



Daiwa Investment Conference
Tokyo 2018

March 9, 2018
Livesense Inc.
(TSE1 : 6054)

Agenda

- 1 About us
- 2 Business Description and Characteristics
- 3 Financial Highlights
- 4 Future Business Development

1. About us

The Origin of Company Name / Business Philosophy

| The Origin of Company Name

LIVE + SENSE

| Business Philosophy

Happiness Begetting Happiness.

Corporate vision : Livenessense's Origin

| Corporate vision

Invent the next common

| Story behind logo



"Ideas"

By questioning existing ordinary thinking, new ideas are born.



"Constant Effort"

As the Japanese proverb "falling rain drops carve out the rock" goes, falling drops express Livenessense's constant and thorough effort. Through this effort, we will permeate society with new services and new ways of thinking and changing the way the world exists.

History : Background of Establishment

| 2005 (Taichi Murakami: Age 18/university freshman)

- Took the Entrepreneur Training Course at Waseda University
- Winner of the Business Plan Contest
- Internships at Daiwa Institute of Research and Internet-related ventures



The Business Plan Contest

| 2006 Established Livesense Inc.



Livesense office at Waseda University

History

Since its establishment, Livesense has continued to develop new services and expand the scale of its business



Oct. 2012
Listed on TSE1

Dec. 2011
IPO



Feb. 2006
Established



(Sales trends)

2. Business Description and Characteristics

Our Business Portfolio

Operation of online services, primarily in HR business and real estate domains.

HR Information Media



"Machbaito"
Part-time Job
Information Site



"Tenshoku Navi"
Full-time Job
Information Site



"Tenshoku Kaigi"
Company Review Site
(Word of mouth Site)



"Syukatsu Kaigi"
New Graduate Employment
Support Service etc

E Commerce



"waja" (*1)
Fashion EC Site

etc

Real Estate Information Media



"DOOR Chintai"
Home Rental
Information Site



"IESHIL"
Real Estate
Information Service

Others



"Chiryō Note"
Medical Information Site



"Tenshoku Draft"
Competitive Bidding-type
Career Change Service



"imitsu"(*2)
Service Comparison/Order
Information Site

etc

(*1) Operated by consolidated subsidiary waja Co., Ltd.

(*2) Operated jointly with unilabo Inc.

Machbaito / Tenshoku Navi

“Machbaito” a part-time job information site and “Tenshoku Navi” a full-time job information site run under affiliate marketing business model.

Machbaito



- More than 220,000 job information postings, primarily in restaurant, apparel and retail categories
- Monetary gift of up to 10,000 yen given to successful job applicants
- Aim for user experience differentiated based on concept of “right away”

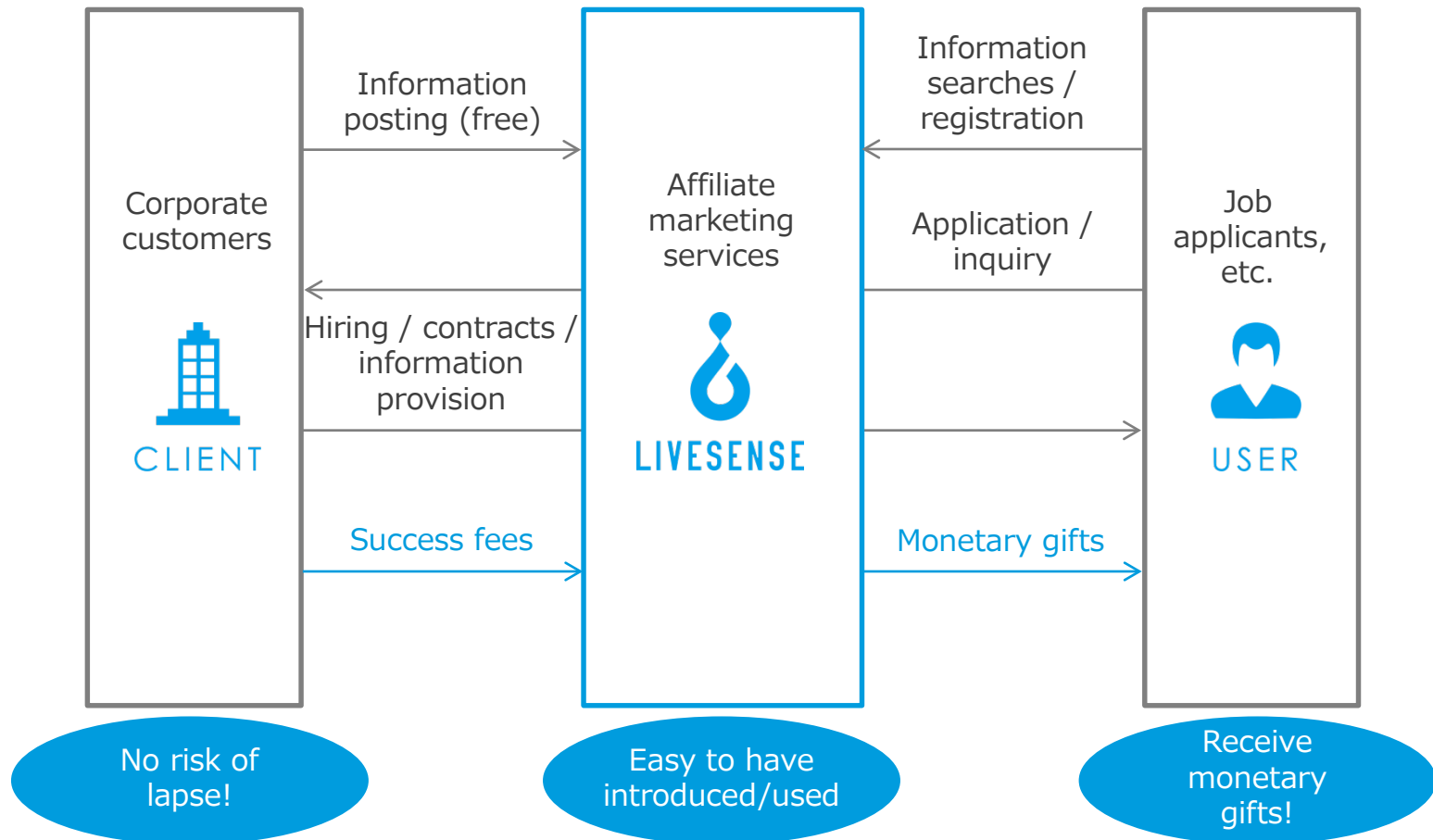
Tenshoku Navi



- Job information postings for several industry categories, and total of more than 2 million registered members
- Tenshoku Nakoudo telephone-based career change consultation service also offered to wide range of job applicants



Machbaito / Tenshoku Navi : Business Model

| Inventing “the next common” using success fee-based model.



