

FY2021 2nd Quarter Financial Results

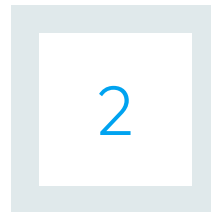
Livesense Inc. (TSE1: 6054)

Äugüß 13, 2021

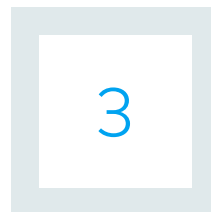
Agenda



Financial Results



Progress



Policy for 2H



Appendix

1. Financial Results

Executive Summary for the 2nd Quarter

| Sales up 6.7% YoY, despite continued impact of COVID-19.
Operating income down ¥30 million YoY due to increase in expense for customer cultivation and attraction.

- Net sales ¥1,070 million (YoY +¥67 million +6.7%)
- Operating income -¥306 million (YoY -¥29 million -%)

| Existing business: Sales recovering in several businesses, including Machbaito.
New business: Proposal-type matching service "knew" pre-released.

- Machbaito sales up YoY and QoQ as cultivation of customers progresses in industries with high demand for hiring
- Sales up QoQ in several existing businesses. Further increases in profitability necessary to achieve this year's policy of restructuring for profitability
- New business development progressing for launch this fiscal year

| Will continue efforts to enhance profitability of existing businesses and launch several new businesses in 2H. Also searching for new profit opportunities.

- Will continue to pursue restructuring for profitability. Will actively pursue and create new profit opportunities in addition to existing products
- No change to policy for new business development. Steady progress being made for launch within the year

Quarterly Financial Results Overview

(Millions of JPY)

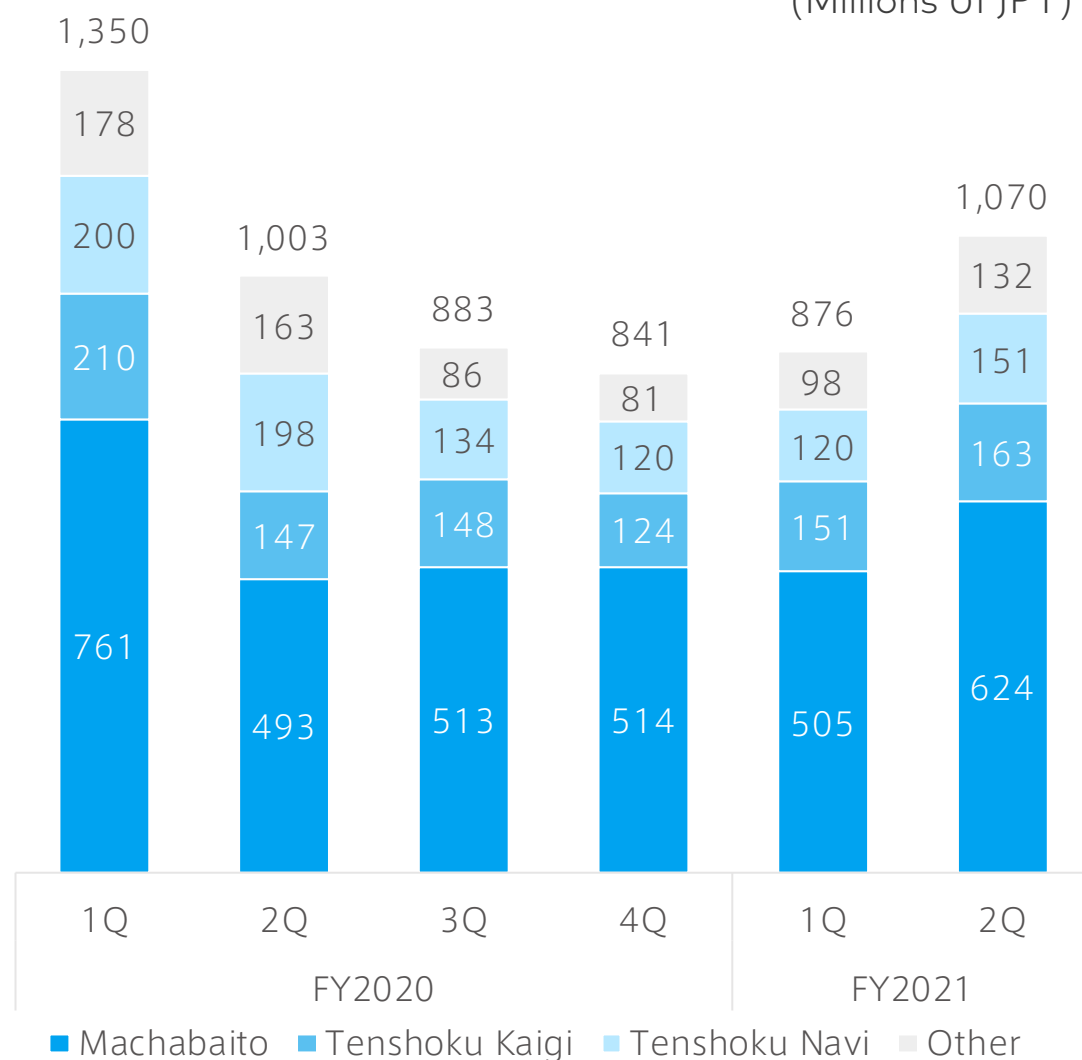
	FY2020 2Q	FY2021 2Q	YoY
Net Sales	1,003	1,070	+6.7%
Operating Income	-276	-306	—
Operating Margin(%)	—	—	—
Ordinary Income	-274	-258	—
Profit attributable to owners of parent	-274	-258	—

Quarterly Net Sales and Operating Income

Sales up 6.7% YoY owing to growth of Machbaito, Tenshoku Kaigi, etc. despite impact of Syukatsu Kaigi business transfer in conjunction with optimization of business portfolio and decreased Tenshoku Navi sales.

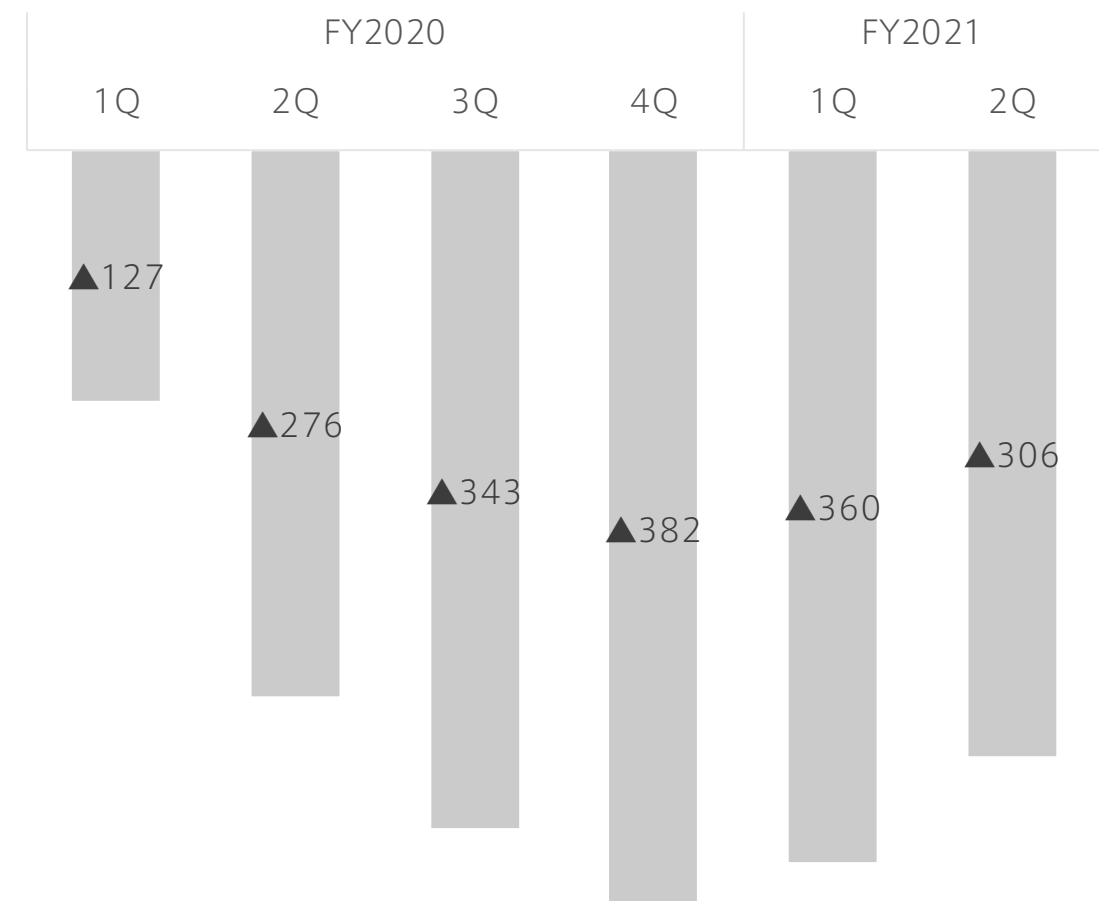
Net sales

(Millions of JPY)



