






# FY2016 1st Quarter Financial Results

May13, 2016  
Livesense Inc.  
(TSE1 : 6054)

# Agenda

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-  Overview of Quarterly Consolidated Financial Results
-  Business Topics
-  Reference Materials

## 1-1 Executive Summary

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**Companywide, both income and profits were up. Streamlining of advertising costs contributed to profits, along with growth of the HR Information Media Business.**

- Net sales : ¥1,284 million (up 24.2% YoY)
- Operating income : ¥154 million (- YoY)

**HR Information Media Business revenue was up 11.3% YoY. “Tenshoku Kaigi” sales increased substantially .**

- Tenshoku Kaigi : Expansion of monetization channels was steady, including ongoing collaboration with recruitment agencies by career change discussion site “Tenshoku Kaigi”. Sales were up 125.3% YoY

**Advertising costs were significantly streamlined utilizing the knowledge and expertise gained last year .**

- Advertising costs : ¥205 million (down 51.6% YoY)
- Personnel expenses : ¥508 million (up 35.9% YoY)

**At this time there are no changes to the full-year consolidated results forecast. In the fiscal year ending Dec 31, 2016, efforts will be made to increase productivity in the first half, and business investments are planned in the second half designed to expand the main services.**

## 1-2 FY2016 1Q Financial Results Overview

**Net sales increased 24.2% YoY, and operating income increased substantially.**

(Unit : Millions of JPY)

	1Q/15	1Q/16	YoY
Sales	1,034	<b>1,284</b>	+24.2%
Sales Cost	74	<b>132</b>	+76.7%
	7.2%	10.3%	+3.1pt
Gross Margin	959	<b>1,151</b>	+20.1%
	92.7%	89.6%	-3.1pt
SG&A Expenses	1,062	<b>997</b>	-6.1%
	102.7%	77.6%	-25.1pt
Operating Income	-103	<b>154</b>	-
	-	12.0%	-
Ordinary Income	-105	<b>156</b>	-
	-	12.1%	-
Net Pretax Profit	-105	<b>156</b>	-
	-	12.1%	-
Net profit	-72	<b>97</b>	-
	-	7.6%	-

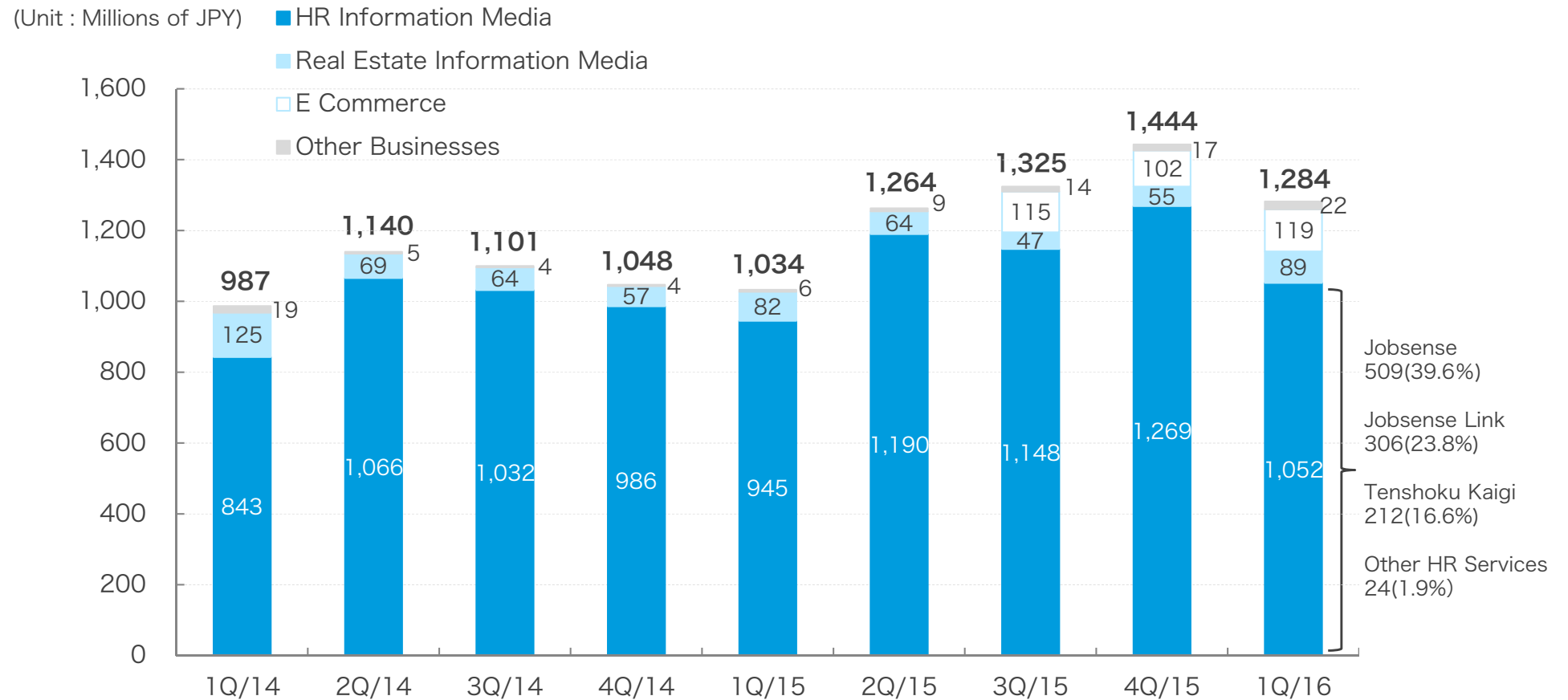
SG&A : Personnel expenses, etc. + ¥134 million  
 Advertising expenses - ¥219 million

## 1-3 Business Topics

Jobsense	<ul style="list-style-type: none"><li>• Successfully streamlined advertising costs utilizing the knowledge and expertise gained last year</li><li>• Expanded use of telephone application function for improving job applicant employment rate</li><li>• Expansion/sales of optional services to corporate customers going favorably</li></ul>
Jobsense Link	<ul style="list-style-type: none"><li>• Productivity of “telephone supporter” for job applicants improved</li><li>• Improvements to site/e-mail magazine for increasing application rate of job applicants</li></ul>
Tenshoku Kaigi	<ul style="list-style-type: none"><li>• Steady performance of main monetization points (collaboration with recruitment agencies, etc.)</li><li>• Partial contribution to profits by new monetization channel</li></ul>
door chintai	<ul style="list-style-type: none"><li>• Improved website traffic owing primarily to enrich user interface of this website</li><li>• Improved user application rate for property information thanks to strengthen smartphone site</li></ul>
Other Businesses	<ul style="list-style-type: none"><li>• IESHIL : IESHIL adviser service launched, website functions expanded</li><li>• Shukatsu Kaigi : Number of members surpassed 80,000, entry sheet and screening experience note postings enhanced</li><li>• imitsu : Strong sales and profits owing to category specialization</li><li>• waja : Improved e-mail magazine and enriched various products</li></ul>

