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## Consolidated Financial Results for the First Three Months of the Fiscal Year Ending May 31, 2025 [JGAAP]

October 11, 2024

Company name: LIKE, Inc.

Listing: Tokyo

Securities code: 2462 URL <https://www.like-gr.co.jp>

Representative: Representative Director, President and Chairman Group CEO Yasuhiko Okamoto

Director, executive manager of

Inquiries: Management Headquarters, and general manager of Finance and Accounting Division Daisuke Ishii TEL 03-5428-5577

Scheduled date to commence dividend payments: —

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended August 31, 2024 (from June 1, 2024 to August 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended August 31, 2024	14,345	0.2	315	(7.3)	290	(7.9)	166	2.5
Three months ended August 31, 2023	14,315	0.9	340	(41.5)	315	(45.5)	162	(50.9)

Note: Comprehensive income: For the three months ended August 31, 2024: ¥152 million [(17.5%)]

For the three months ended August 31, 2023: ¥184 million [(40.1%)]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended August 31, 2024	8.67	—
Three months ended August 31, 2023	8.47	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of August 31, 2024	37,849	16,411	43.4
As of May 31, 2024	38,503	16,815	43.7

(Reference) Equity : As of August 31, 2024: ¥16,411 million

As of May 31, 2024: ¥16,815 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2024	—	29.00	—	29.00	58.00
Fiscal year ending May 31, 2025	—				
Fiscal year ending May 31, 2025 (Forecast)		29.00	—	29.00	58.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated earnings forecast for the fiscal year ending May 31, 2025 (from June 1, 2024 to May 31, 2025)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	63,000	4.2	3,350	0.5	4,000	1.2	2,500	2.1	130.28

Note: Revisions to the forecast consolidated financial results of most recently announced: None

### ※ Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: Yes

Note: Please refer to "Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements" under "(3) Notes to Quarterly Consolidated Financial Statements" in "2. Quarterly Consolidated Financial Statements and Important Notes" on page 8 of further details.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2024	20,464,800 shares	As of May 31, 2024	20,464,800 shares
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(ii) Number of treasury shares at the end of the period

As of August 31, 2024	1,274,736 shares	As of May 31, 2024	1,274,736 shares
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(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended August 31, 2024	19,190,064 shares	Three months ended August 31, 2023	19,190,103 shares
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\* Review of the attached quarterly consolidated financial statements by a certified public accountant or an auditing firm: None

\* Proper use of earnings forecasts, and other special matters

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. Please refer to “(3) Explanation of consolidated earnings forecasts and other forward-looking statements” under “1. Overview of operating results and others” on page 4 of the attached material for the assumptions on which earnings forecasts are based, and cautions concerning the use thereof.

(Obtaining supplementary materials for financial results)

The Company plans to post supplementary materials for financial results on its website.

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## 1. Qualitative Information on Financial Results

### (1) Operating Results

In the first three months of the fiscal year ending May 31, 2025, the Japanese economy was expected to continue its gradual recovery, with improving employment and income conditions, partly due to increased inbound demand and a recovery personal consumption. On the other hand, the outlook remains uncertain due to concerns about the impact on the economy caused by monetary tightening in the US and Europe, the prolonged conflicts in Ukraine, Russia, and the Middle East, the continued rise in prices, and unstable foreign exchange rate fluctuations.

The LIKE 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. Accordingly, based on our Group philosophy of "...planning the future: developing people and creating the future," we will help create a sustainable society by focusing on expanding the working population in an aging society with a declining birthrate while providing high-quality services in each of our businesses, with the aim of becoming a corporate group that is truly indispensable to the world.

In the three months ended August 31, 2024, net sales reached ¥14,345 million (+0.2% year-on-year), while operating profit was ¥315 million (-7.3% year-on-year) due to costs incurred from the opening of a new facility for Nursing Care-Related Service in the previous fiscal year, despite a drop in amortization of goodwill. As a result, ordinary profit amounted to ¥290 million (-7.9% year-on-year), and the quarterly profit attributable to owners of parent was ¥166 million (+2.5% year-on-year).