Operating income

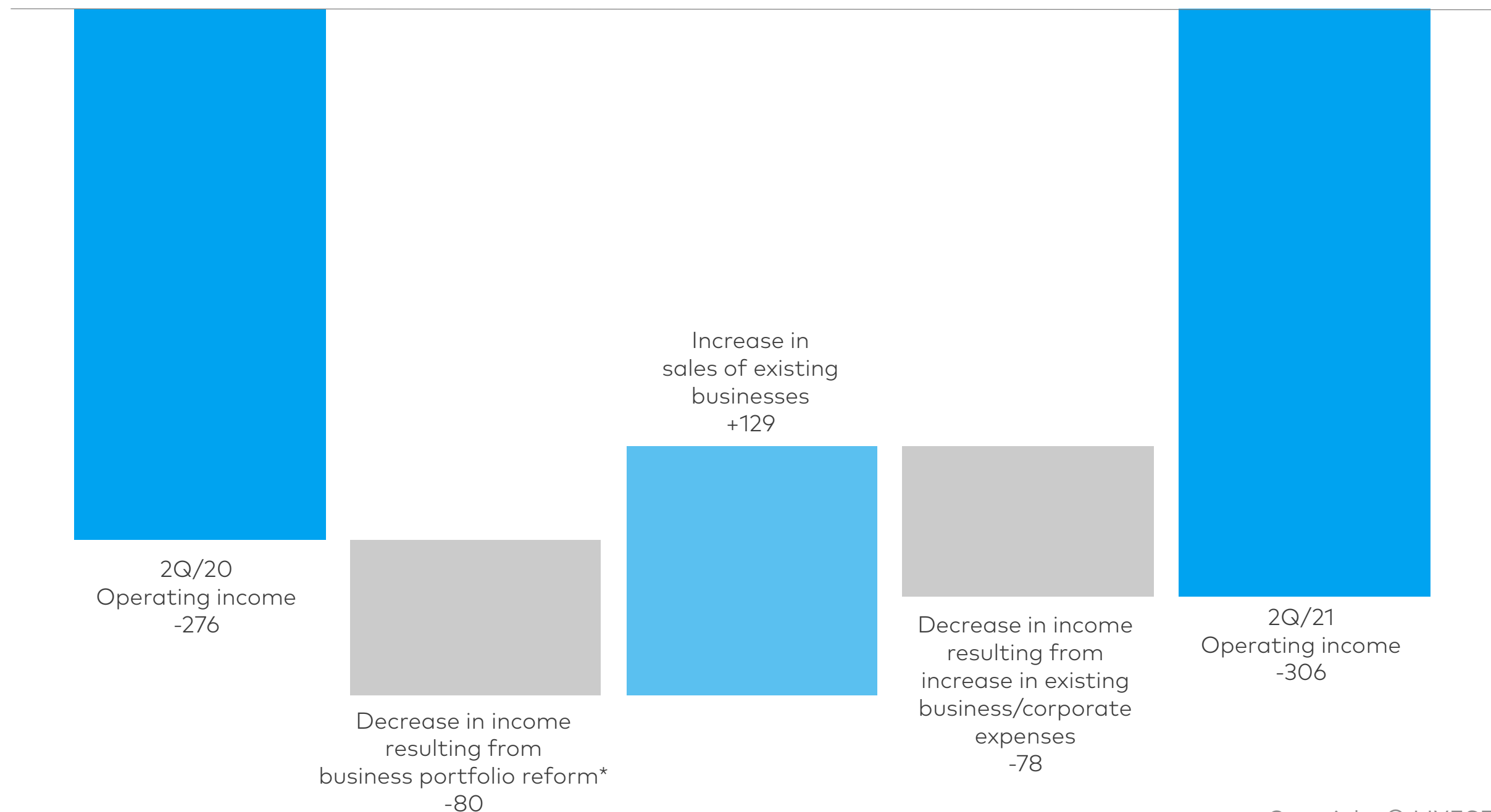
(Millions of JPY)



Operating Income -YoY Comparison

Promoting reform of business portfolio pushed income down ¥80 million. Income down due to increased expenses related to customer cultivation and attraction despite increased net sales in existing businesses.

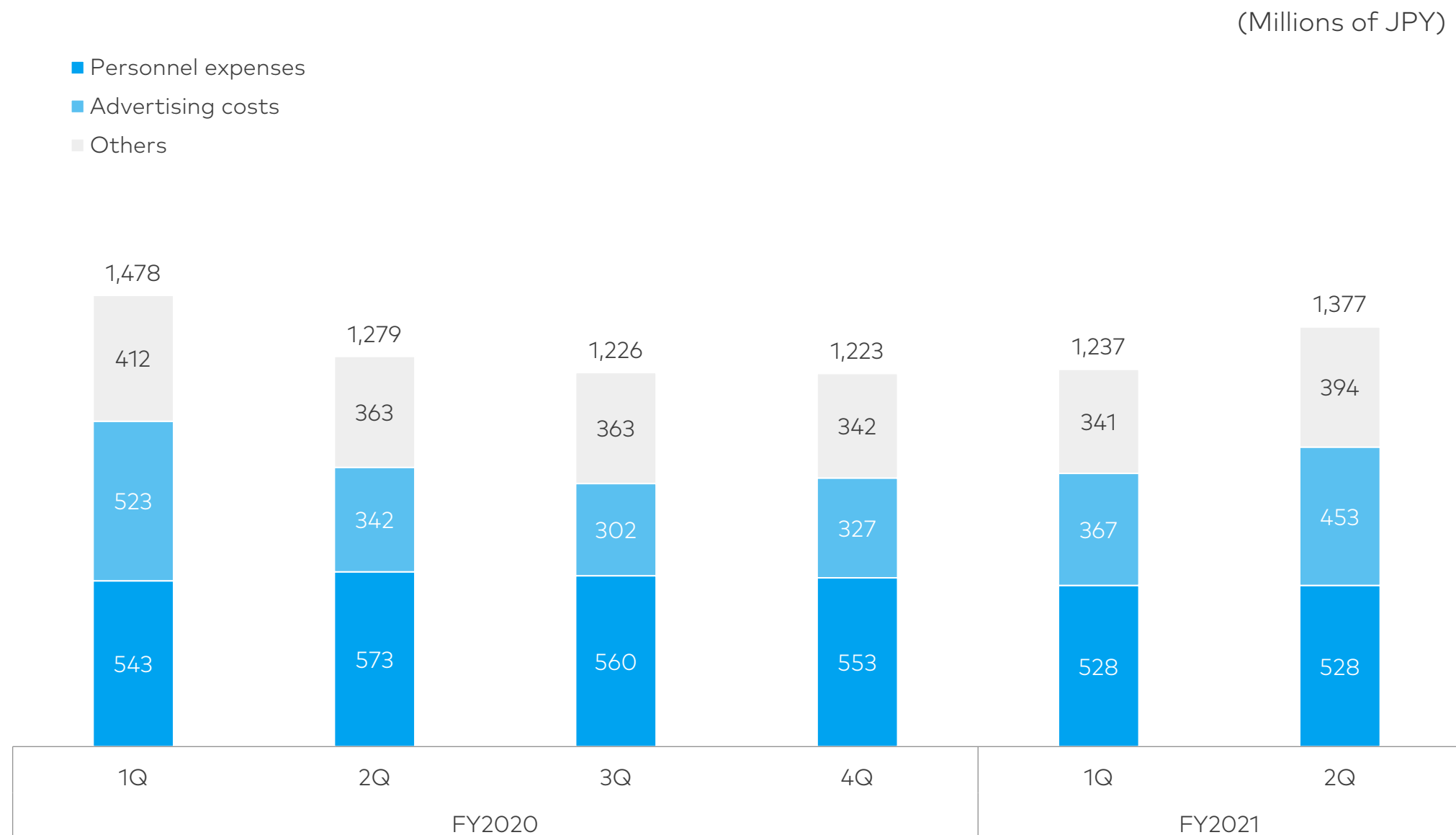
(Millions of JPY)



* Syukatsu Kaigi transfer + new business investments

Operating Expenses

Expenses associated with customer acquisition and attraction up due to investments in regrowth. Total expenses 7.6% YoY.



2. Progress

2. Progress

Company-wide Policy

| FY2021 Company-wide Policy

Balance restructuring for profitability with launching new businesses to become pillars of the future in pursuit of our corporate vision "Invent the next common."

