024 (June 1, 2023 to May 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,548,683	165,827	14,363,295	(741,087)	15,336,719
Changes during period					
Dividends of surplus			(1,170,596)		(1,170,596)
Profit attributable to owners of parent			2,447,744		2,447,744
Purchase of treasury shares				(55)	(55)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,277,147	(55)	1,277,092
Balance at end of period	1,548,683	165,827	15,640,443	(741,143)	16,613,811

(Thousands of yen)

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	177,053	(39,308)	137,745	15,474,464
Changes during period				
Dividends of surplus				(1,170,596)
Profit attributable to owners of parent				2,447,744
Purchase of treasury shares				(55)
Net changes in items other than shareholders' equity	28,343	35,840	64,183	64,183
Total changes during period	28,343	35,840	64,183	1,341,275
Balance at end of period	205,396	(3,467)	201,928	16,815,740

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Year ended May 31, 2023 (June 1, 2022 to May 31, 2023)	Year ended May 31, 2024 (June 1, 2023 to May 31, 2024)
Cash flows from operating activities		
Profit before income taxes	4,219,649	3,808,770
Depreciation	1,356,554	1,404,271
Amortization of goodwill	443,465	73,610
Loss on cancellation of rental contracts	—	146,228
Increase (decrease) in allowance for doubtful accounts	5,035	8,847
Increase (decrease) in provision for bonuses	76,709	(16,855)
Interest and dividend income	(21,339)	(20,965)
Facilities subsidy income	(675,306)	(687,527)
Decrease (increase) in trade receivables	(367,461)	(334,188)
Increase (decrease) in trade payables	76,560	8,913
Increase (decrease) in accounts payable—other	282,286	(196,083)
Increase (decrease) in move-in deposits received	(79,283)	42,288
Decrease (increase) in prepaid expenses	(44,321)	(76,085)
Increase (decrease) in accrued consumption taxes	18,716	(47,177)
Decrease (increase) in consumption taxes refund receivable	(119,670)	113,435
Other, net	1,249	419,164
Subtotal	5,172,842	4,646,645
Interest and dividends received	21,339	20,965
Interest paid	(76,802)	(103,852)
Income taxes refund (paid)	(1,347,492)	(1,598,523)
Subsidies received	1,028,051	790,445
Payment due to cancellation of rental contracts	—	(118,316)
Net cash provided by (used in) operating activities	4,797,939	3,637,365
Cash flows from investing activities		
Proceeds from distributions from investment partnerships	60,146	8,313
Payments into time deposits	(20,000)	—
Proceeds from withdrawal of time deposits	20,000	20,000
Proceeds from sale of shares of subsidiaries and associates	—	16,000
Purchase of property, plant and equipment	(1,455,500)	(1,367,973)
Proceeds from sale of property, plant and equipment	27	8,291
Purchase of intangible assets	(31,959)	(108,697)
Payments of guarantee deposits	(149,308)	(111,792)
Proceeds from refund of guarantee deposits	39,825	46,676
Other, net	60,057	56,237
Net cash provided by (used in) investing activities	(1,476,710)	(1,432,944)

(Thousands of yen)

	Year ended May 31, 2023 (June 1, 2022 to May 31, 2023)	Year ended May 31, 2024 (June 1, 2023 to May 31, 2024)
Cash flows from financing activities		
Repayments of long-term borrowings	(3,287,181)	(3,055,712)
Proceeds from long-term borrowings	1,200,000	1,000,000
Dividends paid	(996,995)	(1,169,804)
Other, net	(190,619)	(189,025)
Net cash provided by (used in) financing activities	(3,274,796)	(3,414,543)
Net increase (decrease) in cash and cash equivalents	46,432	(1,210,122)
Cash and cash equivalents at beginning of period	10,603,285	10,649,717
Cash and cash equivalents at end of period	10,649,717	9,439,595

(5) Notes to Consolidated Financial Statements
(Notes Regarding Assumption of a Going Concern)

There are no applicable matters to report.

(Segment Information)

Segment Information

1. Overview of reportable segments

The Like Group's reportable segments are constituent units of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate performance.

The Group categorizes its businesses into three reportable segments based on the nature of the services provided: Comprehensive Human Resources Service, Child-Rearing Support Service, and Nursing Care-Related Service.