### Segment Results

#### Child-Rearing Support Service Business

According to the Summary Report of Annual Vital Statistics of Japan (final data) released by the Ministry of Health, Labour and Welfare in September 2024, the number of births in 2023 declined to 727,288 from 770,759 in the previous year, hitting the lowest level since the inception of the survey.

However, the number of latent children on waiting lists (those seeking childcare services that do not appear on waiting lists) totaled 71,032 (As of April 2024) and the number of children on waiting lists for after-school clubs stands at 18,462 as of May 1, 2024, which is an increase of 2,186 compared to May 1, 2023. 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.

As a result of these factors, sales in the three months ended August 31, 2024 totaled ¥7,226 million (+8.1% year-on-year), with operating profit amounting to ¥151 million (+225.7% year-on-year) due to a drop in amortization of goodwill and increase in the amount of deferred subsidies recorded during the period.

### 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 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, personnel demand from electronics mass retailers—the epicenter of competition for customers among telecom carriers—persisted. However, we struggled to secure human resources amid increasingly intense competition with other industries for personnel due to society-wide human resource shortages, in addition to increasingly stringent criteria required of dispatched staff by carriers. Demand for human resources in the logistics industry decreased due to the impact of the shift to insourcing operations among major companies. In the childcare and nursing care industries, which are seeing increasingly serious human resource shortages, we are reviewing our in-house sales system and utilizing the facilities management expertise of consolidated subsidiaries LIKE Kids, Inc. and LIKE Care, Inc. to continue to strengthen our staffing and placement services.

In addition, we continued to work on expanding our employment support services for foreign nationals with the aim of developing them into our next growth driver. Regarding employment support services for foreign nationals, 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 of these factors, sales in the three months ended August 31, 2024, amounted to ¥4,997 million (-10.7% year-on-year) due to a decline in the number of dispatched staff. Operating profit was ¥325 million (-7.7% year-on-year) due to rising costs.

### 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.

Additionally, LIKE Care plans to open Sunrise Villa Kasukabe-higashi (72 rooms) in Kasukabe-shi, Saitama in February 2025, which will bring the total number of facilities in operation to 26.

As a result of these factors, sales in the three months ended August 31, 2024 totaled ¥2,098 million (+3.9% year-on-year), and operating profit was ¥68 million (-51.4% year-on-year) due to costs incurred from the opening of a new facility in the previous fiscal year.

## (2) Financial Position

As of August 31, 2024, total assets stood at ¥37,849 million, down by ¥653 million from May 31, 2024. Total net assets amounted to ¥16,411 million, down ¥404 million. The equity-to-asset ratio decreased 0.3 percentage points from May 31, 2024, to 43.4%.

### Current assets

Current assets as of August 31, 2024 came to ¥15,174 million, down by ¥1,431 million from May 31, 2024. This was mainly the result of a ¥1,742 million decrease in notes and accounts receivable—trade, and contract assets.

### Non-current assets

Non-current assets as of August 31, 2024 amounted to ¥22,675 million, up by ¥777 million from May 31, 2024. This mainly reflected a ¥602 million increase in property, plant and equipment, a ¥122 million increase in deferred tax assets and a ¥68 million increase in goodwill due to change in scope of consolidation.

### Current liabilities

As of August 31, 2024, current liabilities stood at ¥10,981 million, down by ¥38 million from May 31, 2024. This was primarily due to decreases of a ¥313 million in provision for bonuses, ¥235 million in income taxes payable, and ¥144 million in current portion of long-term borrowings, partially offset by a ¥420 million increase in short-term borrowings and a ¥192 million increase in accrued consumption taxes.

### Non-current liabilities

Non-current liabilities as of August 31, 2024 amounted to ¥10,456 million, down ¥211 million from May 31, 2024. This mainly reflected a ¥187 million decrease in long-term borrowings.

### Net assets

As of August 31, 2024, net assets totaled ¥16,411 million, down ¥404 million from May 31, 2024. This was due primarily to ¥556 million in dividends paid, which was partially offset by the booking of ¥166 million in profit attributable to owners of parent.

## (3) Consolidated Earnings Forecast and Other Forward-Looking Statements

We have made no changes to our consolidated earnings forecast for the fiscal year ending May 31, 2025 released on July 12, 2024.

