



FY2017
Financial Results

February 14, 2018
Livesense Inc.
(TSE1: 6054)

Agenda

- 1 Financial Results
- 2 FY2018 Initiatives and Financial Forecast
- 3 Appendix

1. Financial Results

Full Year Executive Summary

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.

• Net Sales	¥6,350 million	(YoY	+¥984 million	+18.3%)
• Operating income	¥222 million	(YoY	-¥293 million	-56.9%)

Sales increased with progress on monetization and expansion in each media.
Machbaito sales remained flat with prioritization of re-branding and highlighting of value.

- In HR Information Media, Tenshoku Kaigi drove sales growth. Machbaito sales remained flat with prioritization of re-branding, including changing the site name, and highlighting of value
- Real Estate Information Media sales increased substantially with contribution of expanded customer attraction of DOOR Chintai, primarily advertising
- E-commerce and new business sales also increased, registering growth

Investment was promoted in advertising, technology and human resources. Some investment was carried over into FY2018.

- Promotions carried out to raise recognition in conjunction with Machbaito re-branding
- Efforts launched development of machine learning platform in addition to proprietary “Livesense Analytics”, data analysis platform
- Progress on hiring of new graduates and local full-time employees contributed to development of organizational culture. Efforts will continue on enhancement of productivity

Full Year Financial Results Overview

(Millions of JPY)

	FY2016	FY2017	YoY
Net Sales	5,366	6,350	+18.3%
Operating Income	515	222	▲56.9%
Operating Margin(%)	9.6%	3.5%	▲6.1pt
Ordinary Income	574	457	▲20.4%
Net income	28	306	+980.5%

Full Year Company-wide Summary

FY2017 Policy:

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



| Business value, providing source of competitiveness, and business direction clarified in the aim of establishing a competitive advantage. Progress made on paving the way for growth.

- Resources invested in Machbaito and Tenshoku Kaigi as immediate key businesses
- Jobsense (present “Machbaito”) site name changed as part of re-branding. Work has begun on improving user experience and differentiation with “right away” as the service concept
- In the area of lateral hires (full-time employees), Tenshoku Kaigi resources were enhanced through organizational integration. While working to achieve united growth with Tenshoku Navi, began full-scale roll-out of career services utilizing reviews through expansion of Tenshoku Kaigi BUSINESS
- Also promoted tie-ups with other companies, including provision of real estate sales tool with Asia Air Survey and establishment of two joint ventures

| Investment for mid-to-long-term growth is ongoing issue.

- Growth investments were promoted, but some were reviewed and carried over. Improving accuracy of plans and accelerating execution are issues
- Scale and effect of investments are insufficient. The investments will continue for the time being

Full Year Summary by Business

Human Resources	<ul style="list-style-type: none"> • Machbaito 	<ul style="list-style-type: none"> • Jobsense renamed Machbaito and site renewed. At same time, user experience improved by making “right away” service concept, and name recognition increased through video advertising • Steady progress on increasing job postings and improving accuracy of matching
	<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 renewed, and currently promoting the re-branding • With Tenshoku Kaigi, launched full-scale roll-out of career services utilizing reviews. Preparing for branding investment • “Tenshoku Kaigi BUSINESS”, Tenshoku Kaigi service for enterprises, expanded • LIVESENSE CONNECT established through joint venture with Wiz (1/5/2018)
	<ul style="list-style-type: none"> • Syukatsu Kaigi 	<ul style="list-style-type: none"> • Registrations going well for new grads. 1/3 of new grads using site • Promoted further content expansion to improve site value in tandem with monetization. Released new product for students graduating in 2019

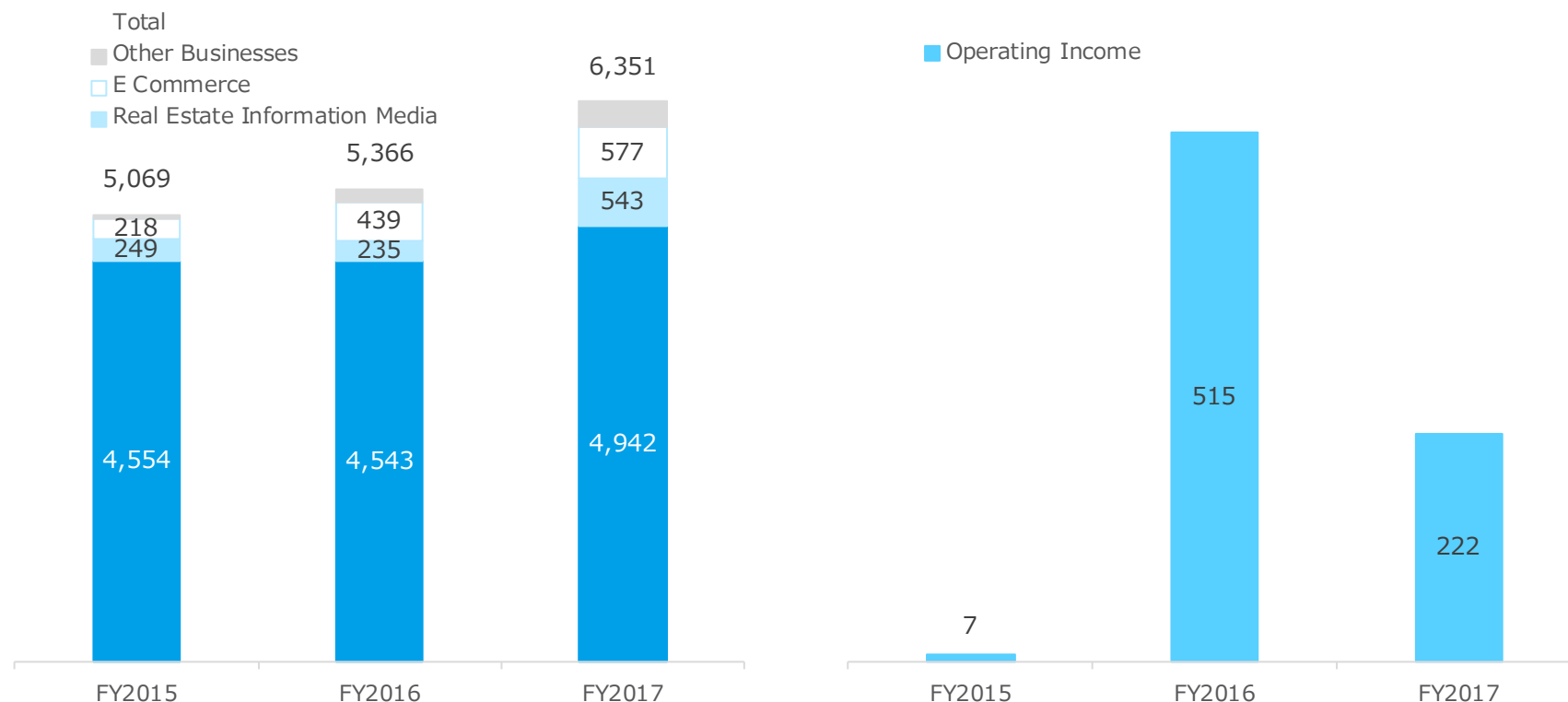
Full Year Summary by Business

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 • Sales and profits both favorable due to expansion of customer attraction through increased DOOR Chintai property listings and advertising • “IESHIL CONNECT” real estate sales tool launched • PHIL LIFE established through joint venture with Starts Corporation (1/5/2018)
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 • *Optional service providing five guarantees (same day shipping guarantee, return guarantee, brand guarantee, inspection guarantee and customs guarantee) in exchange for “anshin guarantee” fee
Others	<ul style="list-style-type: none"> • New businesses 	<ul style="list-style-type: none"> • Chiryo Note Gathered patient experiences based on CGM and Q&A to polish business model • Tenshoku Draft “Designer Draft” and “Web Expert Draft” now held in addition to “Engineer Draft.” Trials were conducted to expand into other job categories. Promoted development of a foundation to increase frequency and expand the business • imitsu Continue to increase value of key categories Customer attraction measures such as SEO are steady

Full Year Net Sales and Operating Income

- Sales up in all segments. Consolidated net sales grew 18.3% YoY.**
- Growth investment prioritized over accumulating profits. Operating income remained at low level.**

(Millions of JPY)



