

# FY2019 1st Quarter Financial Results

Livesense Inc. (TSE1: 6054)

May 15, 2019

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# 1. Financial Results

# Executive Summary for the 1st Quarter

Both sales and income down due primarily to removing E-commerce business from scope of consolidation by selling shares in subsidiary and suspension of new sales in conjunction with shift in business policy of Tenshoku Kaigi.

- Net sales                            ¥1,531 million ( YoY    -¥213 million   -12.2% )
- Operating income                ¥58 million ( YoY    -¥20 million   -25.6% )

Focus of Tenshoku Kaigi on improving value of media.  
Real estate segment grew in terms of income.

- Tenshoku Kaigi implemented media improvements for medium-to-long-term growth, including site UI/UX improvements. Sales down due to suspension of new sales in Tenshoku Kaigi BUSINESS and budget adjustments by some referring partners
- Both sales and income up in real estate segment. DOOR Chintai attracted users during busy season by aggressively investing in advertising, and use of PHIL LIFE real estate advisor service grew

Progress on financial results going mostly as planned.

- Progress going mostly as planned with respect to 1H financial results forecast
- Priority is on establishment of real competitive advantage and profit infrastructure rather than short-term income

# Quarterly Financial Results Overview

(Millions of JPY)

	FY2018 1Q	FY2019 1Q	YoY
Net Sales	1,744	1,531	▲12.2%
Operating Income	78	58	▲25.6%
Operating Margin(%)	4.5%	3.8%	▲0.7pt
Ordinary Income	106	86	▲18.7%
Profit attributable to owners of parent	78	56	▲28.3%

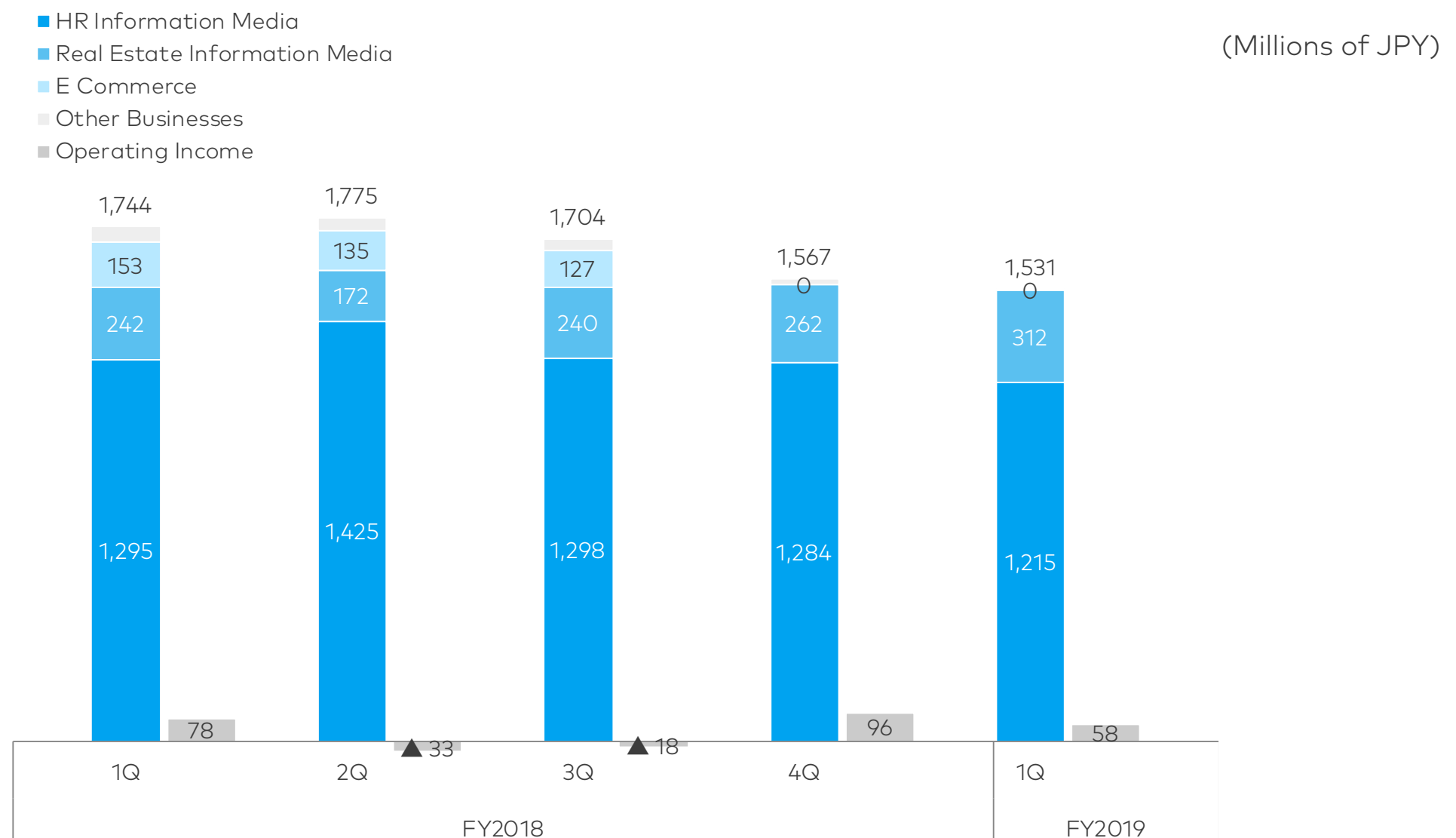
(Reference)

Quarterly Financial Results Overview Excluding Impact of Removing Subsidiary (waja) from Scope of Consolidation Through Sale of Shares

	FY2018 1Q	FY2019 1Q	0
Net Sales (Except for waja)	1,591	1,531	▲3.8%
Operating Income (Except for waja)	86	58	▲32.3%