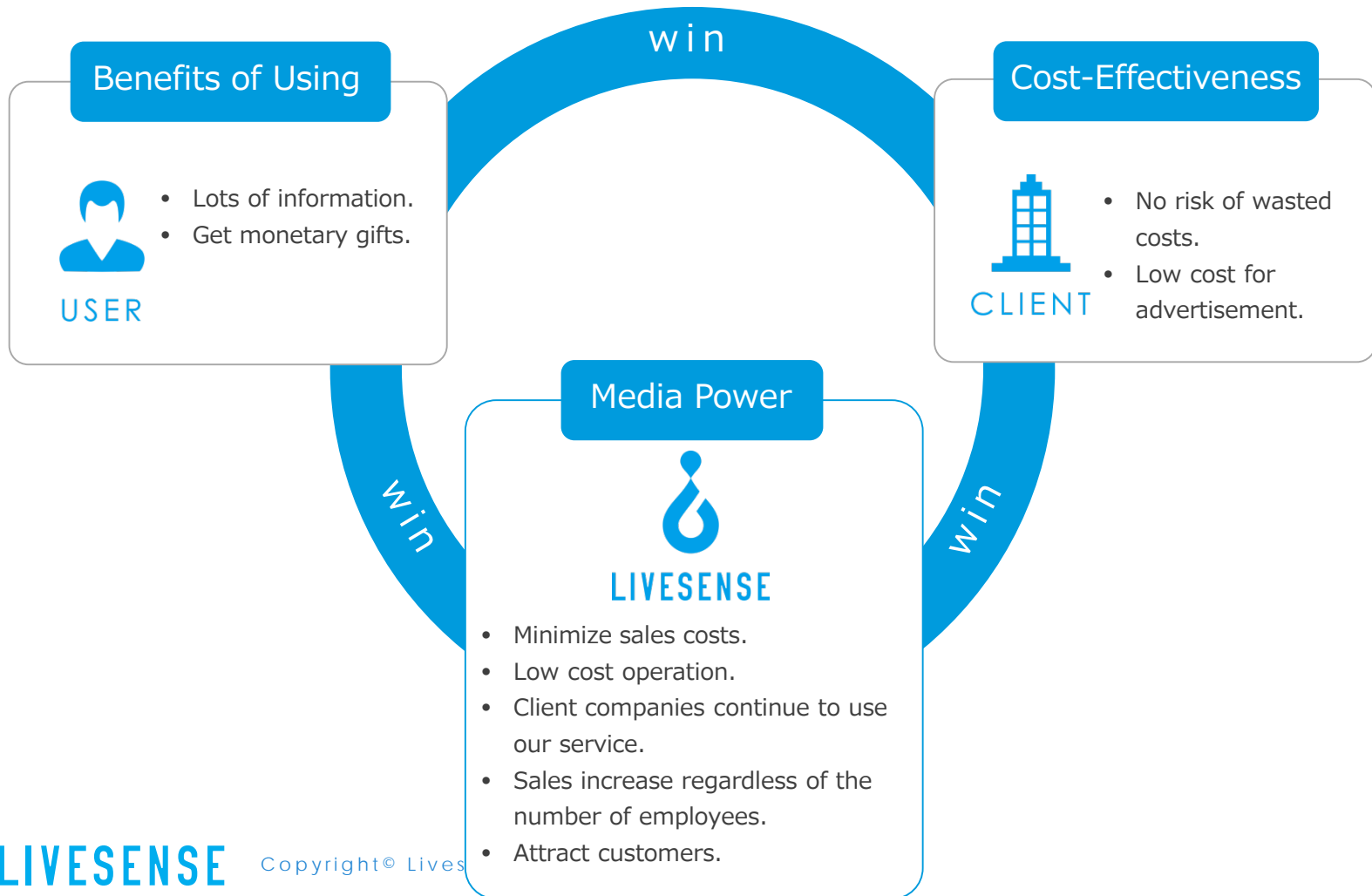
Machbaito / Tenshoku Navi : Business Model

Information posting is free (success fees only), users receive monetary gifts.

	Traditional Model	Our Model
	Publishing Charge System	Affiliate (Success Fee) System
 CLIENT	Information Listing Fee (Upfront fees)	Cost occurs
 USER	Monetary Gifts	Free (Success Fee Only)
		None
		Receivable

Machbaito / Tenshoku Navi : Business Model

Three-way satisfaction model:
Users (job applicants, etc.), corporate customers and Livesense.



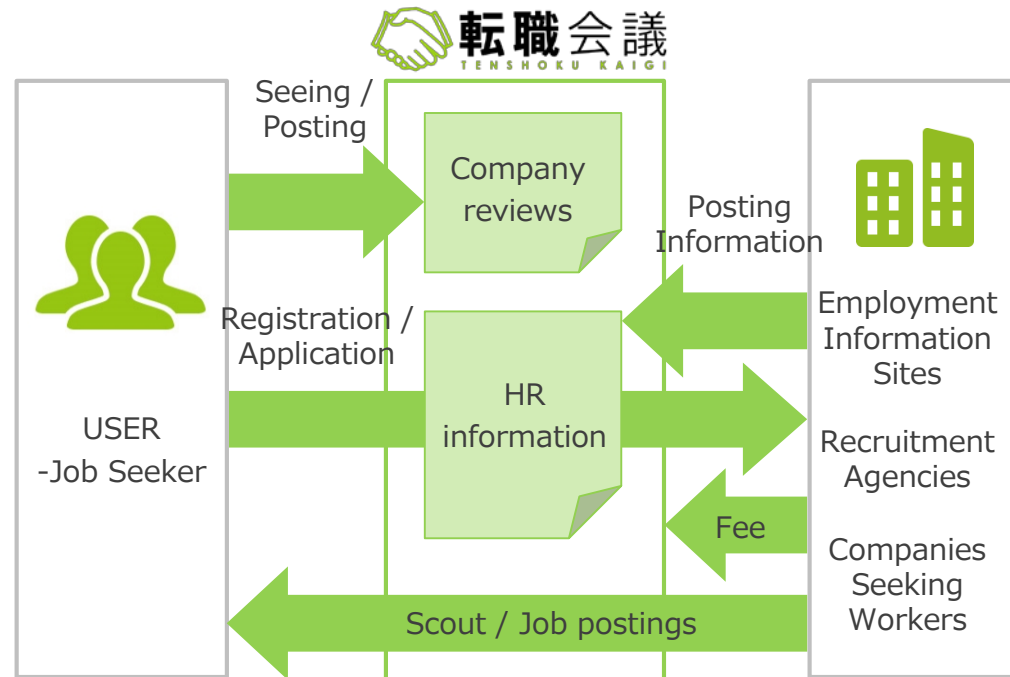
“Tenshoku Kaigi” Company Review Site

- Japan’s largest company review site with 2 million valid reviews and total of 5.5 million registered members.
- Steady expansion of lead generation to employment information sites and recruitment agencies and services for enterprises.

Tenshoku Kaigi



Business Model



Tenshoku Kaigi : Content

| Browse original reviews collected from Tenshoku Kaigi members.

Ratings by Company



- Visualization of company evaluations (scores) in eight categories, including work environment, collected from Tenshoku Kaigi members

Word-of-Mouth Reviews

仕事のやりがい、面白み (全32件) ★★★★★
従業員 20代後半 男性 1年以内 プログラマ(オープン系・WEB系)

【良い点】
職能の向上と、企業の成長がうまくマッチしている会社です。未経験でも違う職種へのジョブチェンジが頻繁に行われるなど、とてもチャレンジングな職場です。それでいてワークライフバランスも整っており、学習意欲が高い人にとっては最高の職場です。

【気になること・改善したほうが良い点】
組織が大きくなるフェーズで、突貫工事なところは少しあります。しかし声を上げて意見をできれば、建設的な議論で改善可能です。

投稿日：2016年7月14日 投稿 ID：ans-2259934

- Various reviews of each company shown according to category

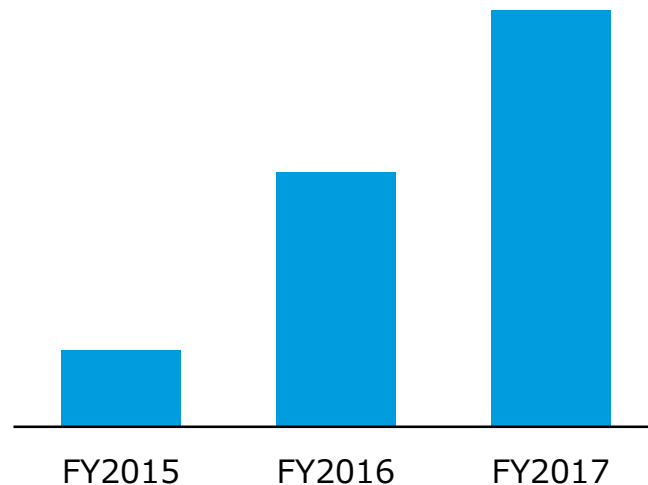
“Syukatsu Kaigi” New Graduate Employment Support Service

- Number of site members trending favorably thanks to collection and enhancement of original content, including reviews of company screening, since service was launched in April 2015.