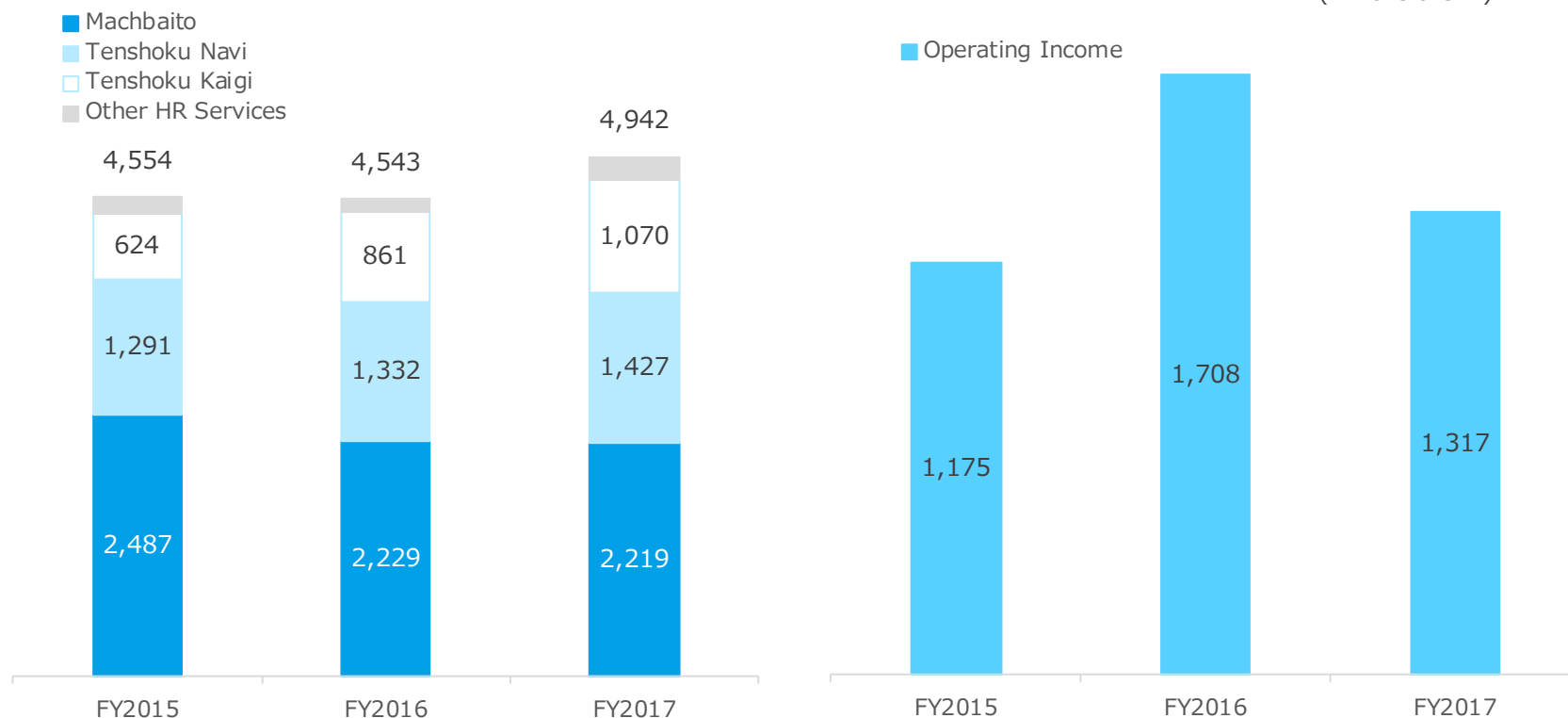
Note: IESHIL categorized under Real Estate Information Media as of 2Q/16. 1Q/16 results changed to reflect this (same applies hereinafter).

Full Year Segment Net Sales and Operating Income

-HR Information Media

- Tenshoku Kaigi showed 24.3% growth YoY. Machbaito sales remained flat with prioritization of re-branding and improvement of user experience.
- Operating income down 22.8% YoY due primarily to increase in advertising costs.

(Millions of JPY)

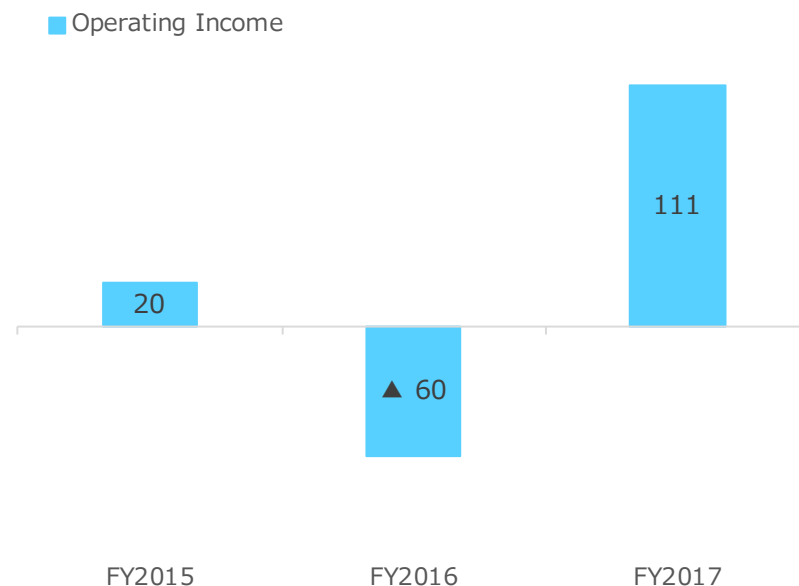
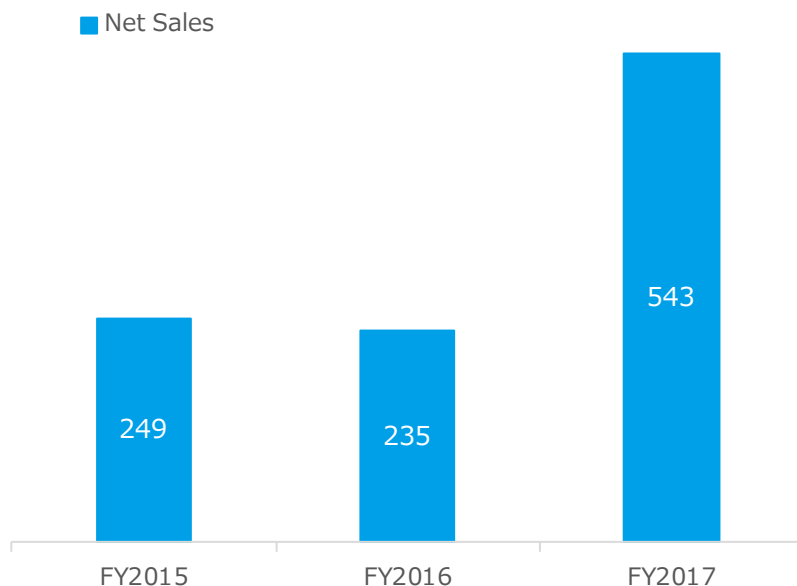


Note: Jobsense Link renamed to Tenshoku Navi in 2Q/17, and Jobsense renamed to Machbaito in 3Q/17.

Full Year Segment Net Sales and Operating Income -Real Estate Information Media

- Both Sales and profits up substantially owing to expansion of customer attraction through increase in number of DOOR Chintai property listings and advertising.
- Monetization progressed with IESHIL. Expansion of the service promoted for future growth.

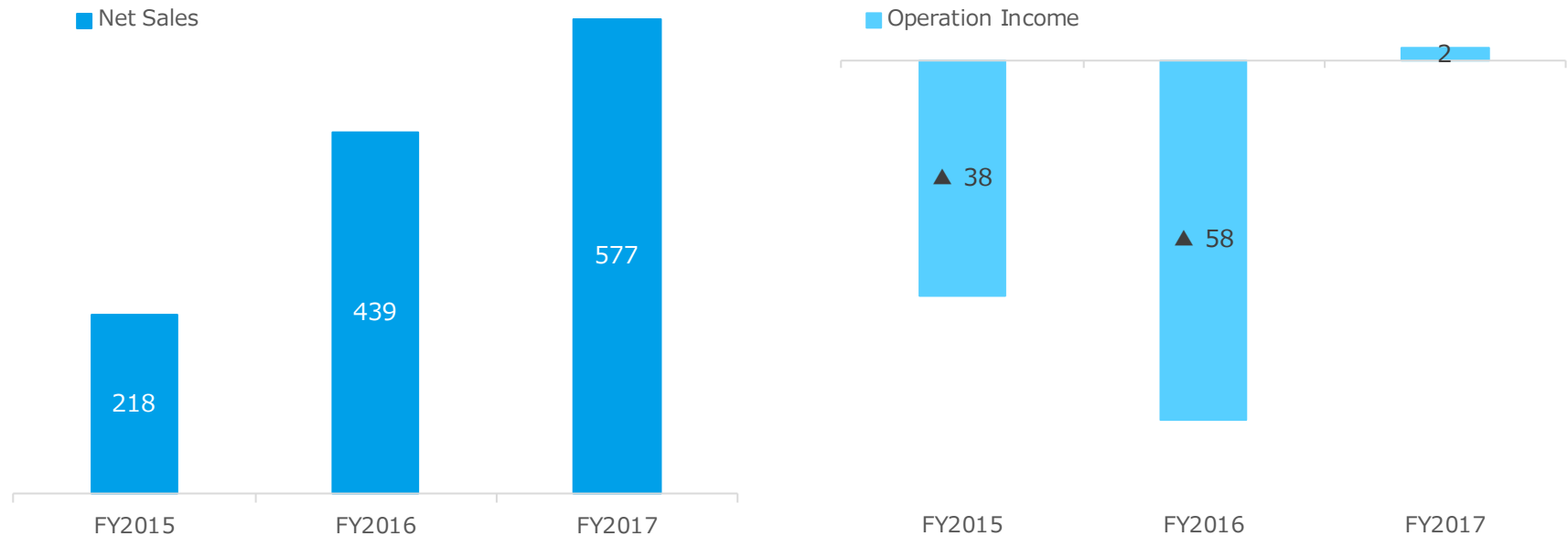
(Millions of JPY)



Full Year Segment Net Sales and Operating Income -E-Commerce

Web marketing knowledge sharing with waja progressed. Sales and profits successfully increased with introduction of optional services.