## 2. Quarterly Consolidated Financial Statements and Important Notes

### (1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of May 31, 2024	As of August 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	9,439,595	9,884,433
Notes and accounts receivable–trade, and contract assets	6,127,312	4,384,761
Raw materials and supplies	4,321	4,351
Other	1,056,694	927,808
Allowance for doubtful accounts	(22,490)	(27,107)
Total current assets	16,605,433	15,174,247
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,225,492	13,182,457
Machinery, equipment and vehicles, net	22,174	22,253
Leased assets, net	2,862,484	2,819,884
Land	—	416,800
Construction in progress	68,622	350,740
Other, net	352,397	341,832
Total property, plant and equipment	16,531,172	17,133,968
Intangible assets		
Goodwill	—	68,795
Other	191,335	189,776
Total intangible assets	191,335	258,572
Investments and other assets		
Investment securities	460,061	444,726
Shares of subsidiaries and associates	30,000	30,000
Long-term loans receivable	736,405	722,613
Guarantee deposits	2,852,564	2,876,895
Deferred tax assets	815,012	937,910
Other	322,716	317,214
Allowance for doubtful accounts	(41,586)	(46,852)
Total investments and other assets	5,175,172	5,282,508
Total non-current assets	21,897,679	22,675,049
Total assets	38,503,113	37,849,297



(Thousands of yen)

	As of May 31, 2024	As of August 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable–trade	190,109	195,351
Short-term borrowings	1,400,000	1,820,000
Current portion of long-term borrowings	2,791,315	2,646,945
Accounts payable–other	3,942,911	3,864,267
Income taxes payable	482,825	246,916
Accrued consumption taxes	289,314	481,606
Provision for bonuses	819,083	505,126
Provision for shareholder benefit program	116,233	36,258
Other	987,580	1,184,531
Total current liabilities	11,019,374	10,981,004
Non-current liabilities		
Long-term borrowings	5,541,915	5,354,616
Deferred tax liabilities	65,666	61,918
Asset retirement obligations	1,154,402	1,157,186
Move-in security deposits received	788,418	781,155
Retirement benefit liability	462,609	490,595
Lease obligations	2,578,065	2,533,544
Other	76,920	77,771
Total non-current liabilities	10,667,999	10,456,787
Total liabilities	21,687,373	21,437,792
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,548,683	1,548,683
Capital surplus	165,827	165,827
Retained earnings	15,640,443	15,250,391
Treasury shares	(741,143)	(741,143)
Total shareholders' equity	16,613,811	16,223,759
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	205,396	196,738
Remeasurements of defined benefit plans	(3,467)	(8,993)
Total accumulated other comprehensive income	201,928	187,745
Total net assets	16,815,740	16,411,505
<b>Total liabilities and net assets</b>	<b>38,503,113</b>	<b>37,849,297</b>

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income  
Quarterly Consolidated Statement of Income  
First three months of the fiscal year ending May 31, 2025

(Thousands of yen)

	Three months ended August 31, 2023 (June 1, 2023 to August 31, 2023)	Three months ended August 31, 2024 (June 1, 2024 to August 31, 2024)
Net sales	14,315,796	14,345,054
Cost of sales	12,534,070	12,652,490
Gross profit	1,781,726	1,692,564
Selling, general and administrative expenses	1,441,191	1,377,007
Operating profit	340,534	315,556
Non-operating income		
Interest income	1,434	1,707
Dividend income	518	653
Gain on investments in investment partnerships	—	2,952
Other	7,686	7,264
Total non-operating income	9,639	12,577
Non-operating expenses		
Interest expenses	26,042	26,705
Loss on investments in investment partnerships	5,066	—
Other	3,271	10,737
Total non-operating expenses	34,379	37,442
Ordinary profit	315,794	290,690
Extraordinary losses		
Loss on retirement of non-current assets	158	980
Total extraordinary losses	158	980
Profit before income taxes	315,635	289,710
Income taxes	153,177	123,250
Profit	162,458	166,460
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	162,458	166,460

Quarterly Consolidated Statement of Comprehensive Income  
First three months of the fiscal year ending May 31, 2025

(Thousands of yen)

	Three months ended August 31, 2023 (June 1, 2023 to August 31, 2023)	Three months ended August 31, 2024 (June 1, 2024 to August 31, 2024)
Profit	162,458	166,460
Other comprehensive income		
Valuation difference on available-for-sale securities	17,000	(8,657)
Remeasurements of defined benefit plans, net of tax	5,063	(5,525)
Total other comprehensive income	22,063	(14,183)
Quarterly Comprehensive income	184,521	152,276
Comprehensive income attributable to:		
parent company	184,521	152,276
Non-controlling interests	—	—

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Changes in Accounting Policies)

(Application of the “Accounting Standard for Current Income Taxes”, etc.)