Syukatsu Kaigi



Number of Registered Members



- About 2.5 years since launch of service, roughly $\frac{1}{3}$ of all new graduates using the service
- Accumulation of original content not available from other services, more than 20,000 registered entry sheets in company screening and more than 30,000 screening experience notes (interview information)
- Providing more individualized employment support based on our data and user information

“IESHIL” Real Estate Information Service

- Market price, price trends, etc. displayed by room for condominium properties throughout metropolitan area using proprietary price assessment engine (patent pending) utilizing big data.

IESHIL

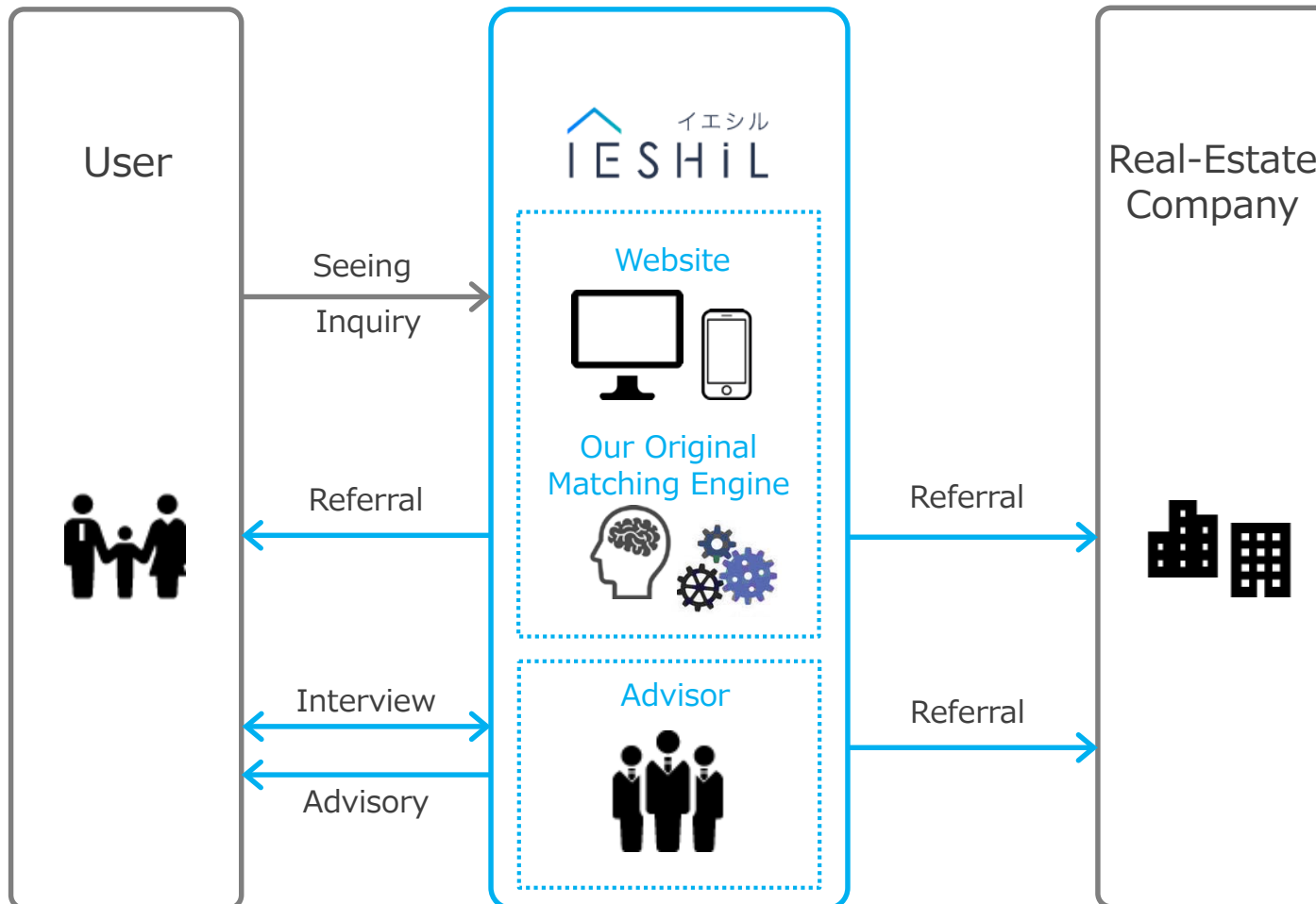


Market price and price trends displayed by room



IESHIL : Business Model

- Model where we receive referral fees from partner real estate companies and success fees when purchasing contracts are concluded.



IESHIL Service for Real Estate Companies

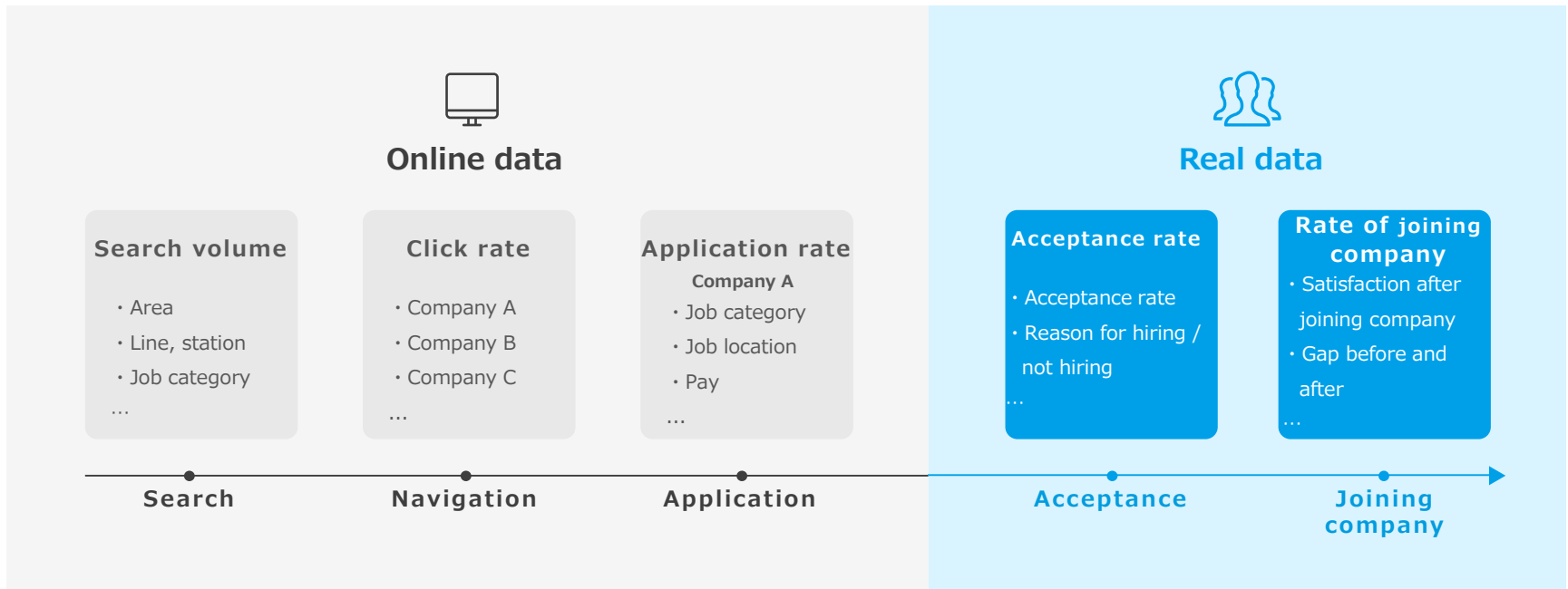
- Providing “IESHIL CONNECT” service for real estate companies leveraging IESHIL data
- Visualization of property risk assessments based on nearly 8 billion records of disaster data at Asia Air Survey. Supports highly clear and reliable sales activities in real estate business