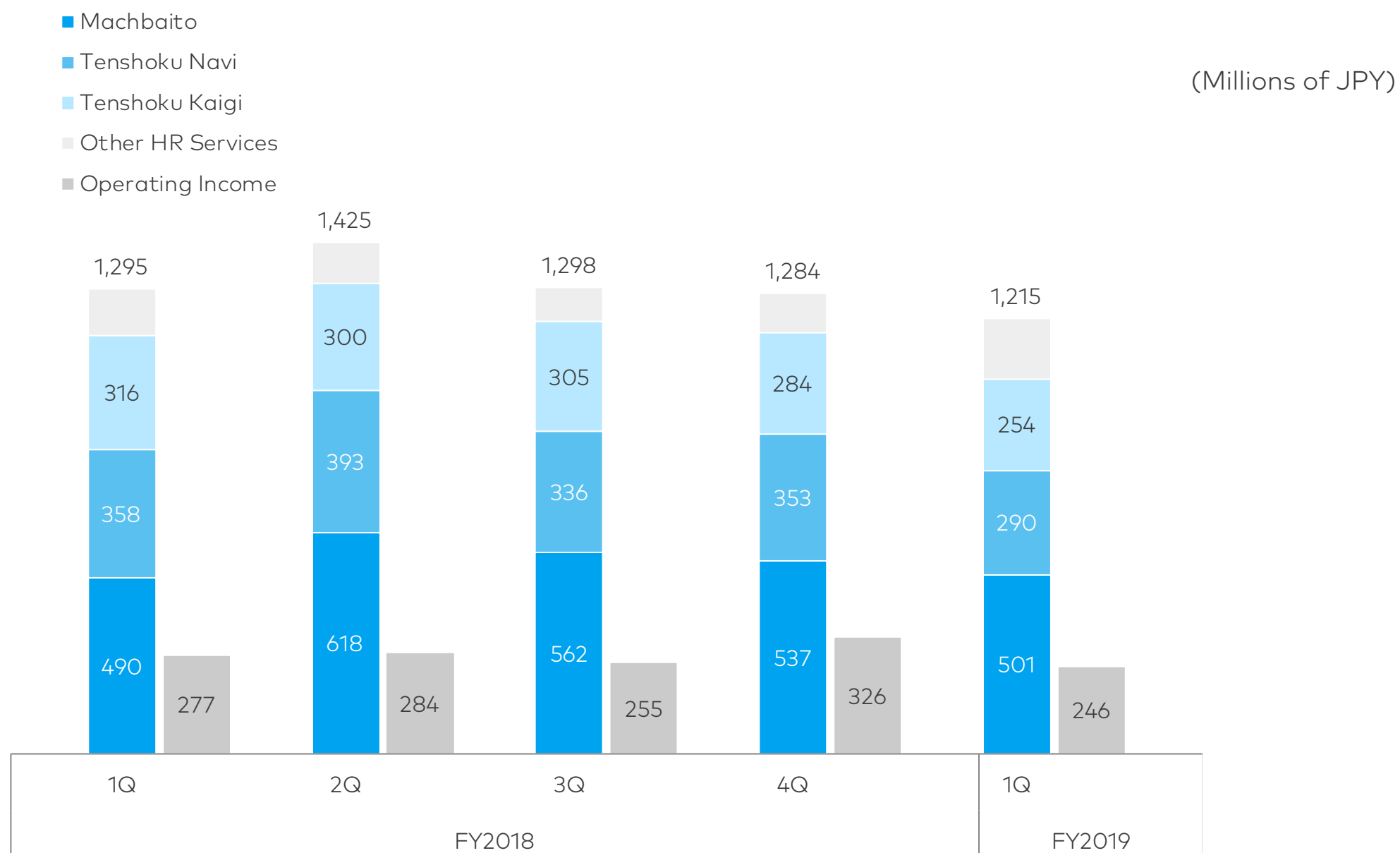
# Net Sales and Operating Income

- Sales down 12.2% YoY due to removal of subsidiary from scope of consolidation and lower sales in recruiting segment. (Down 3.8% YoY if impact of removing subsidiary from scope of consolidation excluded)
- Operating income down, but progress going as planned with respect to 1H financial results forecast.



# Segment Net Sales and Operating Income - HR Information Media

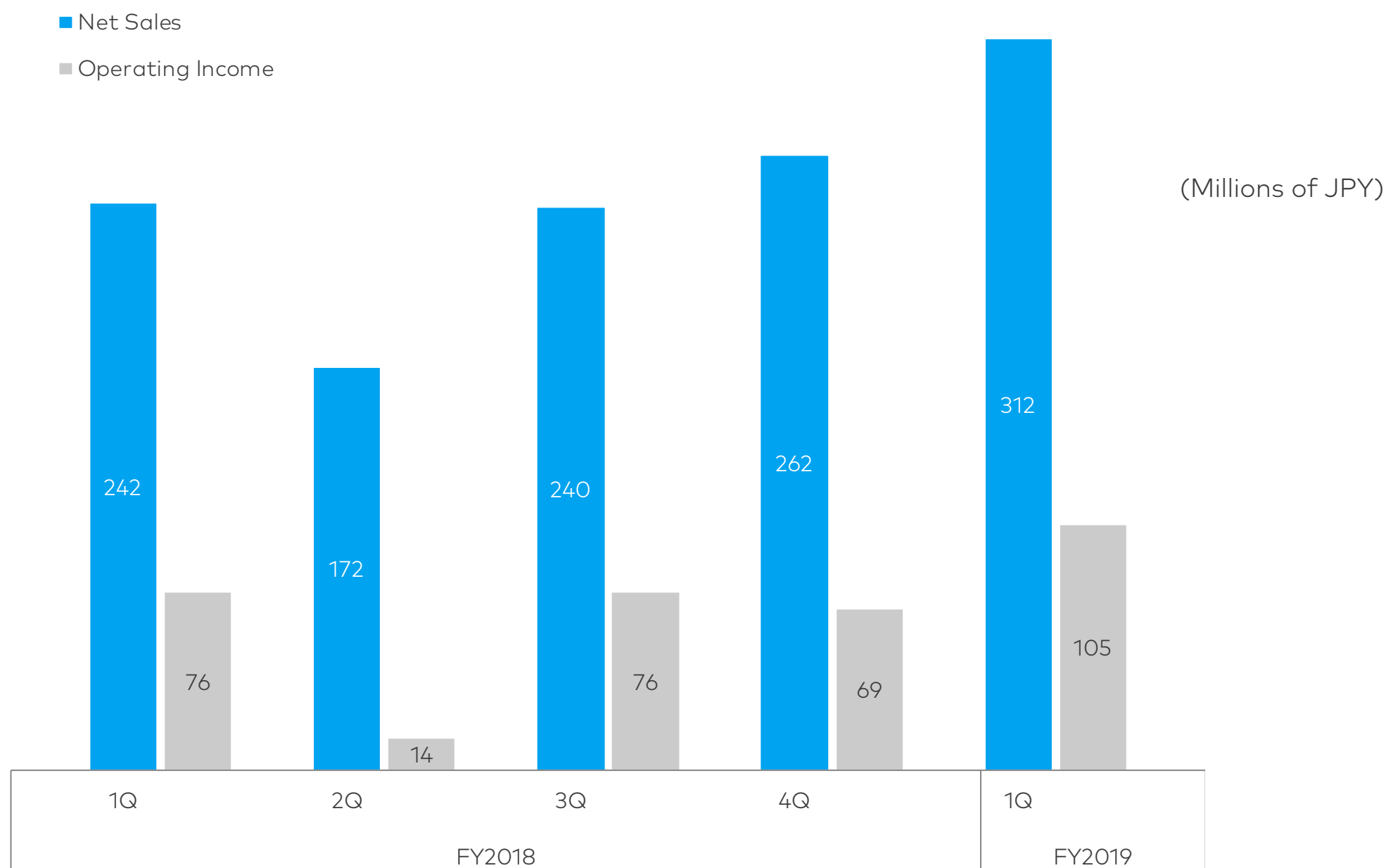
Segment sales down 6.2% YoY due to lower Tenshoku Kaigi and Tenshoku Navi sales.