## 1-4 Net Sales

**Growth of Tenshoku Kaigi and making waja subsidiary contributed to 24.2% increase in sales YoY.**

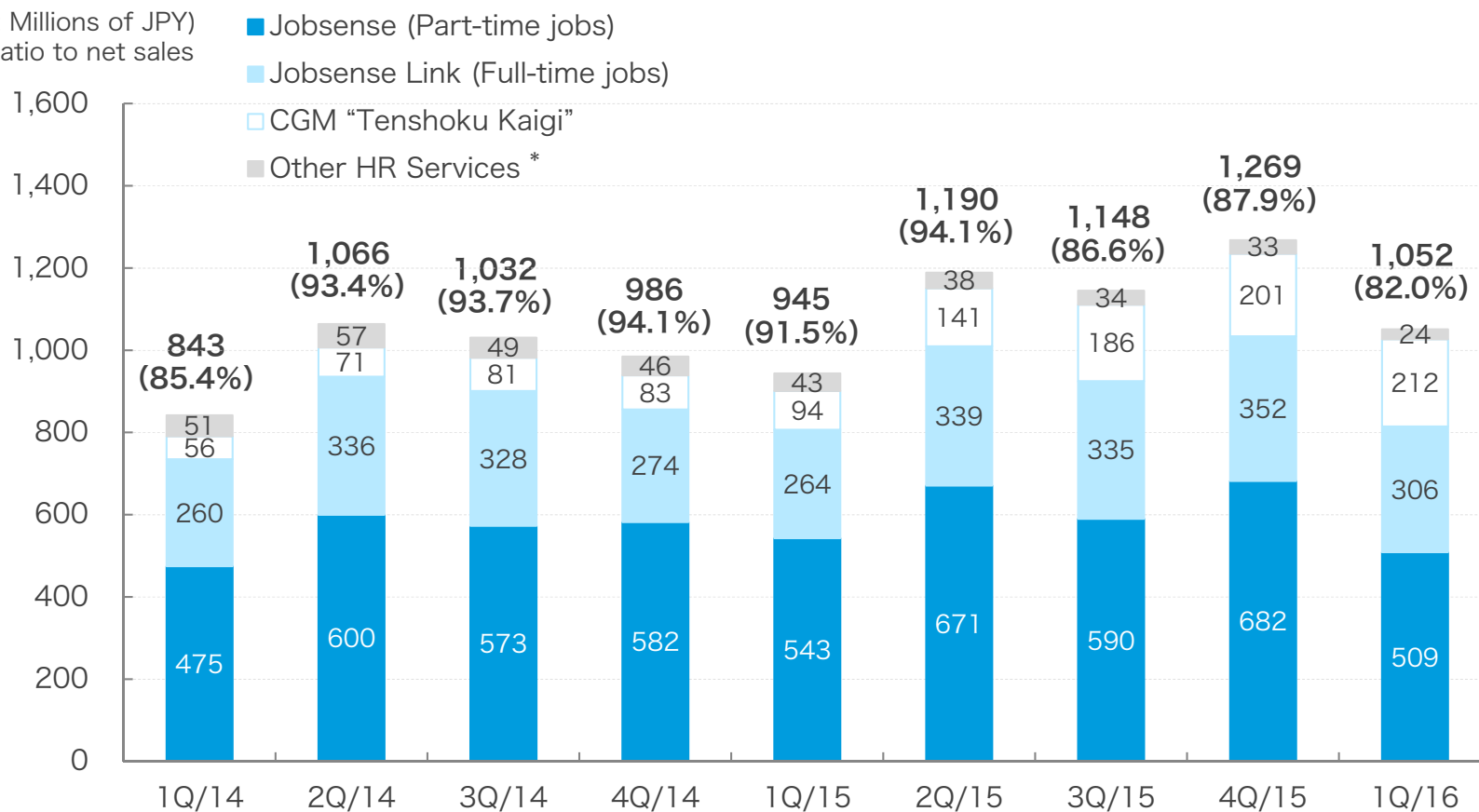


## 1-5 Sales Breakdown - HR Information Media Business

**Sales down 6.4% YoY due in part to streamlining of Jobsense advertising costs.**

**Jobsense Link sales up 15.9% YoY, and Tenshoku Kaigi sales up 125.3%.**

(Unit : Millions of JPY)  
