

# **FY2018 3rd Quarter Financial Results**

Livesense Inc. (TSE1: 6054)

August 14, 2018

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# **1. Financial Results**

# Executive Summary for the 3rd Quarter

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Net sales up 4.5% YoY due to increased sales in recruiting/real estate segments.  
Operating income was negative due to elimination of income from E-commerce.

- Net sales                      ¥1,704 million   ( YoY    +¥73 million   +4.5%   )
- Operating income           -¥18 million   ( YoY    -¥20 million   —   )

As in 2Q, real estate segment drove results.  
Progress made on expansion of Tenshoku Kaigi business scale as well as media improvements.

- DOOR Chintai ad-based customer attraction continued favorably from 1Q-2Q. Greatly contributed to investment capital
- In Tenshoku Kaigi, enhanced lineup of main Tenshoku Kaigi Business product.  
Also renewed site design and implemented other measures to attract customers and increase applications
- After last year's re-branding, focus in Machbaito has been on increasing name recognition and improving user experience  
Reflection in performance is expected to take some time

Transferred some shares of consolidated subsidiary

- Transferred some waja shares to waja management in conjunction with shift in strategy. Company is no longer a consolidated subsidiary

# Quarterly Financial Results Overview

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(Millions of JPY)

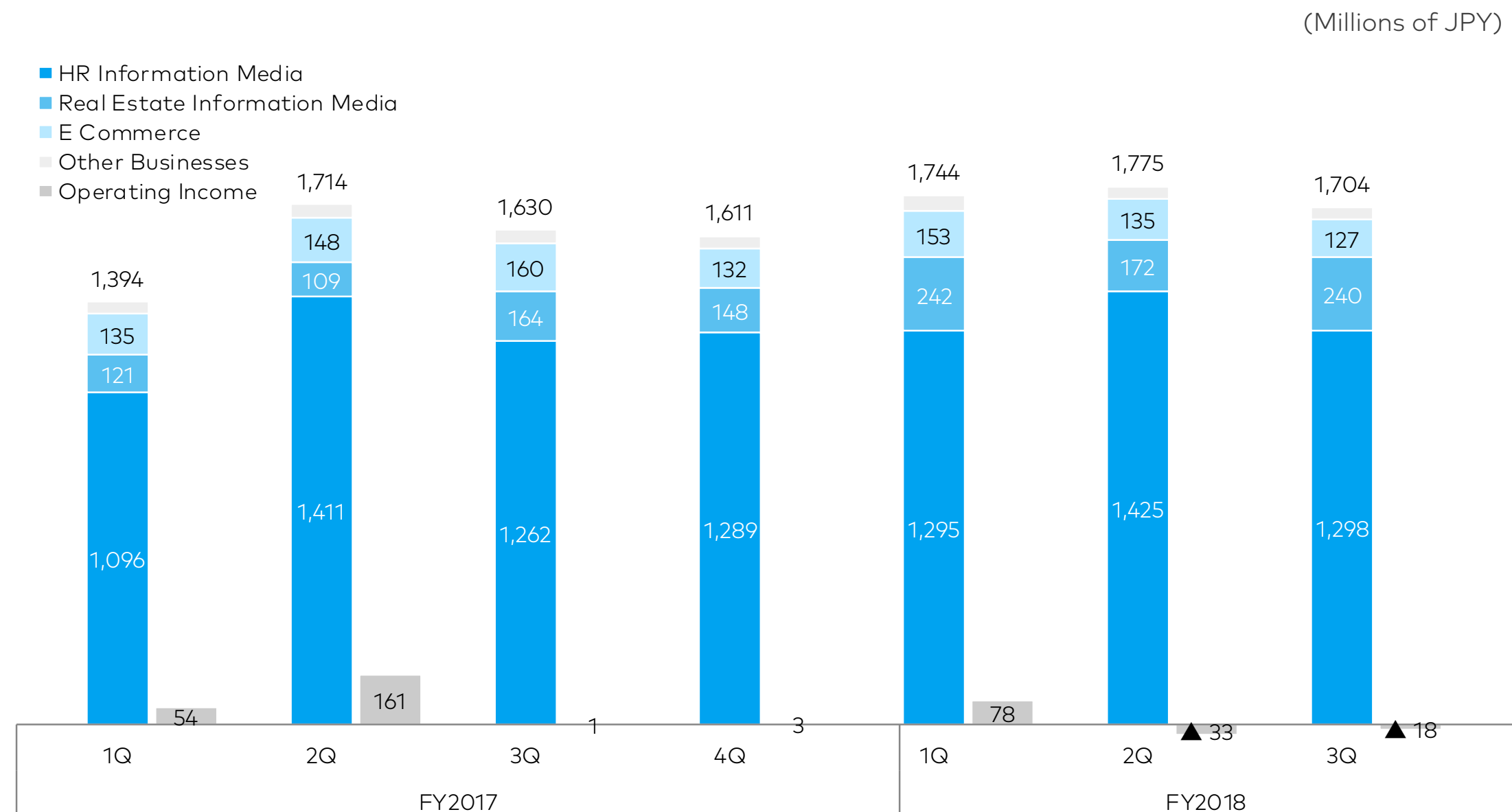
	FY2017 3Q	FY2018 3Q	YoY
Net Sales	1,630	1,704	+4.5%
Operating Income	1	▲ 18	—
Operating Margin(%)	0.1%	—	—
Ordinary Income	66	0	▲99.6%
Profit attributable to owners of parent	33	113	+242.0%

# Net Sales and Operating Income

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Sales increased in recruiting/real estate segments. Net Sales up 4.5% YoY.

Operating income down due to elimination of income from E-commerce, increase in operating costs, etc.



\*Tenshoku Draft categorized as HR Information Media as of this year.  
Past results changed to reflect this (same applies hereinafter).