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

DOOR Chintai measures for customer attraction during busy season successful as result of aggressively investing in advertising.

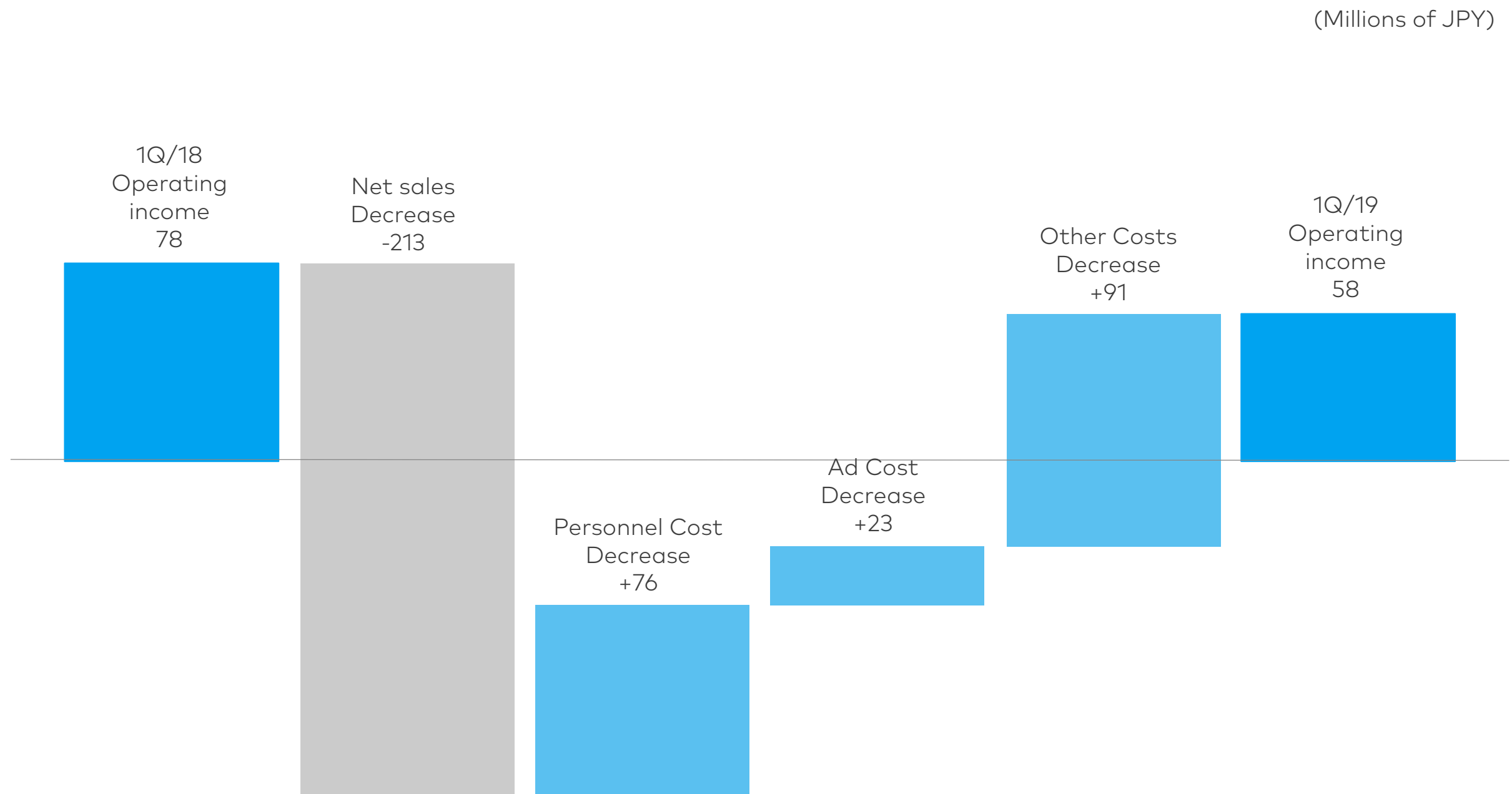
Improvement of IESHIL site value and growth of PHIL LIFE advisor service resulted in increase in both sales and income.