(%) : Ratio to net sales

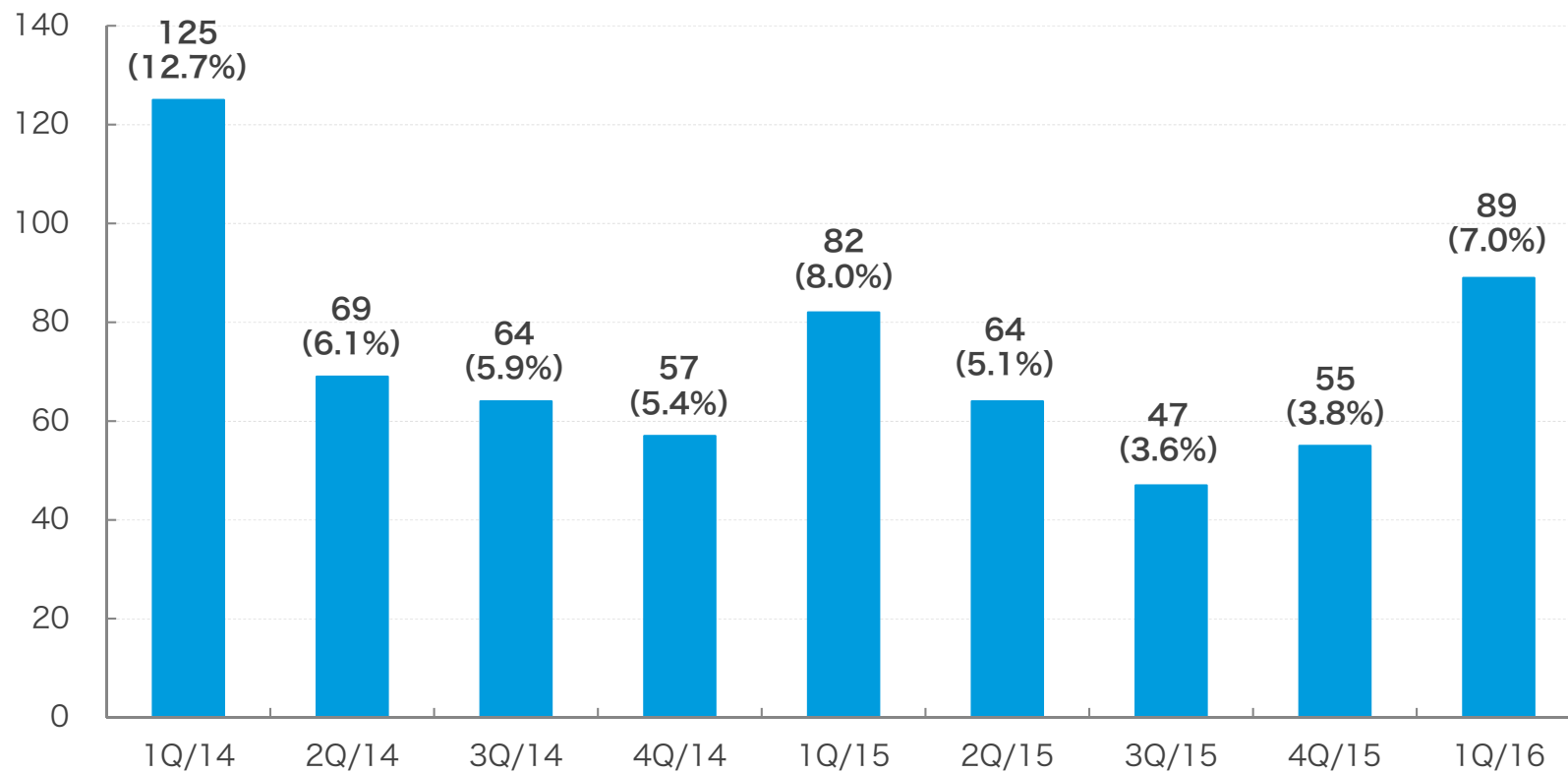


\* : Other HR services are composed of "Jobsense Haken" and "Shukatsu Kaigi"

## 1-6 Sales Breakdown - Real Estate Information Media Business

**| Sales up 9.2% YoY owing in part to improved website traffic.**

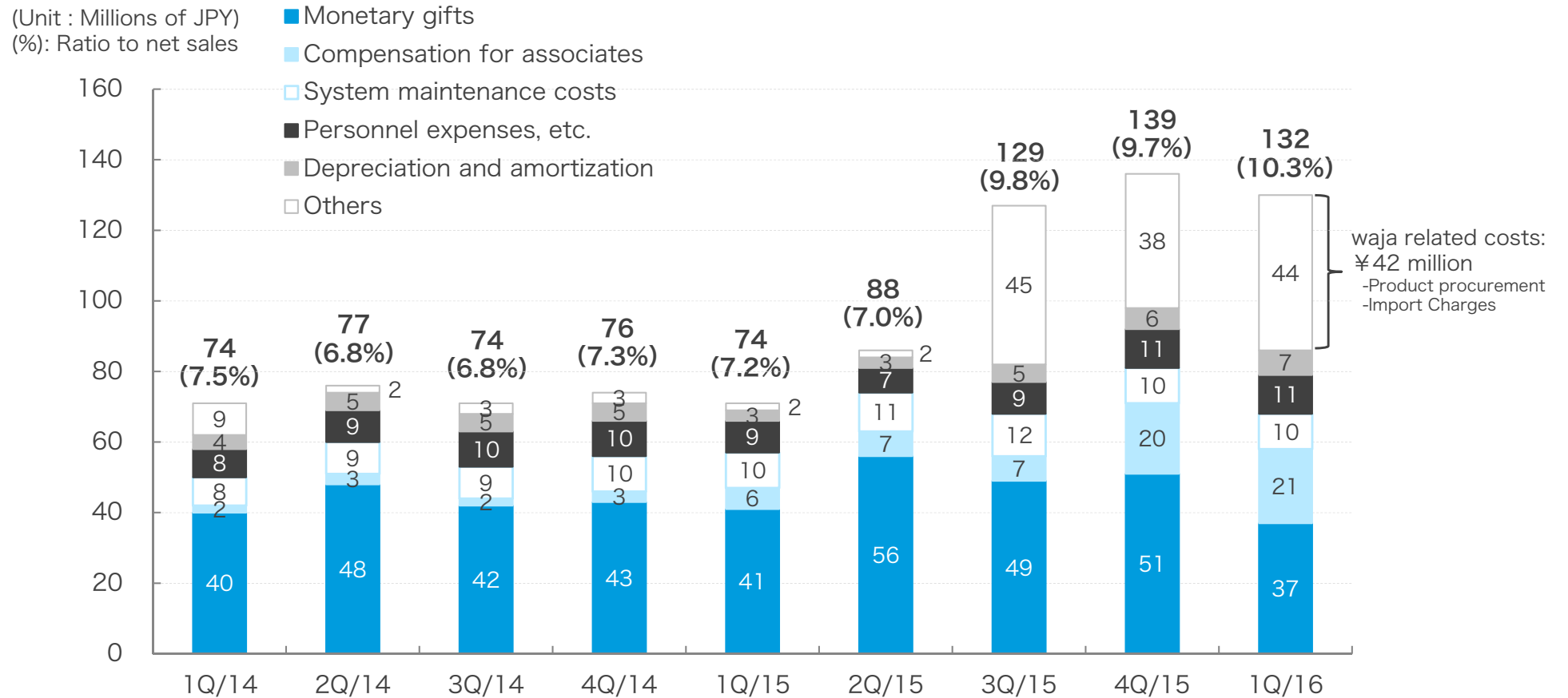
(Unit : Millions of JPY)  
(%) : Ratio to net sales





