



FY2017 2nd Quarter Financial Results

August 14, 2017
Livesense Inc.
(TSE1: 6054)

Agenda

- 1 Financial Results
- 2 Business Overview & FY2017 Initiatives
- 3 Appendix

1. Financial Results

Executive Summary for the 2nd Quarter

| Net sales increased in all segments. Up 24.4% YoY. Operating income increased YoY and exceeded forecasts.

• Net Sales	¥1,714 million	(YoY	+¥336 million	+24.4%)
• Operating income	¥161 million	(YoY	+¥19 million	+13.6%)

| Quarterly sales increased in all media.

- In HR Information Media, Tenshoku Kaigi and Syukatsu Kaigi drove sales growth
- Jobsense increased job posts, and improved the accuracy of user matching
Quarterly sales increased, although some lower priced job posts resulting from the prioritization of acquiring job posts resulted in a 0.3% decrease in cumulative sales year on year
- Real Estate Information Media and E Commerce both had increased sales and turned profitable

| Progress was made on investments in advertising, technology and human resources for mid-to-long-term growth.

- The number of full-time employees increased by 54 compared to the end of the previous year, primarily in Miyazaki and new graduates
- In addition to reinforced web advertising for user attraction, investment in branding commenced

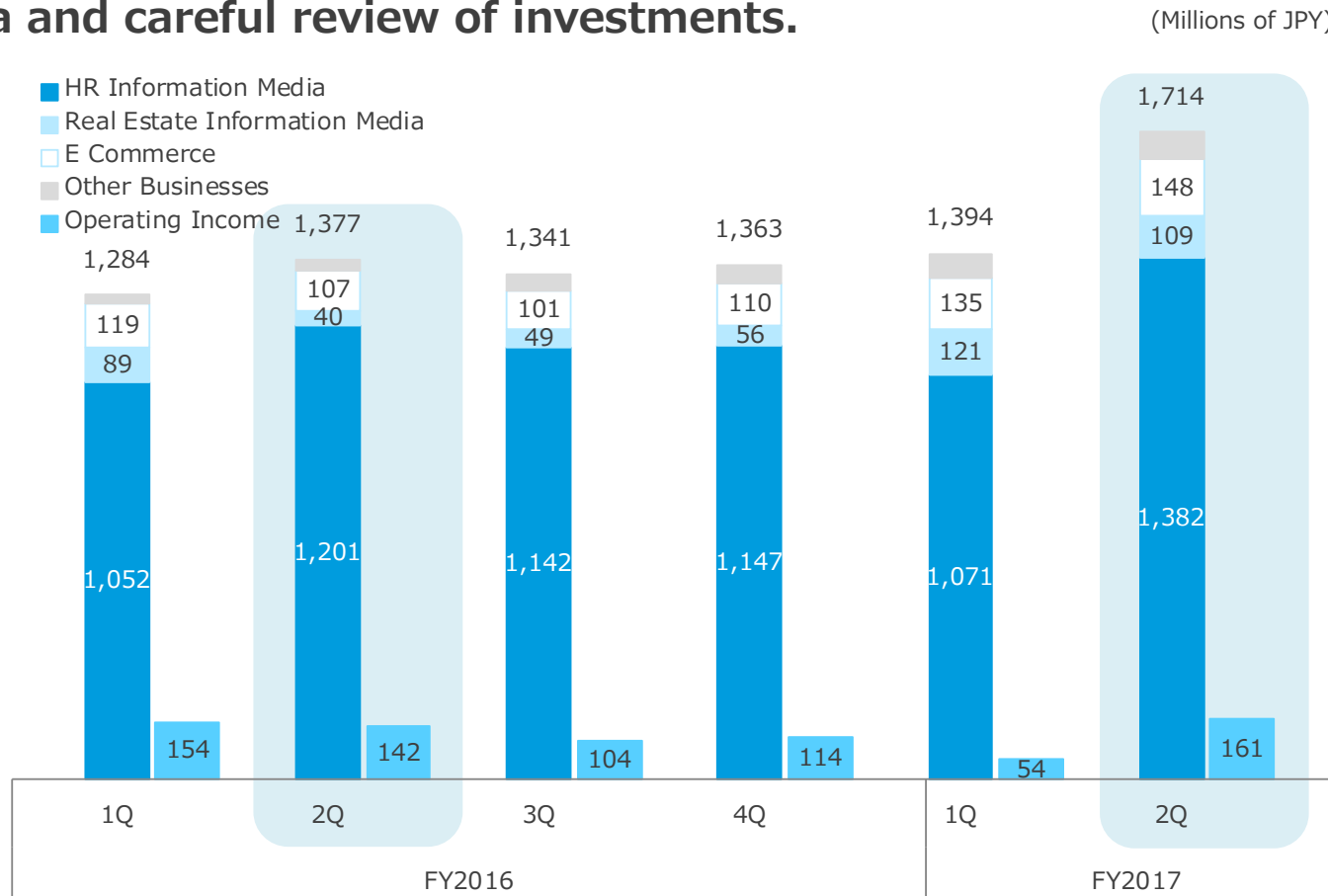
Quarterly Financial Results Overview

(Millions of JPY)

	FY2016 2Q	FY2017 2Q	YoY
Net Sales	1,377	1,714	+24.4%
Operating Income	142	161	+13.6%
Operating Margin(%)	10.3%	9.4%	▲0.9pt
Ordinary Income	147	216	+46.9%
Net income	▲ 226	146	—

Net Sales and Operating Income

- Sales up in all segments, 24.4% YoY.**
- Operating profit increased 13.6% YoY with efficient growth in multiple media and careful review of investments.**