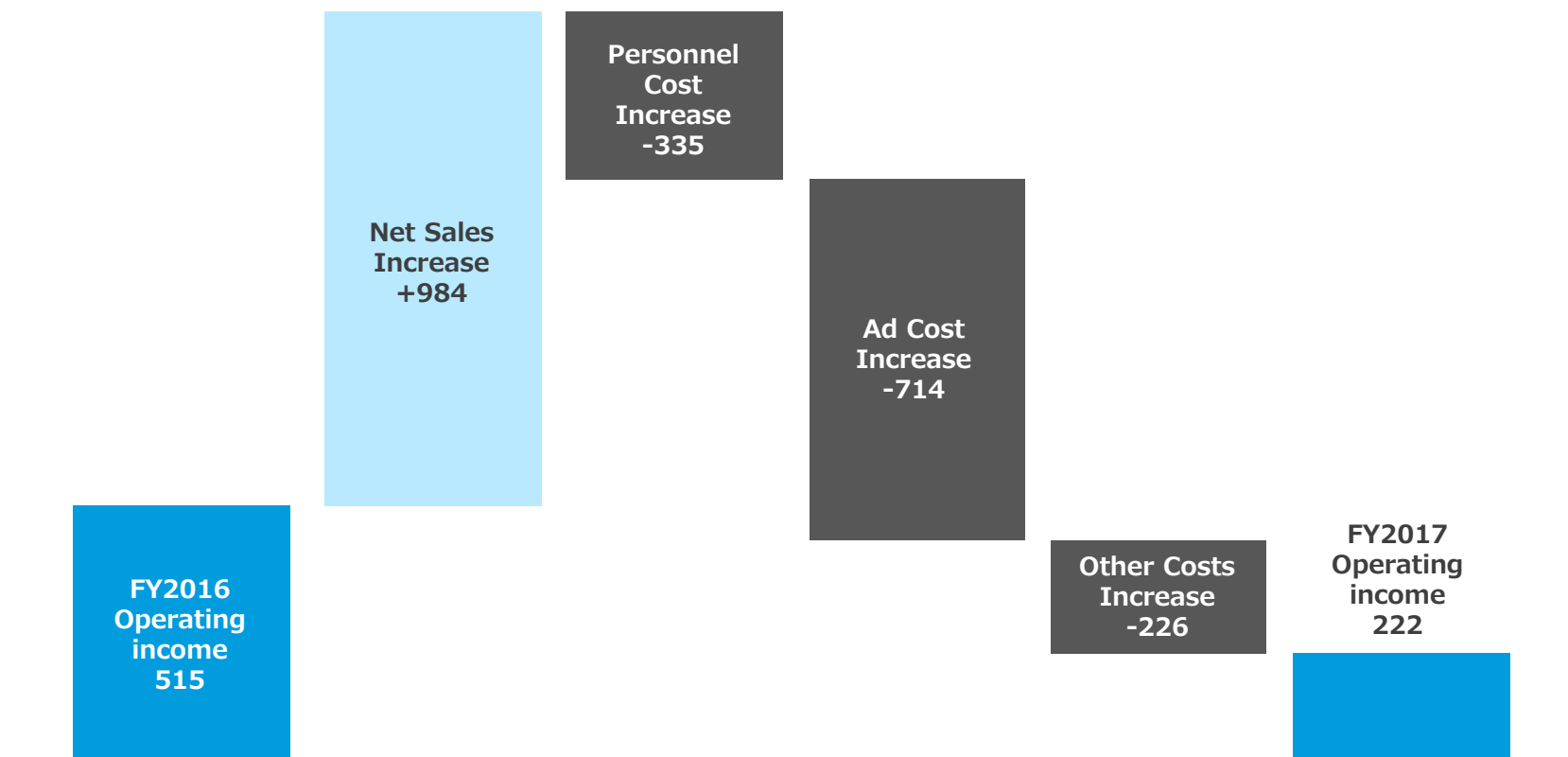
(Millions of JPY)



Full Year Operating Income -YoY Comparison

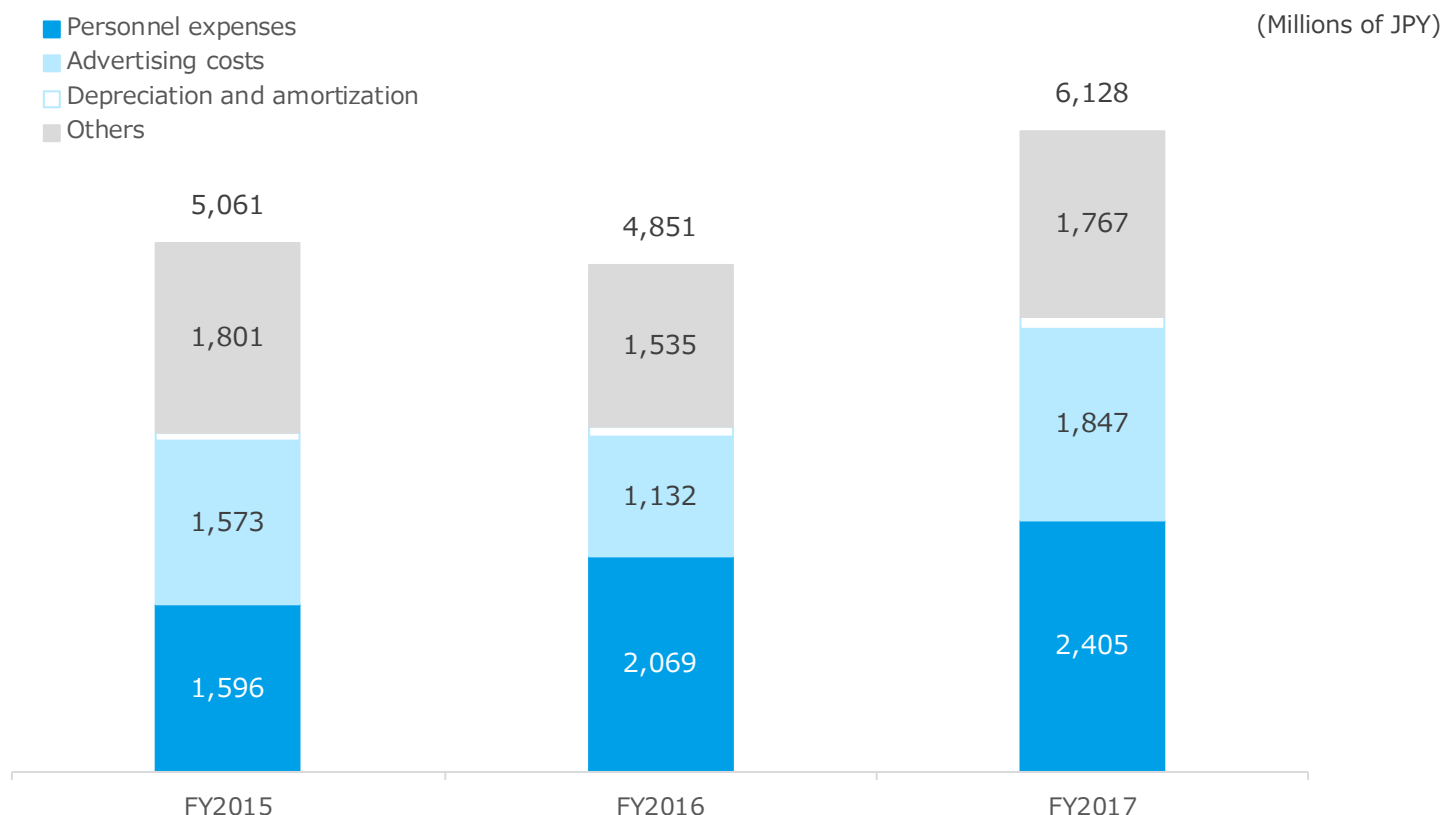
Net sales increasing steadily. Advertising costs up due to investments in web advertising and renewal to Machbaito, resulting in decreased profits.

(Millions of JPY)



Full Year Operating Expenses

- Personnel costs up 16.2% YoY due to increase in new graduates and other full-time employees.
- Advertising costs up 63.2% YoY due to reinforced web advertising, website renewal, etc.



Note: Due to change the payout requirements of Mach Bonus (former “monetary gifts”) in Machbaito, some have been recorded under Advertising costs instead of Others.
Impact this year: Approx. ¥75 million

2. FY2018 Initiatives and Financial Forecast

Segments and Core Media

Human Resources	<div data-bbox="285 254 608 307"></div> <div data-bbox="734 254 1680 307">Success fee-based part-time job posting site</div> <div data-bbox="285 339 608 392"></div> <div data-bbox="734 339 1657 392">Success fee-based full-time job posting site</div> <div data-bbox="285 425 608 478"></div> <div data-bbox="734 425 1188 478">Employer review Site</div> <div data-bbox="285 511 608 564"></div> <div data-bbox="734 511 1651 564">New graduate employment support service</div>
Real Estate	<div data-bbox="285 668 502 735"></div> <div data-bbox="734 668 1622 721">Success fee-based real estate posting site</div> <div data-bbox="285 753 502 821"></div> <div data-bbox="734 753 1391 806">Real estate information service</div>
EC	<div data-bbox="285 889 537 942"></div> <div data-bbox="734 889 1255 942">Overseas fashion EC site</div>
Others	<div data-bbox="299 1032 537 1085"></div> <div data-bbox="734 1032 1255 1085">Medical Information Site</div> <div data-bbox="299 1118 575 1170"></div> <div data-bbox="734 1118 1580 1170">Competitive bidding-type career service</div> <div data-bbox="299 1203 556 1256"></div> <div data-bbox="734 1203 1738 1256">BtoB service comparison/order information site</div>

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”(*)