# 1-7 Sales Costs

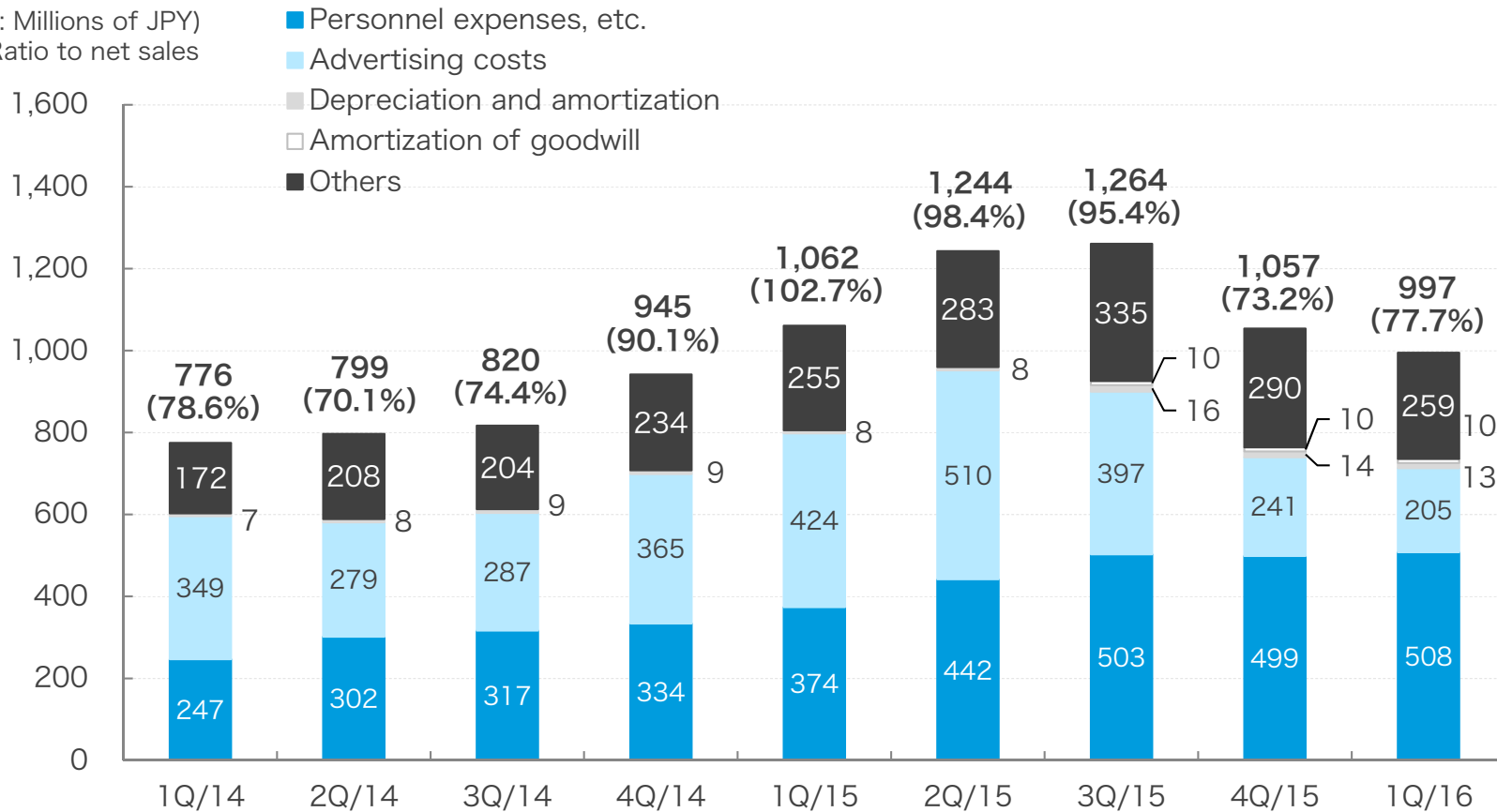
Cost rate increase slightly YoY owing to consolidating P/L of “waja”.