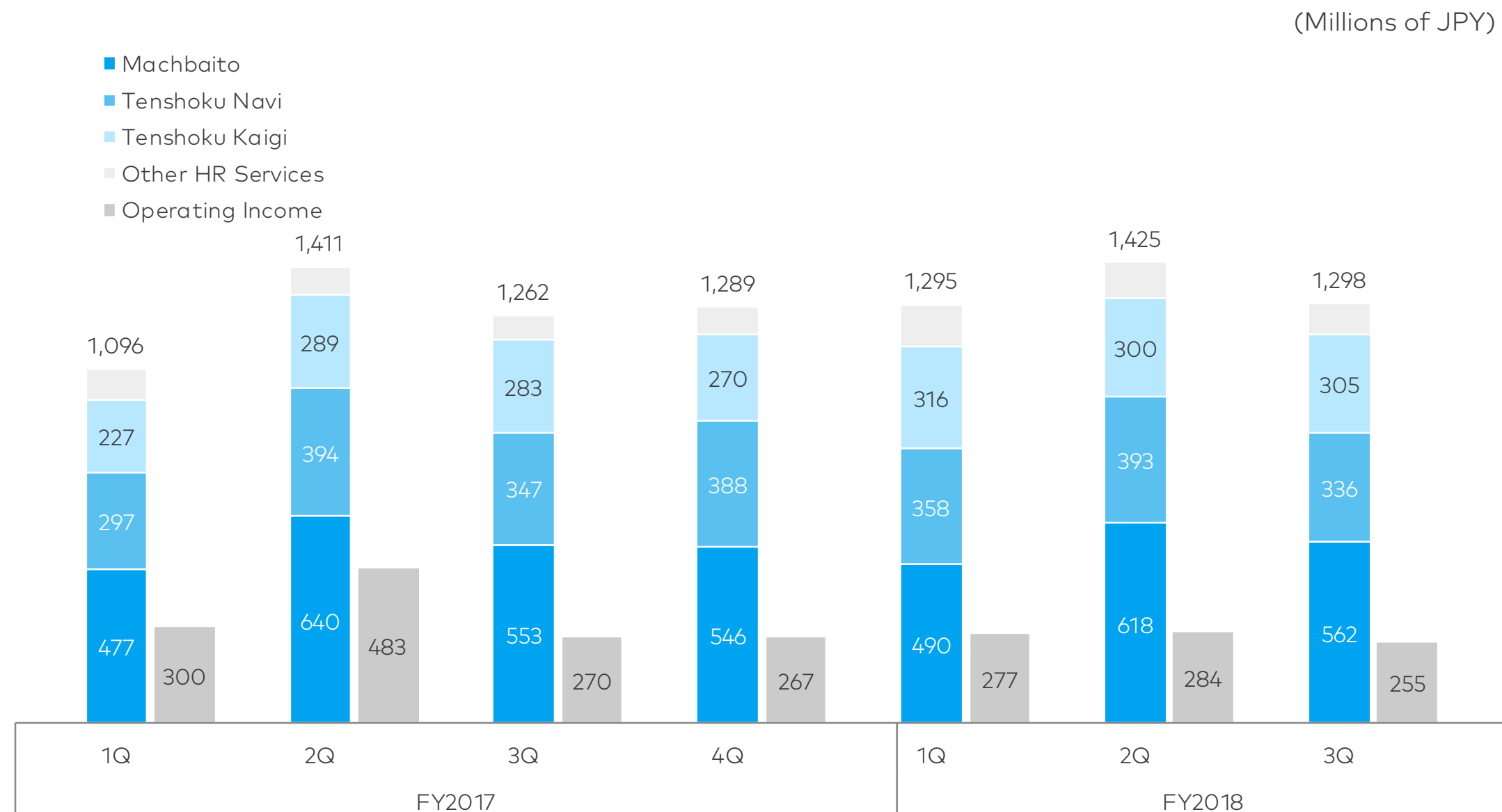
# Segment Net Sales and Operating Income

## -HR Information Media

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Sales up 4.5% YoY due to increase in both Tenshoku Kaigi and Tenshoku Draft sales.

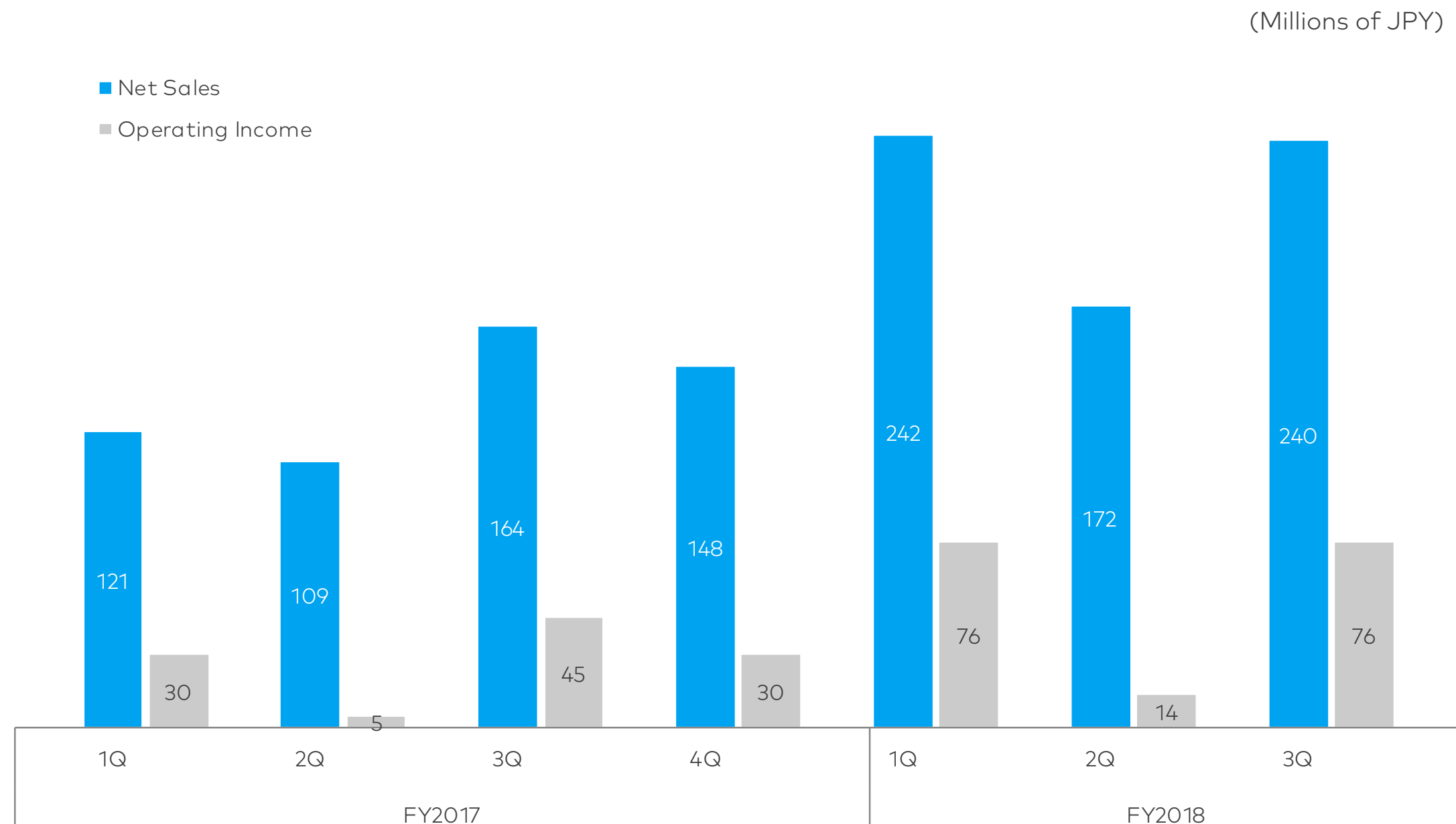
Focus in Machbaito continued to be increasing name recognition and improving user experience.