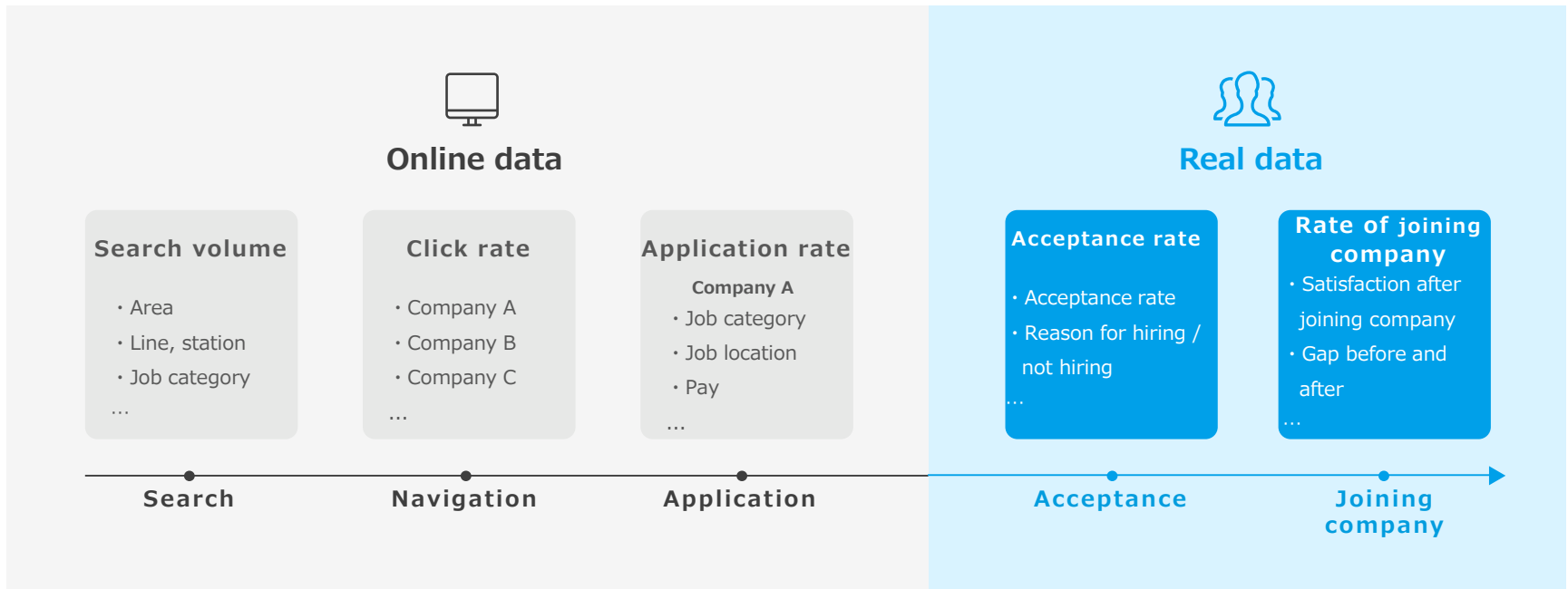
*Details provided on following pages

| 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

What is Real Data Engineering? (1/2)

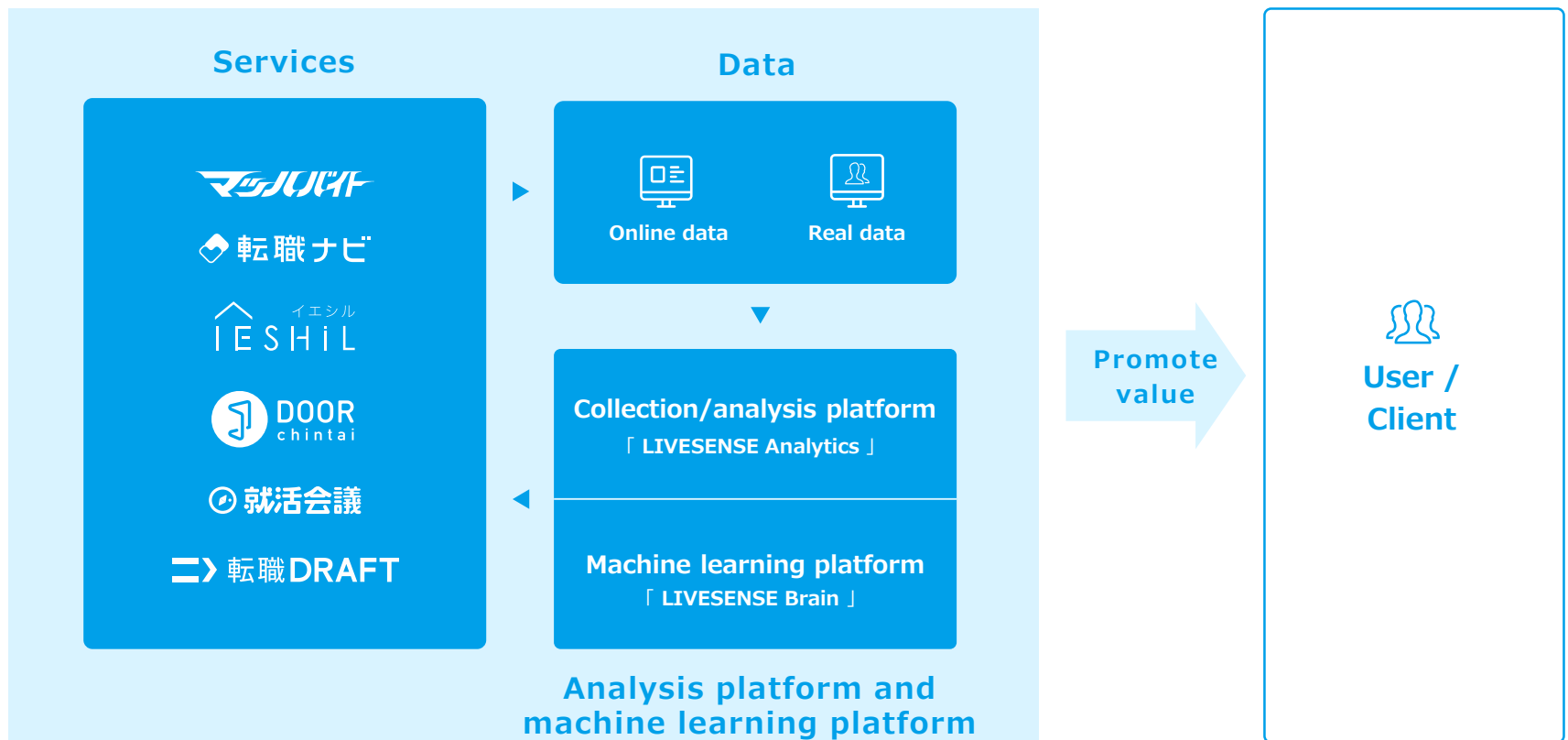
- Data associated with provision of intrinsic service value and not available online is called “real data.” Services designed based on value and “real data.”



- 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”

What is Real Data Engineering? (2/2)

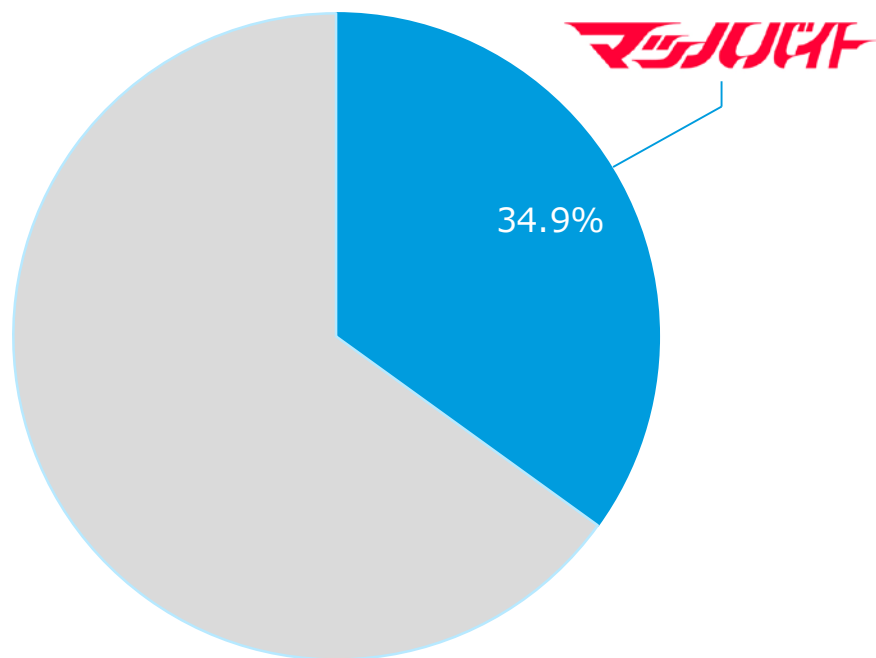
- Reflect designed and collected real data in services to improve user experience.
- Promote creation of value from data using proprietary analytics and machine learning platforms.