IESHIL CONNECT



Strategy : Real Data Engineering

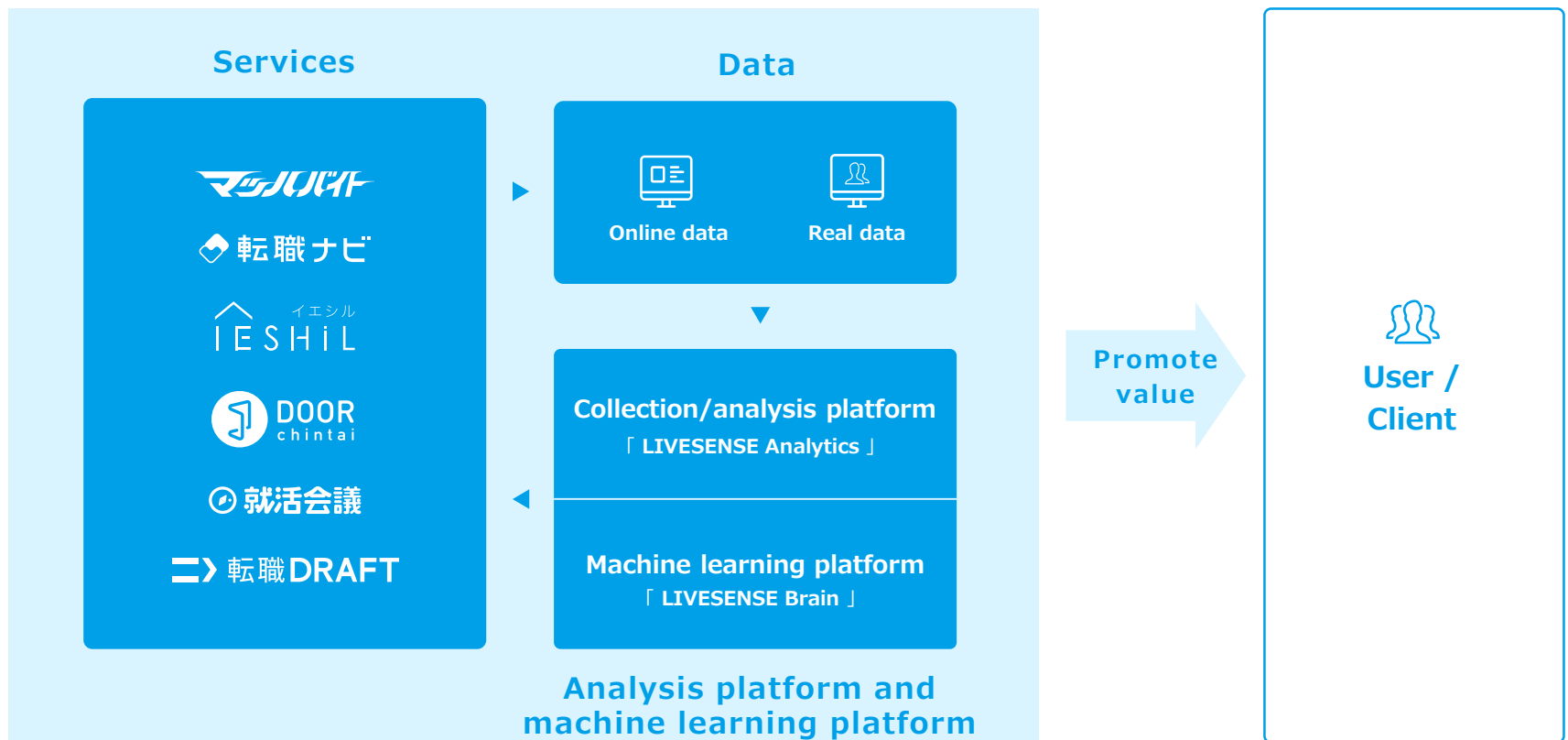
- Data associated with provision of intrinsic service value and not available online is called “real data.”
Services designed based on value and “real data.”



- Intrinsic value of career services is success in career change and success after joining company, not applying on site
-> KGI (rate of joining company, satisfaction after joining company, etc.) showing intrinsic value not yet sufficiently made available for online use and data contributing to improvement of KGI are called “real data”

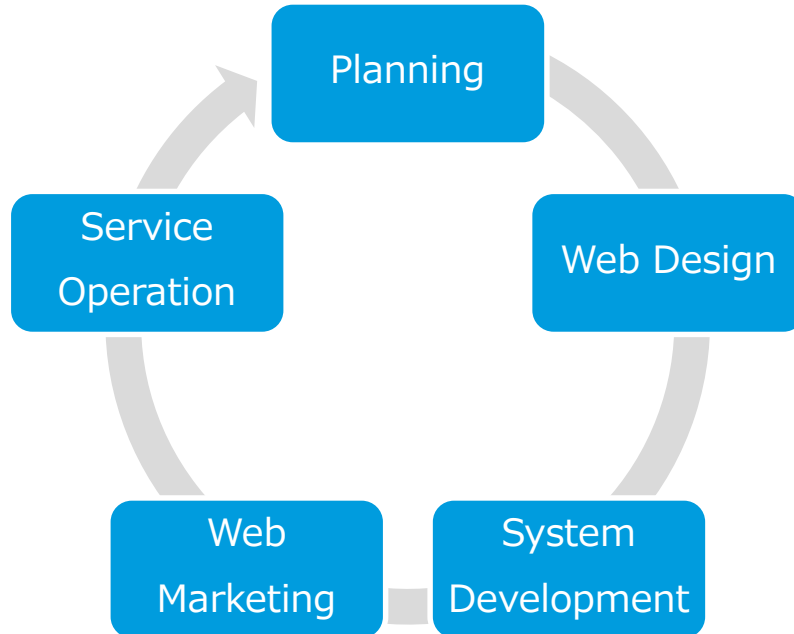
Strategy : Real Data Engineering

- Reflect designed and collected real data in services to improve user experience.
- Promote creation of value from data using proprietary analytics and machine learning platforms.