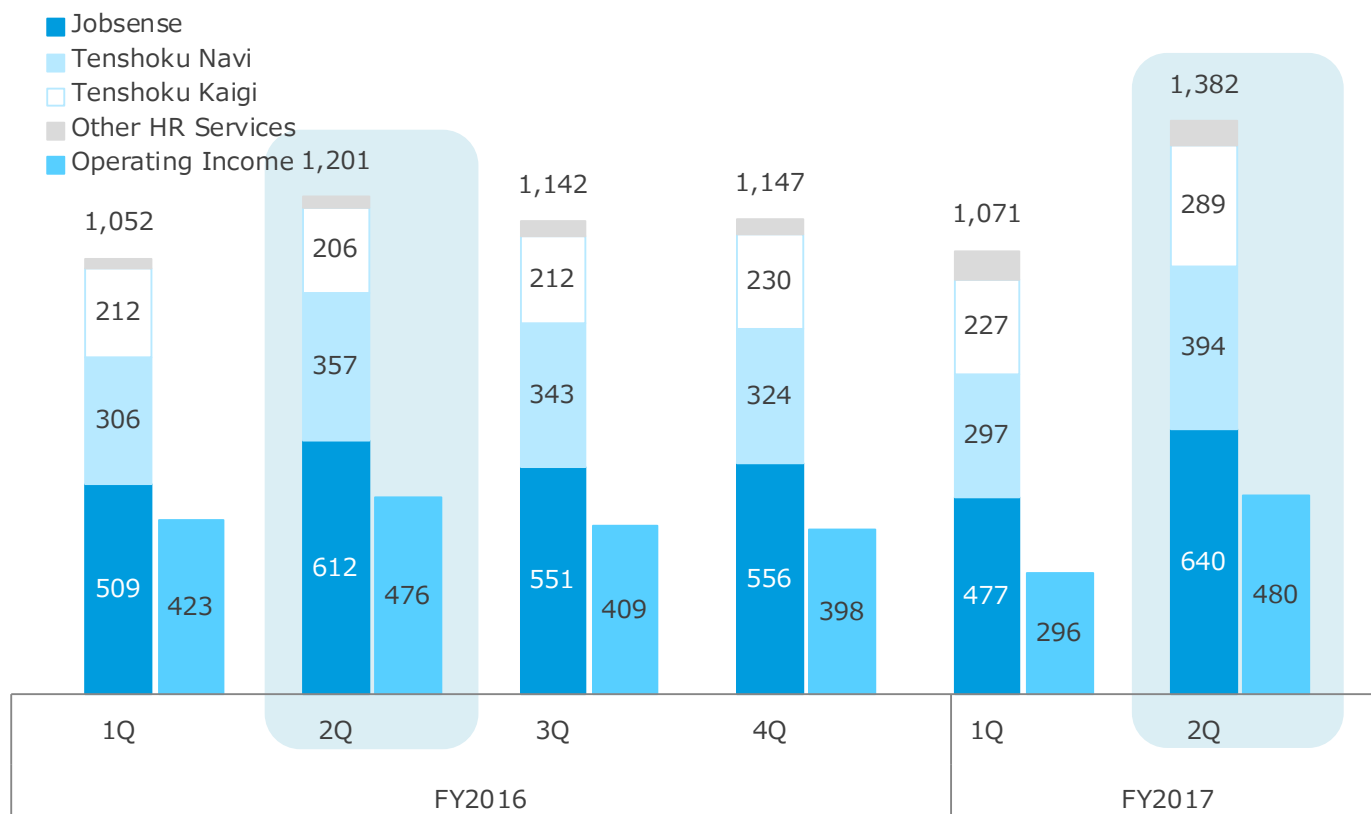
Note: IESHIL categorized under Real Estate Information Media as of 2Q/16.
1Q/16 results changed to reflect this (same applies hereinafter).

Segment Net Sales and Operating Income

-HR Information Media

- Progress was made on monetization of Tenshoku Kaigi and Syukatsu Kaigi. Segment sales up 15.1% YoY.
- In Jobsense, progress was made on acquiring job posts and improving the accuracy of matching, and sales were up 4.6% YoY.

(Millions of JPY)