# Segment Net Sales and Operating Income -Real Estate Information Media

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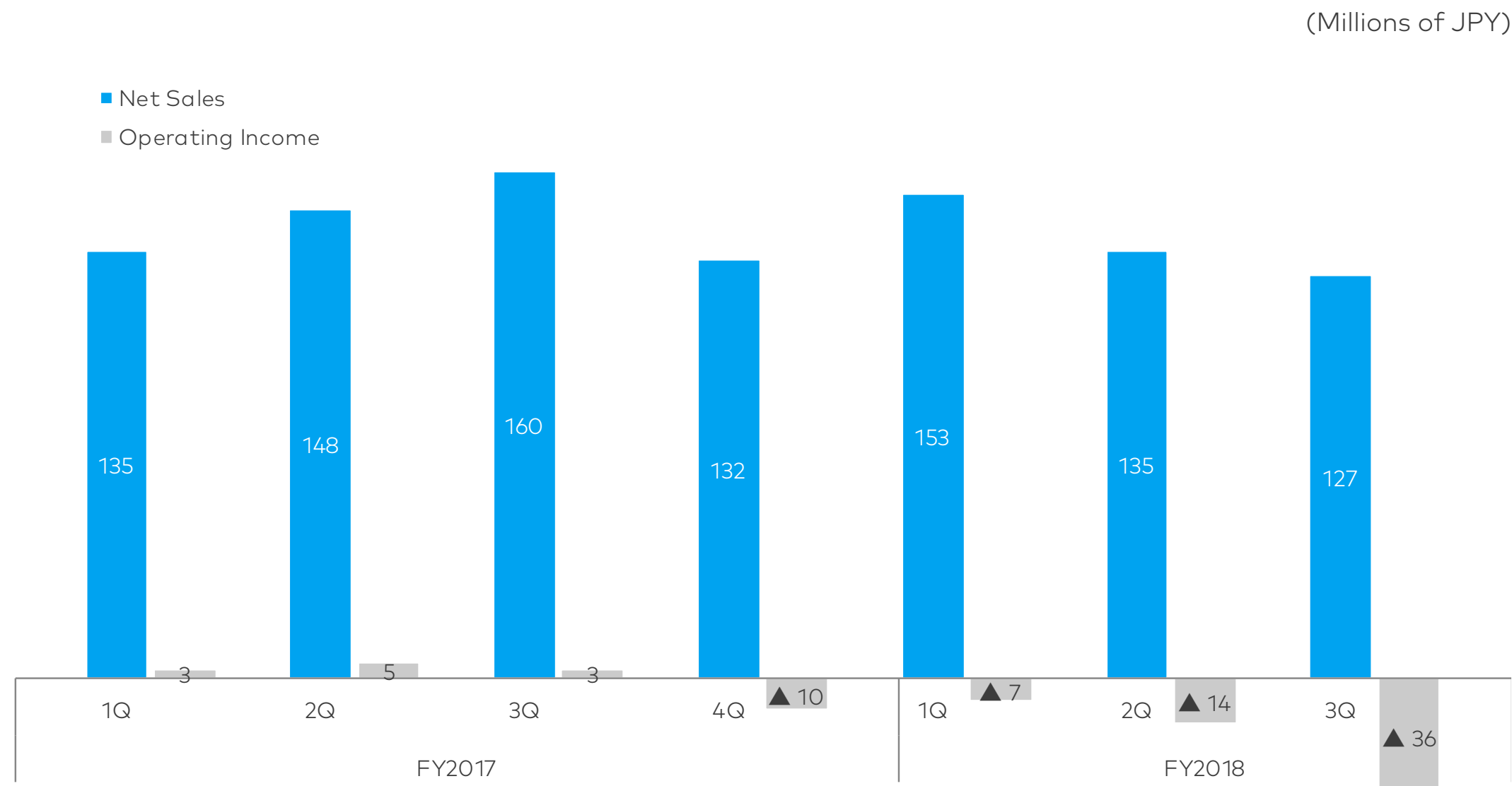
Measures for customer attraction continued to be successful with DOOR Chintai for increased sales and income.





# Segment Net Sales and Operating Income -E-Commerce

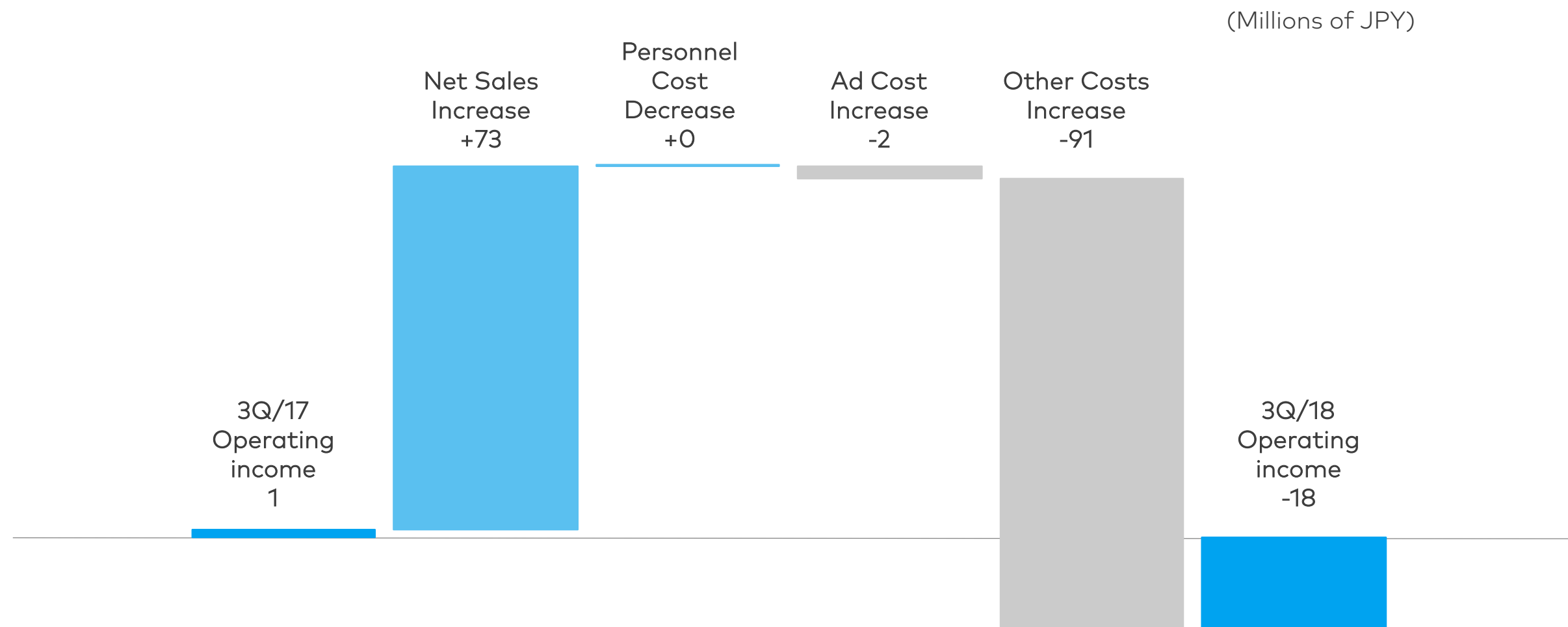
- Fewer customers attracted than previous year, resulting in lower sales. Initial investment costs for new "PANAMA Studio" SaaS-type cloud-based service.
- Transferred some waja shares to waja management. Excluded from scope of consolidation as of end of 3Q.