Business Strategy

2nd Quarter Progress

Enhance profitability of existing businesses

- Sales recovering owing primarily to customer cultivation in industries with high demand for hiring.
- Progress being made on rolling out knowledge from Machbaito. Adjusted strategies according to business characteristics.
- Further increases in profitability necessary to achieve restructuring for profitability.

Launch new businesses

- "knew" pre-released. Progress being made on verification for full-scale launch.
- Multiple proposals being developed with plans for launch within the year.

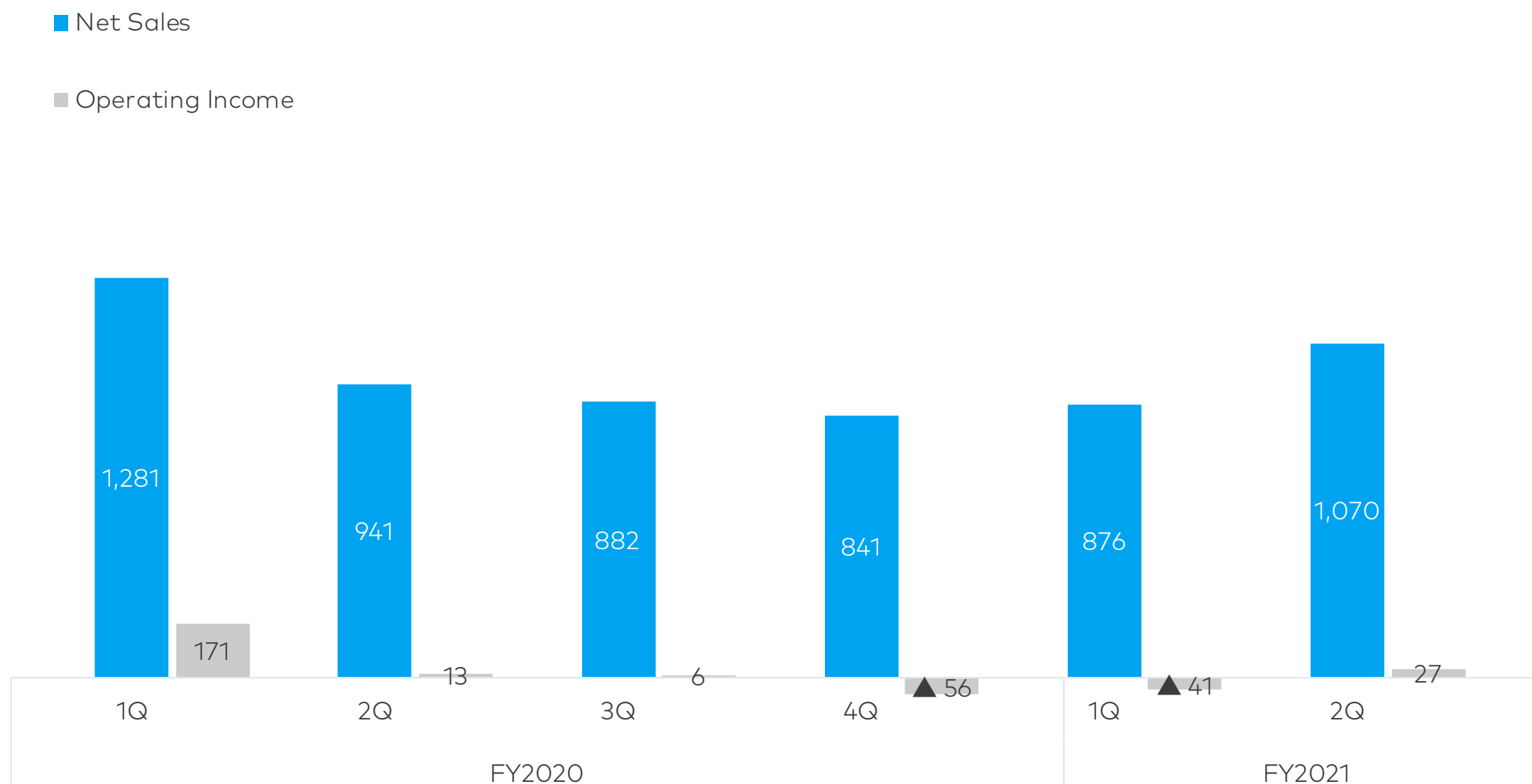
2. Progress

Existing Businesses

Net Sales and Operating Income of Existing Businesses

Net sales and operating income recovering steadily in existing businesses owing to active customer acquisition and attraction.

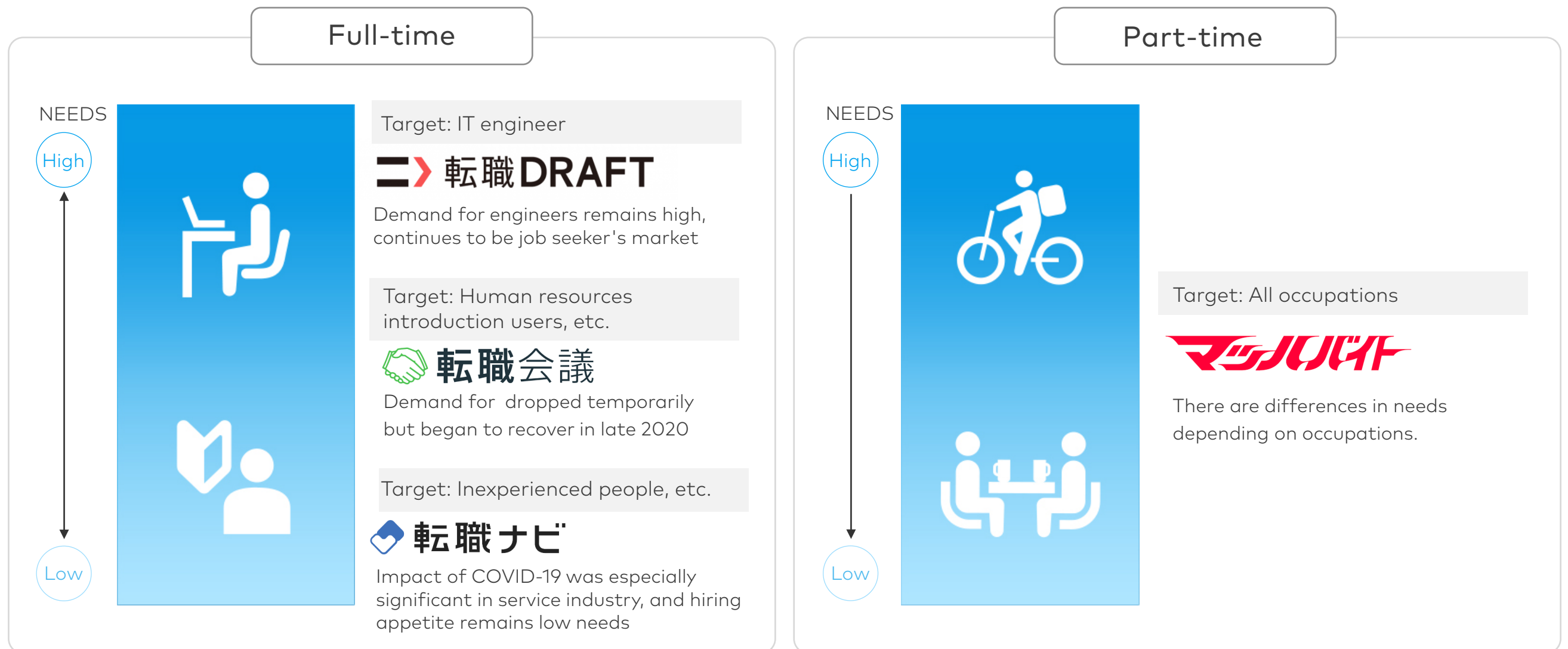
(Millions of JPY)



* Net sales and operating income of existing businesses other than transferred business, new business and corporate expenses

- | There are differences in the recruiting needs of companies depending on the employment type, industry, experience, etc.
- | Part-time and inexperienced people, etc. have weak recruiting needs by COVID-19. Circumstances vary in our media business as well depending on main target.