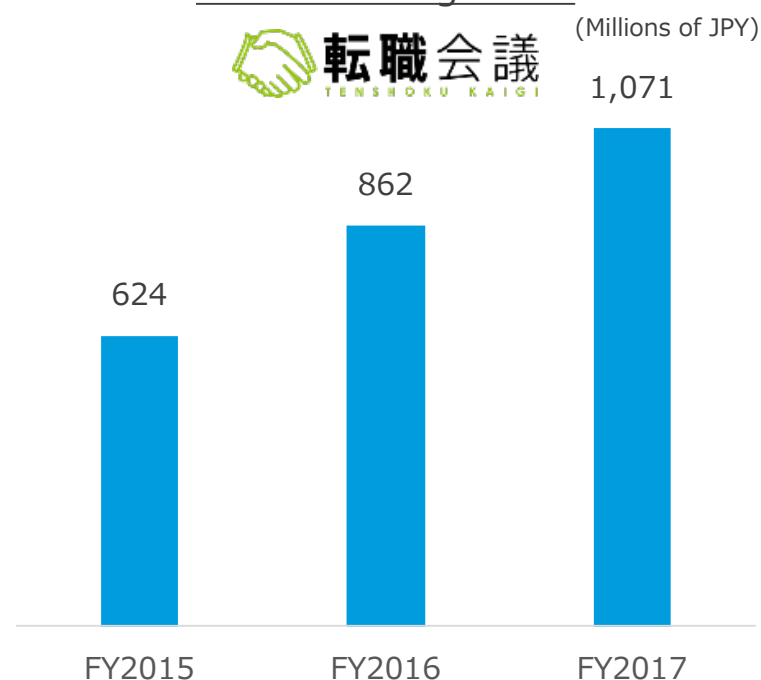
FY2018 Initiatives: Key Businesses

- Immediate key businesses are Machbaito, which accounts for large proportion of sales, and Tenshoku Kaigi, which has high potential of growth.
- Aim for Machbaito is improved recognition after re-branding, and aim for Tenshoku Kaigi is increased sales through expansion of Tenshoku Kaigi BUSINESS.

FY2017 Sales



Tenshoku Kaigi Sales



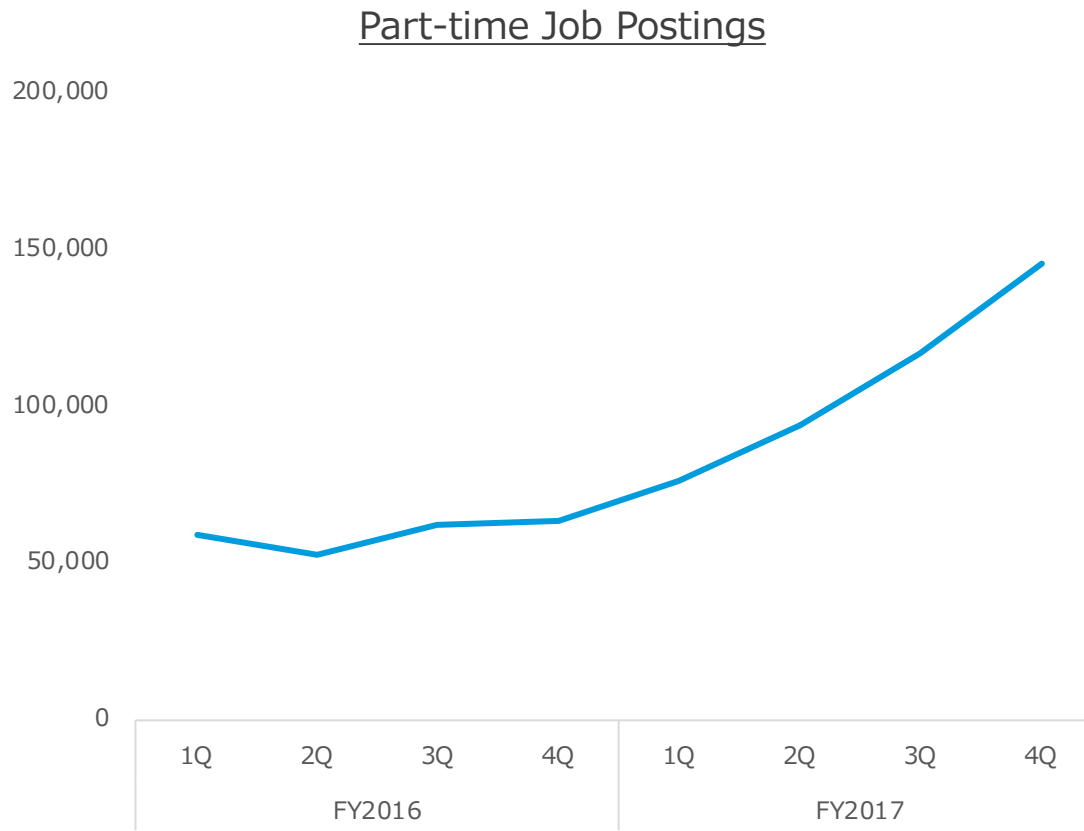
FY2018 Initiatives: Machbaito

- | FY2017 plan is going well. Continue investing in promotions to raise recognition.
- | Release “Singularity Dilution Diagnosis” content as first part.



FY2018 Initiatives: Machbaito

- Continue improving matching accuracy by increasing number of postings, etc.
- Work to improve user experience with “right away” as service concept, promote differentiation of experience by improving user experience/functions.



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

FY2018 Initiatives: Tenshoku Kaigi

- | Focus on expansion of Tenshoku Kaigi BUSINESS through LIVESENSE CONNECT.
- | Promote shift of value from “site where user check reviews” to “site where user choose a new job that fits user based on reviews.”

Screenshot

転職クチコミで企業の評判がわかる
転職会議
求人情報を探す 気になるリスト 応募リスト
メッセージ 職務経歴編集

求人一覧ホーム > 株式会社リブセンスの求人 > 自分がつくったプロダクトで世の中を変えていきたい！サーバーサイドエンジニア募集

WEB・インターネット
株式会社リブセンス ★4.0

求人概要

年収 400万円～800万円

職種 プログラム(オープン系・WEB系)、アプリ...

形態 正社員

業界 WEB・インターネット

勤務地 東京都

応募フォームへ

利用規約に同意して
気になる

「気になる」とは

求人情報

自分がつくったプロダクトで世の中を変えていきたい！サーバーサイドエンジニア募集

株式会社リブセンス

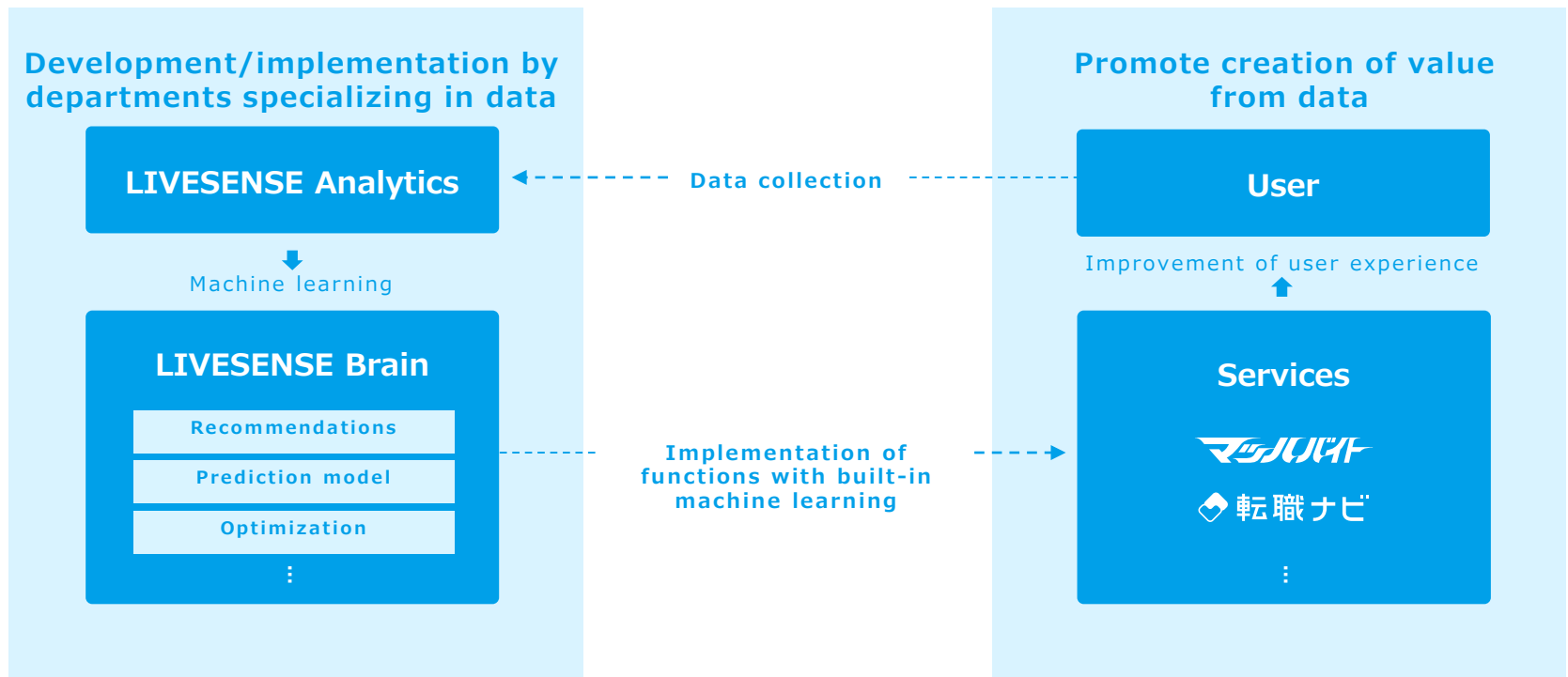
求人ポイント

自分がつくったプロダクトで世の中を変えていきたい！

私たちは、アルバイト求人サイト『マッハバイト』（旧ジョブセンス）や不動産賃貸サイト『DOOR賃貸』、転職希望者向けクチコミ情報サイト『転職会議』などの自社メディアサービスを運営しております。

FY2018 Initiatives: Data Technology

- Launch development of proprietary machine learning platform (LIVESENSE Brain).
Work to accelerate introduction of machine learning in each service and enhance functionality by standardizing machine learning infrastructure and algorithms.
- Optimize service using real data obtained through service and machine learning.
Aim for structure that improves user experience and media value quickly and continuously.