# Operating Income -YoY Comparison

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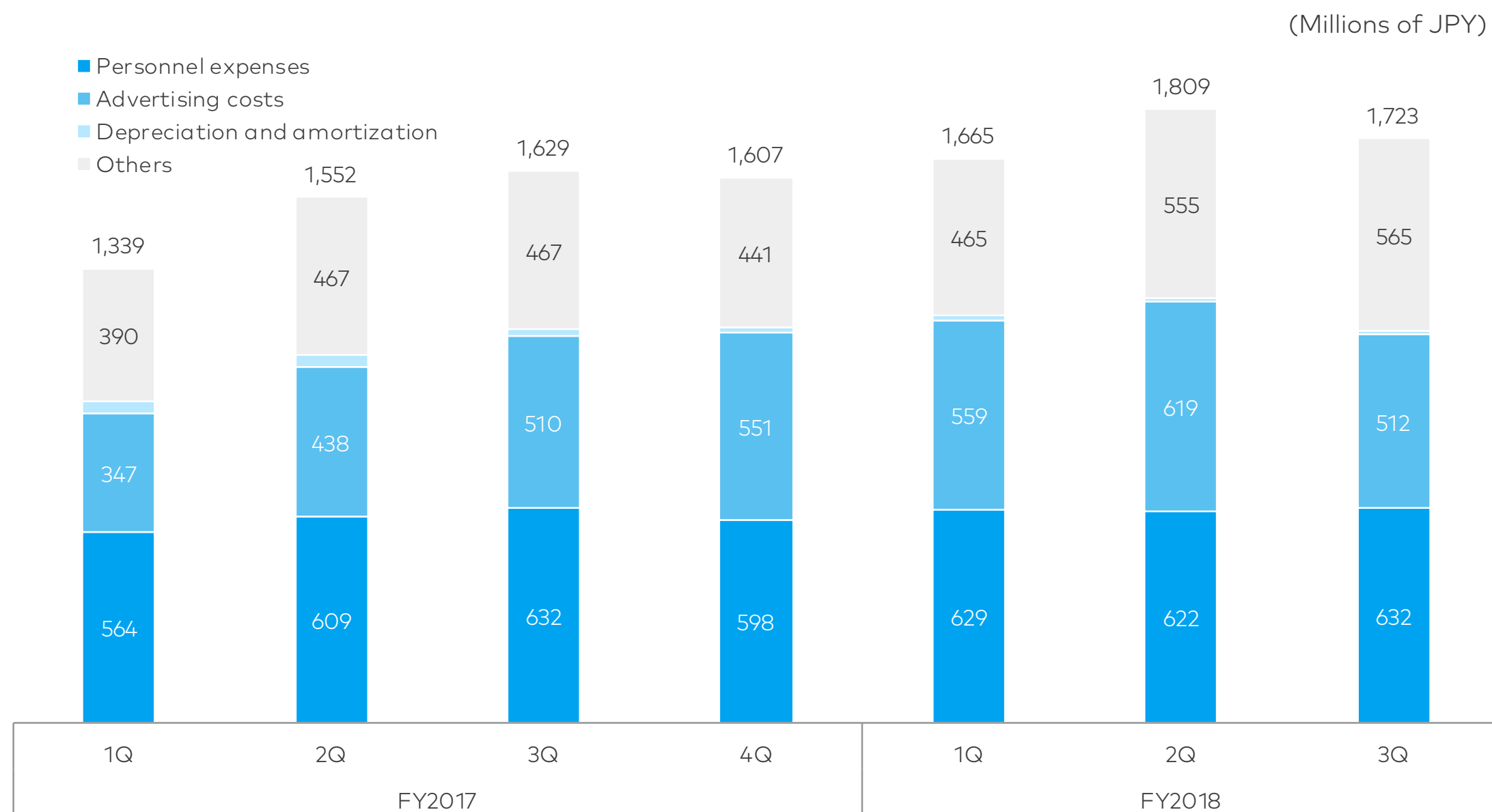
Although net sales increased, increase in operating costs, media development-related costs and others resulted in an operating loss.



# Operating Expenses

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Other expenses (operating costs, media development-related costs and others) increased.



\*Monetary gifts include some that were changed from "Others" to "Advertising costs" category

## **2. Business Overview**

## 2. Business Overview

Progress on Key Businesses

# Machbaito: Increasing Name Recognition

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- "Kami-Machbaito" promotion continues to be popular. Working to increase recognition of site name and Mach Bonus, an element of differentiation.
- Launching new collaborative projects with companies. Aiming for continued dissemination on SNS.

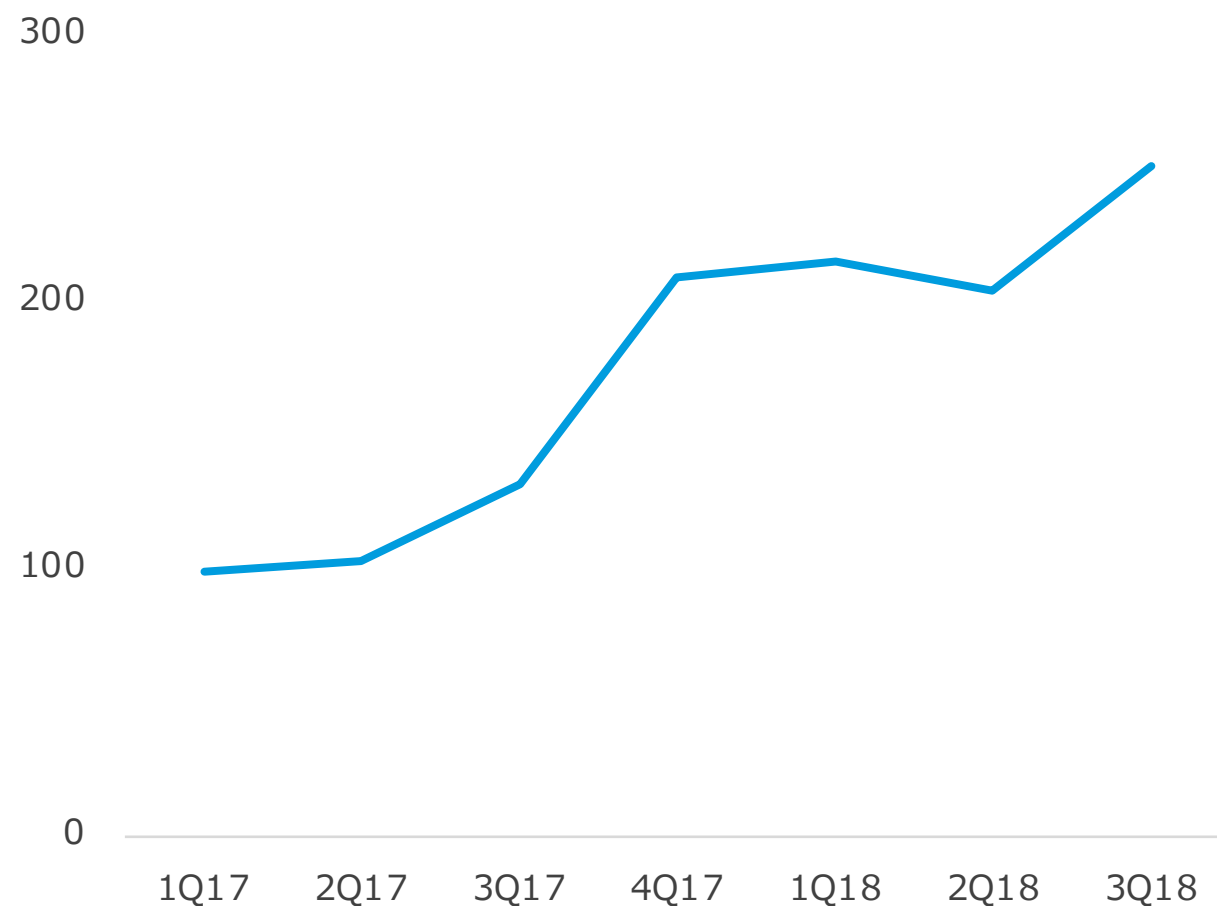


# Tenshoku Kaigi: Progress on Tenshoku Kaigi BUSINESS

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- Number of user companies increased with increase in products with charges for applications.
- Also renewed site design and implemented other measures to attract customers and increase applications.