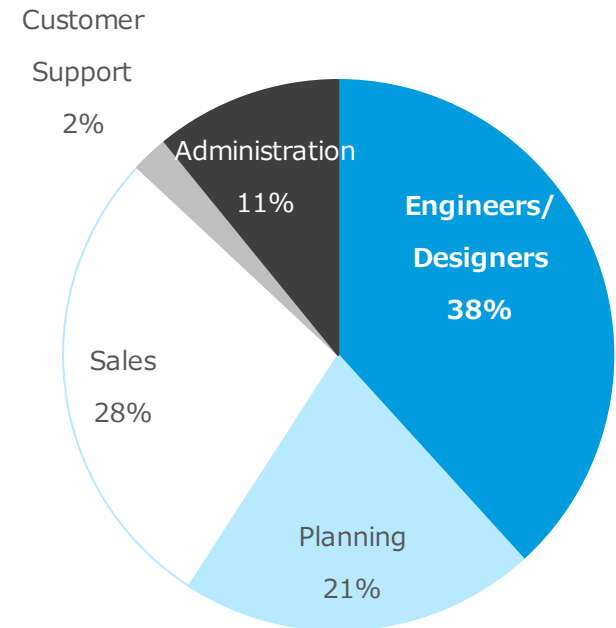


Competitive Advantage 1 : Service Development Ability

- All processes related to media development and operations in-house, enabling close cooperation between processes, quick development and improvement of services and accumulation of knowledge



Breakdown of Full-time Employees



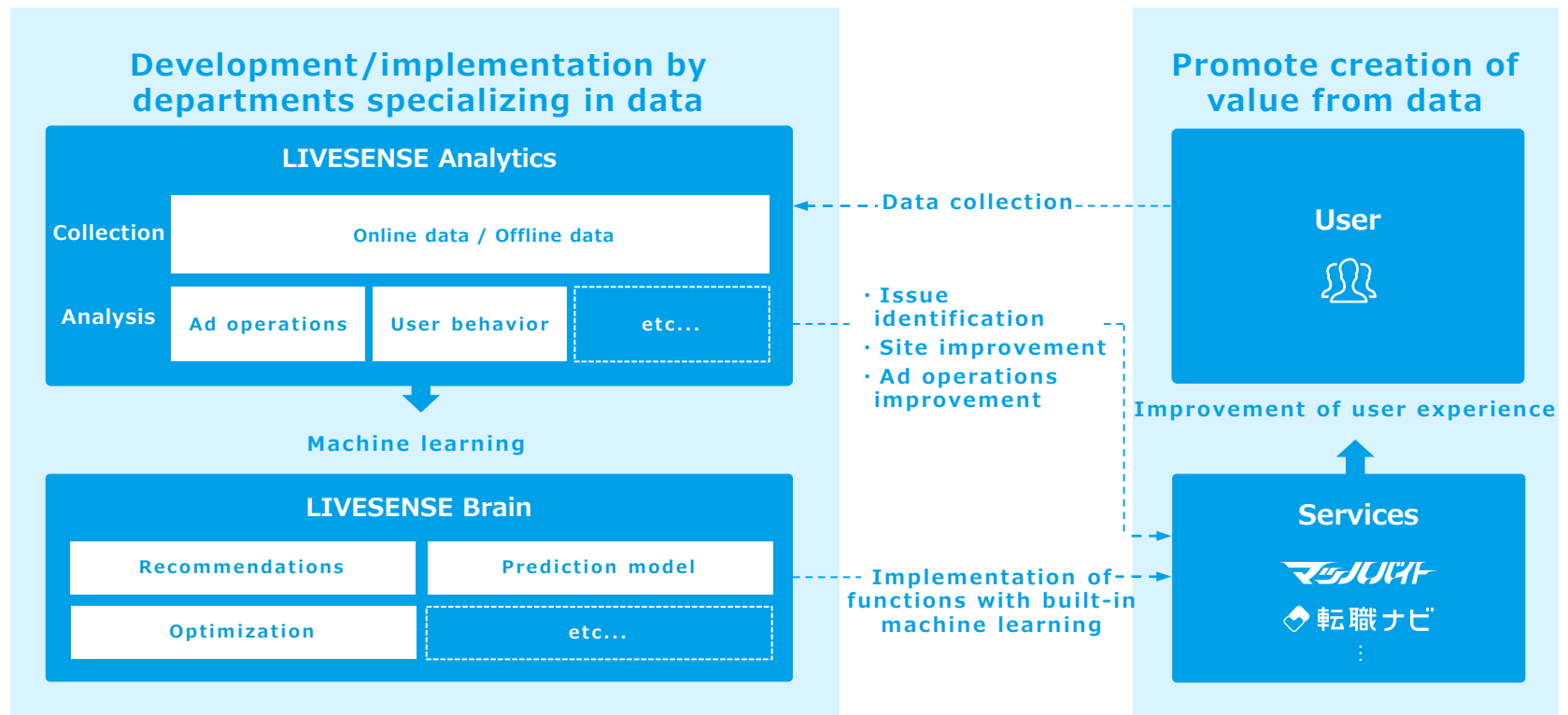
*As of December 31, 2017

*Non-consolidated, head office full-time employees only

*Local full-time employees primarily in charge of customer support and sales

Competitive Advantage 2 : Data Technology

- Division specializing in company-wide cross-departmental data promotes use of data. Running proprietary analytics platform (LIVESENSE Analytics) and machine learning platform (LIVESENSE Brain).
- Data obtained through services utilized in making site improvements, ad operations, machine learning, etc. Aiming for system that quickly and continuously improves user experience and media value.

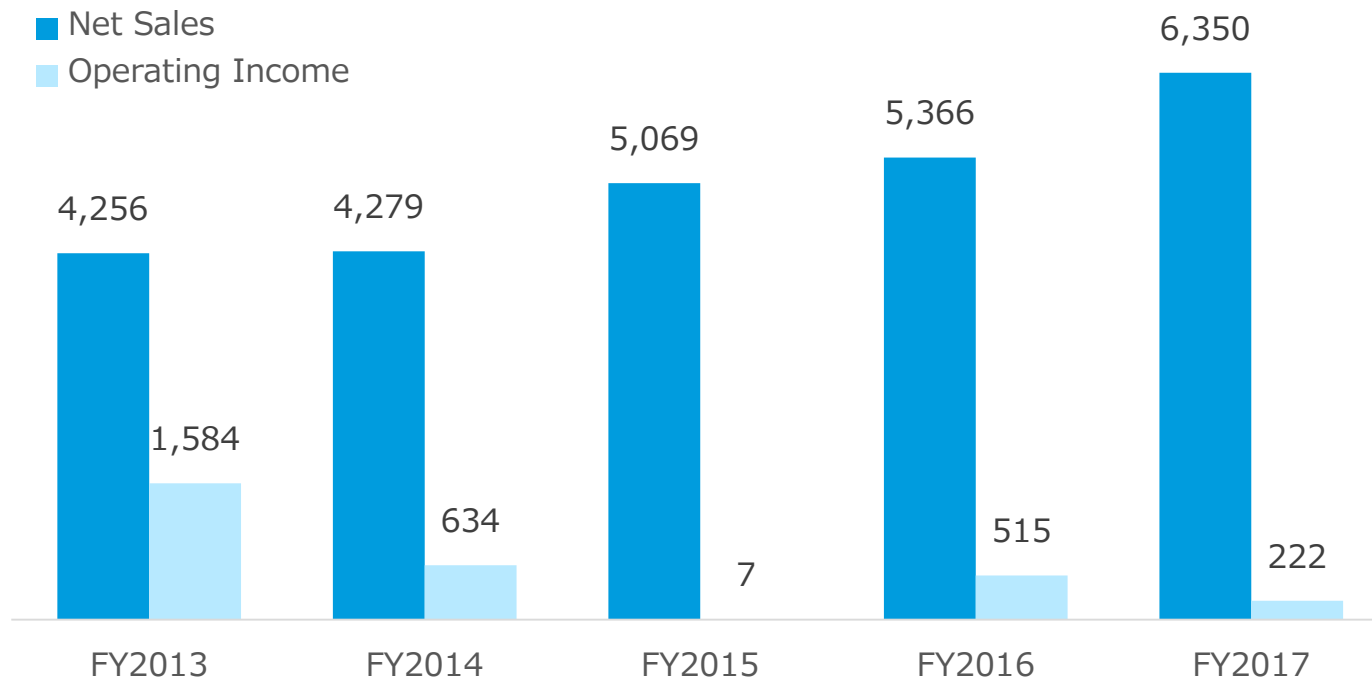


3. Financial Highlights

Net Sales / Operating Income

- In 2014, sales growth slowed as we struggled to attract visitors to site due to delay in web marketing measures. In 2015, profits declined as a result of forward-looking investments in advertising and personnel (while remaining in the black).
- In 2016, focus on structural enhancement led to increases in both sales and income. Promoted improved service value and growth investments to re-establish competitive advantage.