FY2018 Initiatives: Tie-ups with Outside Partners

| Accelerate growth enlisting outside support such as joint ventures at some functions



- With Tenshoku Kaigi, aim to improve user experience through shift to career service and expand scale by expanding Tenshoku Kaigi BUSINESS
- Key to achievement will be following two points:
 - Approaching many recruiting companies
 - Improving service by strengthening contact with customers
- Partner with Wiz, a sales agent with a track record, to establish LIVESENSE CONNECT
 - Focus Livesense internal resources on media improvement
 - Leverage human resources and sales organizational management know-how of Wiz to expand and strengthen contact with customers



- With IESHIL, provide face-to-face consultation services in addition to online real estate company referral service
 - Increasing number of employees with real estate knowledge is essential for scale of service
 - For an IT company like ourselves, hiring is difficult and synergy is elusive
- Partner with Starts Group, a real estate service company, to establish PHIL LIFE
 - Enhance real estate know-how and human resources

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	<ul style="list-style-type: none">• waja (consolidated subsidiary)	<ul style="list-style-type: none">• Enhance fulfillment system and develop system for future expansion of scale• Strengthen customer attraction through web marketing
その他	<ul style="list-style-type: none">• 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.

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

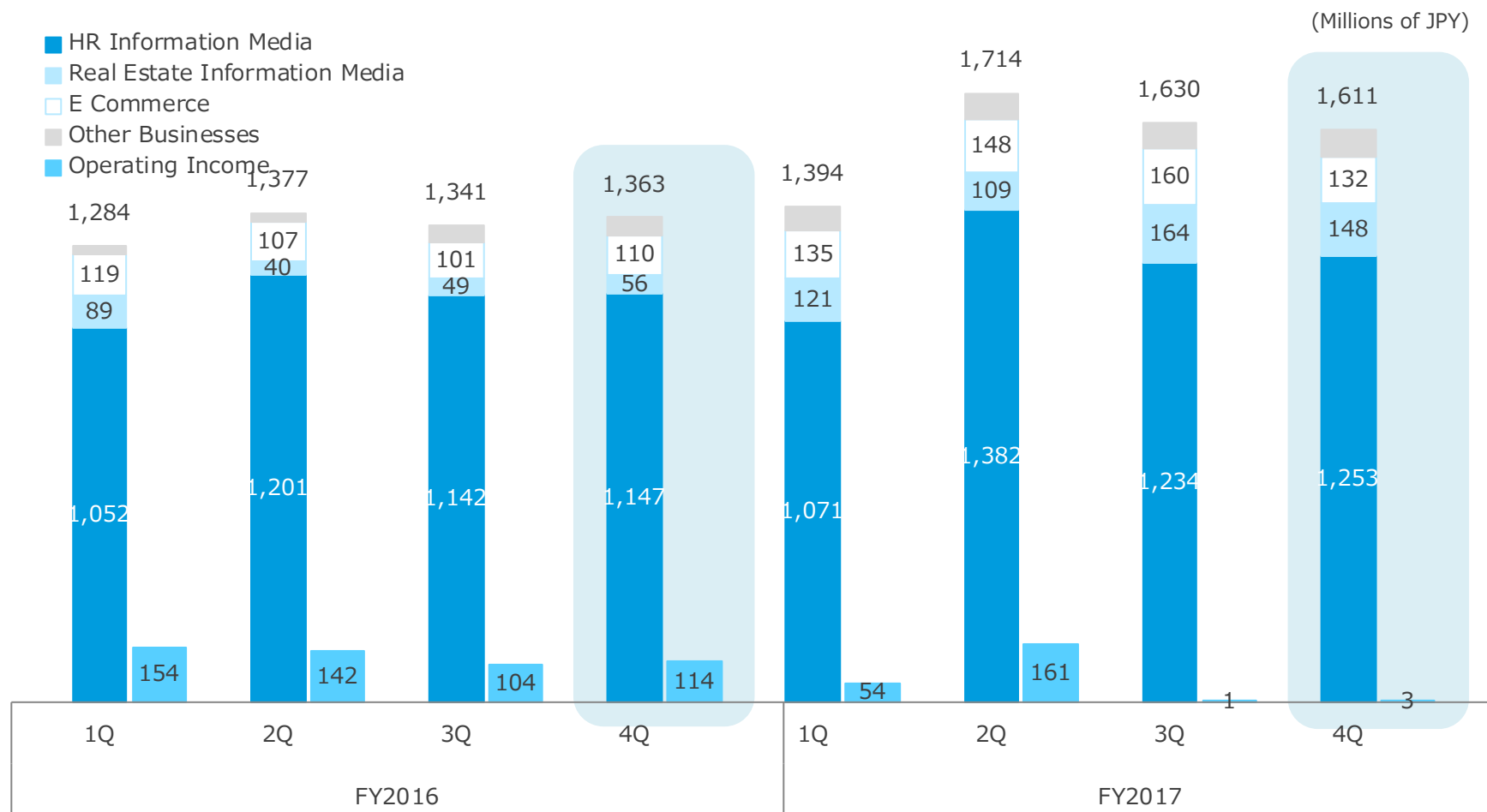


LIVESENSE

Invent the next common

3. Appendix

Net Sales and Operating Income

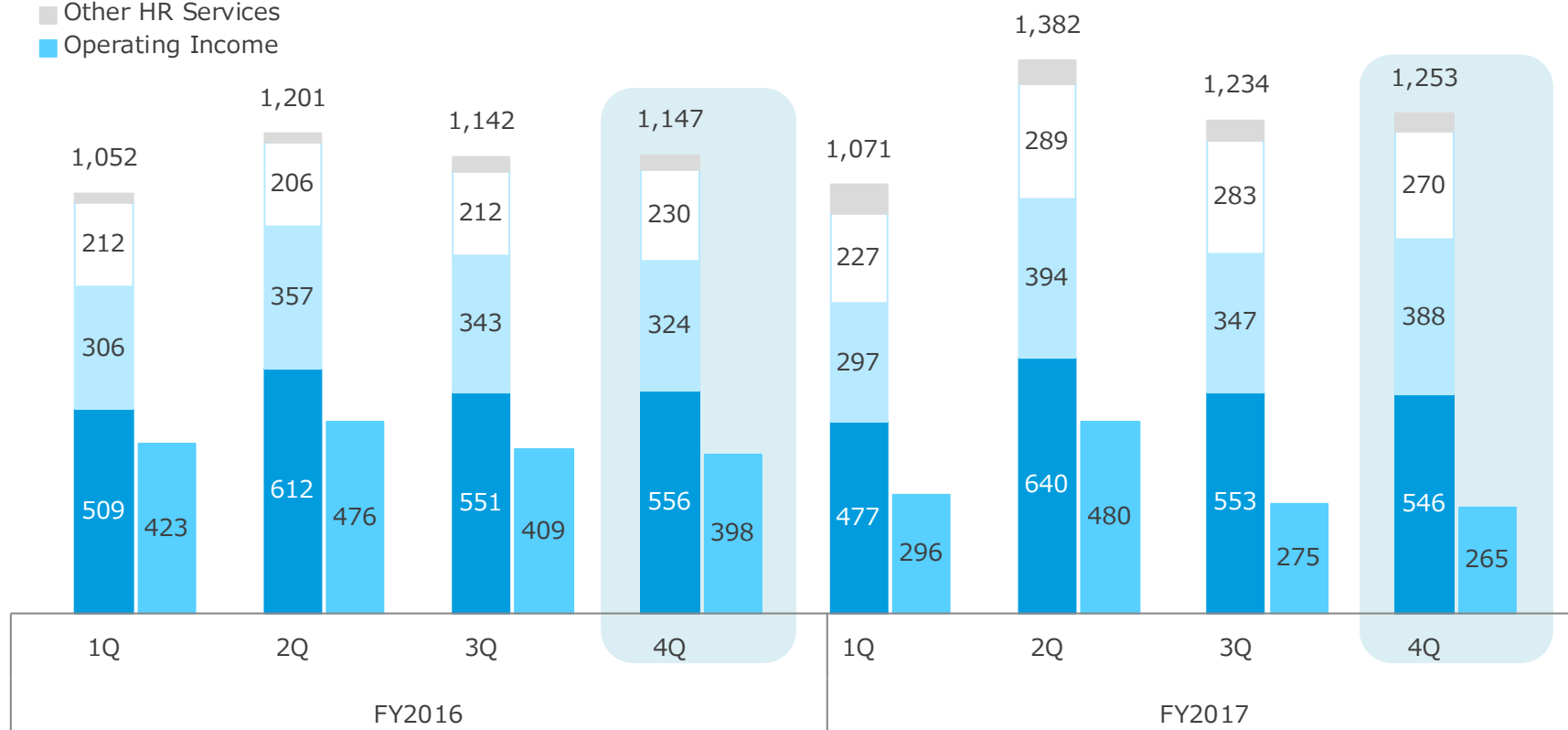


Segment Net Sales and Operating Income

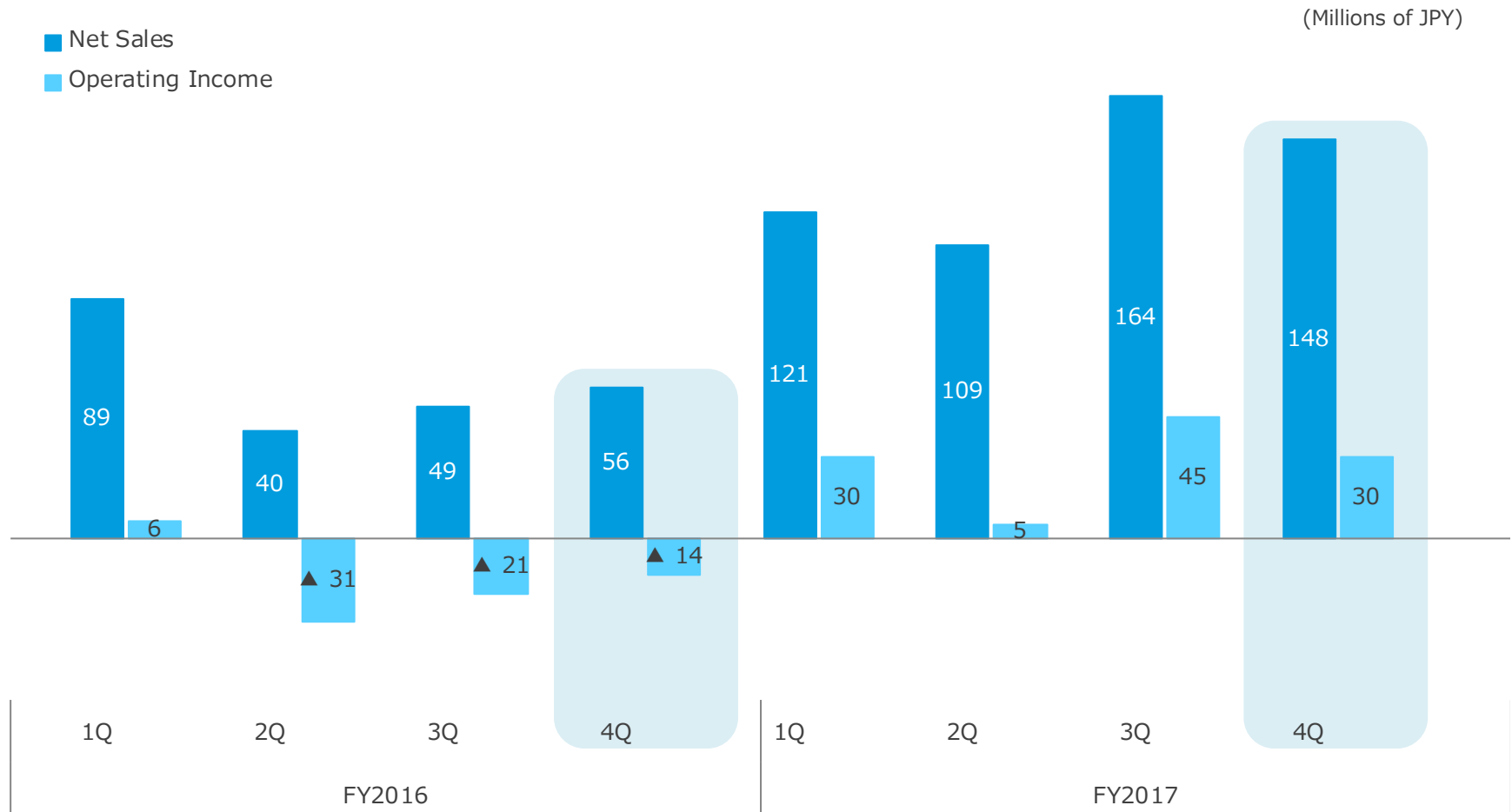
-HR Information Media

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

(Millions of JPY)



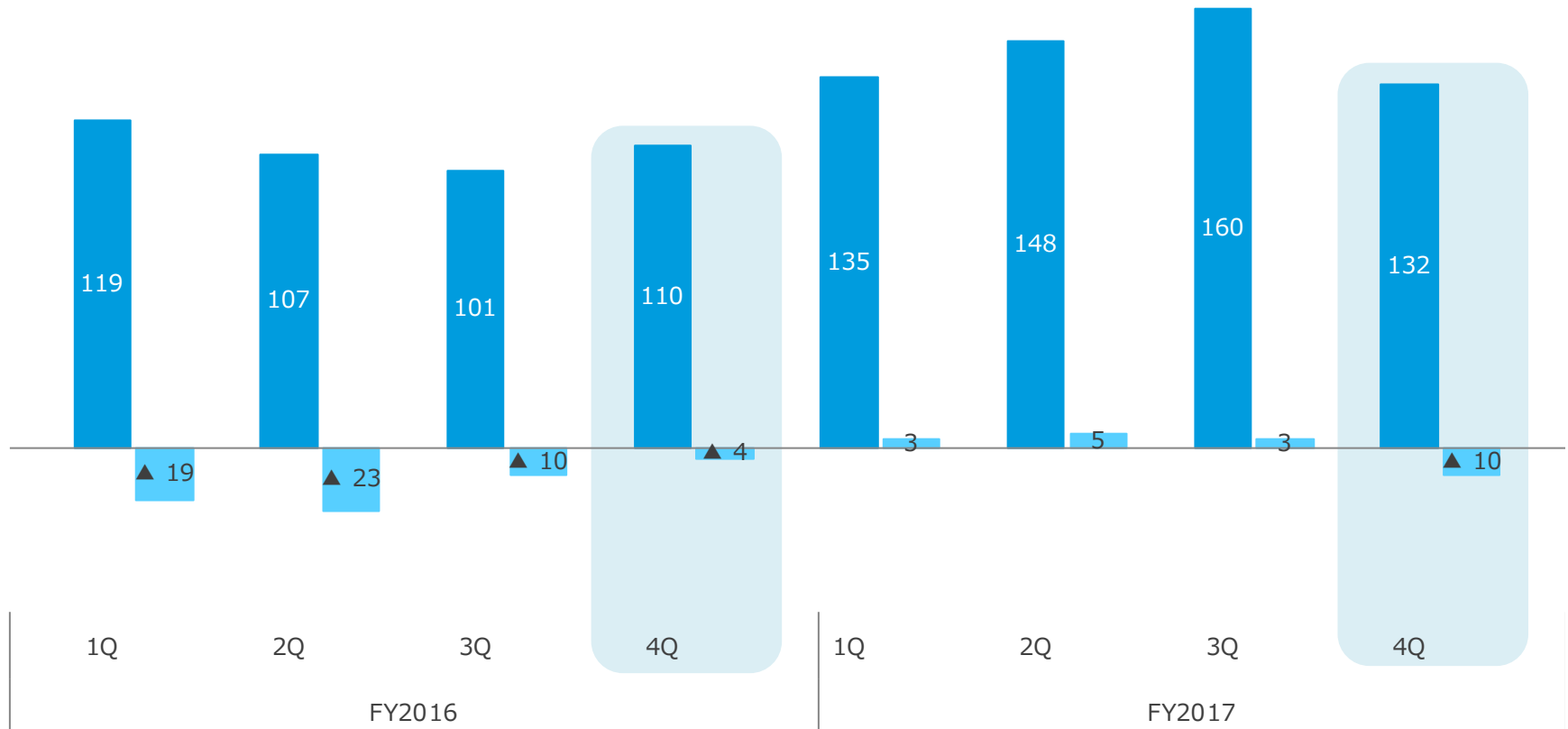
Segment Net Sales and Operating Income -Real Estate Information Media



Segment Net Sales and Operating Income -E-Commerce

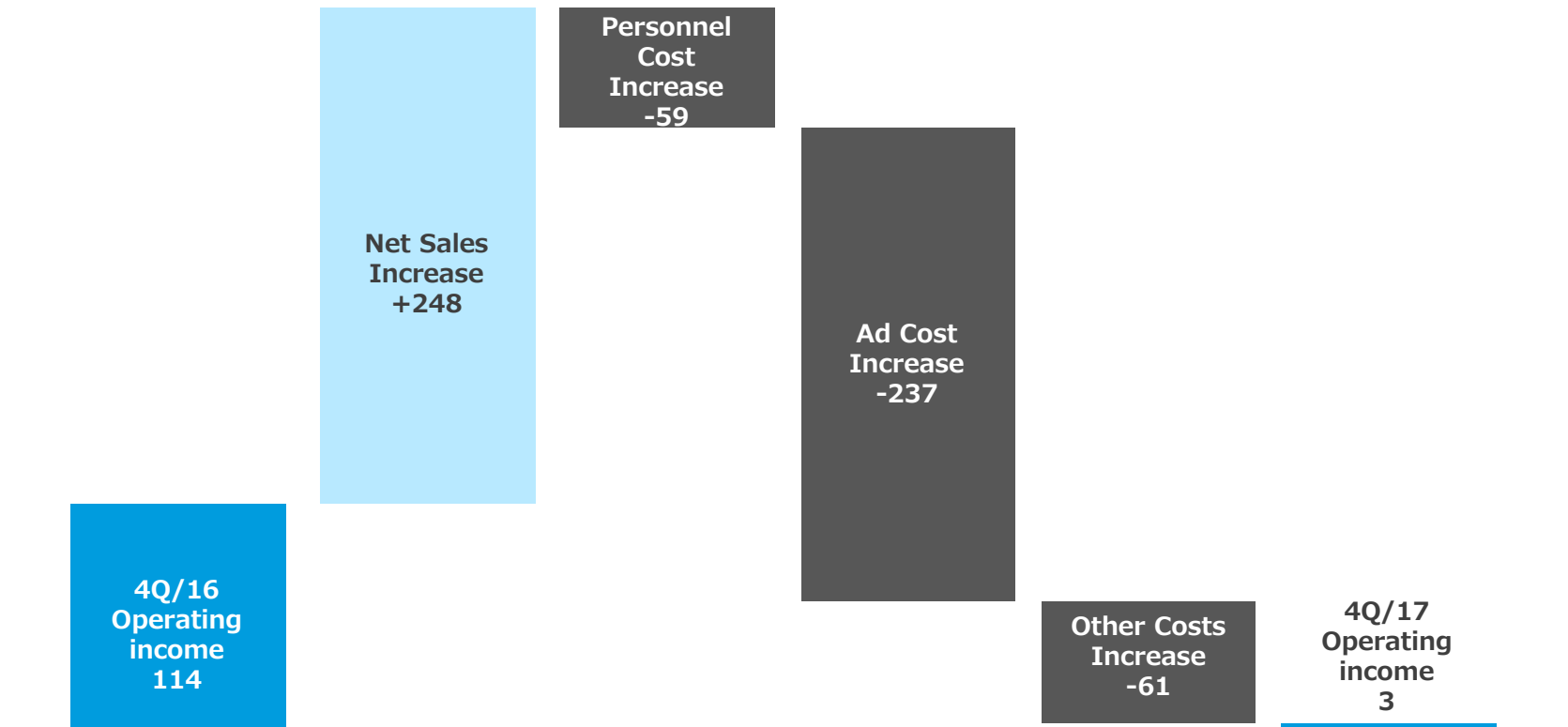
(Millions of JPY)