## 1-8 SG&A Expenses

**SG&A expenses down 6.1% YoY thanks to streamlining of advertising costs, despite increase in personnel expenses.**

(Unit : Millions of JPY)  
(%) : Ratio to net sales

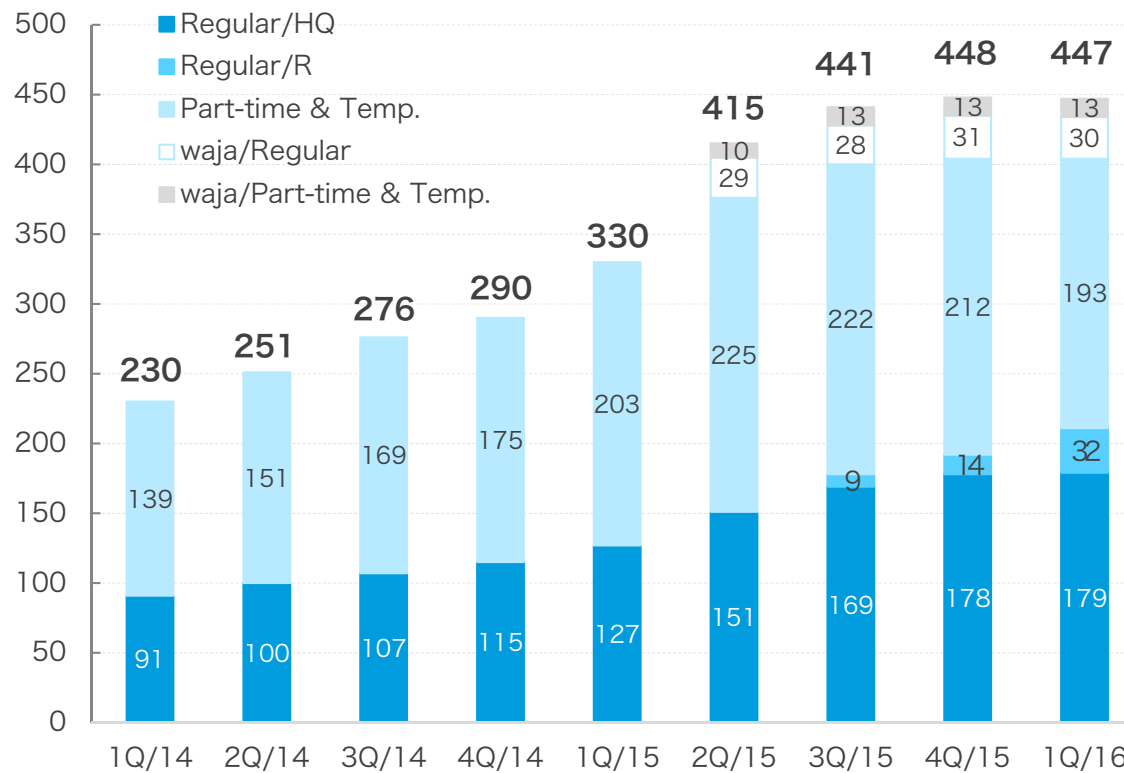


# 1-9 Employees

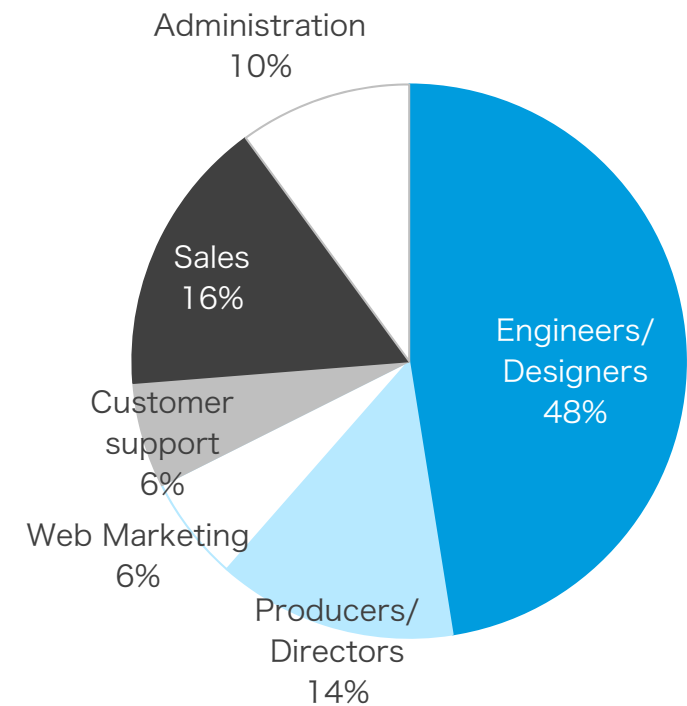
**Promotion of use of local regular employees for customer support (Miyazaki) and adjustment of personnel distribution.**

No. of Employees (Consolidated)

(Unit : Persons)



Breakdown of regular employees (Non-consolidated/Only HQ)

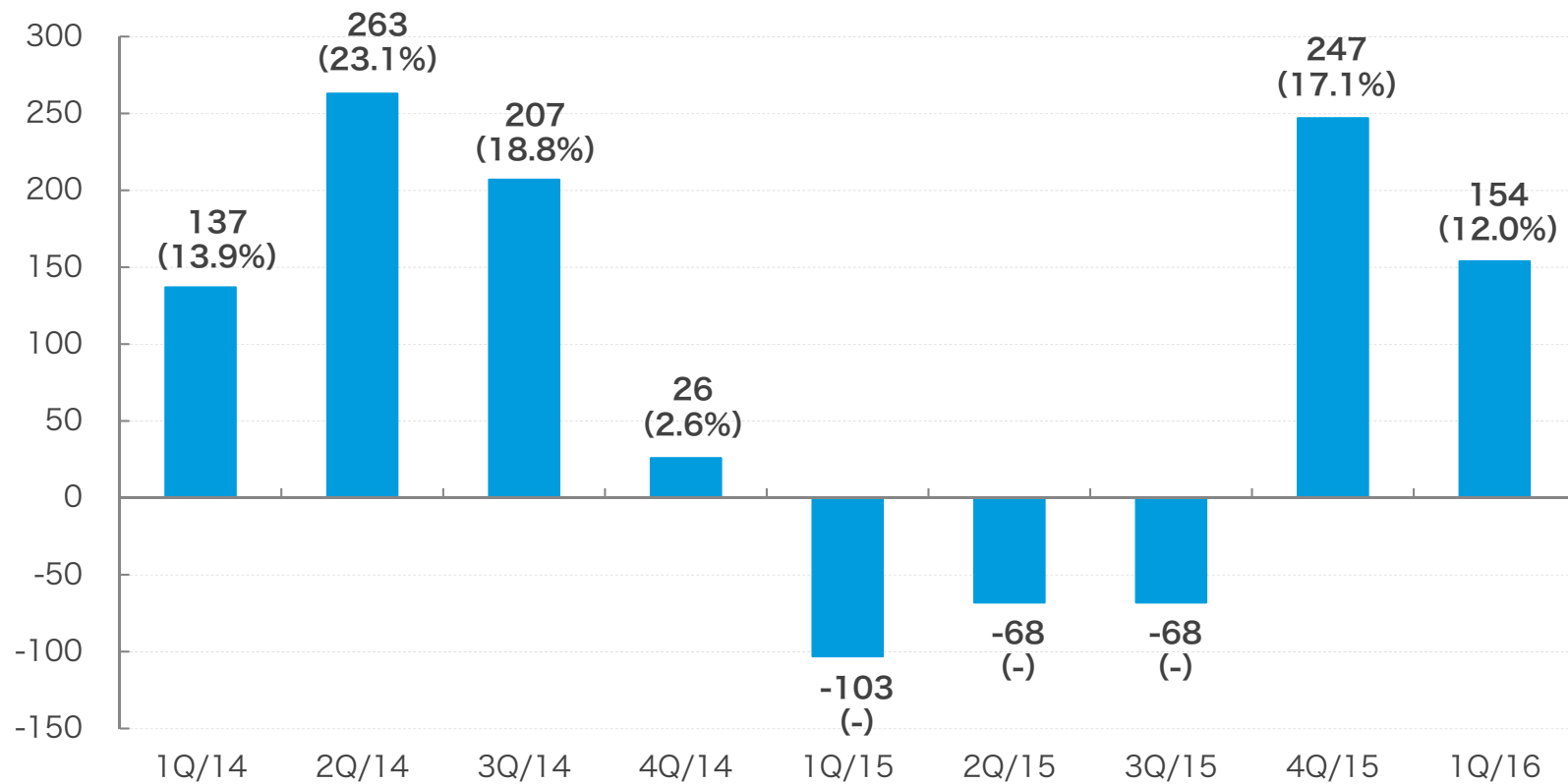


(As of March 31, 2016)

## 1-10 Operating Income

Sales down QoQ due in part to seasonality, but substantially up YoY.