(millions of JPY)

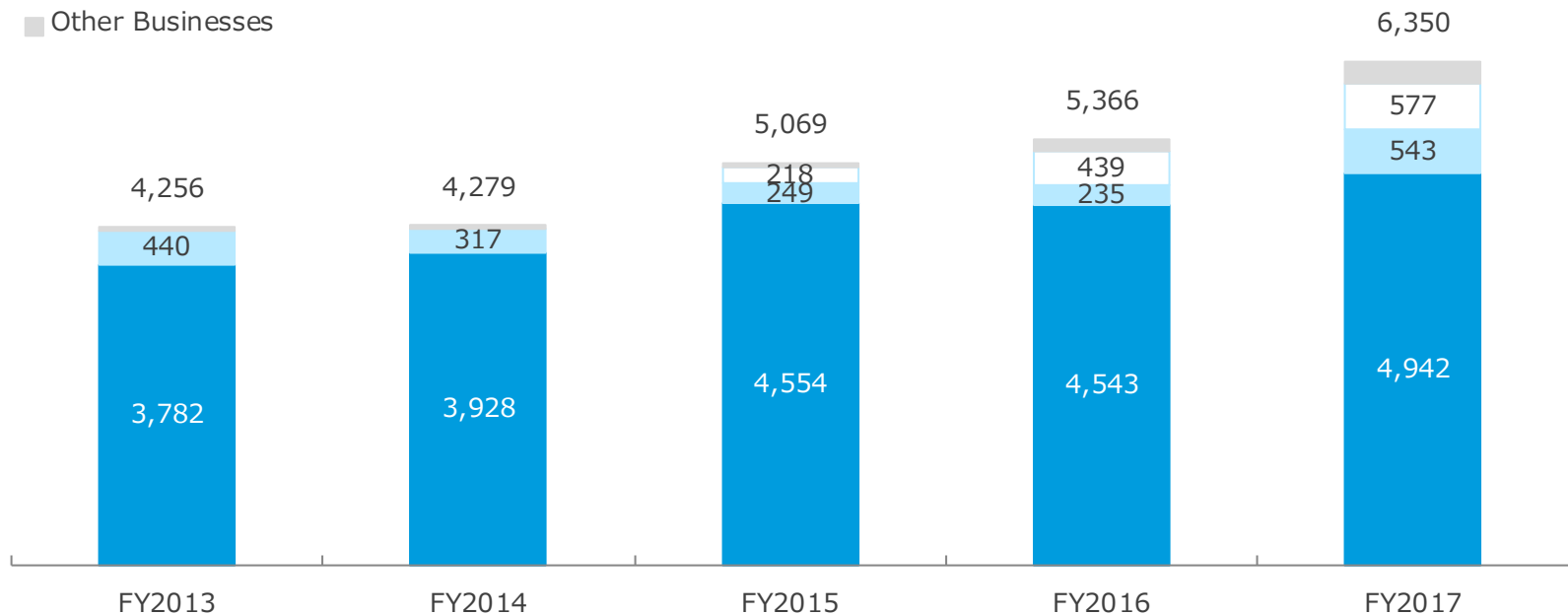


Net Sales – By Segment

Growth achieved, especially in the HR Information Media. Accounts for roughly 80% of consolidated net sales.

(millions of JPY)

- HR Information Media
- Real Estate Information Media
- E Commerce
- Other Businesses

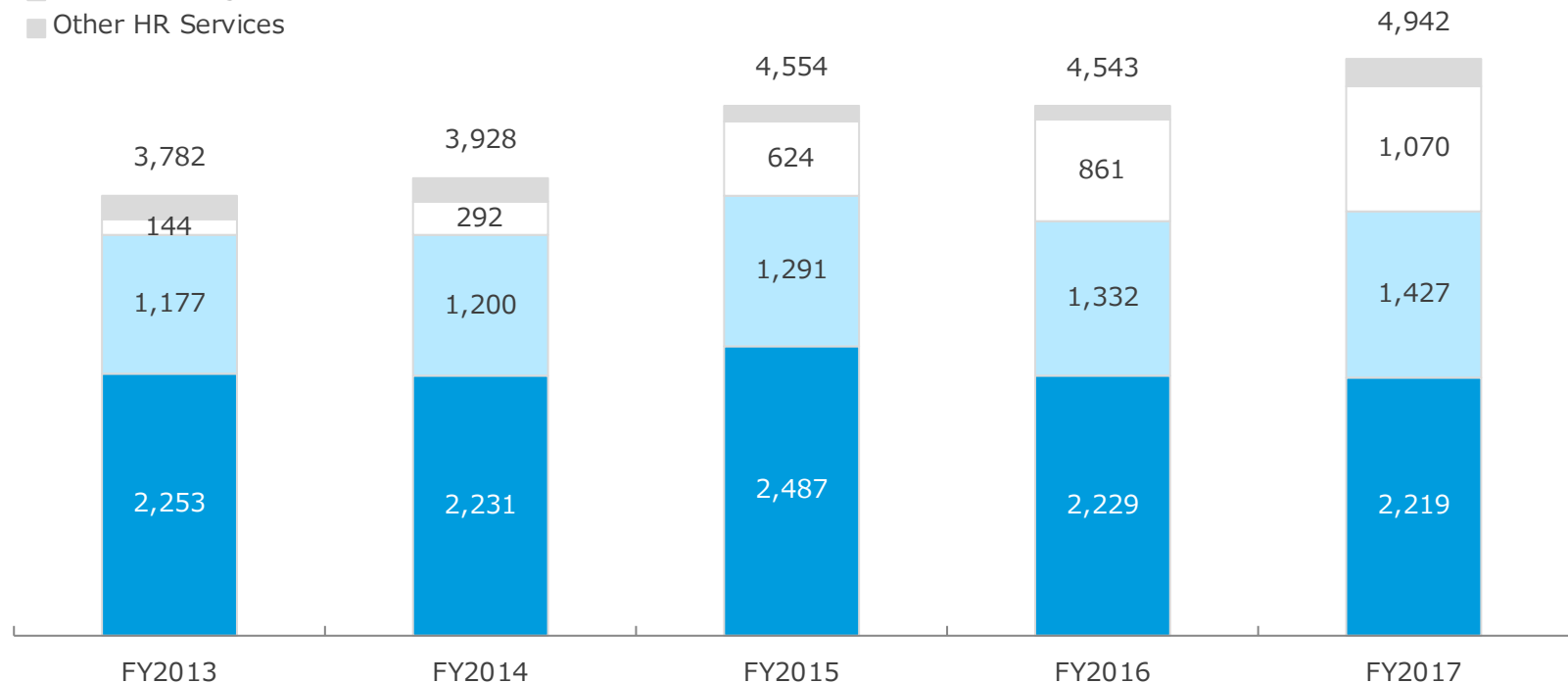


Sales Breakdown – HR Information Media

Machbaito part-time employment remained flat. Great progress was made in full-time employee domain, including Tenshoku Kaigi, for growth trajectory overall.