■ Net Sales
■ Operating Income



Operating Income - YoY Comparison

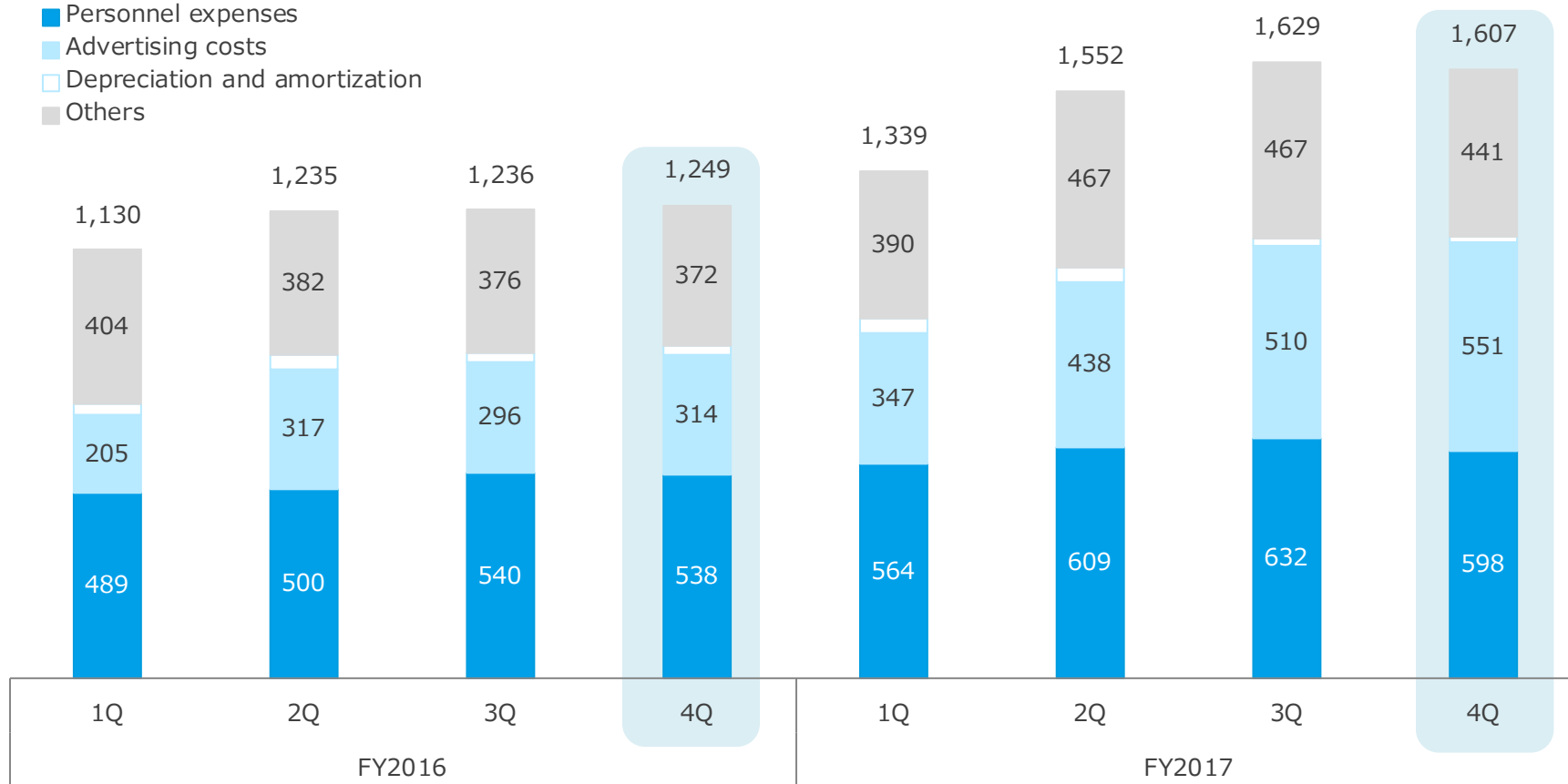
(Millions of JPY)



Operating Expenses

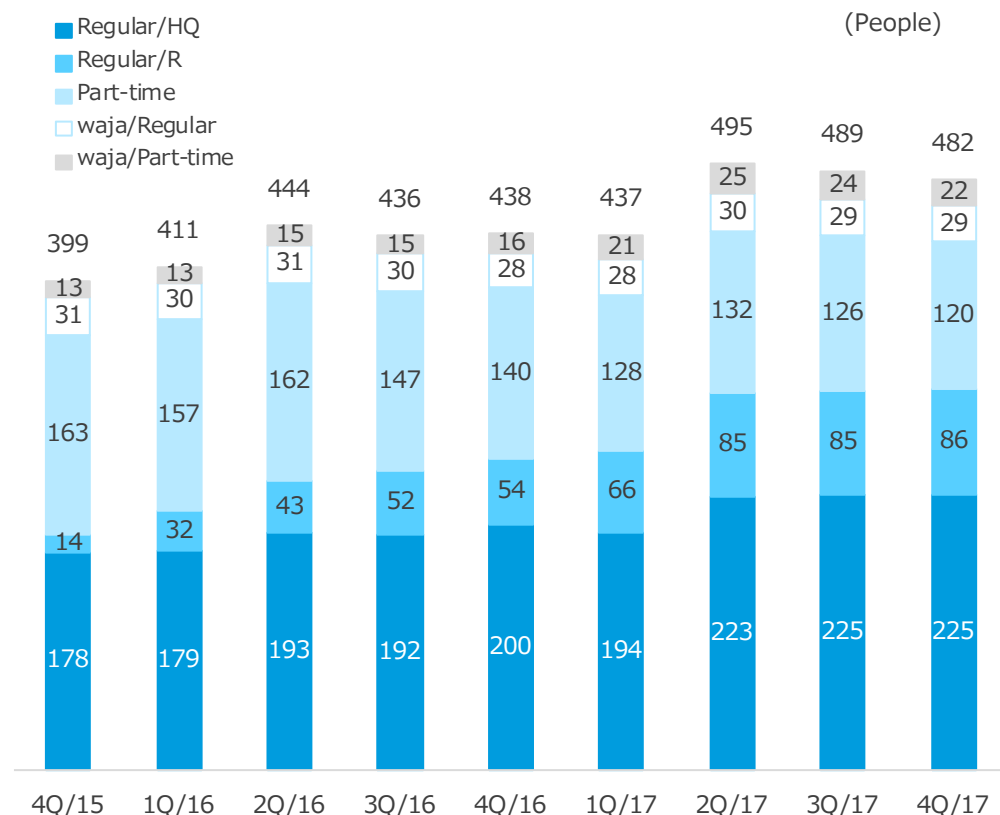
(Millions of JPY)

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



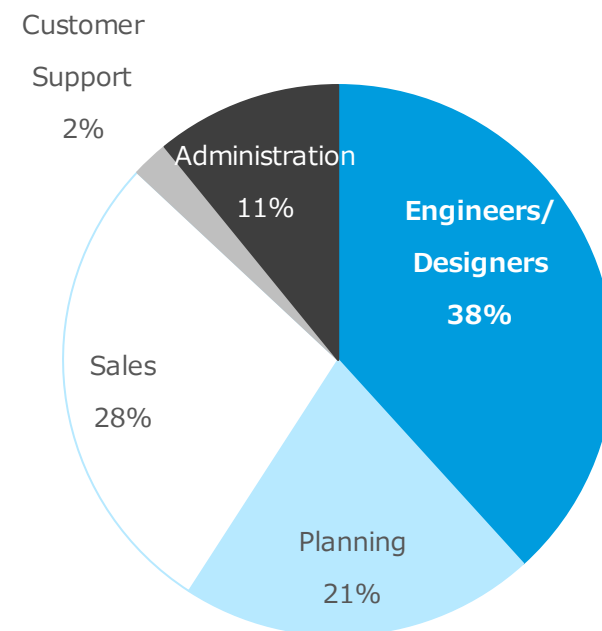
Employees

No. of Employees (Consolidated)



*Indirect hiring and outsourcers have been excluded beginning 2Q/17.
Past numbers have been adjusted accordingly.

Breakdown of Full-time Employees



*Job categories changed as of 2Q/17

*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

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.



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.