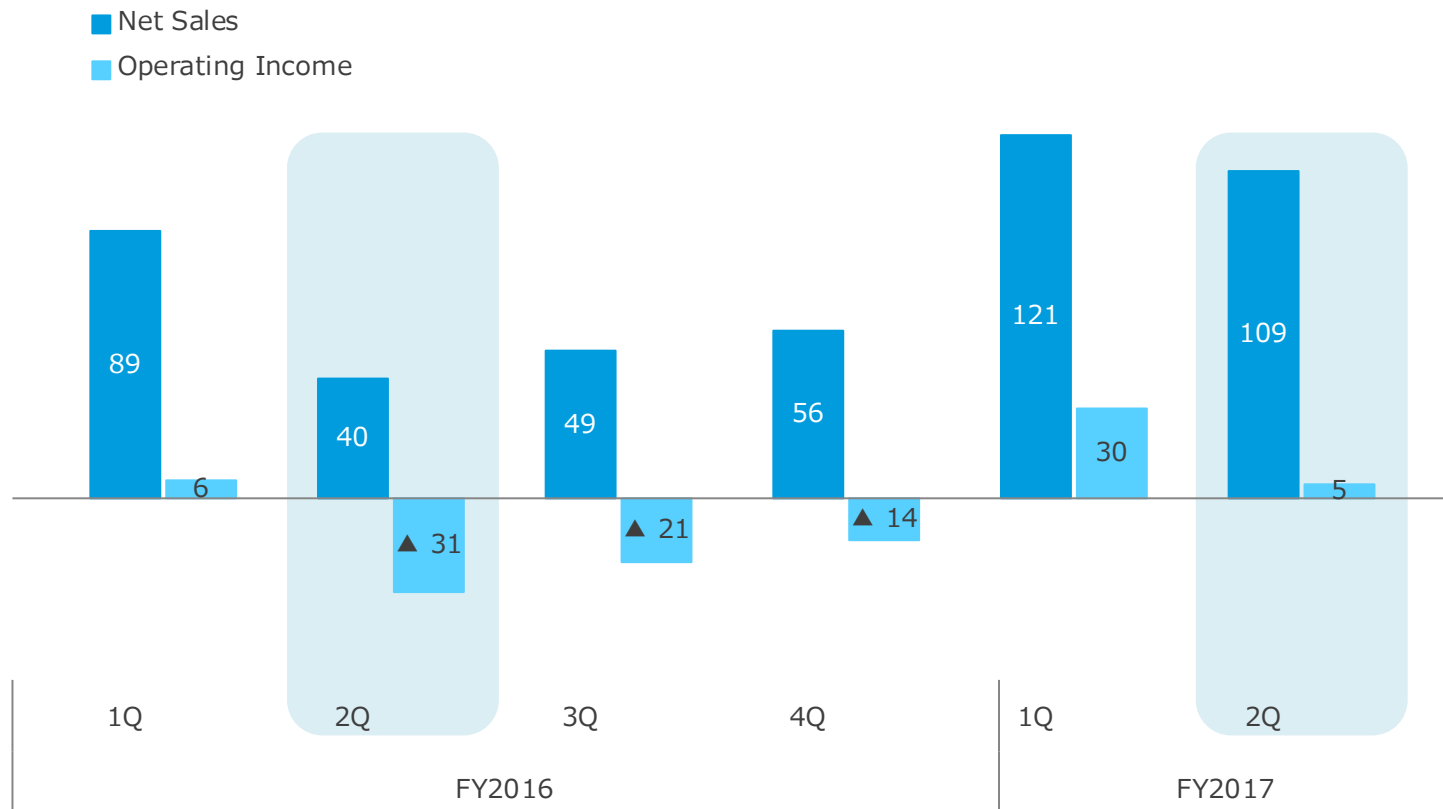


*The name of Jobsense Link was changed to Tenshoku Navi this quarter.

Segment Net Sales and Operating Income -Real Estate Information Media

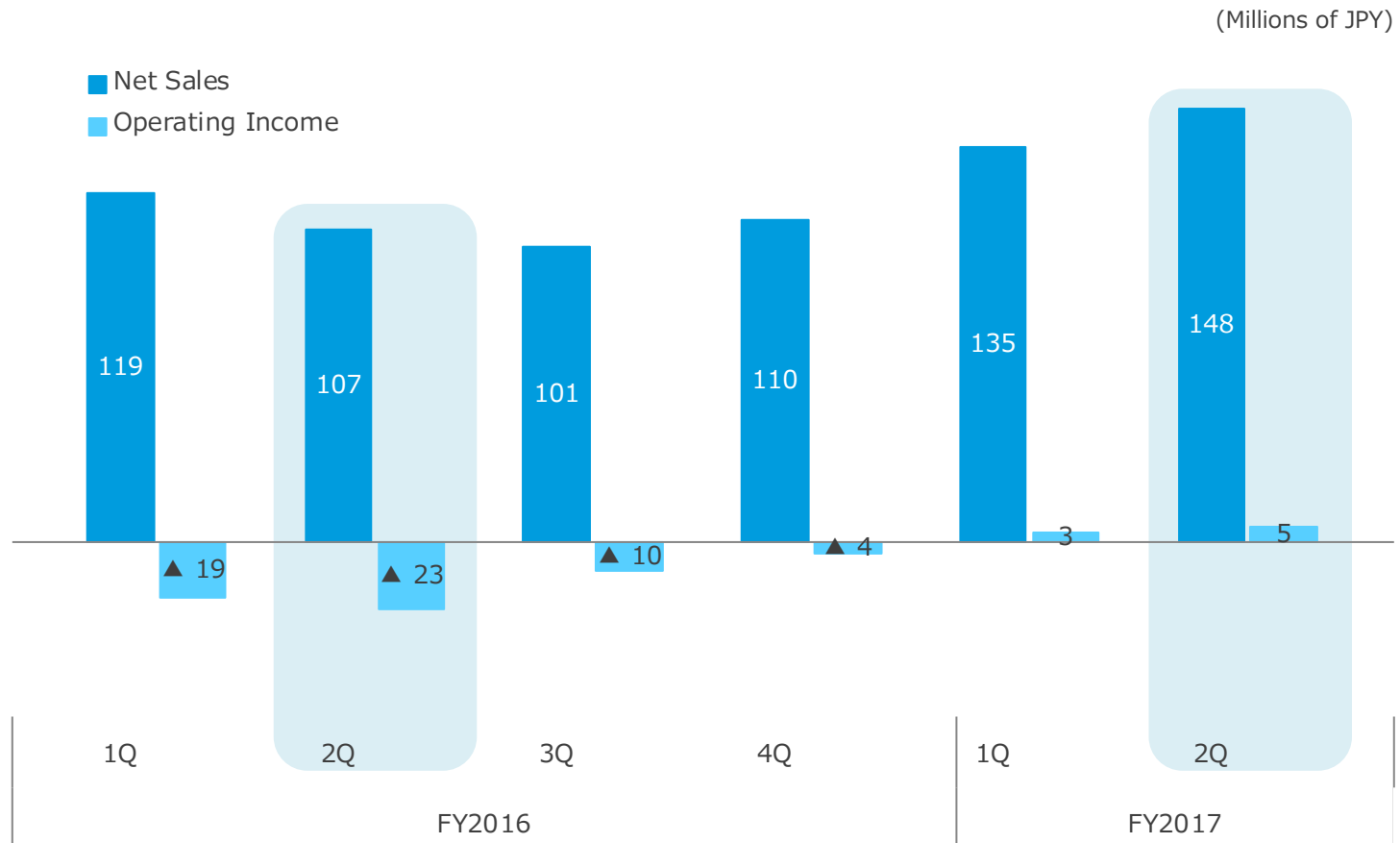
Sales increased and continued profitability since previous quarter with increase in DOOR Chintai property listings and progress on IESHIL monetization.