(millions of JPY)

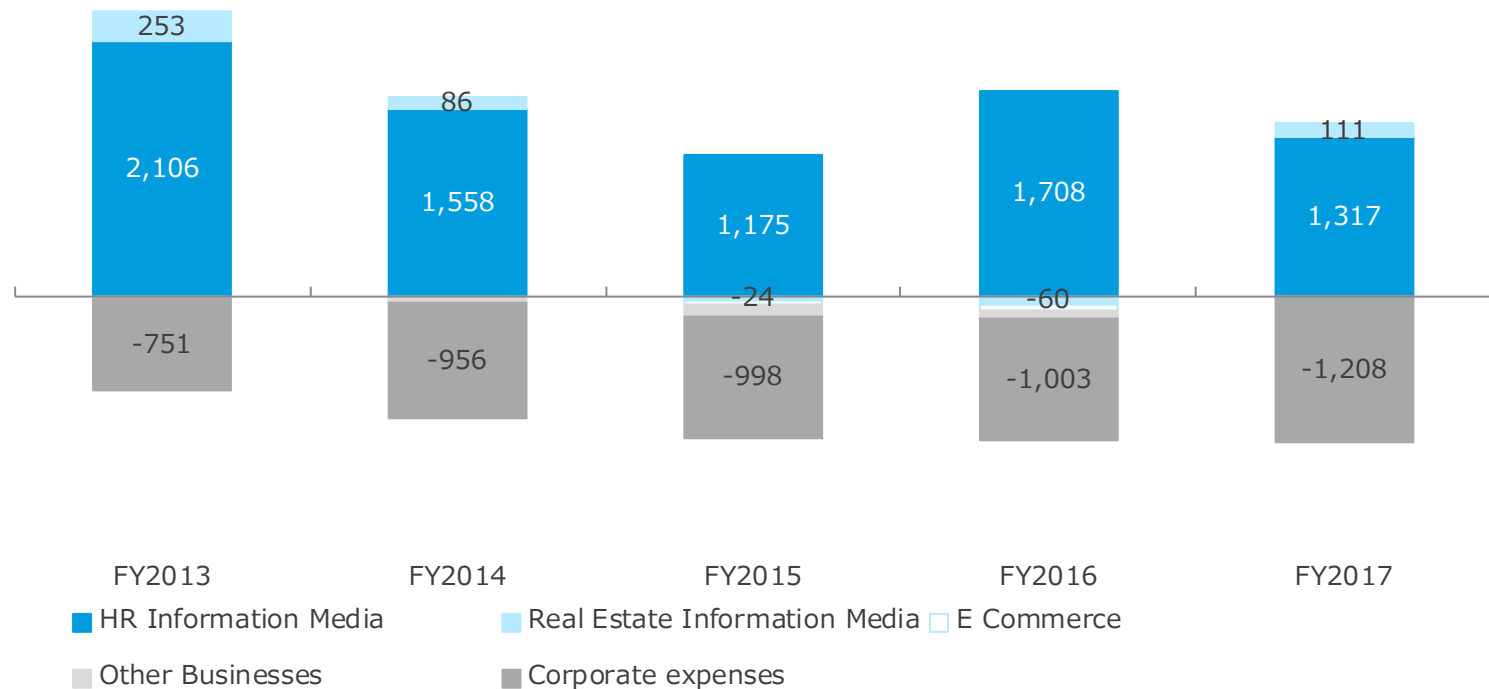
- Machbaito
- Tenshoku Navi
- Tenshoku Kaigi
- Other HR Services



Operating Income – By Segment

HR Information Media accounts for majority of profits.

(millions of JPY)



FY2017 Financial Results

- Net sales increased in all segments. Up 18.3% YoY.
- Operating income decreased 56.9% YoY due to investment in mid-to-long-term growth.

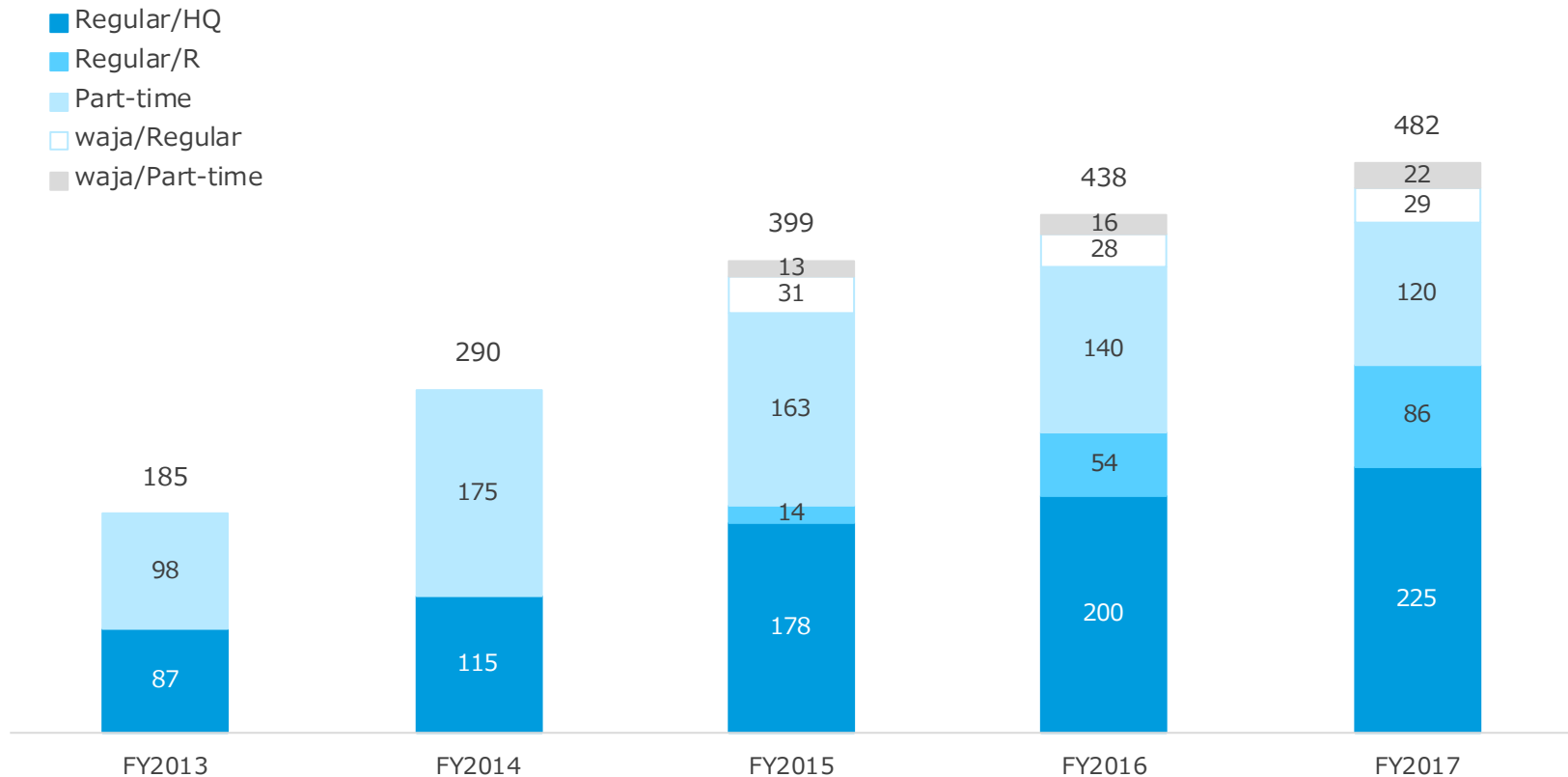
(millions of JPY)

	FY2016	FY2017	YoY
Net Sales	5,366	6,350	+18.3%
Gross Margin	4,858	5,756	+18.5%
SG&A Expenses	4,343	5,534	+27.4%
Operating Income	515	222	-56.9%
Operating Margin(%)	9.6%	3.5%	-6.1pt
Ordinary Income	574	457	-20.4%
Profit before income taxes	226	434	+91.7%
Profit attributable to owners of parent	28	306	+980.5%

Employees

- Number of employees increased with business growth.
- Miyazaki office opened in 2015 to improve productivity. Shift to local full-time employees was promoted, primarily for customer support.