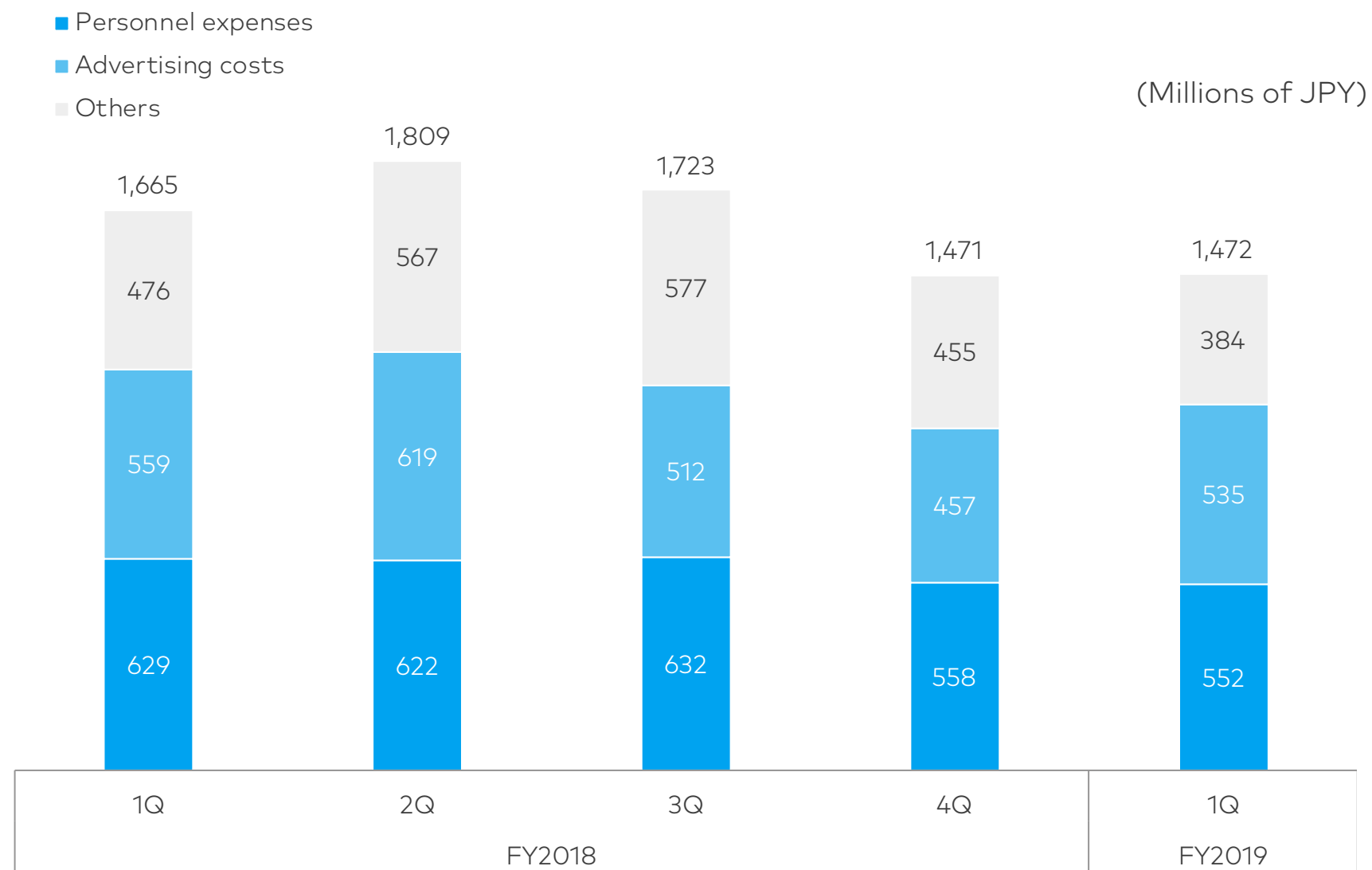
# Operating Income -YoY Comparison

Net sales and related costs down due primarily to removal of subsidiary from scope of consolidation.



# Operating Expenses

Total expenses almost unchanged if impact of removing subsidiary from scope of consolidation excluded. (-¥161 million)

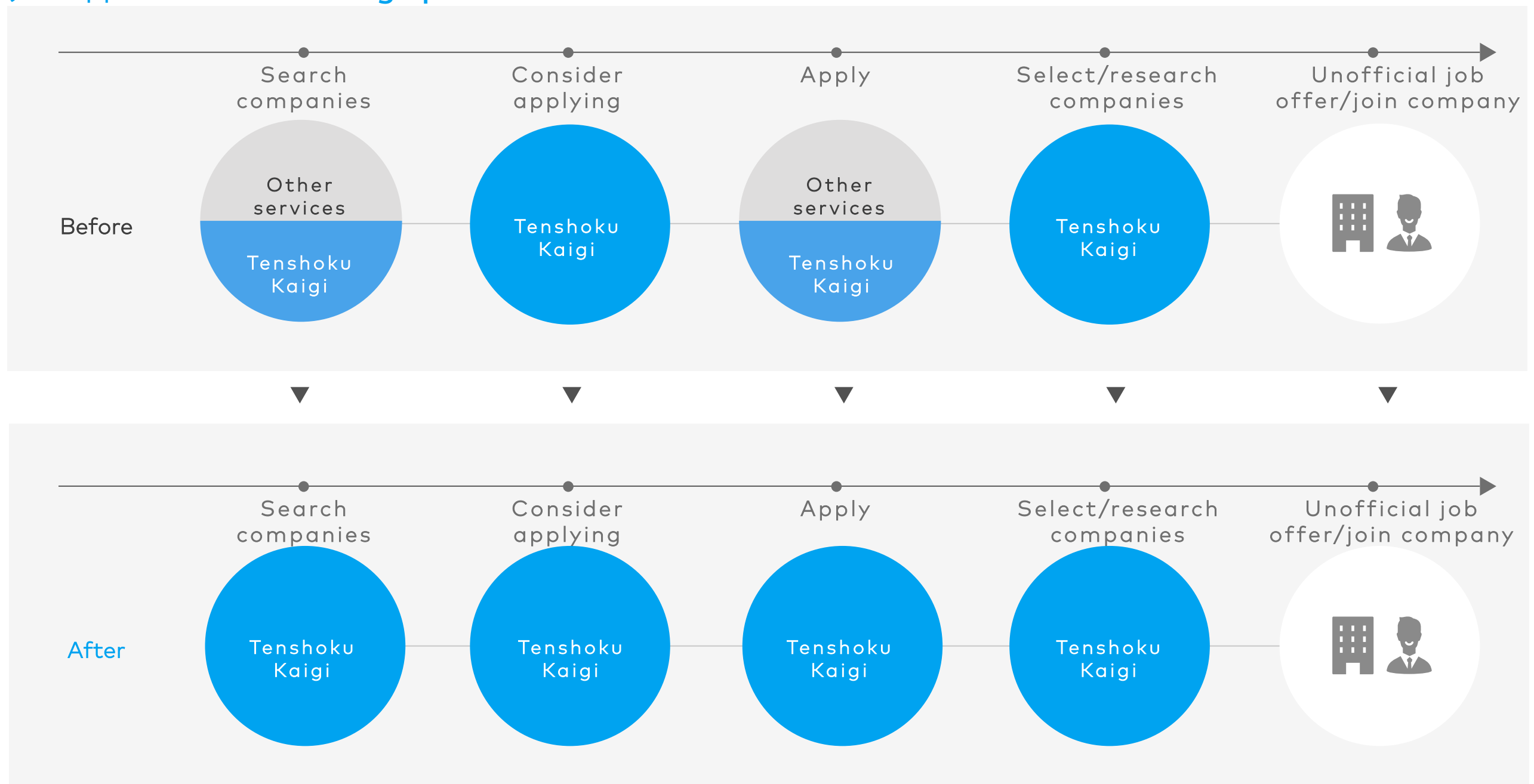


## **2. Business Overview**

# Tenshoku Kaigi: Improved Media Value

Focus on improving site and user experience. Aim for site that not only allows browsing of reviews but also provides seamless process from company search to career change.

## Job applicant career change process



# Support for Google for Jobs

| Support for Google's "Google for Jobs" service.

| Providing employment information and Tenshoku Kaigi reviews.