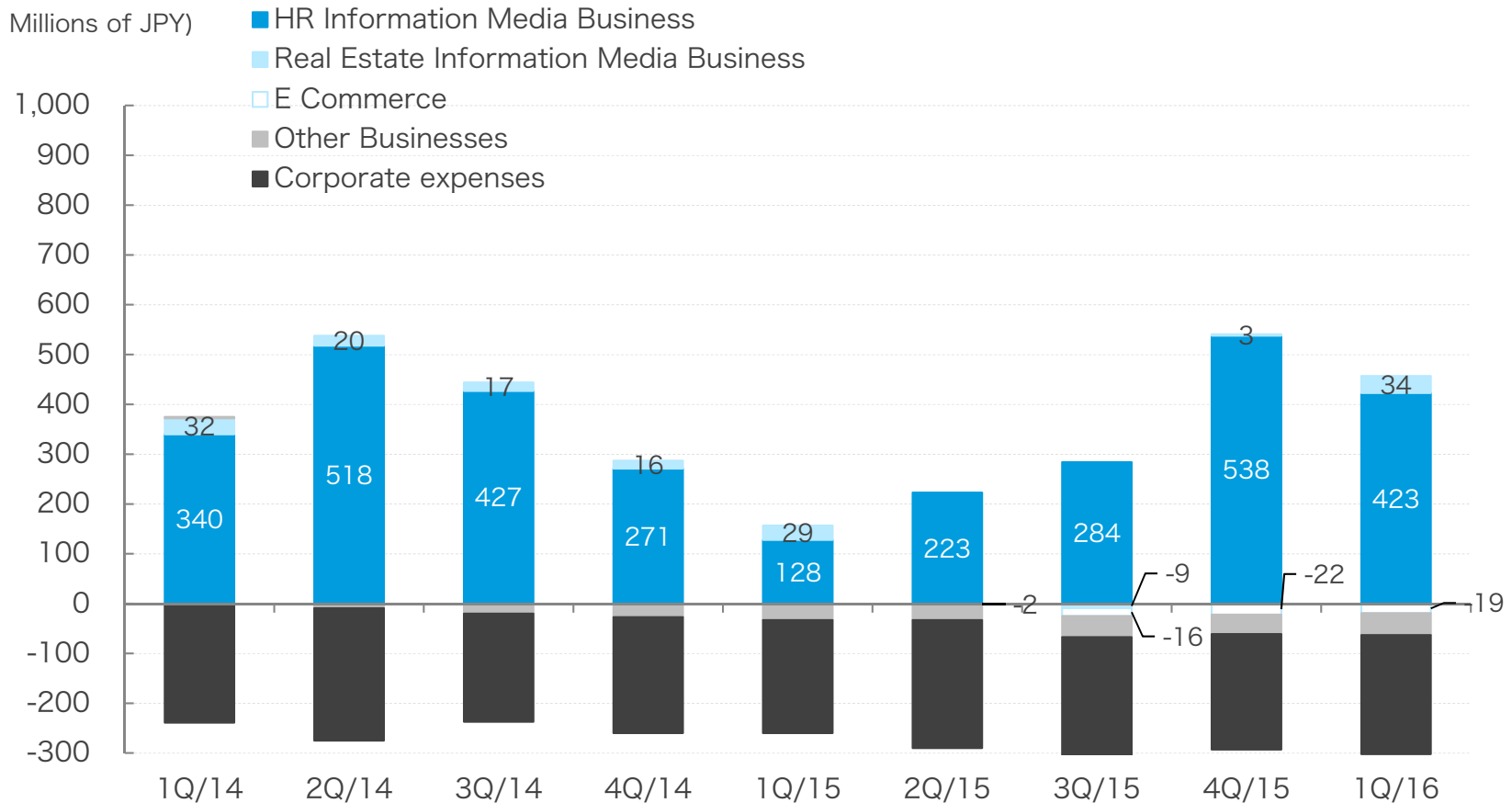
(Unit : Millions of JPY)  
(%) : Ratio to net sales



## 1-11 Operating Income (Segment)

**Substantial increase in profit YoY, especially in the HR Information Media Business, owing in part to streamlining of advertising costs.**

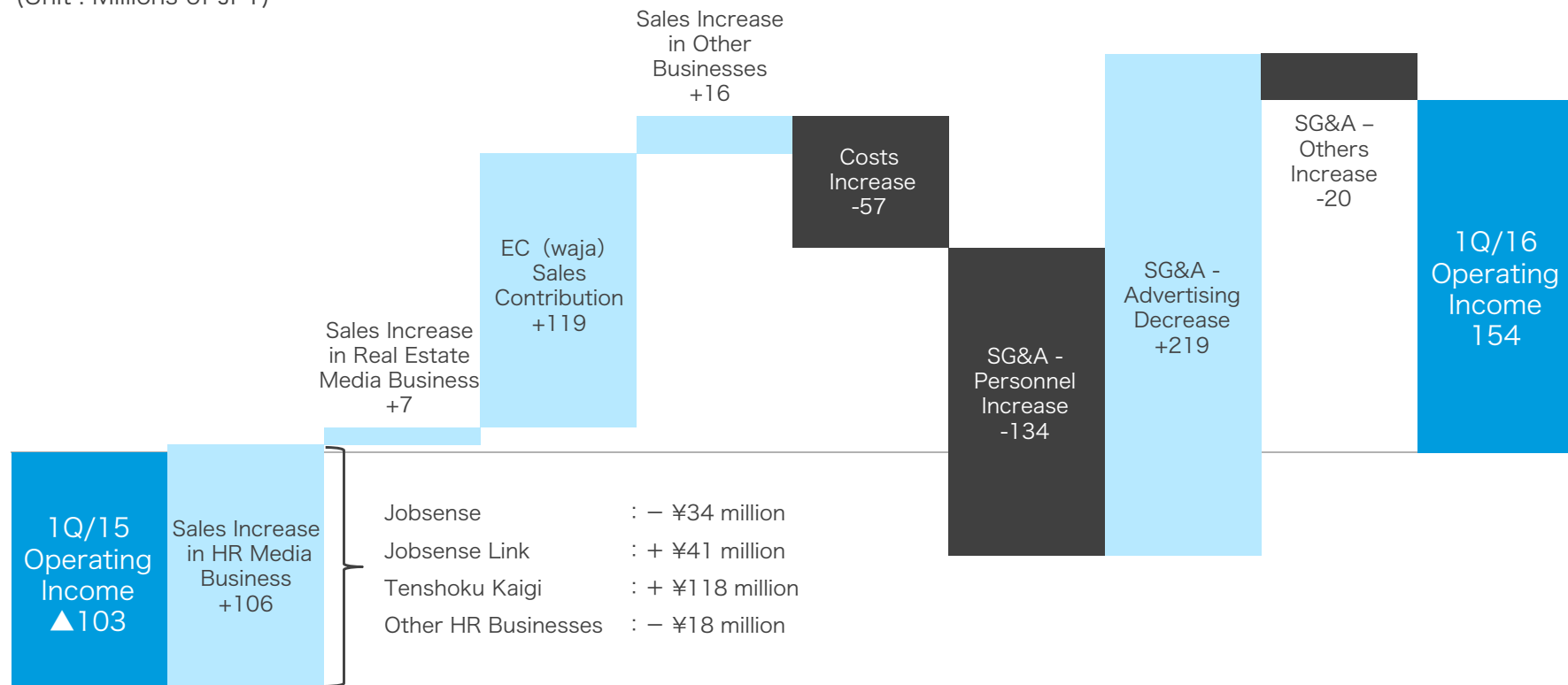
(Unit : Millions of JPY)



## 1-12 Operating Income (YoY Comparison)

Increased sales in the HR Information Media Business and streamlining of advertising costs contributed to substantial increase in profits.