(Persons)



4. Future Business Development

Management Approach for FY2018

Policy

Establish strength (competitive advantage) to create “the next common” as part of our corporate vision “Invent the next common”

- Machbaito re-branding, establishment of two joint ventures and other initiatives implemented in FY2017
- Focus will continue to be on establishing competitive advantage in FY2018. Promote data collection and utilization necessary for pursuing intrinsic value in each business and providing value based on theme of “real data engineering”

Measures

- Continue to strengthen promotions and sales with Machbaito and Tenshoku Kaigi as key businesses
- Strengthen development structure and product management structure in aim of improving value of media
- Further strengthen investment in data technology, such as proprietary machine learning platform
- Focus own resources on functions centered on media development. Accelerate growth of some functions by utilizing outside resources through joint ventures and other efforts

Business Strategy for FY2018

Human Resources	<ul style="list-style-type: none"> • Machbaito 	<ul style="list-style-type: none"> • Promote improved user experience by making “right away” service concept • Continue investing in promotions to expand name recognition
	<ul style="list-style-type: none"> • Tenshoku Navi • Tenshoku Kaigi 	<ul style="list-style-type: none"> • Aim to expand Tenshoku Navi profits by refining operations and advertising management • With Tenshoku Kaigi, full-scale roll-out of career services utilizing reviews • Work to further expand “Tenshoku Kaigi BUSINESS,” services for enterprises, through consolidated subsidiary LIVESENSE CONNECT
	<ul style="list-style-type: none"> • Syukatsu Kaigi 	<ul style="list-style-type: none"> • Pursue original user value. Work to establish position as go-to site for job searching • Expand use of “Syukatsu Kaigi Recruiting” success fee-based service
Real Estate	<ul style="list-style-type: none"> • DOOR Chintai • IESHIL 	<ul style="list-style-type: none"> • Improve DOOR Chintai profits by optimizing site and advertising management • Promote improvement of IESHIL site value by expanding data and content • Strengthen face-to-face information provision and matching functions through consolidated subsidiary PHIL LIFE

Business Strategy for FY2018

EC	• waja	<ul style="list-style-type: none">• Enhance fulfillment system and develop system for future expansion of scale• Strengthen customer attraction through web marketing
Other	• New businesses	<ul style="list-style-type: none">• Train product managers through launch of small-scale media• Aim to expand use of services and establish position in current new businesses by re-designing user value and business expansion process

Financial Forecasts for First Half of FY2018

- | Sales will increase 12.6% to ¥3,500 million, primarily due to growth of Tenshoku Kaigi.
- | Operating loss expected as result of continued investments in mid-to-long-term growth.

(millions of JPY)

	1H/18 (Forecast)	1H/17 (Results)	YoY
Net Sales	3,500	3,108	+12.6%
Operating Income	▲100	216	-



LIVENSENSE

Invent the next common

3. Appendix

Balance Sheet Statement

	FY2016	FY2017	YoY	(Millions of JPY)
Current assets	3,511	3,911	+11.4%	
Cash and deposits	2,734	3,083	+12.8%	
Fixed assets	472	436	▲7.6%	
Tangible fixed assets	96	99	+3.1%	
Intangible fixed assets	77	55	▲29.1%	
Investments and other assets	297	281	▲5.4%	
Total assets	3,983	4,348	+9.1%	
Current liabilities	851	900	+5.7%	
Fixed liabilities	6	6	▲0.9%	
Total liabilities	858	906	+5.7%	
Common stock	232	235	+1.3%	
Total Equity	3,125	3,441	+10.1%	
Total liabilities and equity	3,983	4,348	+9.1%	

Cash Flow Statement

(Millions of JPY)

	FY2016	FY2017
Cash flows from operating activities	879	450
Profit before income taxes	226	434
Depreciation and amortization	74	97
Amortization of goodwill	347	22
Decrease (increase) in notes and accounts receivable	91	-53
Increase (decrease) in accounts payable-other	68	178
Income taxes paid	-40	-268
Income taxes refund	26	0
Cash flows from investing activities	-105	-101
Payments for purchase of tangible fixed assets	-26	-79
Payments for purchase of intangible fixed assets	-54	-22
Cash flows from financing activities	6	0
Net increase (decrease) in cash and cash equivalents	780	349
Cash and cash equivalents, end of the period	2,724	3,073

Record of Recent Major Publicity Events

Dec. 28, 2017	Introduced in Nihon Keizai Shimbun's "Special Issue on Companies Listed for 10 Years or Less"
Dec. 27, 2017	Syukatsu Kaigi new graduate employment support service covered by Nihon Keizai Shimbun
Dec. 15, 2017	Machbaito part-time employment service covered by Nikkei MJ
Dec. 14, 2017	Article on establishment of PHIL LIFE posted on Cnet Japan
Dec. 14, 2017	Article on establishment of PHIL LIFE posted in Fudousan Keizai Tsushin
Dec. 14, 2017	Representative appeared on NHK's "#Judai" as chairman of judging committee for Business Plan Contest
Dec. 13, 2017	Article on establishment of PHIL LIFE posted in Nihon Keizai Shimbun
Dec. 1, 2017	Interview of representative posted in Nikkei Top Leader
Nov. 24, 2017	Interview of representative posted in AERA STYLE MAGAZINE
Nov. 13, 2017	New graduate employment support service Syukatsu Kaigi business unit leader appeared for interview on Fuji TV's "THE NEWS α"
Nov. 6, 2017	Livesense work culture reform efforts introduced in Weekly AERA
Oct. 31, 2017	Halloween-themed communication measures covered on Fuji Television Network's program "THE NEWS α"
Oct. 30, 2017	Office Renovation interview posted in Building Management Weekly
Oct. 11, 2017	Interview of representative posted in Nikkei Business Associé
Oct. 11, 2017	Tenshoku Kaigi employer review site covered by Asahi Shimbun
Oct. 7, 2017	Representative participated in telephone interview on Miyazaki Broadcasting's program "Hodo Live Tokoton"
Oct. 3, 2017	Machbaito part-time employment service covered by Shukan Asahi
Oct. 1, 2017	IESHIL CONNECT sales tool for real estate business people covered in Tokyo Shimbun

Corporate Profile

社名	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: 311 (as of December 31, 2017)
Consolidated Subsidiaries	Waja Co., Ltd. / PHIL LIFE Inc. / LIVESENSE CONNECT Inc.

Profile of Taichi Murakami, President and Representative Director



<Background>

- Oct. 1986 Born in Tokyo
- Apr. 2002 Enrolled at Waseda University Senior High School
Began entrepreneurial preparations, such as participating in entrepreneurial events and gathering members
Obtained bookkeeping and system administrator qualifications
- Apr. 2005 Enrolled in Department of Economics at Waseda University School of Political Science and Economics
Took the Entrepreneur Training Course and won Business Plan Contest
- Feb. 2006 Established Livesense Inc. (university freshman)
Appointed President and Representative Director
- Mar. 2009 Graduated from Waseda University with degree in Economics
- Dec. 2011 Became youngest company president in history (25 years and 1 month old) to be listed on TSE Mothers
- Oct. 2012 Became youngest company president in history (25 years and 11 months old) to be listed on First Section of TSE

<Related Works>

- Sep. 2012 Livesense (The Meaning of Life): 25-year Old Taichi Murakami's Job of Making People Happy as Youngest Listed Company President
Written by Toru Uesaka, Published by Nikkei BP



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.