## Compatible services



Part-time employment information



転職ナビ

Full-time employment information



転職会議  
TENSHOKU KAIGI

Full-time employment information  
Company reviews

# PHIL LIFE: Site for Real Estate Investors Published

"Fudosan Toushi no Mikata" information site for real estate investors published.

Supporting real estate investment decisions by offering advisor consultation services and real estate investment company reviews.

## Fudosan Toushi no Mikata

The screenshot shows the homepage of the "Fudosan Toushi no Mikata" website. At the top, there is a navigation bar with the site's name and contact information (0120-545-834). Below this, a large banner features a smiling woman in a business suit, with text highlighting "Neutral expert consultation window" and "94% customer satisfaction". A central call-to-action box offers a "Free individual consultation appointment" with a 94% satisfaction rate. At the bottom, statistics are displayed: 94% customer satisfaction, 1,000+ users, and 250+ real estate partners. A footer note mentions the site is operated by a subsidiary of the parent company.

## Real estate investment company reviews

The screenshot displays a section of the website dedicated to reviews of real estate investment companies. It features two review cards. The first card, titled "物件の質・量" (Quality and Quantity of Properties), has a 5.0 star rating and describes a property in a convenient location with a shopping street. The second card, titled "収益性・入居率" (Profitability and Occupancy Rate), has a 3.0 star rating and discusses the property's high occupancy and potential for profit. To the right, a sidebar promotes "Real Estate Investment Consultation" services, highlighting a 94% satisfaction rate and free consultation. Social media sharing icons are visible on the far right.

# Business Strategy for FY2019 and Progress

Human Resources	<ul style="list-style-type: none"> <li>· Machbaito</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing promotions to increase name recognition. In addition to service names, promoted Mach Bonus and other user value</li> <li>• Released iOS app to acquire new users and promote use</li> </ul>
	<ul style="list-style-type: none"> <li>· Tenshoku Kaigi</li> </ul>	<ul style="list-style-type: none"> <li>• Shifted orientation from short-term business expansion through sales to medium-term, sustainable expansion through improved media value</li> <li>• Implemented media improvements, including site UI/UX improvements and reliability improvement measures</li> </ul>
	<ul style="list-style-type: none"> <li>· Tenshoku Navi</li> </ul>	<ul style="list-style-type: none"> <li>• Promoted optimization of media marketing using machine learning</li> </ul>
	<ul style="list-style-type: none"> <li>· Syukatsu Kaigi</li> </ul>	<ul style="list-style-type: none"> <li>• Expanded functions aiming for site that allows gathering of information on employment support and searching/applying with companies that match personal preferences</li> <li>• Released iOS app to promote use by users</li> </ul>
	<ul style="list-style-type: none"> <li>· Tenshoku Draft</li> </ul>	<ul style="list-style-type: none"> <li>• Increased number of times Tenshoku Draft and Designer Draft held to increase career change opportunities for users</li> </ul>
Real Estate Information	<ul style="list-style-type: none"> <li>· DOOR Chintai</li> <li>· IESHIL</li> </ul>	<ul style="list-style-type: none"> <li>• Increased DOOR Chintai income by aggressively investing in web advertising during particularly busy seasons</li> <li>• Promoted improvement of IESHIL site value by expanding data and content. Released information on daycare centers</li> <li>• With PHIL LIFE, use of face-to-face advisor services increased</li> </ul>



**LIVESENSE**

あたりまえを、発明しよう。



## **3. Appendix**

# 3. Appendix

Corporate Profile

# Corporate Profile

<b>Company name</b>	Livesense Inc.
<b>CEO/Founder</b>	Taichi Murakami
<b>Business Philosophy</b>	Happiness Begetting Happiness.
<b>Corporate Vision</b>	Invent the next common.
<b>Established</b>	February 8, 2006
<b>Date listed</b>	TSE 1st Section: October 1, 2012 TSE Mothers: December 7, 2011
<b>Number of Employees (Non-Consolidated)</b>	Full-Time: 283 (as of March 31, 2019)
<b>Consolidated Subsidiaries</b>	LIVESENSE CONNECT Inc. / PHIL LIFE Inc.

# The Origin of Company Name / Business Philosophy

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| The Origin of Company Name