(Unit : Millions of JPY)



## 1-13 Financial Forecasts for FY2016

- No change to earnings forecast\* for fiscal year ending Dec 31, 2016.
- Growth investment in the second half is under review in light of first half results and KPIs.

\*Announced on Feb 12, 2016

(Unit : Millions of JPY)

	FY2015 (Results)	FY2016 (Forecasts)		YoY
Sales	5,069	5,500 ~	5,800	+8.5% ~ +14.4%
Operating Income	7	100 ~	150	+1189.6% ~ +1834.4%
	0.1%	-	-	-
Ordinary Income	19	115 ~	165	+500.2% ~ +761.2%
	0.4%	-	-	-
Net profit	10	60 ~	95	+452.5% ~ +774.8%
	0.2%	-	-	-
EPS (JPY)	0.39	2.14 ~	3.38	+448.7% ~ +766.7%

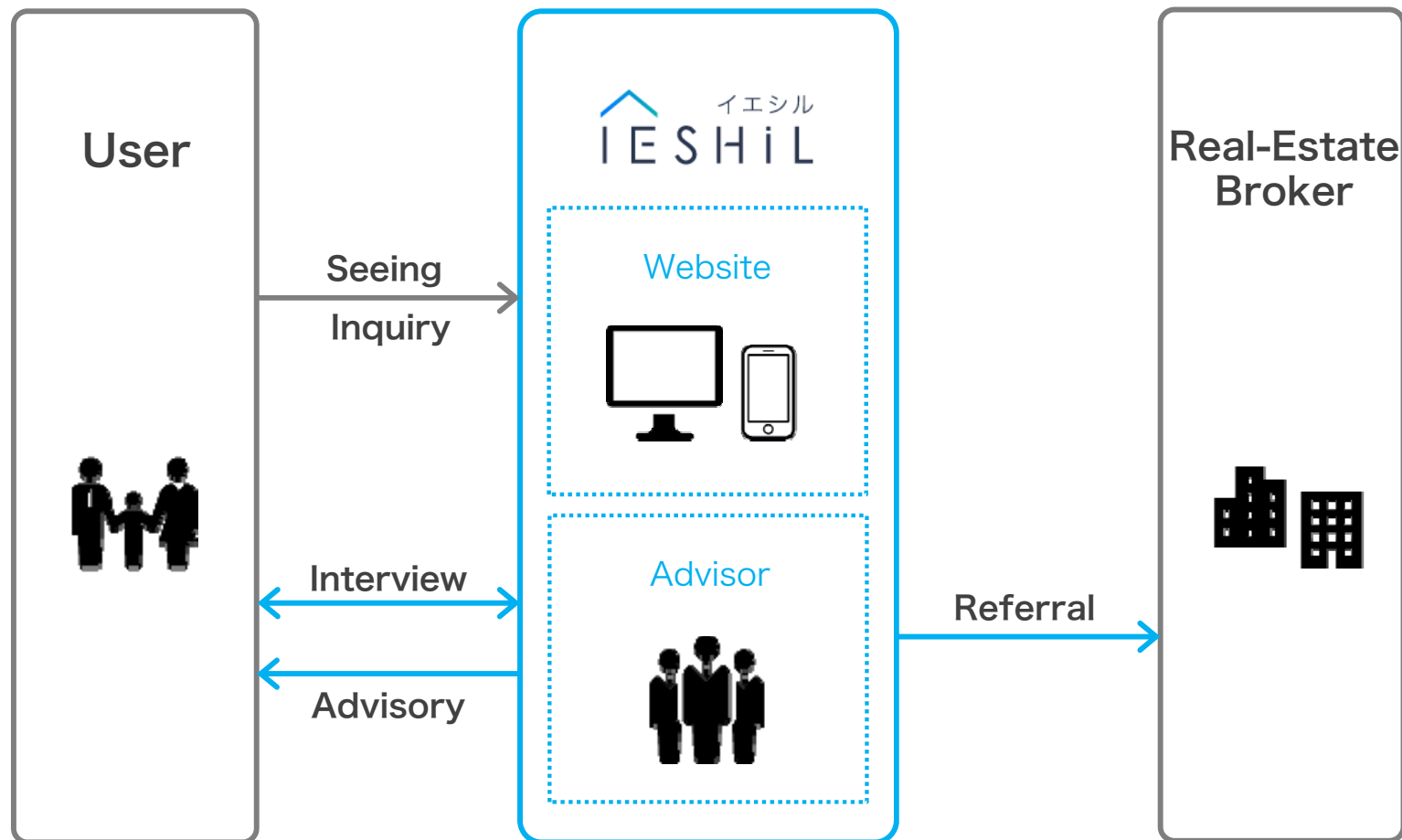
## 1-14 Business Approach for FY2016

<p>Jobsense</p>	<ul style="list-style-type: none"> <li>• Polishing of proprietary system, including affiliate marketing model and gift money</li> <li>• Strengthening of relationships with corporate customers (improvement/optimization of sales strategy)</li> </ul>
<p>Jobsense Link</p>	<ul style="list-style-type: none"> <li>• Further strengthening of “telephone supporter” for job applicants</li> <li>• Strengthening of relationships with corporate customers (improvement/optimization of sales strategy)</li> </ul>
<p>Tenshoku Kaigi</p>	<ul style="list-style-type: none"> <li>• Strengthening of key monetization channels (for recruitment agencies, etc.)</li> <li>• Creation of new monetization points (for business companies, etc.)</li> </ul>
<p>door chintai</p>	<ul style="list-style-type: none"> <li>• Enrichment of original property information</li> <li>• Creation of new profit channels</li> </ul>
<p>Other Businesses</p>	<ul style="list-style-type: none"> <li>• IESHIL : Strengthen IESHIL Advisory Service</li> <li>• Shukatsu Kaigi : Improvement of sales/monetization measures</li> <li>• imitsu : Expansion of comparison category</li> <li>• waja : Strengthening of business management functions, website improvements</li> </ul>