(Millions of JPY)



Segment Net Sales and Operating Income -E Commerce

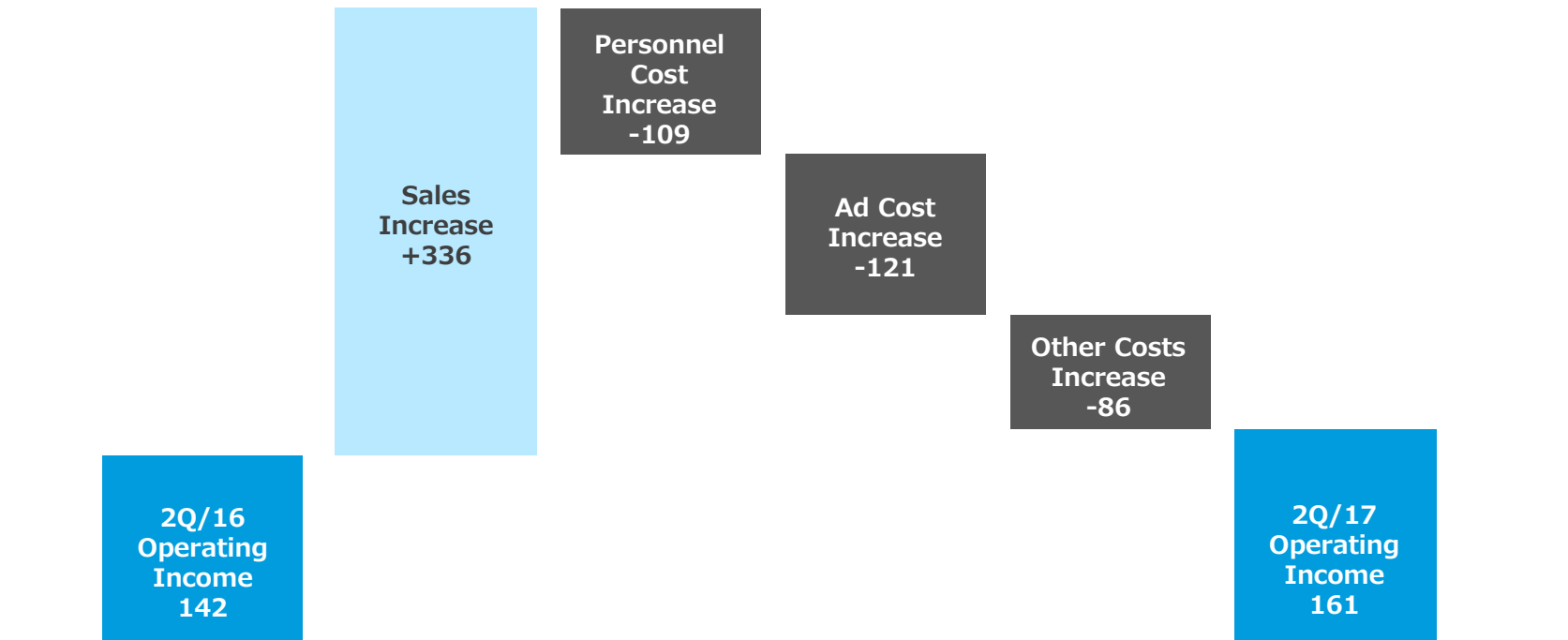
Web marketing knowledge sharing with waja progressed, resulting in increased sales and continued profitability.



Operating Income -YoY Comparison

Increase in net sales absorbed increased costs from ad spend and personnel increase; profits up 13.6% YoY.

(Millions of JPY)

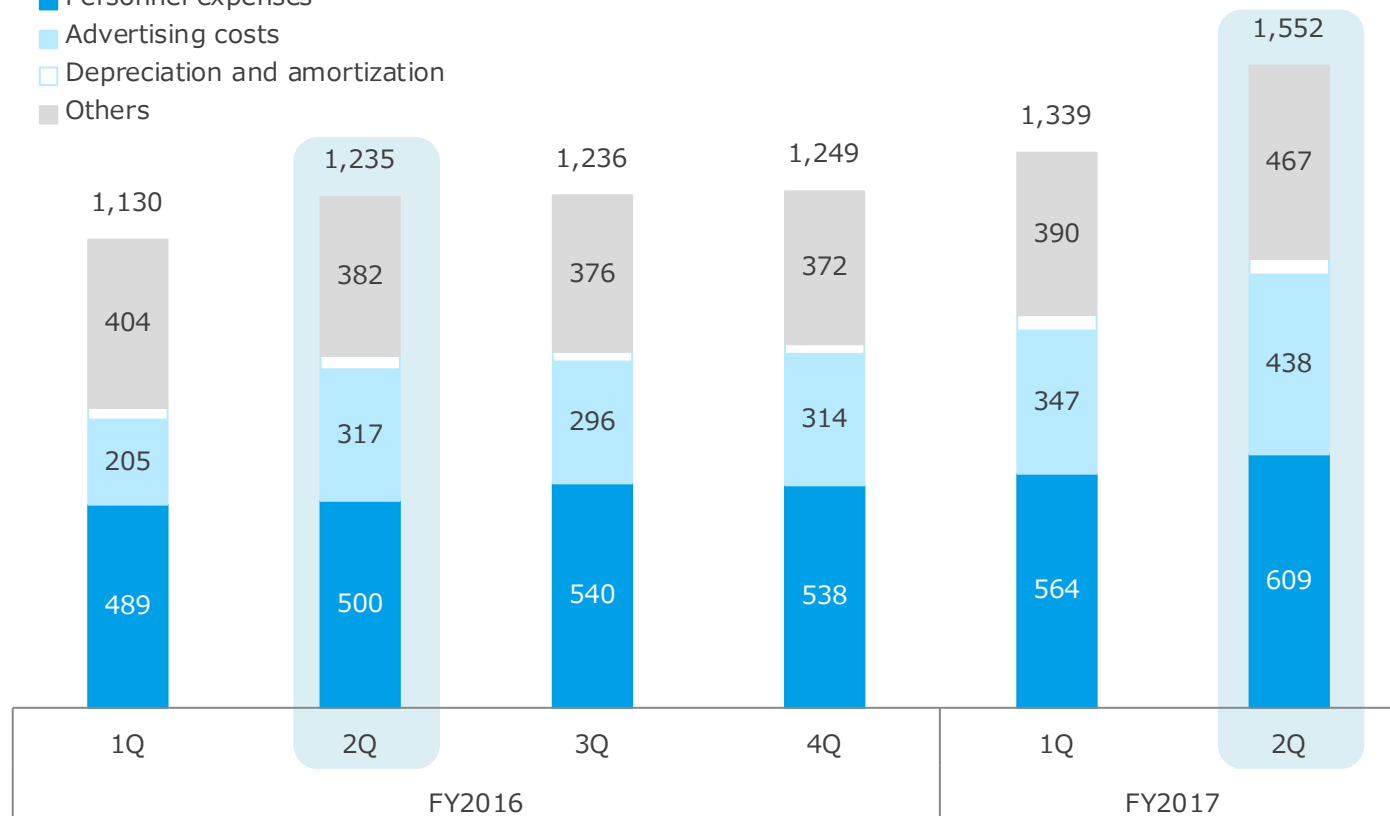


Operating Expenses

- Personnel costs up 21.8% YoY due to increase in new graduates and other full-time employees in Miyazaki.
- Advertising costs up 38.1% YoY due to reinforced web advertising, branding investments, etc.