**LIVE + SENSE**

| Business Philosophy

**Happiness Begetting Happiness**

## | 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 LIVESENSE's constant and thorough effort.

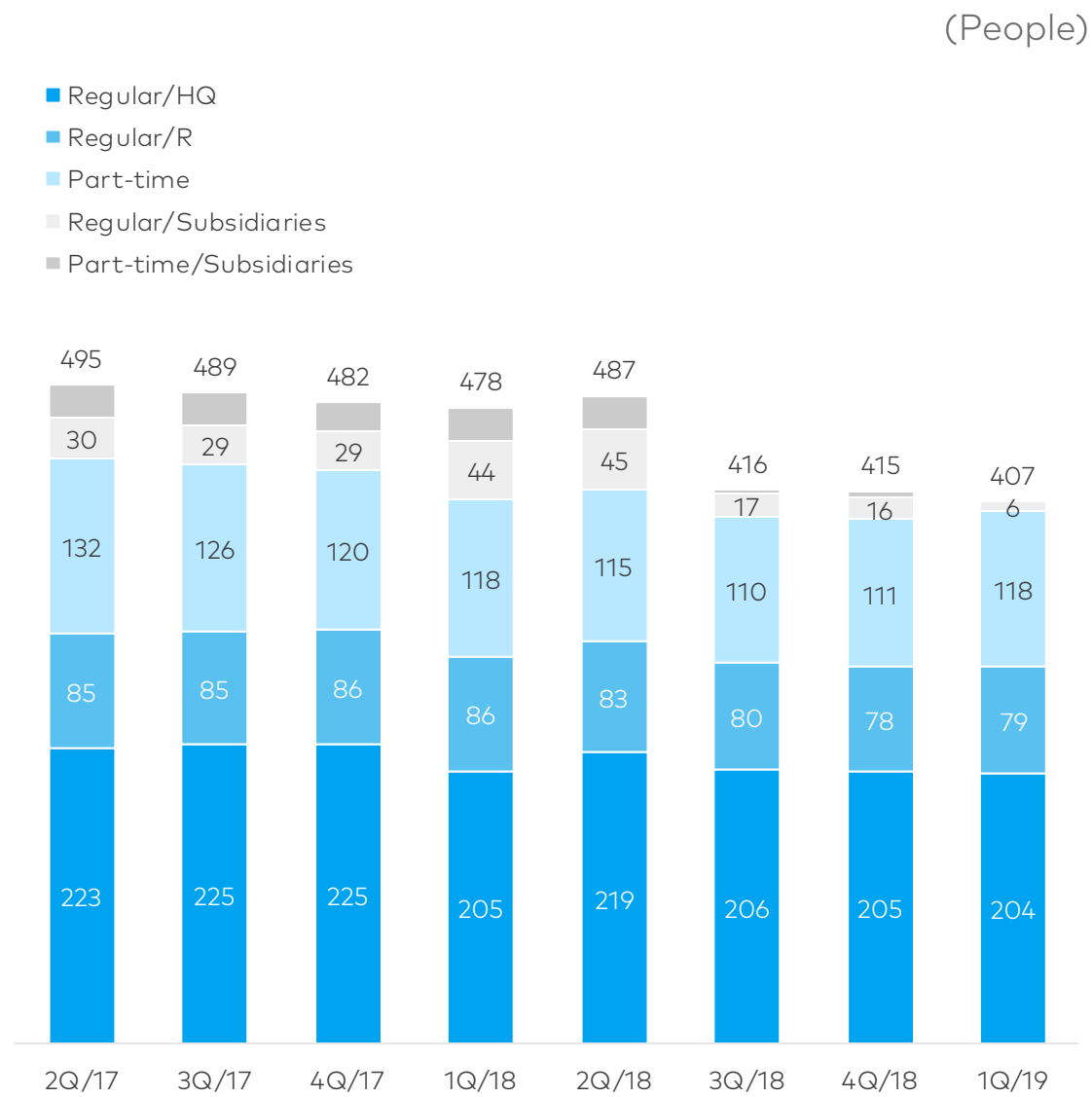


Through this effort, we will permeate society with new services and new ways of thinking and changing the way the world exists.

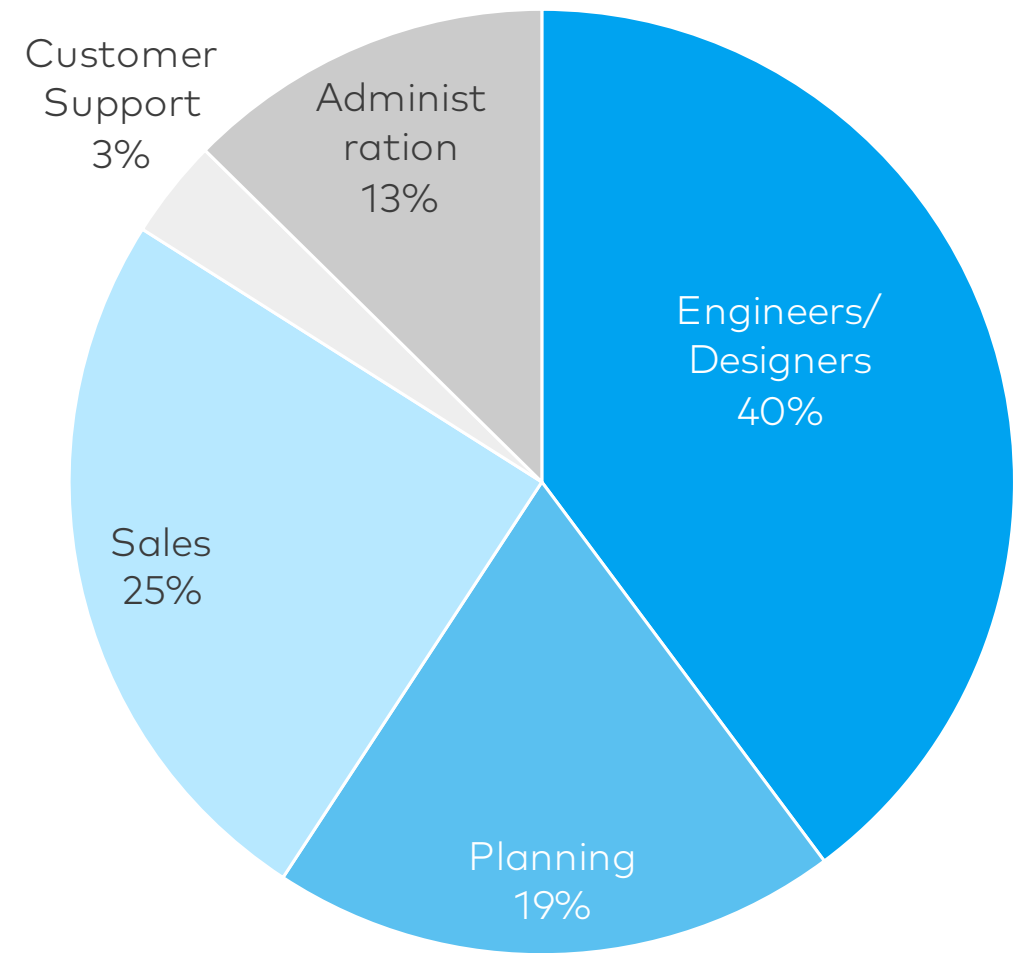
# Segments and Core Media

Human Resources		Machbaito: Success fee-based part-time job posting site
		Tenshoku Kaigi: Career change service with reviews
		Tenshoku Navi: Success fee-based full-time job posting site
		Syukatsu Kaigi: New graduate employment support service
		Tenshoku Draft: Competitive bidding-type career change service
Real Estate		DOOR Chintai: Success fee-based real estate posting site
		IESHIL: Real estate information service
Others		Chiryote Note: Medical information site