Trend in Number of Companies  
Using Tenshoku Kaigi BUSINESS



\*Presented as a comparison with 1Q/17 as 100

Tenshoku Kaigi



## 2. Business Overview

Other Business Topics and Progress



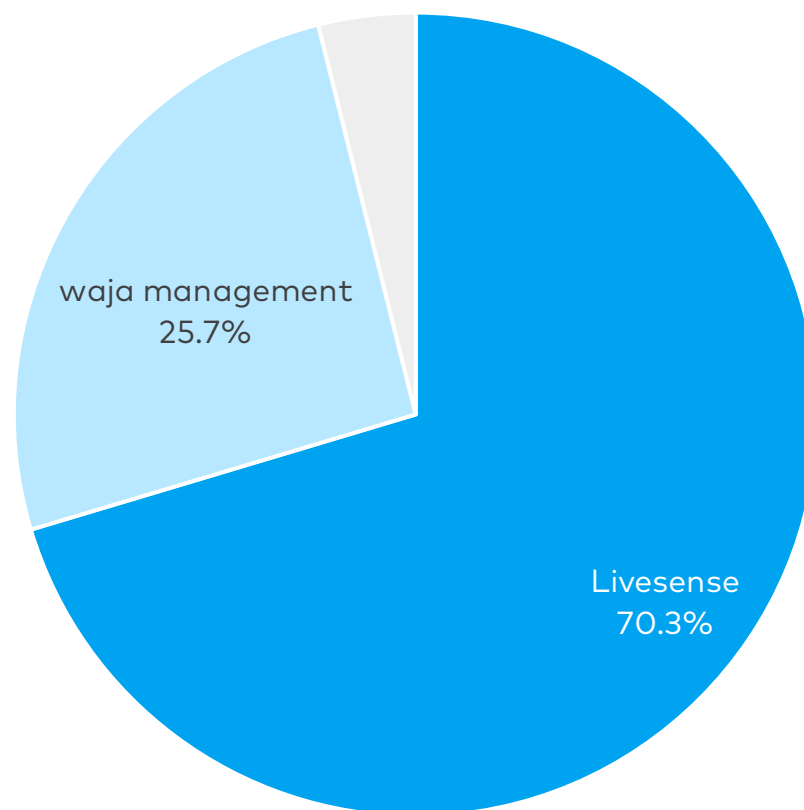
# waja: Share transfer

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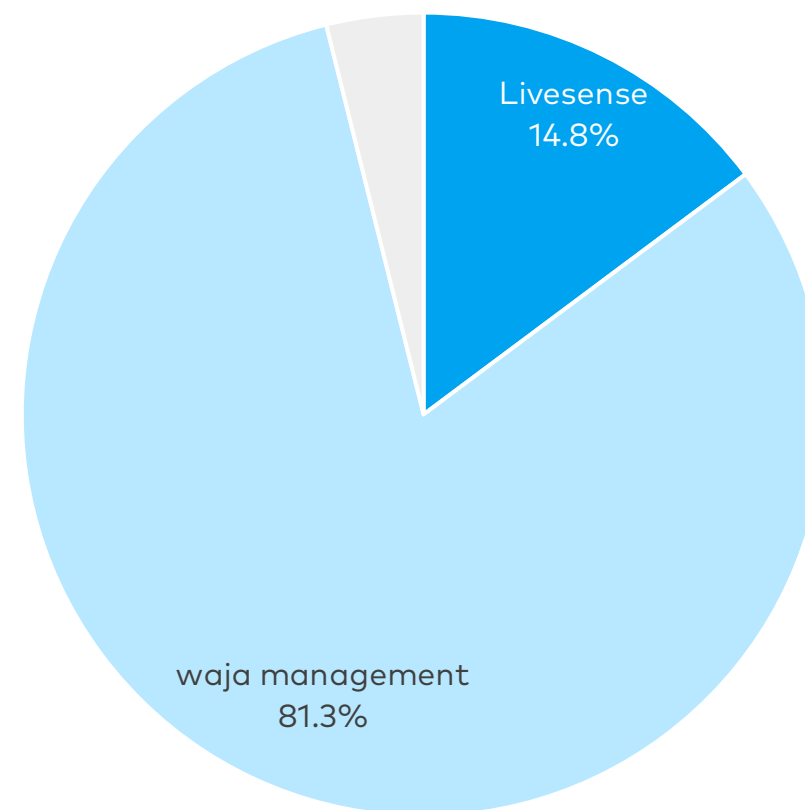
Focus on platform business as new growth domain to go along with existing EC business.

Some shares of waja transferred to waja management from the standpoint of increasing management freedom and, at Livesense, focusing management resources on core businesses.

waja shareholder composition



Before transfer



After transfer

# Opening of Kyoto Office

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| Kyoto Office opened as new base for service development.

| Accelerating real data engineering efforts through collaboration with students possessing knowledge of machine learning and data engineering.

Base name	Kyoto Office
Date of opening	September 3, 2018
Address	#313 Kuroto Building, 376, Ichino Funairi-cho, Kawaramachi-dori 2-jo kudaru, Nakagyo-ku, Kyoto-shi, Kyoto
Purpose	To create innovation through collaboration between outstanding students in the Kansai area and our own top engineers
Example development projects	<ul style="list-style-type: none"><li>• Development of recommendation system</li><li>• Natural language processing of review data</li></ul>



# Tenshoku Draft: Expansion of matching methods

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- Released self-recommendations allowing users to approach companies with respect to divisional/team challenges in Tenshoku Draft for engineers.
- Made it possible to specify preferred contract type in response to diversification of work styles, including freelance work and side jobs, in Designer Draft for designers.

### 課題一覧

現年収非公開、面談前に年収提示などの仕組みを用いながら、自分から企業にアプローチできます。

» [自己推薦について詳しく見る](#)

企業名	ポジション名	使用技術や分野など	想定年収	
例) リブセンス	例) サーバーサイドエンジニア	例) Rails	例) 600 万円以上	検索



チーム **会計free、申告free、人事労...**  
free  
Webアプリケーション開発サーバサイドエンジニア  
想定年収 **700** 万円  
社会インフラ 金融・仮想通貨 その他

現在ユーザー数が増加していく中、多数の需要が発生しており、開発の効率化による生産性向上や優先度を決めた上での決定や選択が必須となってきております。  
・プロダクトおよび機能の企画、設計、実装、テスト、計測、改善・新規技術、コア技術に関する研究開発&調査・新規機能企画開発・生産性向上のための自動化、ツールの開発 など様々やることはありますが、上記に対してスピード感を持っての取り組みがまだまだ出来ておりません。そのため、スビ...