(Millions of JPY)

- Personnel expenses
- Advertising costs
- Depreciation and amortization
- Others



2. Business Overview & FY2017 Initiatives

Segments and Core Media

Human Resources	   	Success fee-based part-time job posting site Success fee-based full-time job posting site Employer review Site New graduate employment support service
Real Estate	 	Success fee-based real estate posting site Real estate information service
EC		Overseas fashion EC site
Others	  	Medical Information Site Competitive bidding-type career service BtoB service comparison/order information site

Business Strategy for FY2017 and Progress

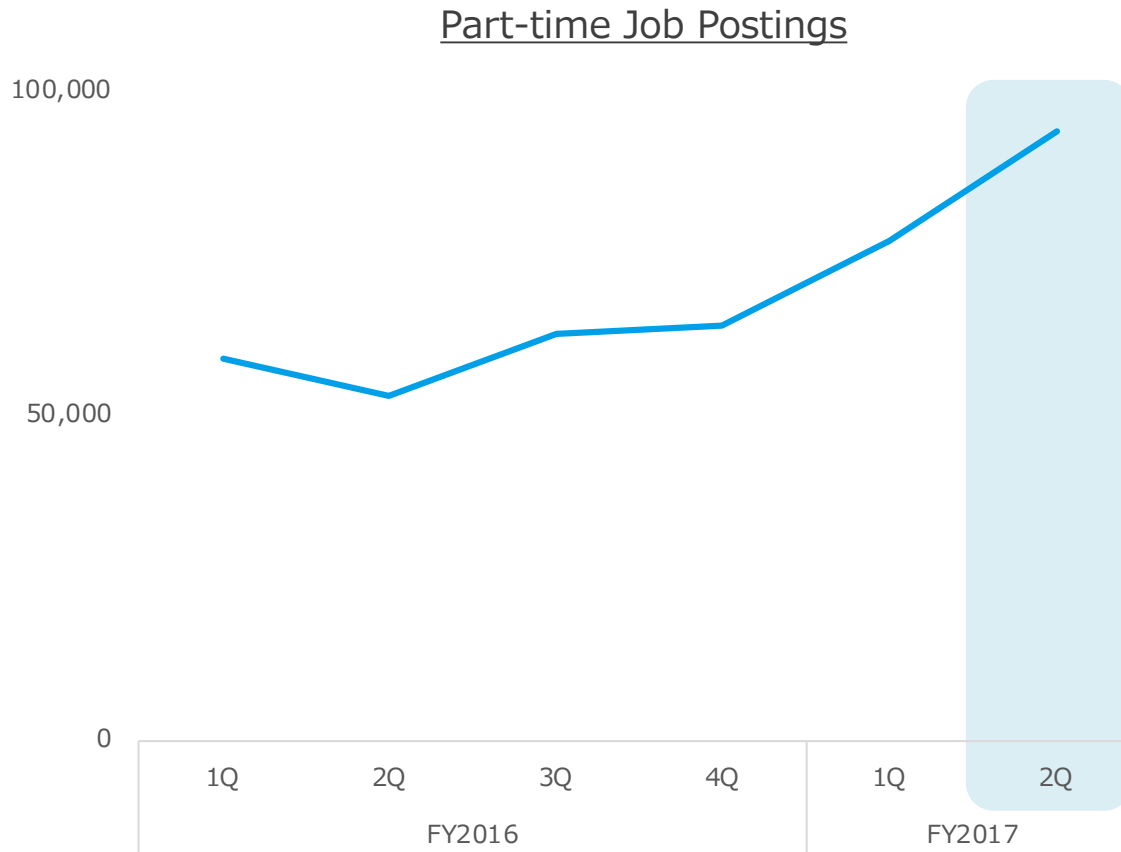
Human Resources	<ul style="list-style-type: none"> • Jobsense 	<ul style="list-style-type: none"> • Steady progress in increasing job posts and improving accuracy of matching • Work on improving user experience, enhancing recognition and expanding number of users
	<ul style="list-style-type: none"> • Tenshoku Navi • Tenshoku Kaigi 	<ul style="list-style-type: none"> • For lateral hires (full-time employees), Tenshoku Navi and Tenshoku Kaigi's organizations have been merged to optimize allocation of management resources. Promoting effective utilization of human resources and the customer base, aim for united growth • The name of Jobsense Link was changed to Tenshoku Navi. The website is updated, and currently promoting the re-branding • With Tenshoku Kaigi, began full-scale roll-out of career services utilizing reviews. Preparing for branding investment • "Tenshoku Kaigi BUSINESS", our Tenshoku Kaigi services for enterprises expanded
	<ul style="list-style-type: none"> • Syukatsu Kaigi 	<ul style="list-style-type: none"> • 2018 new grad registration increasing fast. 2019 new grads have also begun registering • promoted further content expansion and product development to improve site value in tandem with monetization

Business Strategy for FY2017 and Progress

Real Estate Information	<ul style="list-style-type: none"> • DOOR Chintai • IESHIL 	<ul style="list-style-type: none"> • Accelerated the site improvement cycle, improved KPIs and accumulated know-how • Results trending positively with increase in property listings • Provided information based on user needs and increased matching with real estate agencies
EC	<ul style="list-style-type: none"> • waja (consolidated subsidiary) 	<ul style="list-style-type: none"> • Customer satisfaction and profitability up as a result of introducing “anshin guarantee*” • Improved conversion resulting from enhanced web marketing <p>*Optional service providing five guarantees (same day shipping guarantee, return guarantee, brand guarantee, inspection guarantee and customs guarantee) in exchange for “anshin guarantee” fee</p>
Other	<ul style="list-style-type: none"> • New businesses 	<ul style="list-style-type: none"> • Chiryō Note Gathered patient experiences based on CGM and Q&A to polish business model Continue to focus on gathering patient experiences • Tenshoku Draft “Designer Draft” now held in addition to “Engineer Draft.” Trials were conducted to expand into other job categories Promoted development of a foundation to establish operations and expand the business • imitsu Continue to increase value of key categories Customer attraction such as SEO is steady

Topics: Increase in Job Postings (Jobsense)

Progress continues to be made on acquiring postings. At the same time, the site algorithms are being changed based on user behavior, applications, hirings and other data to improve matching accuracy.