In the Comprehensive Human Resources Service business, the Group provides temporary staffing service, outsourcing service, placement service, and hiring and education support service for client companies.

In the Child-Rearing Support Service business, the Group provides outsourced childcare services in which it operates on-site childcare facilities located on the premises of hospitals, companies, and universities, as well as public-sector childcare services in which it operates licensed nurseries, after-school clubs, and other public childcare facilities.

In the Nursing Care-Related Service business, the Group provides nursing and elderly care services to the residents of nursing care facilities operated by LIKE Care, Inc.

2. Calculation methods for sales, profit, assets, liabilities, and other items for each reportable segment

The accounting treatment for the reportable segments is generally consistent with the accounting methods used to prepare the consolidated financial statements.

The profit in each reportable segment is based on operating profit.

Intersegment income and transfer amounts between reportable segments are based on market prices.

3. Information on sales, profit, assets, liabilities, and other items for each reportable segment
Year ended May 31, 2023 (June 1, 2022 to May 31, 2023)

(Thousands of yen)

	Reportable segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in consolidate financial statements (Note 3)
	Comprehensive Human Resources Service	Child-Rearing Support Service	Nursing Care- Related Service	Subtotal				
Sales								
Sales to external customers	22,981,374	29,047,620	7,748,981	59,777,976	237,245	60,015,221	—	60,015,221
Intersegment sales and transfers	596,638	—	—	596,638	571,561	1,168,200	(1,168,200)	—
Total	23,578,013	29,047,620	7,748,981	60,374,615	808,806	61,183,422	(1,168,200)	60,015,221
Segment profit	1,851,019	2,359,044	226,147	4,436,211	45,948	4,482,159	(901,543)	3,580,616
Segment assets	6,367,219	28,519,026	2,687,391	37,573,637	200,611	37,774,248	1,679,873	39,454,121
Segment liabilities	2,474,090	17,612,273	2,180,954	22,267,318	138,846	22,406,165	1,573,491	23,979,656
Other items								
Depreciation	11,852	1,251,474	63,078	1,326,405	2,364	1,328,769	27,785	1,356,554
Goodwill amortization	1,800	441,665	—	443,465	—	443,465	—	443,465
Increase in property, plant and equipment and intangible assets	62,428	1,890,687	40,374	1,993,490	—	1,993,490	1,897	1,995,388

(Notes) 1. The "Other" category refers to business segments that are not included in the reportable segments.

2. Adjustments on segment profit of ¥901,543 thousand largely reflect companywide expenses not allocated to each reportable segment. Companywide expenses are primarily general and administrative expenses not attributable to reportable segments.

Adjustments on segment assets of ¥1,679,873 thousand are mainly companywide assets, most of which are cash and deposits and investment securities not attributable to reportable segments.

Adjustments on segment liabilities of ¥1,573,491 thousand are mainly companywide liabilities, most of which are liabilities such as those for the administrative division of the Company and subsidiaries.

Adjustments on depreciation of ¥27,785 thousand are mainly depreciation on companywide assets.

3. Segment profit is adjusted with operating profit shown in the consolidated financial statements.

Year ended May 31, 2024 (June 1, 2023 to May 31, 2024)

(Thousands of yen)

	Reportable segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in consolidate financial statements (Note 3)
	Comprehensive Human Resources Service	Child-Rearing Support Service	Nursing Care- Related Service	Subtotal				
Sales								
Sales to external customers	21,863,642	30,402,234	8,111,203	60,377,080	92,278	60,469,358	—	60,469,358
Intersegment sales and transfers	543,010	—	—	543,010	1,288,363	1,831,374	(1,831,374)	—
Total	22,406,653	30,402,234	8,111,203	60,920,091	1,380,642	62,300,733	(1,831,374)	60,469,358
Segment profit	1,485,156	2,453,566	348,184	4,286,907	120,940	4,407,848	(1,074,409)	3,333,438
Segment assets	5,765,003	27,968,479	2,819,976	36,553,459	313,571	36,867,030	1,636,082	38,503,113
Segment liabilities	2,054,014	16,009,870	1,996,265	20,060,149	175,592	20,235,741	1,451,631	21,687,373
Other items								
Depreciation	16,876	1,294,498	68,623	1,379,997	222	1,380,220	24,050	1,404,271
Goodwill amortization	—	73,610	—	73,610	—	73,610	—	73,610
Increase in property, plant and equipment and intangible assets	7,872	1,924,317	99,713	2,031,903	—	2,031,903	25,319	2,057,222

(Notes) 1. Other comprises business segments that are not included in the reportable segments.