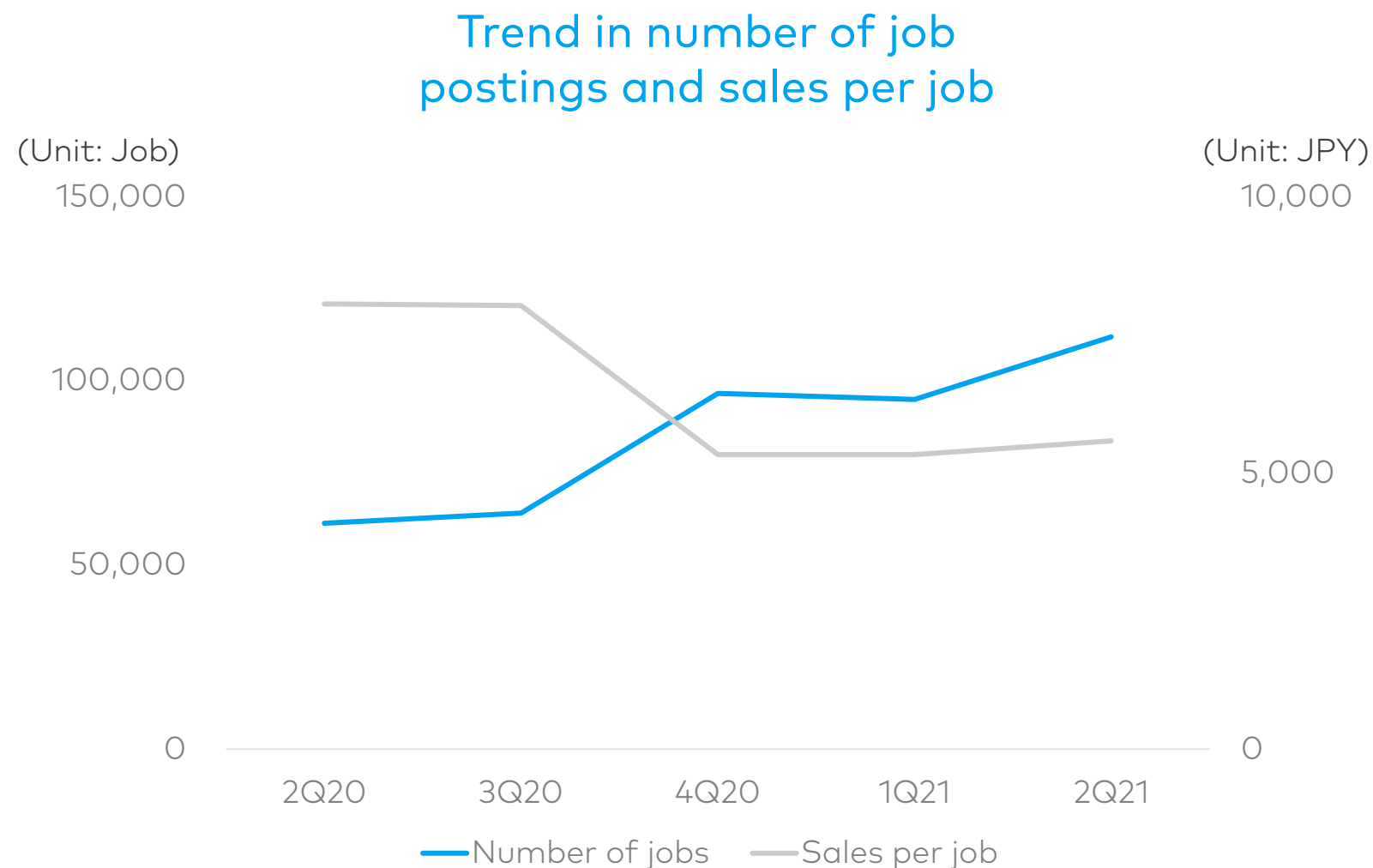
Differences in recruiting needs



Machbaito

| Progress being made on cultivating companies with hiring needs even in current environment.

| Profit per job down due to changes in business strategy to address changes in market environment. Will work on improving matching efficiency and unit prices.



*Sales per job = Quarterly net sales/number of jobs at year end

Machbaito

- | Aiming to expand usage among job seekers with matching inflow channels and UX.
- | Machbaito Shufu smartphone app for housewives and househusbands released.

Machbaito Shufu

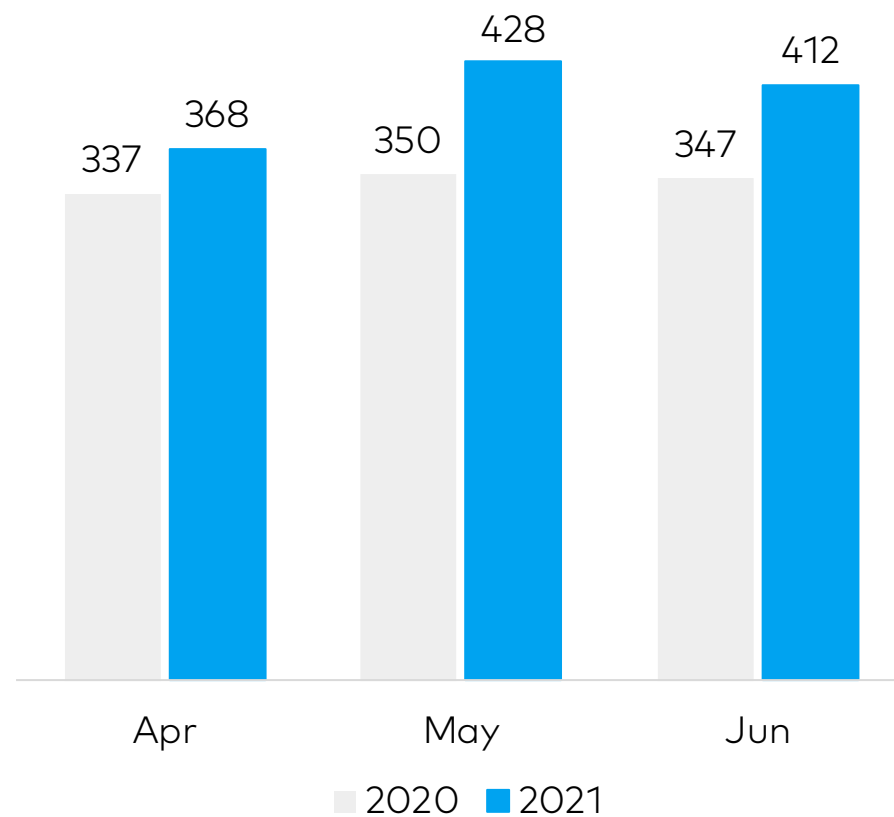
主婦・主夫に特化した
パート求人検索アプリ



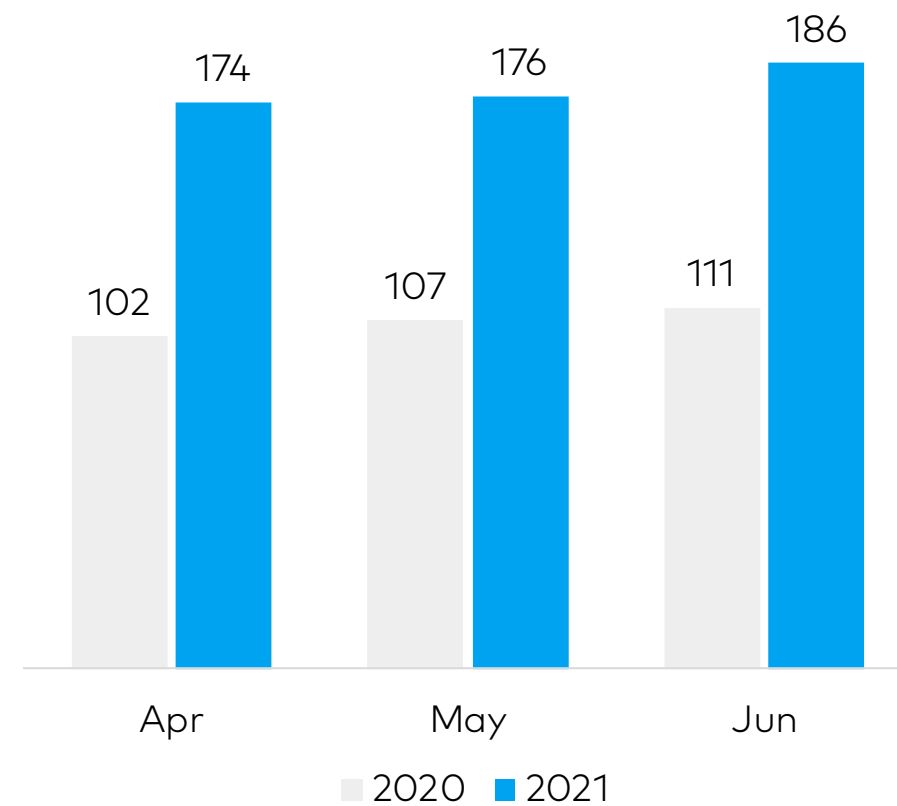
Tenshoku Draft

- | Number of users up owing to growing recognition of characteristics, including bidding system and resume screening.
- | Hiring demand for outstanding engineers remains high, and number of participating companies also increasing steadily.