*Average part-time job postings on Jobsense during period (excluding contract employee postings)

Topics: Site Name Change & Re-Branding (Tenshoku Navi)

- The name of Jobsense Link was changed to Tenshoku Navi to clearly express the user value provided by the site.
- Re-branding was promoted in line with the site update.

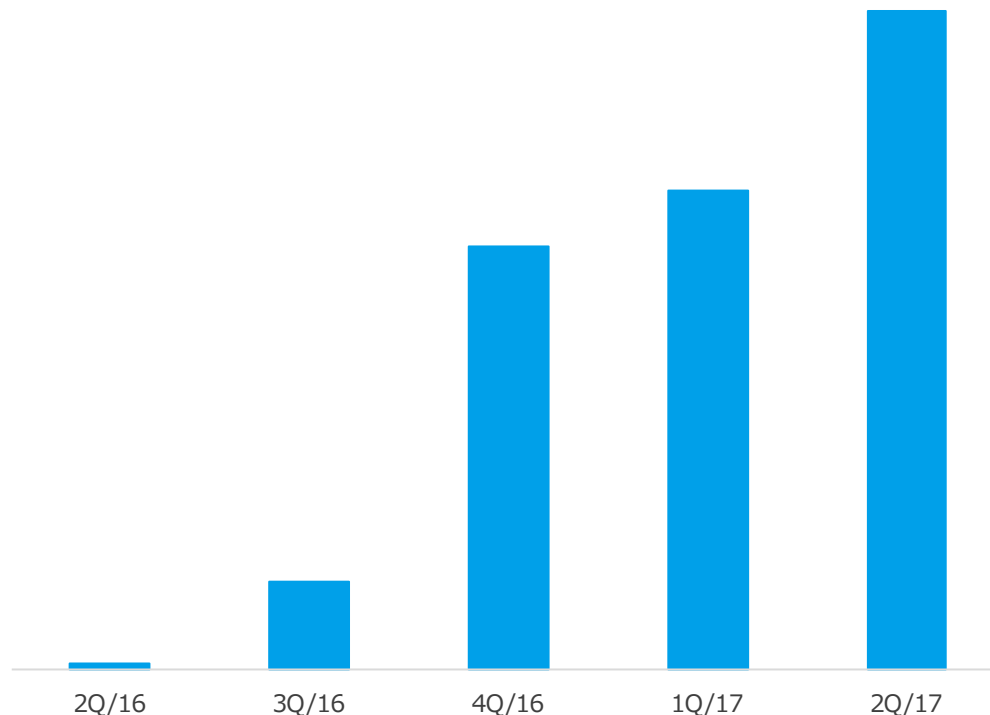
Screenshots



Topics: Progress on New Monetization (Tenshoku Kaigi)

- | Monetization progressed, including Tenshoku Kaigi BUSINESS, our direct recruiting service for enterprises.
- | Work to further expand our business by full-scale roll-out of career services.

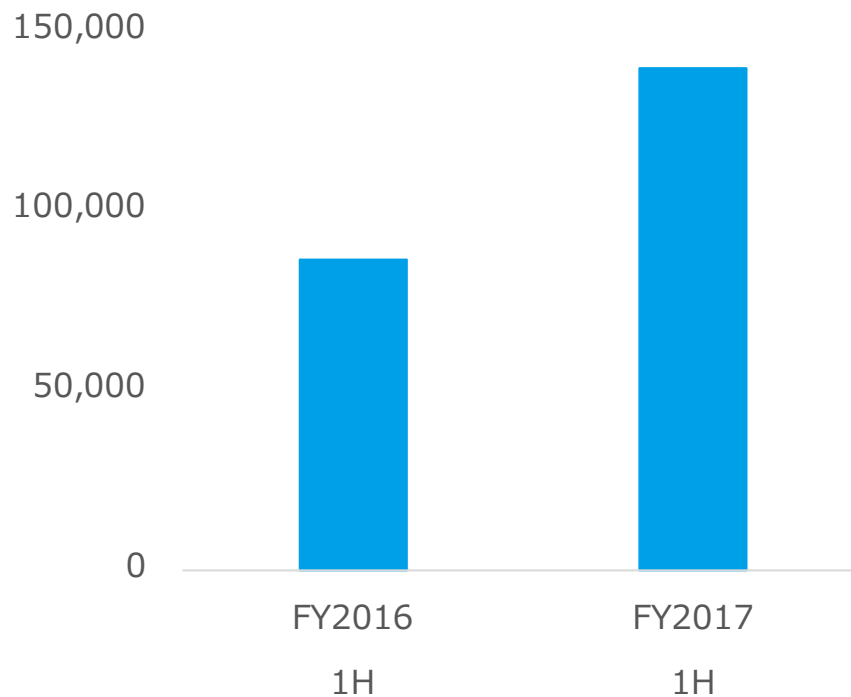
Tenshoku Kaigi BUSINESS Sales



Topics: Increased Use by New Graduate Job Seekers (Syukatsu Kaigi)

- Registered users increasing steadily.
- Registration by graduates in 2018 has come to an end. Registration by graduates in 2019 is taking place at more than 2x previous year's pace.