2. Adjustments on segment profit of ¥1,074,409 thousand largely reflect companywide expenses not allocated to each reportable segment. Companywide expenses are primarily general and administrative expenses not attributable to reportable segments.

Adjustments on segment assets of ¥1,636,082 thousand are companywide assets, most of which are cash and deposits and investment securities not attributable to reportable segments.

Adjustments on segment liabilities of ¥1,451,631 thousand are companywide liabilities, most of which are liabilities for the administrative division of the Company and subsidiaries.

Adjustments on depreciation of ¥24,050 thousand are mainly depreciation on companywide assets.

3. Segment profit is adjusted with operating profit shown in the consolidated financial statements.

Related Information

Year ended May 31, 2023 (June 1, 2022 to May 31, 2023)

1. Information by product and service

This information has been omitted, as relevant information is disclosed as segment information.

2. Information by region

(1) Sales

There are no applicable matters to report, as there are no sales to external customers outside Japan.

(2) Property, plant and equipment

There are no applicable matters to report, as the Group has no consolidated subsidiaries or branches in countries or regions outside Japan.

3. Information by key customer

This information has been omitted, as no customer accounts for more than 10% of net sales shown in the consolidated financial statements.

Year ended May 31, 2024 (June 1, 2023 to May 31, 2024)

1. Information by product and service

This information has been omitted, as relevant information is disclosed as segment information.

2. Information by region

(1) Sales

There are no applicable matters to report, as there are no sales to external customers outside Japan.

(2) Property, plant and equipment

There are no applicable matters to report, as the Group has no consolidated subsidiaries or branches in countries or regions outside Japan.

3. Information by key customer

This information has been omitted, as no customer accounts for more than 10% of net sales shown in the consolidated financial statements.

Information Regarding Impairment Losses on Fixed Assets by Reportable Segment

There are no applicable matters to report.

Information Regarding Amortization of Goodwill and Unamortized Balance by Reportable Segment

Year ended May 31, 2023 (June 1, 2022 to May 31, 2023)

(Thousands of yen)

	Comprehensive Human Resources Service	Child-Rearing Support Service	Nursing Care-Related Service	Subtotal	Other	Companywide expenses and eliminations	Total
Year-end balance	—	73,610	—	73,610	—	—	73,610

(Note) Information on the amount of goodwill amortization has been omitted, as relevant information is disclosed as segment information.

Year ended May 31, 2024 (June 1, 2023 to May 31, 2024)

(Thousands of yen)

	Comprehensive Human Resources Service	Child-Rearing Support Service	Nursing Care-Related Service	Subtotal	Other	Companywide expenses and eliminations	Total
Year-end balance	—	—	—	—	—	—	—

(Note) Information on the amount of goodwill amortization has been omitted, as relevant information is disclosed as segment information.

Information on Gains on Bargain Purchase by Reportable Segment

There are no applicable matters to report.

(Per Share Information)

	Year ended May 31, 2023 (June 1, 2022 to May 31, 2023)	Year ended May 31, 2024 (June 1, 2023 to May 31, 2024)
Book value per share	¥806.38	¥876.27
Basic earnings per share	¥133.87	¥127.55

(Note) The basis of calculation for basic earnings per share and diluted earnings per share is as below. Note that diluted earnings per share for the fiscal year ended May 31, 2024 are not provided as there were no dilutive shares.

	Year ended May 31, 2023 (June 1, 2022 to May 31, 2023)	Year ended May 31, 2024 (June 1, 2023 to May 31, 2024)
Profit attributable to owners of parent (thousands of yen)	2,568,943	2,447,744
Amount not attributable to common shareholders (thousands of yen)	—	—
Profit attributable to owners of parent applicable to common shares (thousands of yen)	2,568,943	2,447,744
Average number of common shares outstanding during the fiscal year (shares)	19,190,103	19,190,086

(Significant Subsequent Events)

There are no applicable matters to report.