### 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

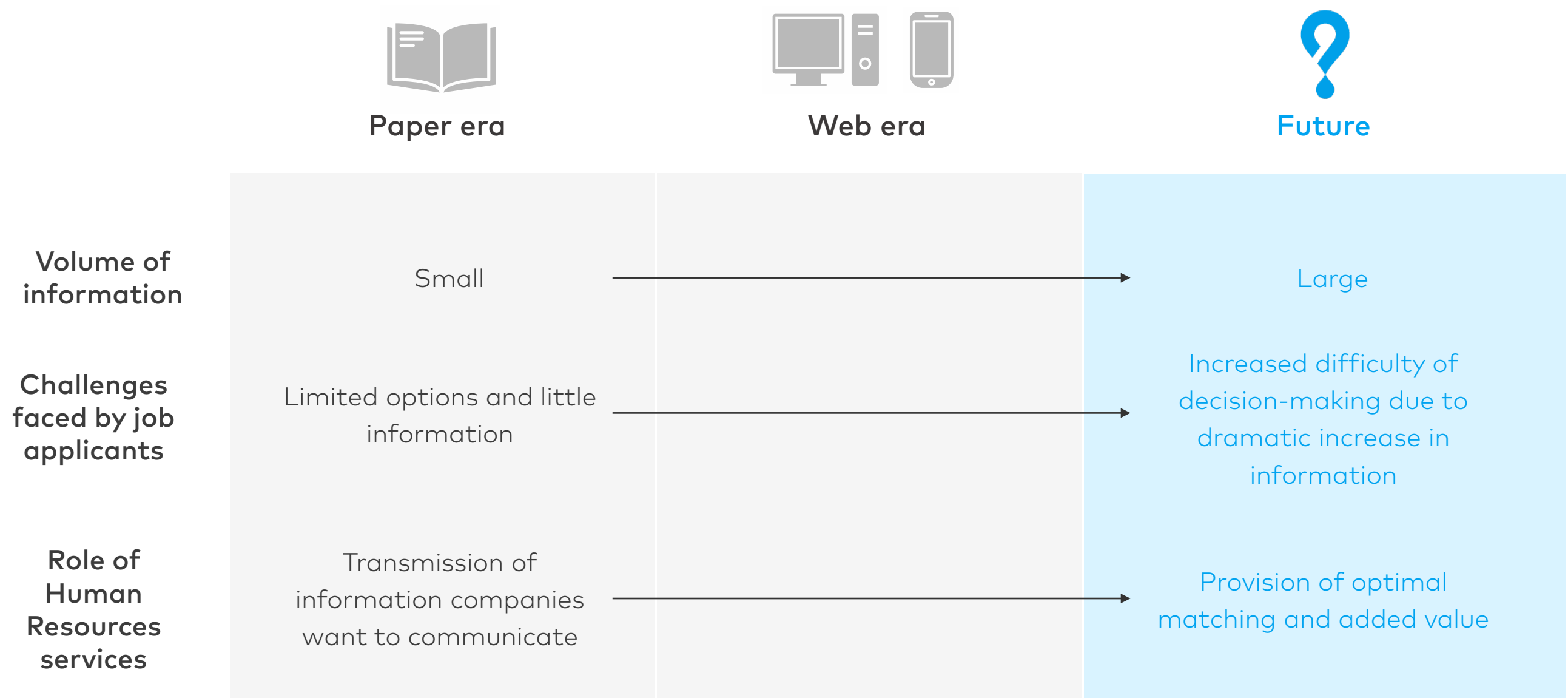
# 3. Appendix

Our Strategy



# Changes in Market for Human Resources Information Services

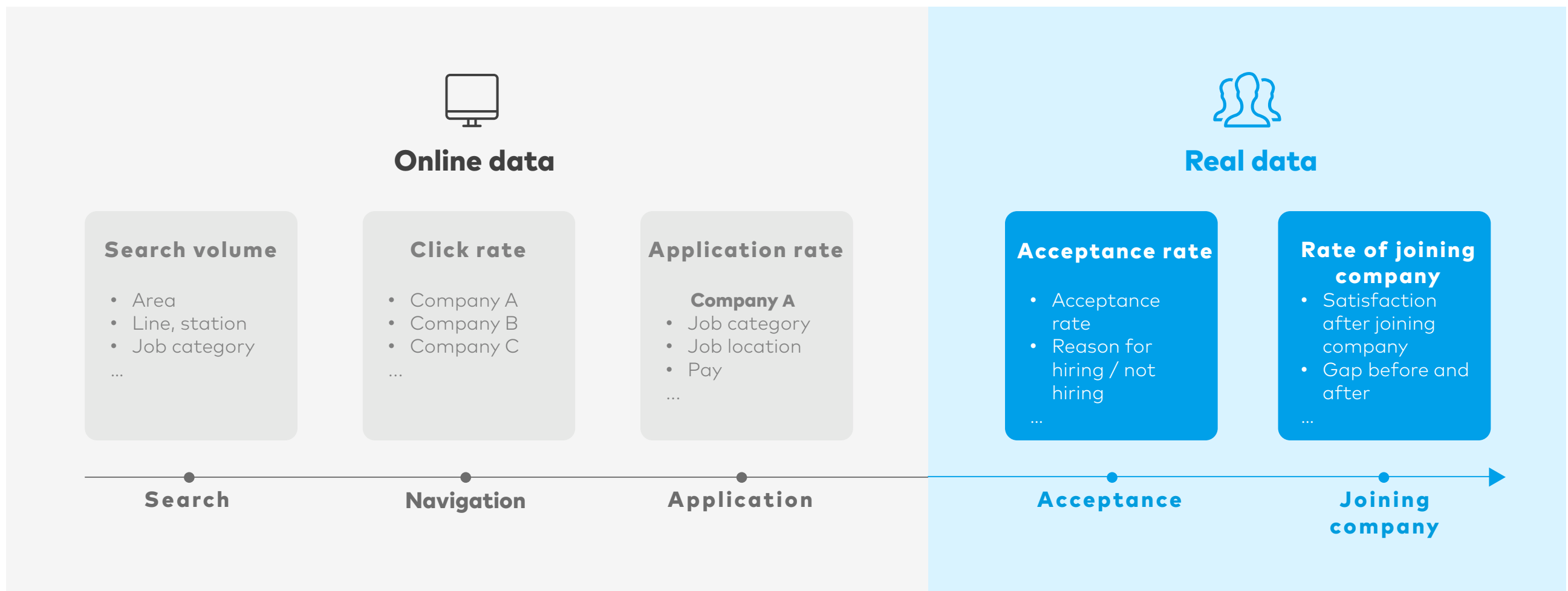
- Volume of information has increased dramatically, and new players continue to enter market, including search engines.
- Value of Human Resources service shifting from transmission of information to provision of optimal matching and added value.