New Registered Users



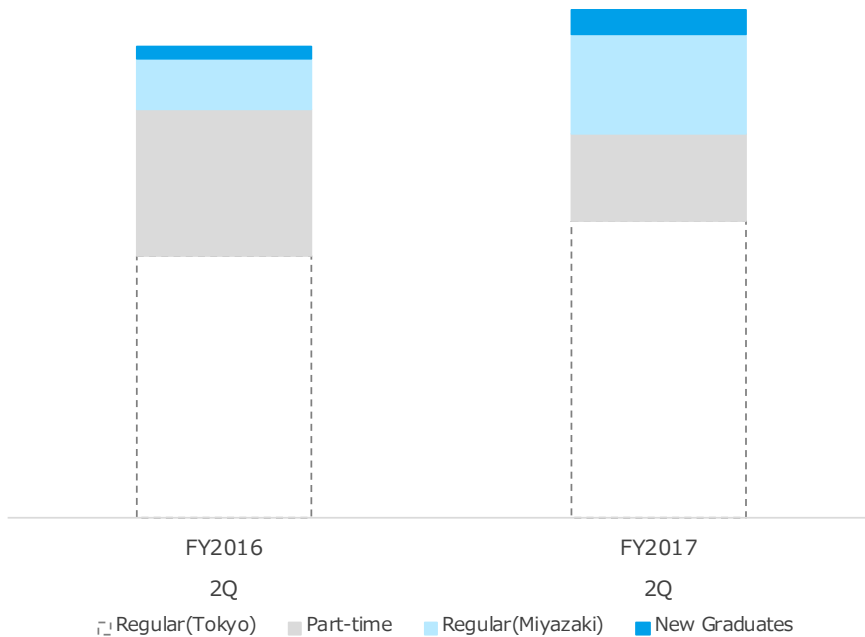
Site Screenshot



Topics: Organizational Strengthening

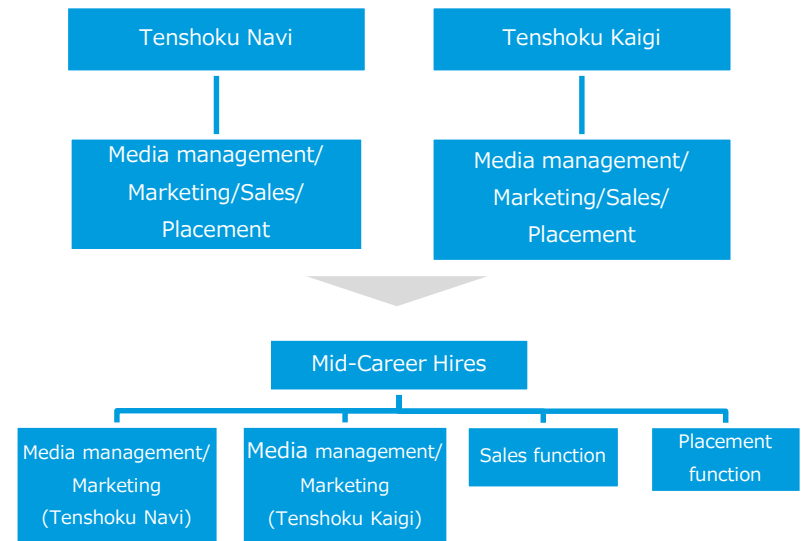
The number of employees has increased, especially local full-time employees and new graduates. Promote improved quality and productivity by moving operations to Miyazaki and establishment of a foundation for developing organizational culture by increasing hiring of new graduates.

Personnel Composition



Restructured our organization for mid-career hires. Advance from a stage where the aim was for independent business growth to a stage where we consolidate overlapping functions and pursue efficiency and synergy.

Organizational Restructuring



- Increase Tenshoku Kaigi media development resources
- Promote streamlining of sales activities and strengthening of proposal capabilities
- Look into sending customers between Tenshoku Kaigi and Tenshoku Navi

Policy for 2H of Year Ending December 31, 2017

| No change to company-wide policy set forth at beginning of year

- Policy: Establish strength (competitive advantage) to create “the next common” as part of our corporate vision “Invent the next common”
- Measure: Invest in advertising, technology and human resources for medium-term growth

| Growth investment will be accelerated in 2H. Advertising and personnel costs are expected to increase in excess of ¥500 million YoY.

- Advertising: Place new ads in several media. Work to accelerate business growth. At same time, clarify the strengths of each business and our company and value we provide. Also promote investment in branding.
- Technology: Strengthen structure of our company-wide data analysis organization. Data gathered will be thoroughly utilized in machine learning, UX, etc. and will be basis for our competitive advantage.
- Human resources:
Number of employees increased in 1H, primarily in Miyazaki and with new graduates. Work to quickly establish readiness of personnel and improve quality and productivity, making these basis for developing organizational culture. Also continue to hire capable mid-career recruits.
In conjunction with recruiting, continue to integrate mid-career hire business, promoting our vision and strengthening our organization.

Full-Year Financial Forecast for Year Ending December 31, 2017

- Net sales to grow 19.3% YoY. While maintaining business profitability, aim to establish a competitive advantage from a medium-term perspective through the proactive investments mentioned earlier.
- For the time being, the priority will be on expansion and establishment of a competitive advantage more than securing profits. Our focus will be on sales growth and continued investment.

(Millions of JPY)