Number of participating users



Number of participating companies



2. Progress

New Businesses

Status of New Business Initiatives

knew

19

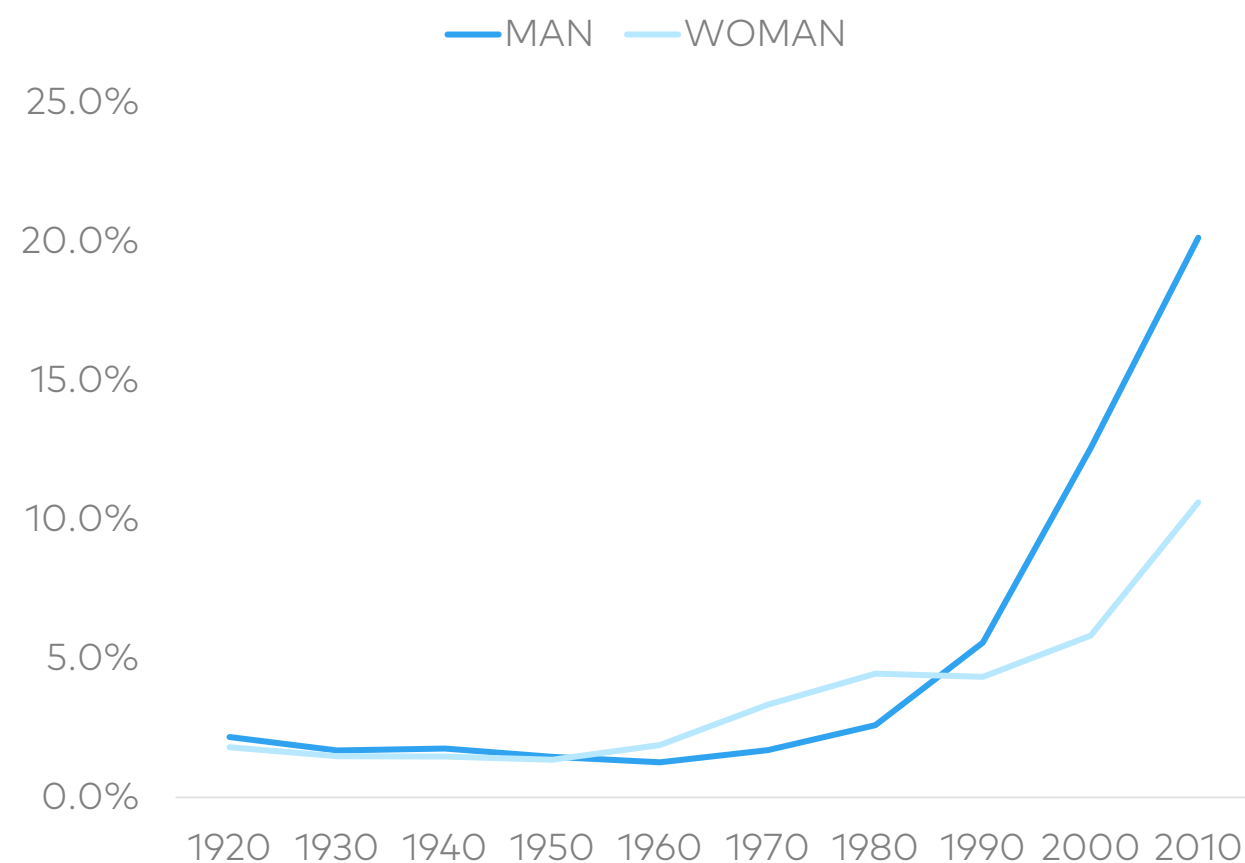
| Proposal-type matching service "knew" pre-released.



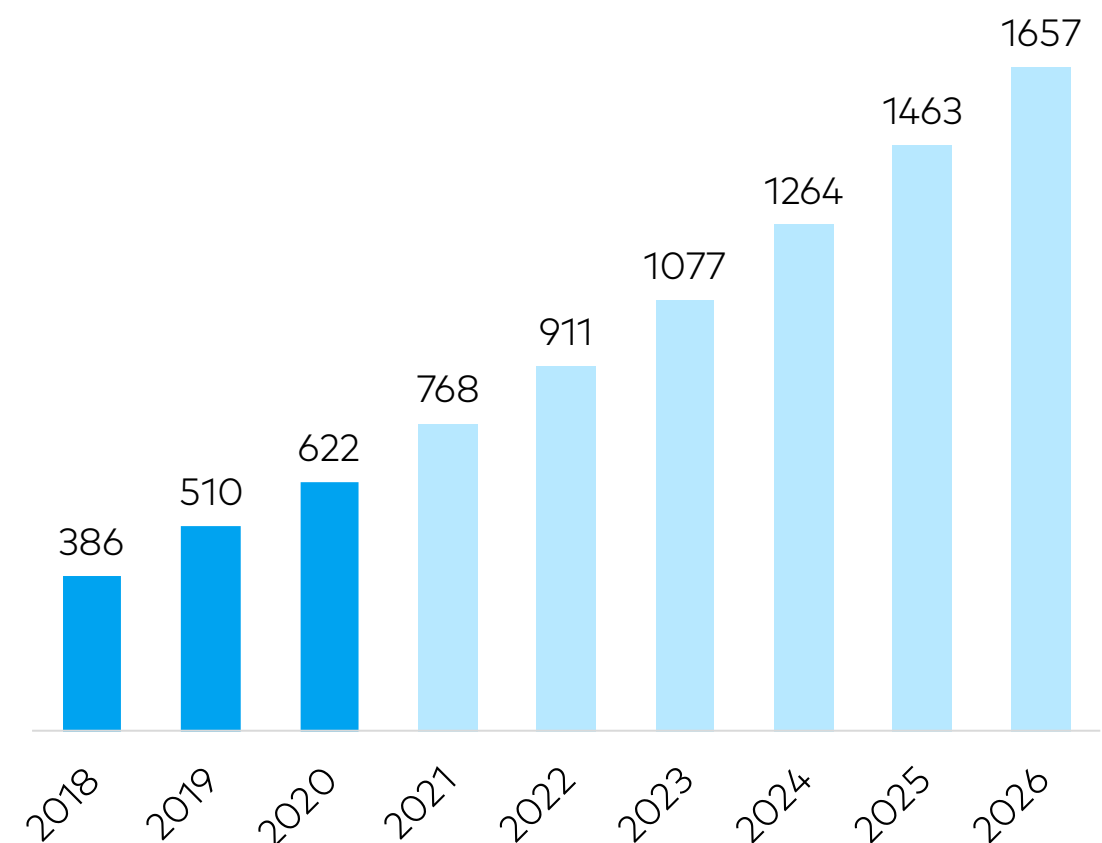
knew: Challenges and Market Environment

- | Major challenges in love and marriage field include increasing percentage of people remaining single and fewer opportunities to meet people due to COVID-19.
- | Market for online dating and matchmaking services is high growth market, growing at around 20% per year and expected to surpass ¥150 billion.

Trend in percentage of people remaining single



Market size



Source: Prepared in-house based on "Percentage of Population Single at 50 Years of Age" in Population Statistics (2021) by National Institute of Population and Social Security Research

Source: Prepared in-house based on Domestic Market Survey on Online Dating and Matchmaking Services by Matching Agent Inc. <https://www.cyberagent.co.jp/news/detail/id=25710>

knew: Opportunities for Market Entry and Our Strengths

- Despite rapid growth of online matching services, efficiency and user experience not necessarily good.
- Aim for business growth by providing better user experience based on our data infrastructure and matching know-how.

Opportunities for market entry

Inefficient matching process

Percentage of users experiencing matching app fatigue **80.6%**

- Can't find right person, no matches
- Matching not working, leading to loss of self-confidence etc.

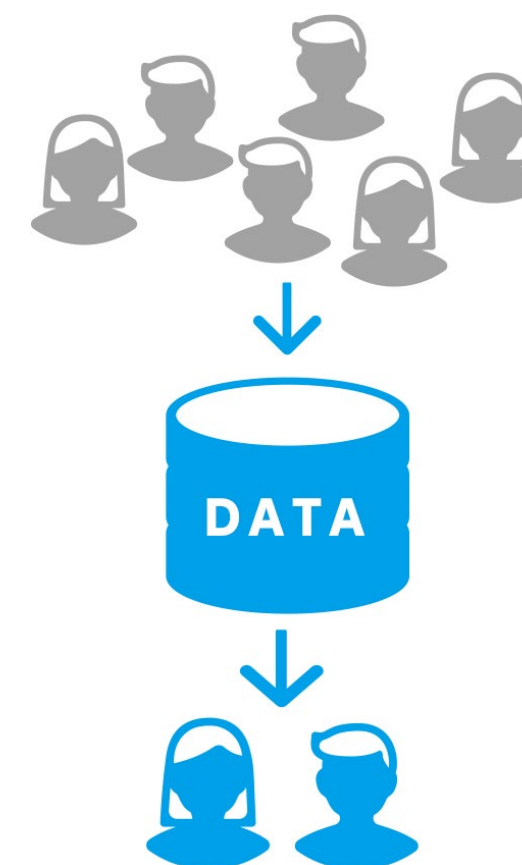
Misaligned matching

	What matching app users see as important	Reason for going out with spouse or girlfriend/boyfriend
No. 1	Age	Liked their personality
No. 2	Face	Got along well
No. 3	Appearance in profile picture	Other person declared their love or made the first move

Source: In-house research <https://www.livesense.co.jp/news/2021/05/20/3318/>

Our strengths

Highly efficient, highly accurate matching using data



3.Policy for 2H

Company-wide Policy for 2H FY2021

| Policy: No change

Balance restructuring for profitability with launching new businesses to become pillars of the future in pursuit of our corporate vision "Invent the next common."