# Our Strategy : Real Data Engineering

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

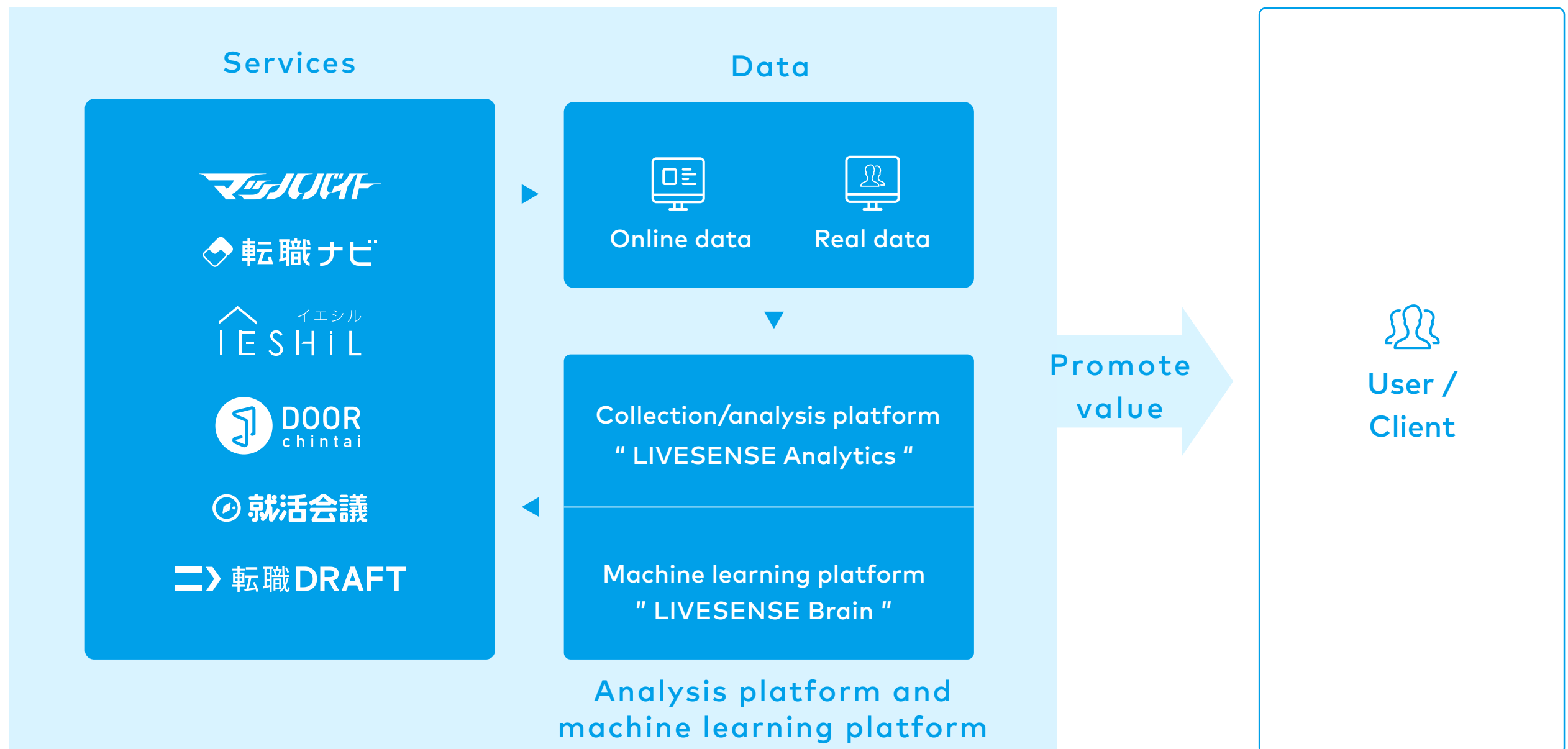
Services designed based on value and "real data."



- 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"

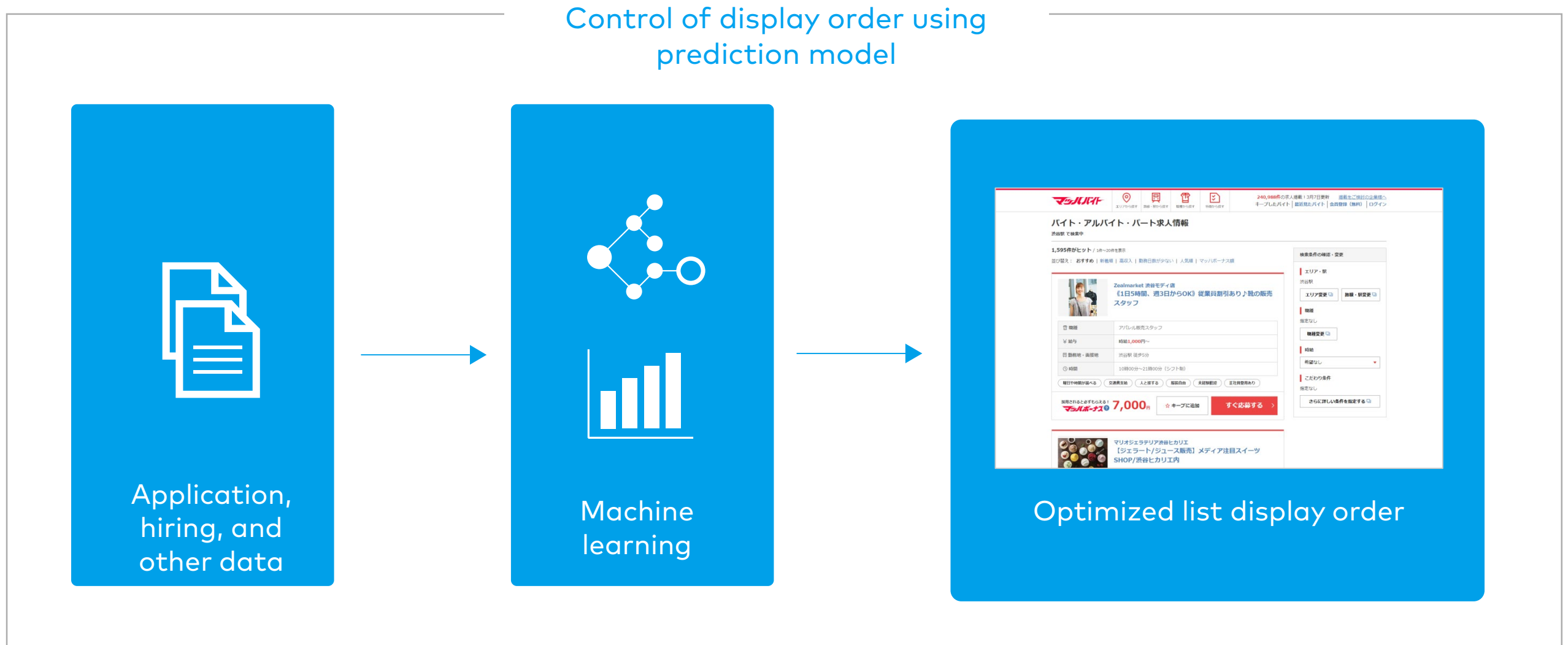
# Our Strategy : Real Data Engineering

Promote conversion from data to value using proprietary analytics platform "LIVESENSE Analytics" and machine learning platform "LIVESENSE Brain".



# Examples of Service Improvements with Utilization of Data

- Changed logic of display order on site using prediction model for application rate, hiring rate, etc.
- Job openings closer to the user's preferences with a greater chance of success are displayed first, resulting in improved user experience and profitability.





# 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.