	2016FY	2017FY	YoY
Net Sales	5,366	6,400	+19.3%
Operating Income	515	0	—



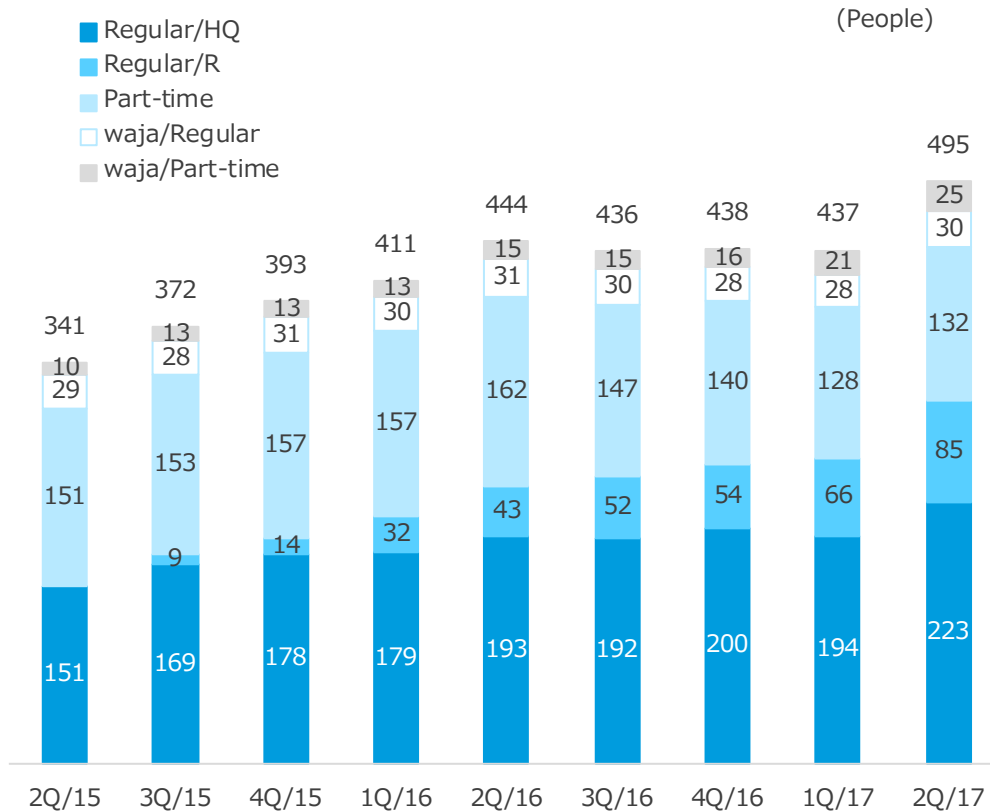
LIVESENSE

Invent the next common

3. Appendix

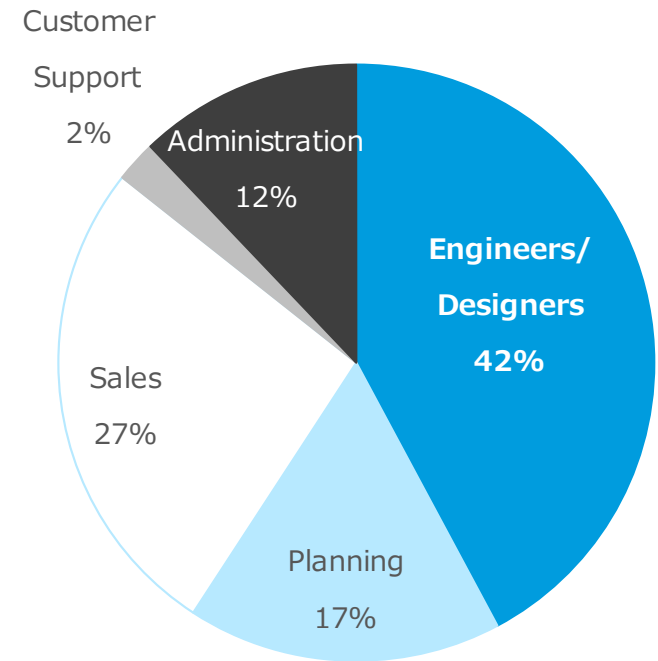
Employees

No. of Employees (Consolidated)



*Indirect hiring and outsourcers have been excluded beginning this quarter. Past numbers have been adjusted accordingly.

Breakdown of Full-time Employees



*Change job categories from this year
 *Non-consolidated, head office full-time employees only
 *Local full-time employees primarily in charge of customer support and sales

Record of Recent Major Publicity Events

Jul. 10, 2017	One of our male employees taking childcare leave covered by Nihon Keizai Shimbun
May 22, 2017	Jobsense part-time employment service covered by Nihon Keizai Shimbun
May 15, 2017	Tenshoku Draft competitive bidding-type career service and Tenshoku Kaigi employer review site covered by Weekly AERA
May 6, 2017	IESHIL real estate information service covered by Nihon Keizai Shimbun
Apr. 19, 2017	IESHIL real estate information service covered by Nihon Keizai Shimbun
Apr. 19, 2017	Interview of representative posted in Shukan Diamond
Apr. 5, 2017	Interview of representative posted in Miyazaki Nichinichi Shimbun
Apr. 1, 2017	Representative appeared as a commentator on Miyazaki Broadcasting's program "Hodo Live Tokoton"
Mar. 30, 2017	IESHIL Advisor real estate information service introduced by CNET
Mar. 26, 2017	Special interview of representative shown on Nippon TV's special program "Sunday Value Otona no Wide Show"
Mar. 22, 2017	IESHIL real estate information service covered by Yomiuri Shimbun
Mar. 22, 2017	Interview of head of Real Estate Unit posted in the Remodeling Business Journal
Mar. 9, 2017	Interview of representative posted in Asahi Shimbun
Mar. 7, 2017	Interview of female engineer posted in Nikkei WOMAN Working Mothers Special
Feb. 6, 2017	Special interview of representative shown on Nippon TV's program "ZIP!"
Feb. 3, 2017	IESHIL real estate information service covered by Nihon Keizai Shimbun
Jan. 24, 2017	iPhone app for Jobsense Link career change employment information site covered by Itmedia
Jan. 24, 2017	iPhone app for Jobsense Link career change employment information site covered by K-tai Watch
Jan. 18, 2017	Interview of representative posted on Itmedia Executive
Jan. 9, 2017	Interview of representative posted in Nikkei Business
Jan. 2, 2017	IESHIL real estate information service covered by Building Management Weekly

Corporate Profile

Company Name	Livesense Inc.
CEO/Founder	Taichi Murakami
Business Philosophy	Happiness Begetting Happiness.
Corporate Vision	Invent the next common.
Established	February 8, 2006
Date listed	TSE 1st Section : October 1, 2012 TSE Mothers : December 7, 2011
Number of Employees (Non-Consolidated)	Full-Time: 308 (As of June 30, 2017)



LIVESENSE

Invent the next common

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.