We have applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, revised on October 28, 2022; the “Revised Accounting Standard of 2022”), etc. from the beginning of the first three months of the fiscal year ending May 31, 2025.

Revisions to categories for recording “Income taxes” (taxation on other comprehensive income) conform to the transitional treatment in the proviso of Paragraph 20-3 of the Revised Accounting Standard of 2022, and Paragraph 65- 2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, revised on October 28, 2022; the “Revised Guidance of 2022”). These changes in accounting policies have no impact on the quarterly consolidated financial statements.

(Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)

Tax expenses are calculated by multiplying profit before income taxes by an effective tax rate that was reasonably estimated by applying tax-effect accounting to estimated profit before income taxes for the fiscal year ending May 31, 2025, including the first three months under review.

However, in cases where calculating tax expenses using an estimated effective tax rate yields a result that is notably lacking rationality, tax expenses are calculated using the statutory effective tax rate.

(Segment Information)

Segment Information

1. Information on sales, profit, assets, liabilities, and other items for each reportable segment

First three months of the fiscal year ended May 31, 2024 (June 1, 2023 to August 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	5,595,428	6,687,968	2,019,121	14,302,518	13,277	14,315,796	—	14,315,796
Intersegment sales and transfers	145,039	—	—	145,039	329,707	474,746	(474,746)	—
Total	5,740,468	6,687,968	2,019,121	14,447,557	342,985	14,790,543	(474,746)	14,315,796
Segment profit	352,783	46,444	141,750	540,978	30,561	571,539	(231,004)	340,534

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

2. Adjustments on segment profit of ¥231,004 thousand reflect companywide expenses not allocated to each reportable segment. Companywide expenses are primarily general and administrative expenses not attributable to reportable segments.

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

First three months of the fiscal year ending May 31, 2025 (June 1, 2024 to August 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	4,997,384	7,226,621	2,098,453	14,322,459	22,594	14,345,054	—	14,345,054
Intersegment sales and transfers	102,581	—	—	102,581	328,909	431,490	(431,490)	—
Total	5,099,965	7,226,621	2,098,453	14,425,041	351,503	14,776,544	(431,490)	14,345,054
Segment profit	325,499	151,287	68,838	545,625	32,663	578,289	(262,732)	315,556

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

2. Adjustments on segment profit of ¥262,732 thousand reflect companywide expenses not allocated to each reportable segment. Companywide expenses are primarily general and administrative expenses not attributable to reportable segments.

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

(Notes on Significant Changes in the Amount of Shareholders' Equity)

There are no applicable matters to report.

(Notes Regarding Assumption of a Going Concern)

There are no applicable matters to report.

(Notes on Quarterly Consolidated Balance Sheet)

Overdraft agreements

The Group has entered into overdraft agreements with five banks for the efficient procurement of working capital. The unused balance of these overdraft facilities is shown below.

	(Thousands of yen)	
	As of May 31, 2024	As of August 31, 2024
Total overdraft facilities	8,100,000	8,100,000
Balance used	1,400,000	1,820,000
Unused balance	6,700,000	6,280,000

(Notes on Quarterly Consolidated Income Statement)

There are no applicable matters to report.

(Notes on Consolidated Statement of Cash Flows)

We have not prepared the quarterly consolidated statements of cash flows for the first three months of the fiscal year ending May 31, 2025. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the first three months of the fiscal year ending May 31, 2025 are as follows.

	(Thousands of yen)	
	Three months ended August 31, 2023 (June 1, 2023 to August 31, 2023)	Three months ended August 31, 2024 (June 1, 2024 to August 31, 2024)
Depreciation	332,595	363,112
Goodwill amortization	73,610	—