## 2-1 IESHIL( $\beta$ ver) - Advisory Service

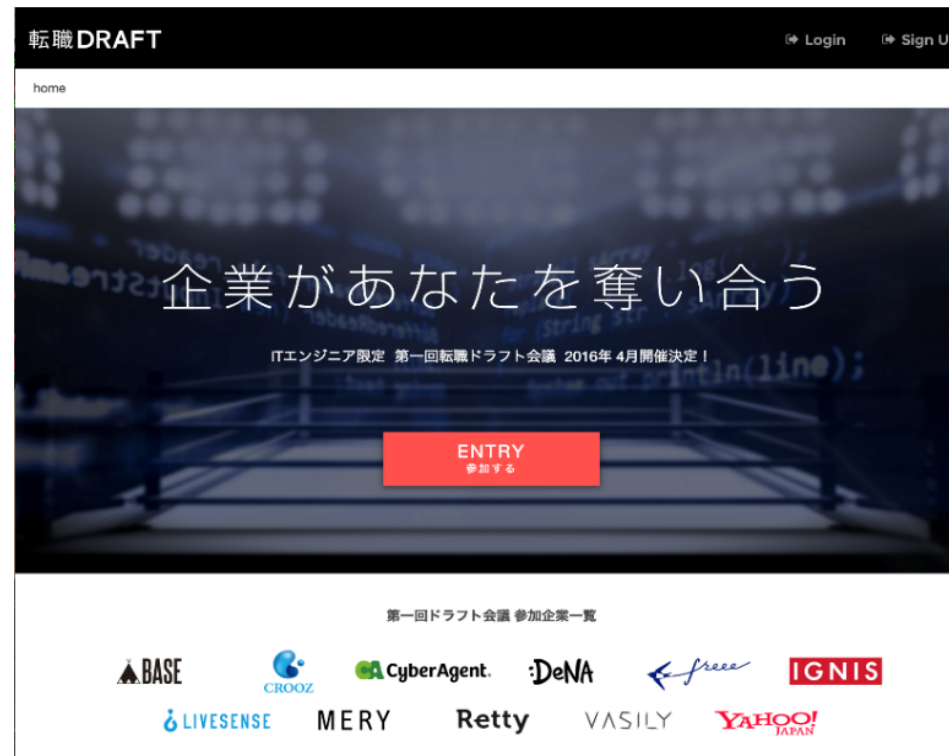
- | IESHIL advisory service launched to provide free advice to users considering real estate purchases and sales from a neutral standpoint (Feb 18, 2016).
- | Monetization channel based on sending customers to real estate partner companies and concluding purchasing contracts.



## 2-2 Tenshoku Draft( $\beta$ ver)

- | Tenshoku Draft  $\beta$  service for bidding on IT engineers based on their skills and experience launched
- | Seventeen IT companies participated in bidding on approx. 200 IT engineers that passed document screening stage in first draft

### Site Image



<https://job-draft.jp/>

## 3-1 Balance Sheet Statement

(Unit : Millions of JPY)

	1Q/15	1Q/16	YoY
Current assets	2,995	<b>2,957</b>	-1.3%
Cash and deposits	2,320	<b>2,130</b>	-8.2%
Accounts receivable	503	<b>612</b>	21.7%
Fixed assets	441	<b>862</b>	95.5%
Tangible fixed assets	113	<b>136</b>	20.4%
Intangible fixed assets	21	<b>427</b>	1,036.1%
Investments and other assets	307	<b>299</b>	-2.6%
Total assets	3,436	<b>3,819</b>	11.1%
Current liabilities	433	<b>617</b>	42.5%
Accounts payable	313	<b>228</b>	-27.2%
Reserve for bonuses	15	<b>41</b>	173.3%
Fixed liabilities	0	<b>3</b>	-
Total liabilities	433	<b>621</b>	43.4%
Shareholders' equity	2,974	<b>3,165</b>	6.4%
Capital	228	<b>232</b>	1.8%
Capital reserve	213	<b>220</b>	3.3%
Accumulated earnings	2,533	<b>2,713</b>	7.1%
Stock warrants	19	<b>13</b>	-31.6%
Total net assets	3,003	<b>3,198</b>	6.5%

## 3-2 Record of Recent Major Publicity Events

2016.03.09	CNET Japan
2016.03.07	Mainichi Shimbun
2016.02.29	Nihon Keizai Shimbun E Version
2016.02.25	Forbes
2016.02.25	Nikkei Sangyo Shimbun
2016.02.22	Shukan Jutaku Shimbun
2016.02.18	Nikkei Sangyo Shimbun
2016.02.08	Nikkei Business Online
2016.02.05	Fuji TV
2016.01.20	Nikkei BP
2016.01.19	FBS Fukuoka
2016.01.18	Shukan Jutaku Shimbun
2016.01.18	Nikkei Business
2016.01.09	THE21 Jan. issue
2015.12.25	Sankei Shimbun
2015.12.18	SoftwareDesign Jan. issue
2015.12.03	NEWS ZERO (Nihon TV )
2015.12.03	N Sta(TBS)
2015.11.27	Fuji Sankei Business Eye
2015.11.14	AERA with Kids
2015.11.09	Shukan Jutaku Shimbun
2015.10.31	Nihon Keizai Shimbun
2015.10.23	CNET Japan
2015.10.13	Reform Sangyo Shimbun
2015.10.10	THE21 Oct. issue
2015.10.10	Nkkei Big Data

## 3-3 Corporate Profile

Company Name	Livesense Inc.
Business Objective	Internet Media Management Business
Address	5th Floor, Shin-meguro Tokyu Building, 2-25-2 Kamiosaki, Shinagawa-ku, Tokyo
Established	February 8, 2006
President	Taichi Murakami
Management Team	Managing Director <ul style="list-style-type: none"> <li>• Taichi Murakami</li> <li>• Daisuke Katsura</li> <li>• Shin Nakajima</li> <li>• Hiroyuki Honda (Outside Director)</li> </ul> Statutory Auditors <ul style="list-style-type: none"> <li>• Junichi Ehara</li> <li>• Mitsuru Ozaki (Outside Statutory Auditor)</li> <li>• Nao Yoshizawa (Outside Statutory Auditor)</li> </ul>
Capital	¥232 million (As of March 31, 2016)
Business Results (FY2015, Consolidated)	Net Sales : ¥5,069 million , OP : ¥7 million
Number of Employees (Non-consolidated)	Full-time : 211, Part-time & Temp. : 193 (As of March 31, 2016)
Fiscal Term	December
Date listed	October 1, 2012 (TSE 1st Section) December 7, 2011 (TSE Mothers)
Auditing Firm	Deloitte Touche Tohmatsu LLC



# LIVENSENSE

Livesense Inc. (below, the Company) has prepared this material to provide current information about the Company. The Company prepared this material using generally known information about social and economic conditions and certain assumptions that we deemed to be reasonable. The information found in this material is subject to change without notice due to changes in business conditions or for other reasons. This material contains forward-looking statements, which are based on current expectations, forecasts and assumptions that involve risks. These forward-looking statements contain uncertainties, and actual results may differ substantially from these statements. These risks and uncertainties include general industry and market conditions as well as general Japanese and international economic conditions such as changes in interest rates and exchange rates. The Company has no obligation to update or correct the forward-looking statements contained in this material, regardless of any new information, future events, etc. In light of the above, investors are advised to use their own judgment when making investments.