- Enhance profitability of existing businesses

- Restructure to be able to create profits even if COVID-19 pandemic continues
- Creation of new revenue-generating

- Launch new businesses

- Aim to launch several new businesses within the year through proprietary development or M&A

What Livesense is aiming for

| Become a company that can continue to pursue our corporate vision "Invent the next common." through our business portfolio.

Becoming a company that continues to "Invent the next common."

Optimization of Business Portfolio



Existing businesses

Strengthen profitability
and establish
competitive advantage

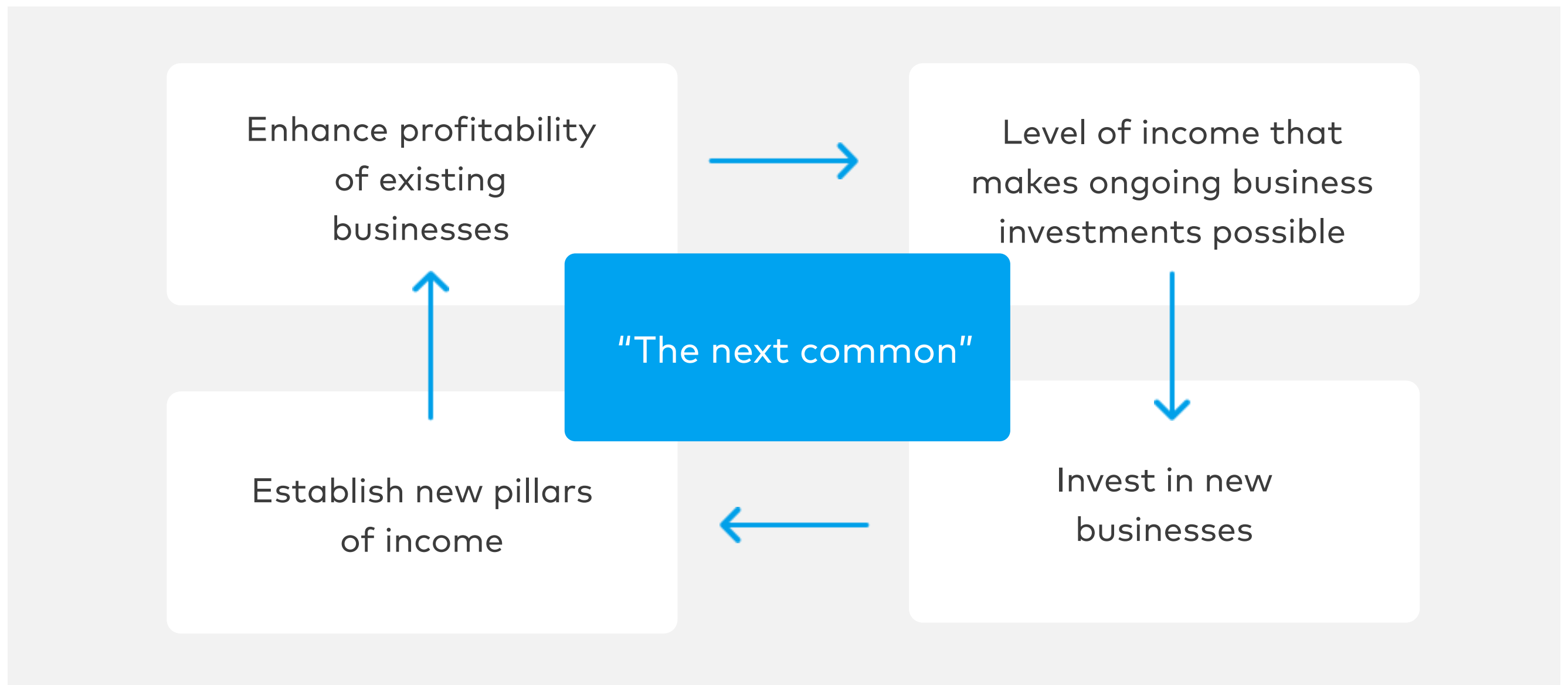


New businesses

Diversify business models
and create next pillars

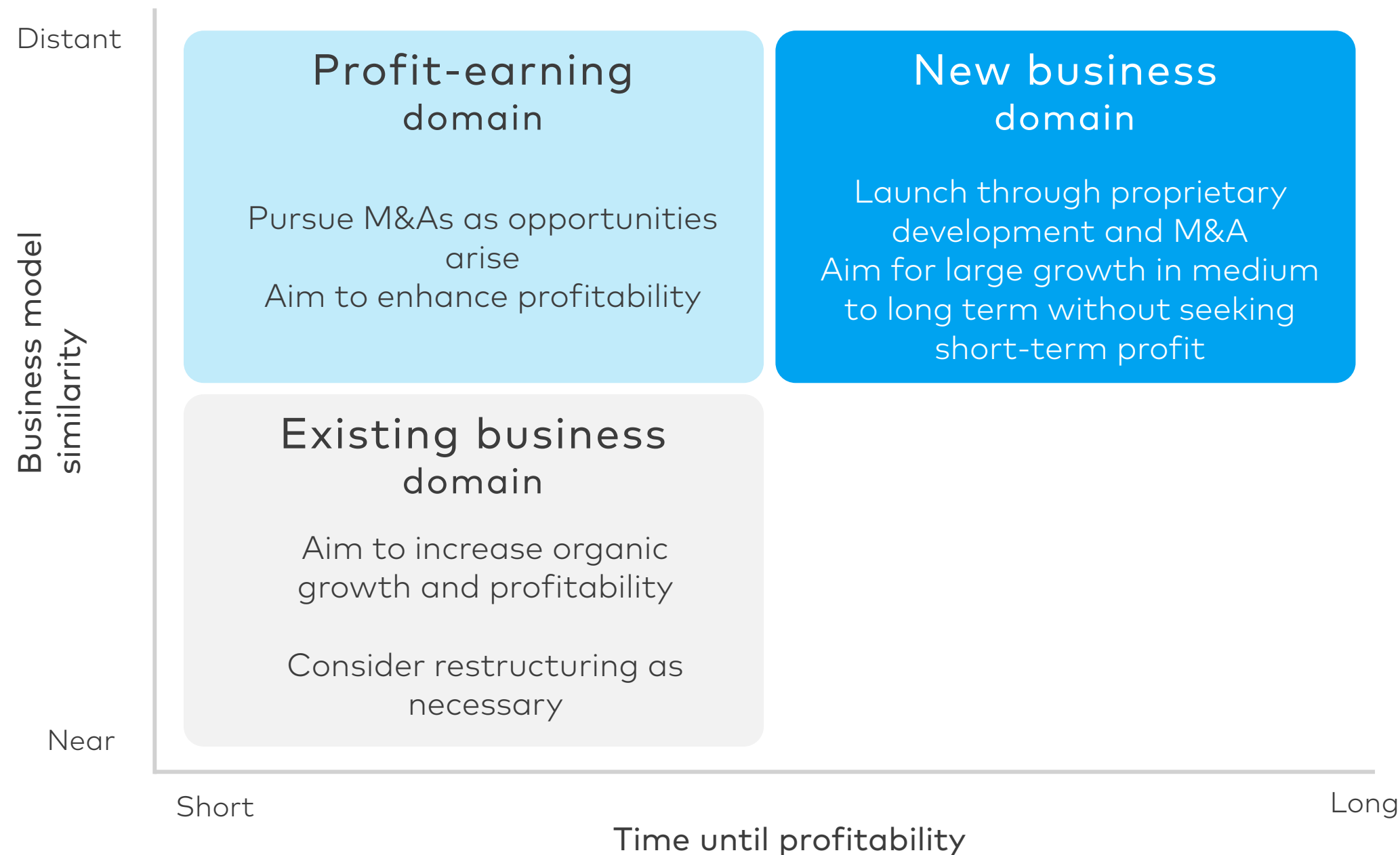
What Livesense is aiming for

| Focus on enhancing profitability of existing businesses. Invest profits from existing businesses into new businesses in the aim of establishing new pillars of income.