続きを読む



チーム **転職ドラフトプロジェクト**  
リブセンス  
エンジニアリングマネージャ  
想定年収 **750** 万円  
人材

サービスをローンチして約2年半となり、エンジニアは現在3人です。今回リリースした自己推薦機能なども含めて、まだまだ新しい機能やUXの改善を続けて、人々の転職をより良いものにしていきたいと思っています。それをできるようチームを拡大するにあたって、私達は強力なエンジニアリングマネージャが必要だと考えています。転職ドラフトチームは個性的なエンジニアの集まるチームですが、チームや人のマネジメント能力に長ける人はまだいません。自分たちに...

続きを読む



チーム **IESHILデベロップメントグループ**  
リブセンス  
データエンジニア  
想定年収 **600** 万円  
不動産・インテリア

マンションの価格査定サイトとして、その情報を支える為の10億円を超えるビッグデータを活用する基盤があります。その基盤は複雑でデータワークフロー整備に着手しているところではありますがまだまだ道半ばです。より精緻な査定価格算出のために、ビッグデータ基盤を更に進化させていくことが急務です。

続きを読む



チーム **サーバーサイドチーム**  
トレタ  
サーバーサイドエンジニア  
想定年収 **700** 万円  
料理・外食

サービスリリースからの4年半。導入件数の拡大に伴い、データ規模・アプリケーション規模も増大しており、この先のビジネス展開やサービス成長を見据えると、現行アーキテクチャでは数年後にはサービスのスケーラビリティにおいてリスクが顕在化すると考えており、アーキテクチャの再設計を開始したいと思っています。しかしながら、現状、大規模な開発でこれまで以上の水準を維持するための設計・方針決定を行う経験や知識が十分ではありません。大規模で高トラフィックな開発の...

続きを読む

# Business Strategy for FY2018 and Progress

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Human Resources	• Machbaito	<ul style="list-style-type: none"><li>• Promote improved user experience by making "right away" service concept</li><li>• Continue to conduct promotion to increase name recognition</li></ul>
	• Tenshoku Kaigi • Tenshoku Navi	<ul style="list-style-type: none"><li>• With Tenshoku Kaigi, full-scale roll-out of career services utilizing reviews</li><li>• Promote increase in user companies through corporate marketing as well as enhanced user attraction and increase in applications through renewal of site design for expansion of Tenshoku Kaigi BUSINESS</li><li>• With Tenshoku Navi, promote more efficient online advertising operations</li></ul>
	• Syukatsu Kaigi	<ul style="list-style-type: none"><li>• Launch provision of original functions for determining "degree of match with corporate culture" and "level of difficulty of screening"</li><li>• Present awards for "truly worthwhile internships" based on student reviews</li></ul>
	• Tenshoku Draft	<ul style="list-style-type: none"><li>• Promote diverse matching of users and companies. Release self-recommendation function in Tenshoku Draft and function to specify preferred contract type in Designer Draft</li></ul>

# Business Strategy for FY2018 and Progress

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Real Estate Information	<ul style="list-style-type: none"> <li>• DOOR Chintai</li> <li>• IESHIL</li> </ul>	<ul style="list-style-type: none"> <li>• Increase DOOR Chintai income by aggressively investing in web advertising during particularly busy seasons</li> <li>• IESHIL launched provision of information on disaster risk and school zones Promote improvement of IESHIL site value by expanding data and content</li> <li>• Launch PHIL LIFE. Strengthen face-to-face information provision and matching functions</li> </ul>
EC	<ul style="list-style-type: none"> <li>• waja</li> </ul>	<ul style="list-style-type: none"> <li>• Launch "PANAMA Studio" SaaS utilizing proprietary fulfillment system</li> <li>• Some waja shares transferred, removing it from scope of consolidation as of end of 3Q</li> </ul>
Others	<ul style="list-style-type: none"> <li>• New businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Train product managers through launch of small-scale media</li> <li>• Joint operation of "imitsu" ended as of end of October. Now independently operated by unilabo. Unilabo shares transferred</li> </ul>



**LIVESENSE**





あたりまえを、発明しよう。

## 3. Appendix



# Segments and Core Media

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Human Resources	<div data-bbox="449 426 819 491"></div> <div data-bbox="902 426 2379 491">Machbaito: Success fee-based part-time job posting site</div> <div data-bbox="449 541 856 633"></div> <div data-bbox="902 558 1860 623">Tenshoku Kaigi: Employer review site</div> <div data-bbox="464 683 856 756"></div> <div data-bbox="902 689 2439 754">Tenshoku Navi: Success fee-based full-time job posting site</div> <div data-bbox="455 810 856 896"></div> <div data-bbox="902 823 2445 888">Syukatsu Kaigi: New graduate employment support service</div> <div data-bbox="464 955 856 1013"></div> <div data-bbox="902 957 2575 1021">Tenshoku Draft: Competitive bidding-type career change service</div>
Real Estate	<div data-bbox="470 1101 686 1181"></div> <div data-bbox="902 1112 2405 1177">DOOR Chintai: Success fee-based real estate posting site</div> <div data-bbox="470 1235 695 1315"></div> <div data-bbox="902 1246 1926 1310">IESHIL: Real estate information service</div>
EC	<div data-bbox="449 1390 778 1476"></div> <div data-bbox="902 1403 1715 1468">waja: Overseas fashion EC site</div>
Others	<div data-bbox="464 1543 787 1619"></div> <div data-bbox="902 1556 1886 1621">Chiryō Note: Medical information site</div> <div data-bbox="449 1677 758 1754"></div> <div data-bbox="902 1690 2330 1754">imitsu: BtoB service comparison/order information site</div>

\*waja excluded from scope of consolidation as of end of 3Q.

\*Joint operation of "imitsu" ended as of end of October. Now independently operated by unilabo.

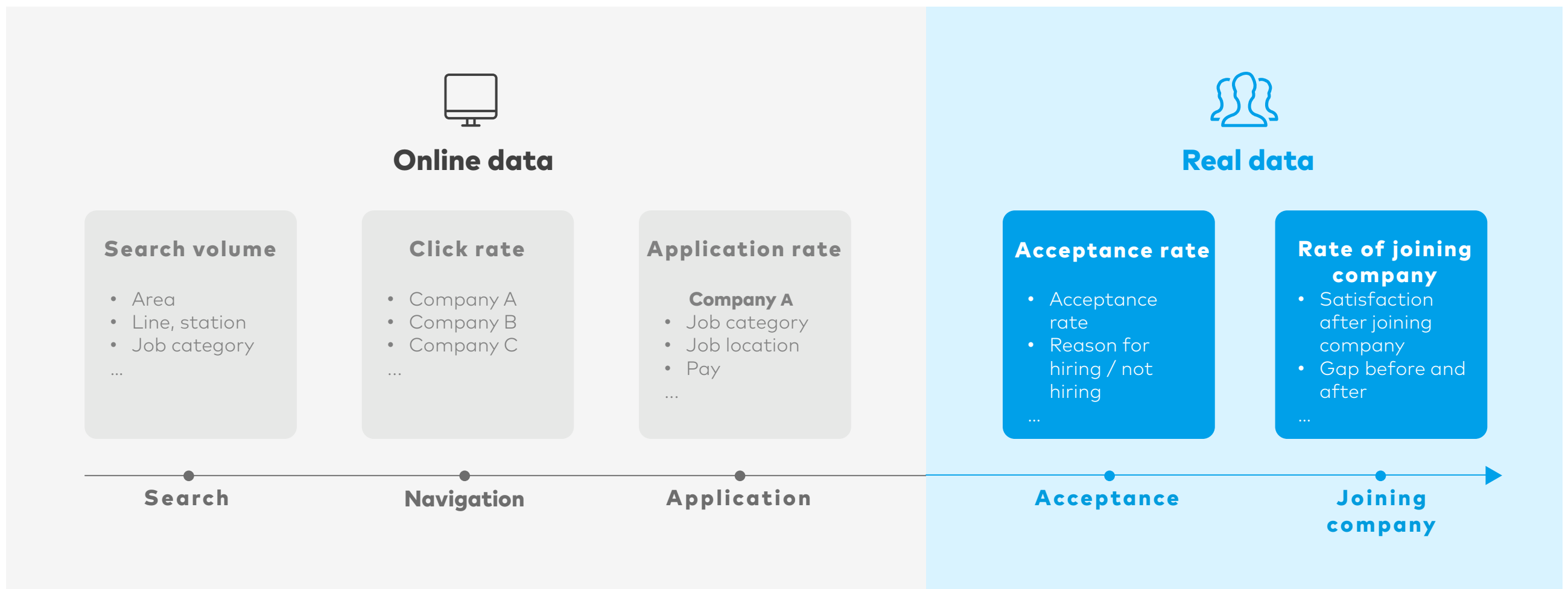


# Strategy : Real Data Engineering

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| Data associated with provision of intrinsic service value and not available online is called "real data."

| Services designed based on value and "real data."

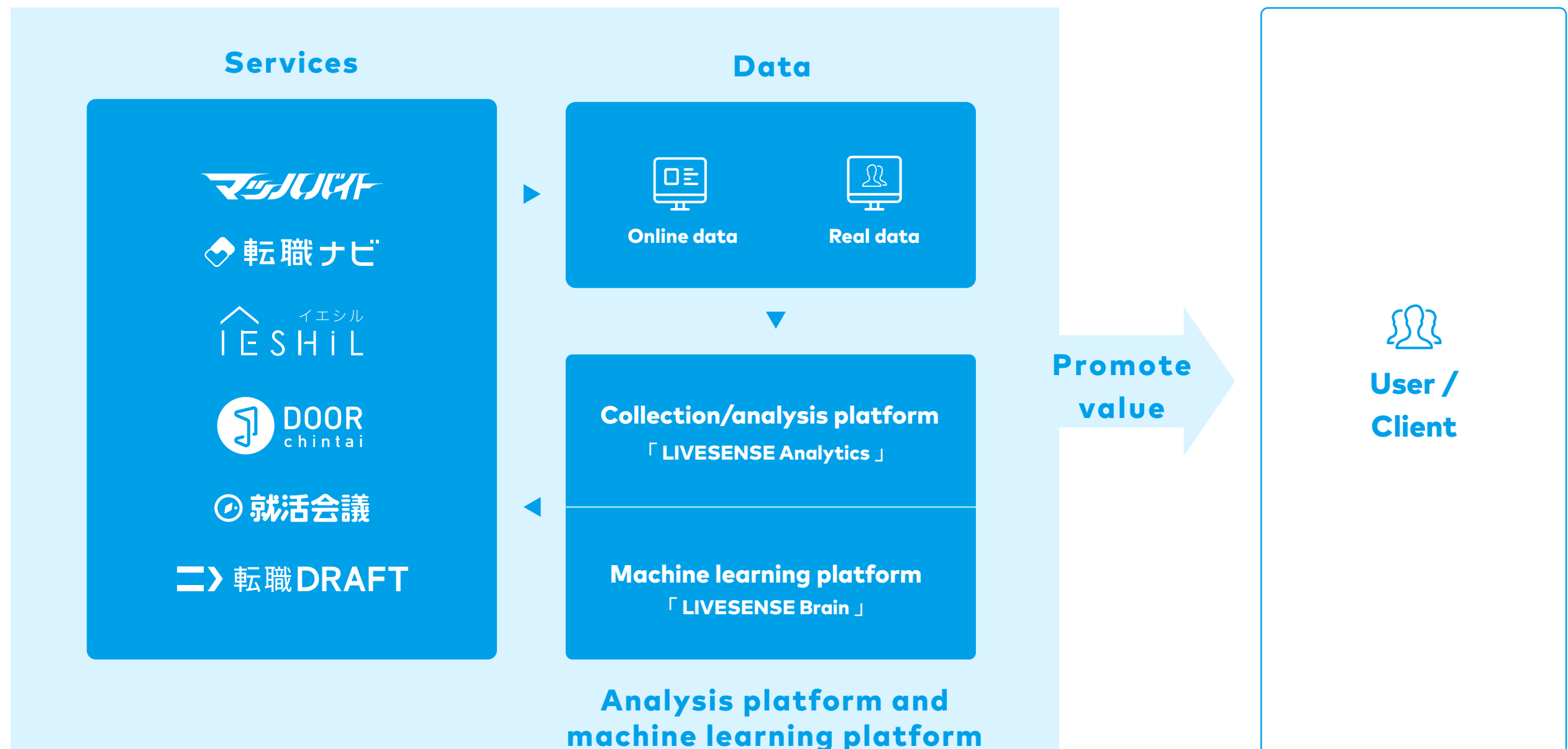


- Intrinsic value of career services is success in career change and success after joining company, not applying on site  
-> KGI (rate of joining company, satisfaction after joining company, etc.) showing intrinsic value not yet sufficiently made available for online use and data contributing to improvement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