Optimizing Business Portfolio

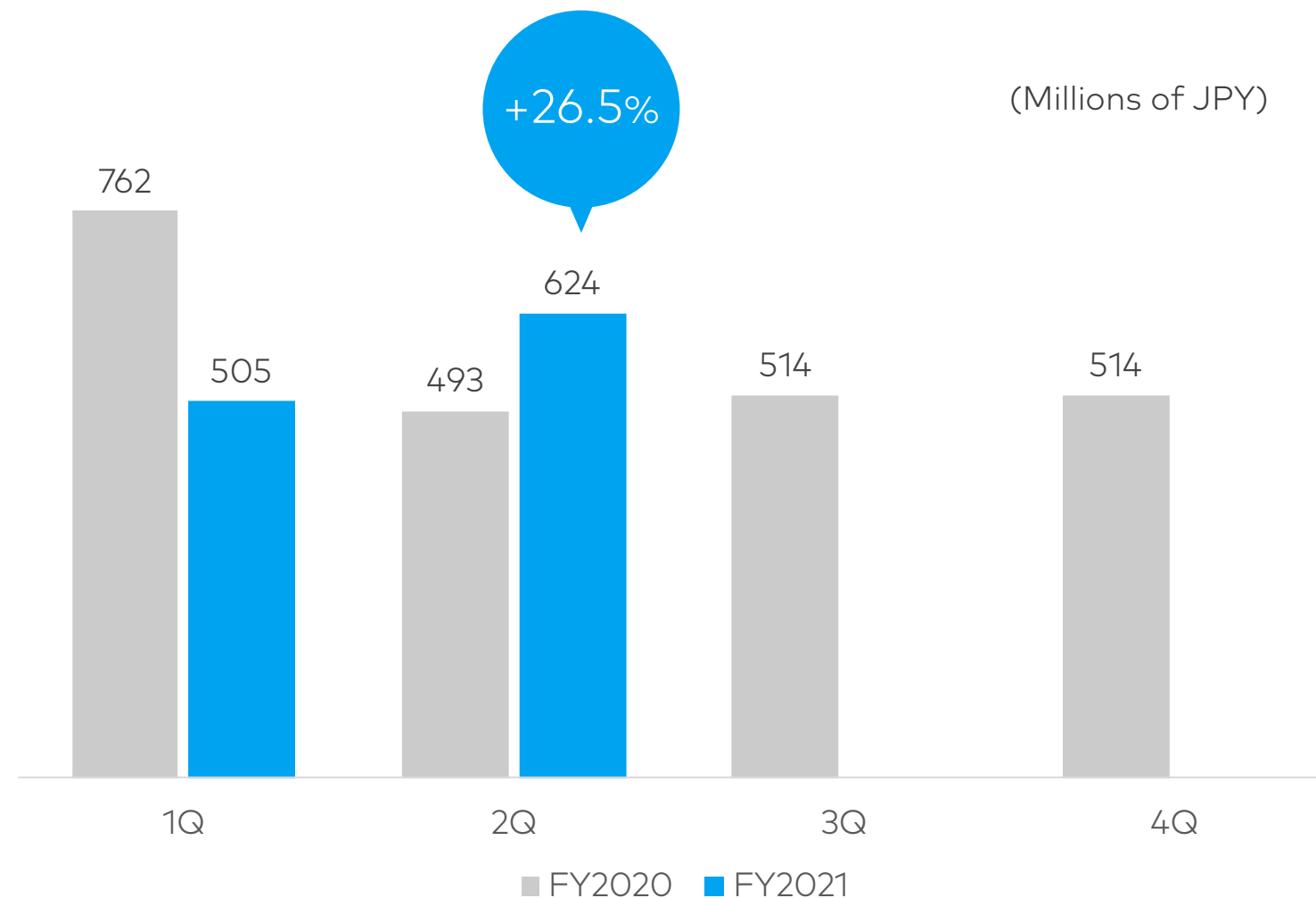
- | Accelerate optimization of business portfolio and establish policies by domain.
- | Allow short-term negative P&L depending on progress in each domain.



Enhancing Profitability of Existing Businesses

Enhance profitability by expanding sales, centered on Machbaito, which has a large business scale and sales growth rate.

Trend in net sales at Machbaito



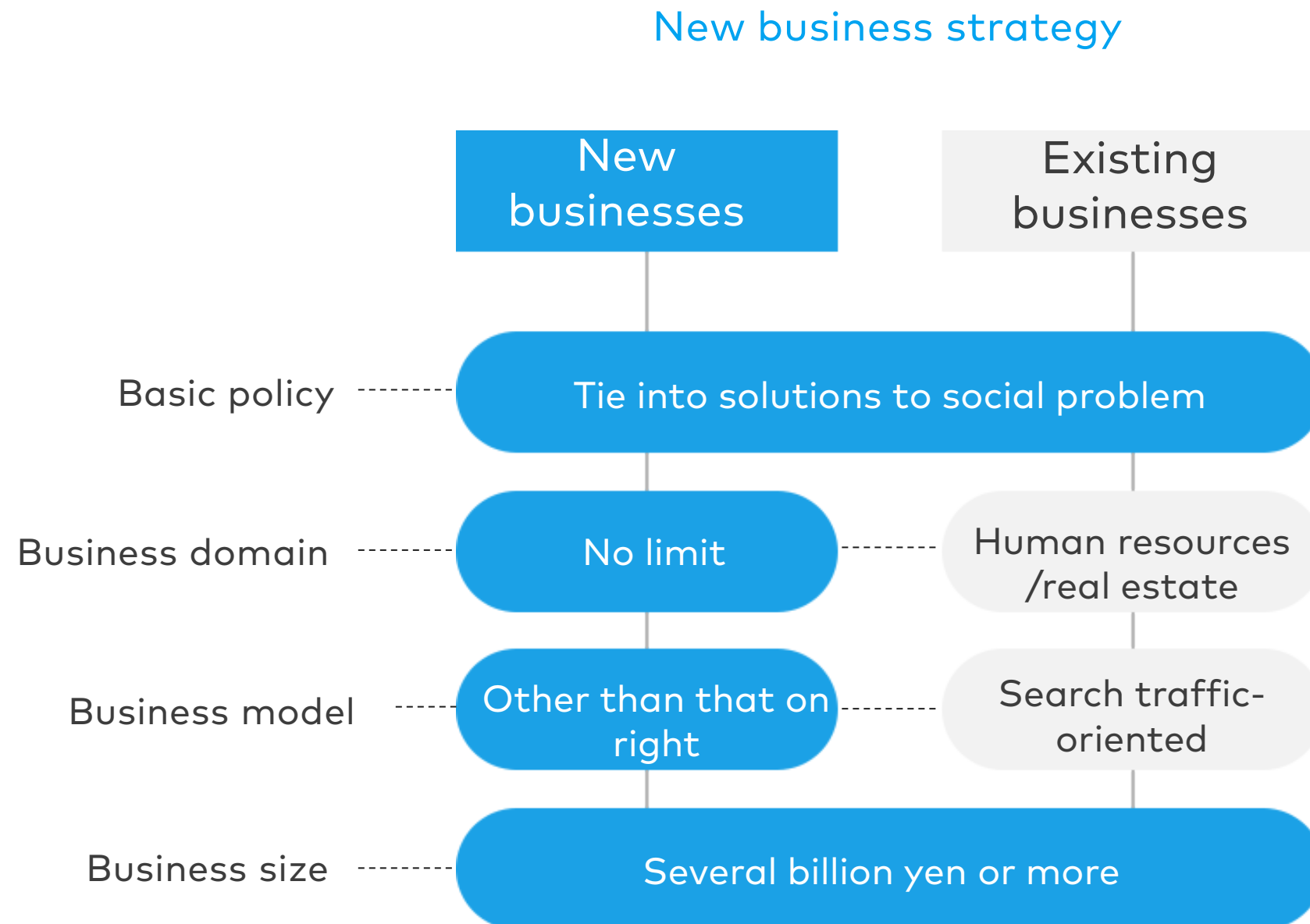
Enhancing Profitability of Existing Businesses

- | Further promote current strategy and measures to strengthen both customer acquisition and attraction.
- | Work on creating new profit opportunities for quick profitability and regrowth.