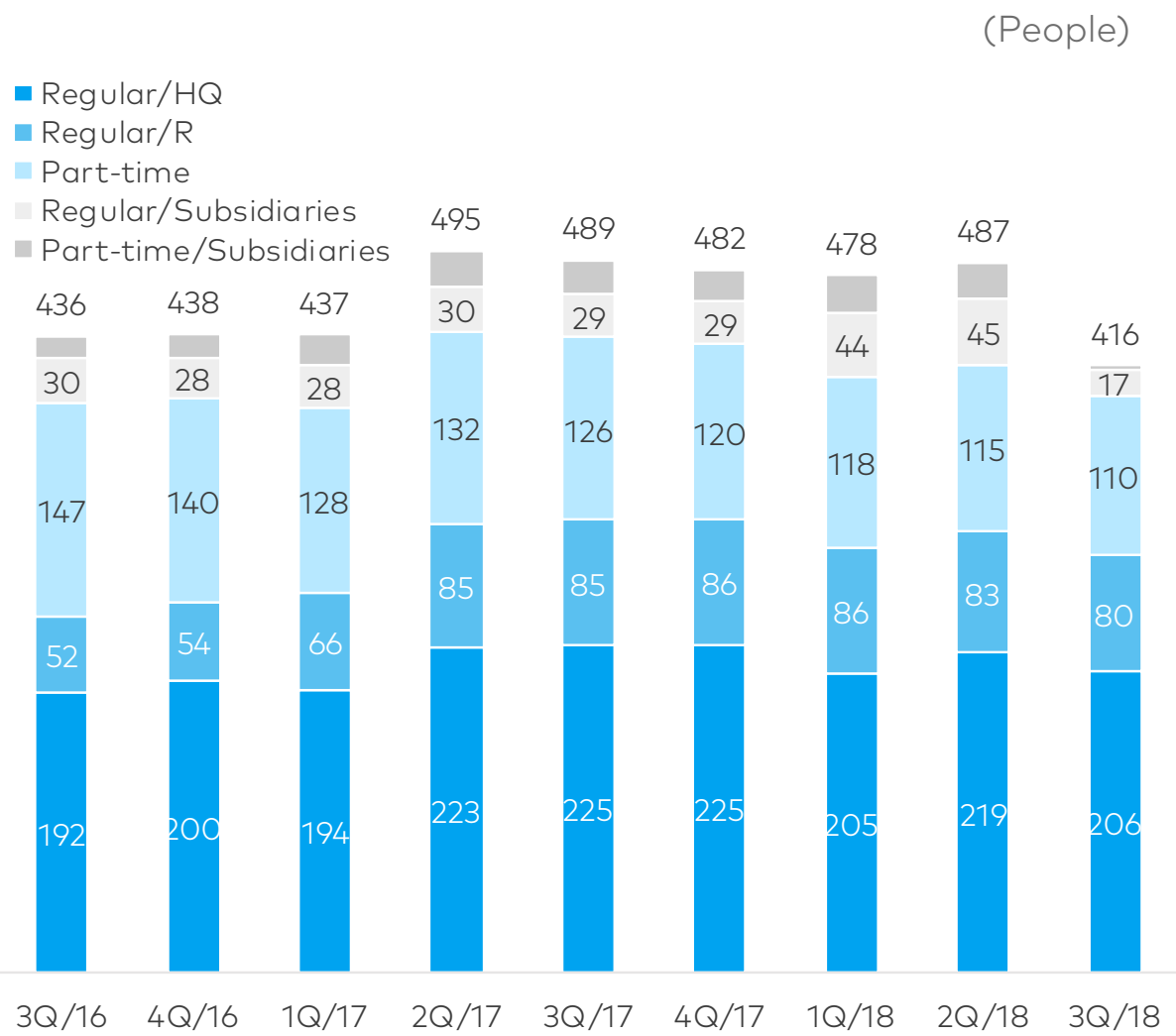
# Strategy : Real Data Engineering

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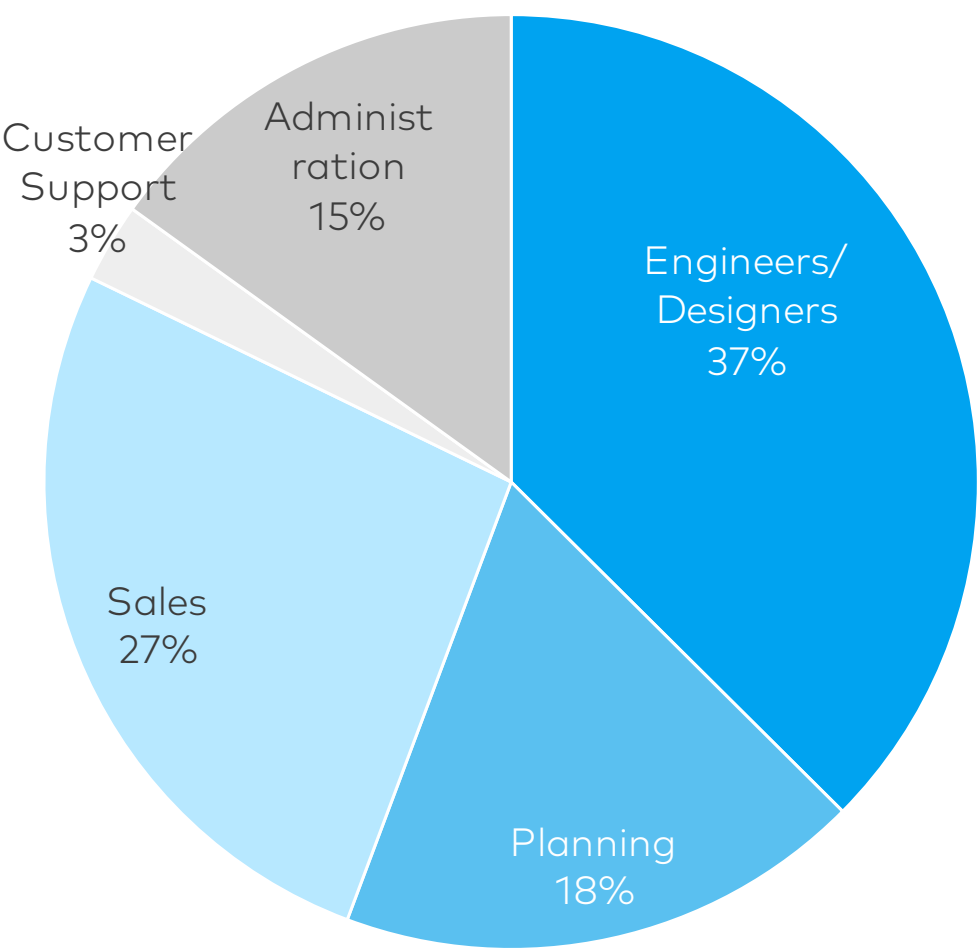
- Reflect designed and collected real data in services to improve user experience.
- Promote creation of value from data using proprietary analytics and machine learning platforms.



No. of Employees (Consolidated)



Breakdown of Full-time Employees



\*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

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Oct. 5, 2018	Company employee appeared for interview on Nippon Television's "ZIP!"
Oct. 5, 2018	Interview of representative posted in FRIDAY
Sep. 28, 2018	Tenshoku Kaigi employer review site introduced in Oggi as useful service for career change activities
Aug. 20, 2018	Interview of representative (Part 2) posted in NIKKEI STYLE
Aug. 13, 2018	Interview of representative (Part 1) posted in NIKKEI STYLE
Aug. 9, 2018	Syukatsu Kaigi new graduate employment support service covered by Toyo Keizai Online
Jul. 24, 2018	Interview of company employee posted in Amusement Press Japan
Jun. 11, 2018	Interview of representative posted in Nikkei Top Leader
May 14, 2018	Interview of representative posted in Toyo Keizai
May 1, 2018	IESHIL real estate information service covered by Jutaku Shimpō
Apr. 23, 2018	IESHIL real estate information service covered by risktaisaku.com
Apr. 20, 2018	Interview of head of Real Estate Unit posted on Cnet Japan
Apr. 18, 2018	Tenshoku Navi full-time job posting site covered by Koureisha Jutaku Shimbun
Apr. 11, 2018	Real estate tech media SUMAVE staff appeared for interview on NHK BS1's "Kokusai Hodo 2018"
Apr. 4, 2018	Syukatsu Kaigi covered by Nikkei MJ
Apr. 2, 2018	Company employee appeared for interview on NHK's "Asaichi"
Apr. 2, 2018	Interview of PHIL LIFE representative posted in Zenkoku Chintai Jutaku Shimbun

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: 286 (as of September 30, 2018)
Consolidated Subsidiaries	LIVESENSE CONNECT Inc. / PHIL LIFE Inc.



# LIVENSENSE

あたりまえを、発明しよう。

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.