Business Policies for 2H

Promotion of current strategy	Customer acquisition	<ul style="list-style-type: none">• Cultivate customers with robust hiring needs even in current environment and new customers leveraging the Company's strengths according to market trends• Work on retention of and up-selling to existing customers by linking media marketing
	Customer attraction	<ul style="list-style-type: none">• Leverage our data knowledge for highly efficient customer attraction linked to sales
Creation of new profit opportunities		<ul style="list-style-type: none">• Current situation of significant shifts in market environment presents opportunities for change and creation• Achieve quick profitability and regrowth by creating new models and profit opportunities in existing businesses as well

- | Steady progress being made on development and verification of multiple business proposals, including knew.
- | Aim to launch several new businesses within the fiscal year.



Full-Year Financial Forecast for FY2021

- | Financial forecast to be determined due to difficulty in reasonably calculating impact of COVID-19
- | Forecast to be announced as soon as appropriate and reasonable calculation is possible.

(Millions of JPY)

	FY2020	FY2021	YoY
Net Sales	4,078	—	—
Operating Income	-1,129	—	—

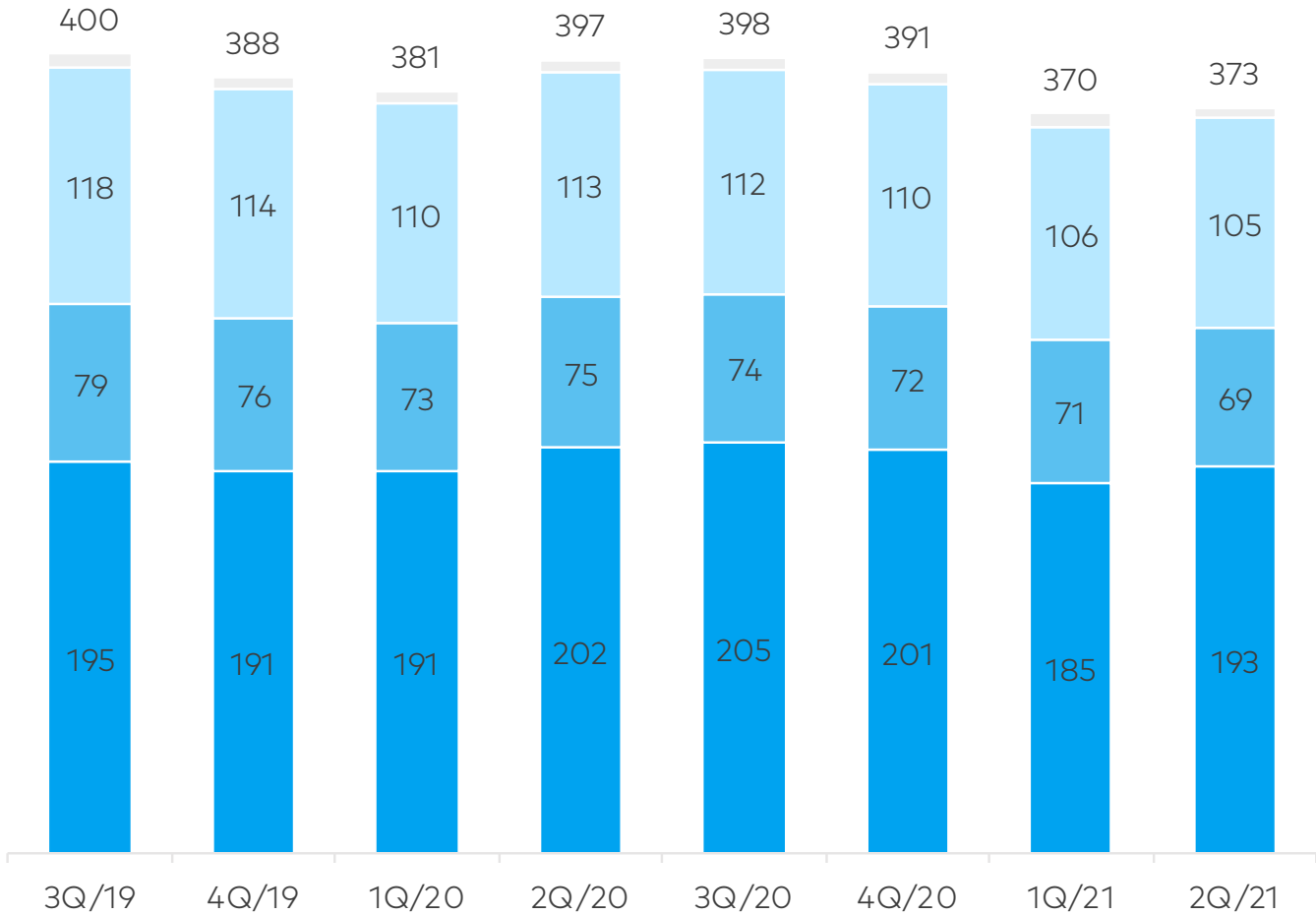
4. Appendix

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: 262 (as of June 30, 2021)
Consolidated Subsidiaries	PHIL LIFE Inc.

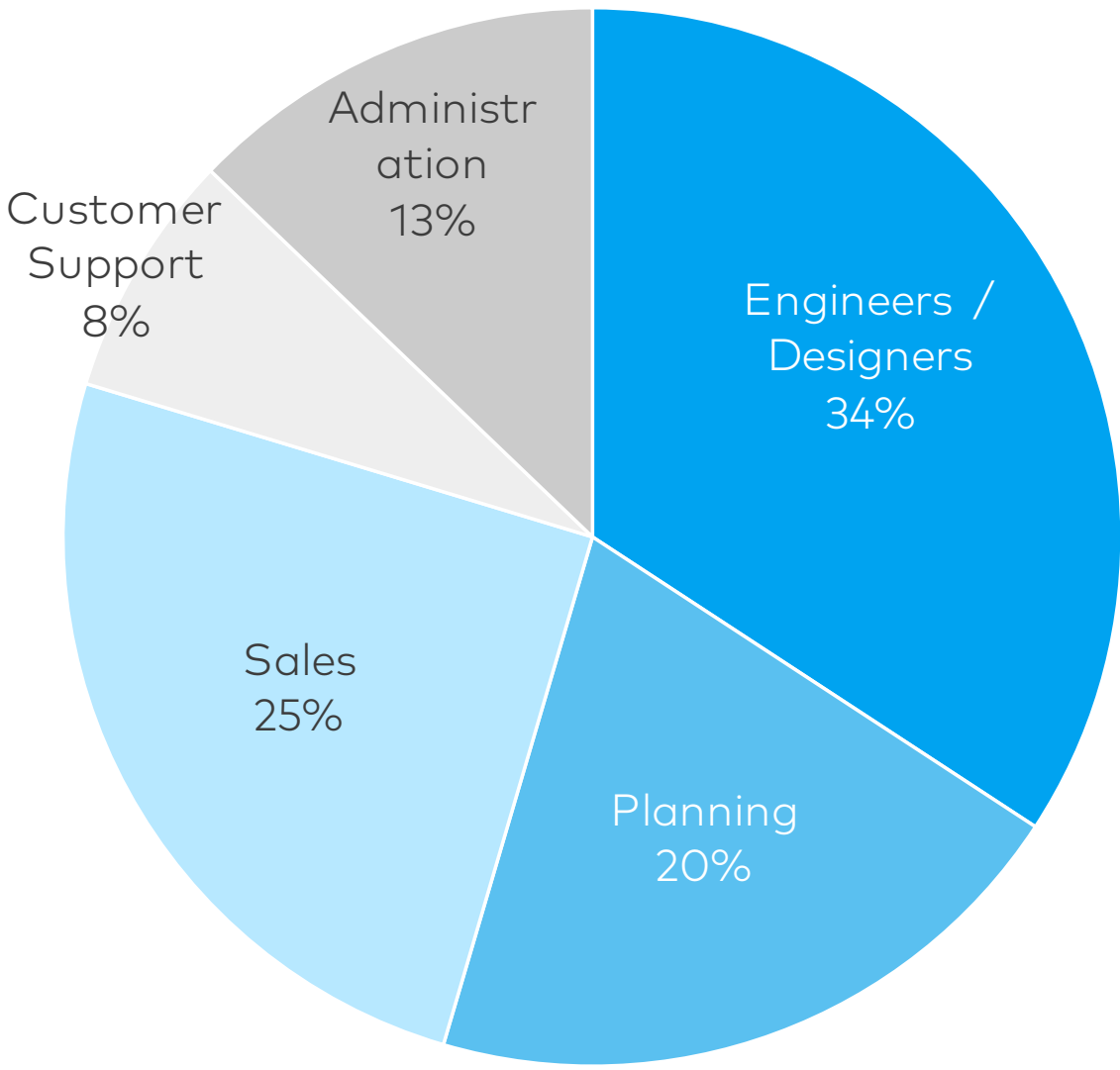
No. of Employees (Consolidated)

(People)

- Regular/HQ
- Regular/R
- Part-time
- Regular/Subsidiaries
- Part-time/Subsidiaries



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



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.