

# FY2021 3rd Quarter Financial Results

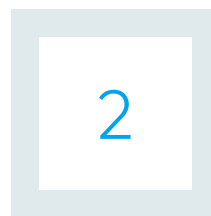
Livesense Inc. (TSE1: 6054)

November 12, 2021

# Agenda



Financial Results



Progress



Appendix

# 1. Financial Results

# Executive Summary for the 3rd Quarter

| Net sales up 29.5% YoY owing primarily to active customer acquisition. Increase in sales boosted operating income 101 million yen YoY, decreasing operating loss.

- Net sales                      ¥1,143 million      ( YoY    +¥260 million      +29.5% )
- Operating income          -¥241 million      ( YoY    +¥101 million      -% )

| Performance strong with sales up YoY in all main businesses. Aiming to further enhance profitability for goal of restructuring for profitability.

- Consolidated net sales up three consecutive quarters; earnings base improving
- Cultivated customers with robust hiring needs and actively promoted customer attraction in Machbaito. Sales up 36.7% YoY as a result
- Further growth of existing businesses and improvement of earnings structure necessary for achieving this year's goal of restructuring for profitability

| Progress being made on launching new businesses.

- Number of members increasing steadily in proposal-type matching service "knew"
- Beta version of online interview tool "batonn" released

# Quarterly Financial Results Overview

(Millions of JPY)

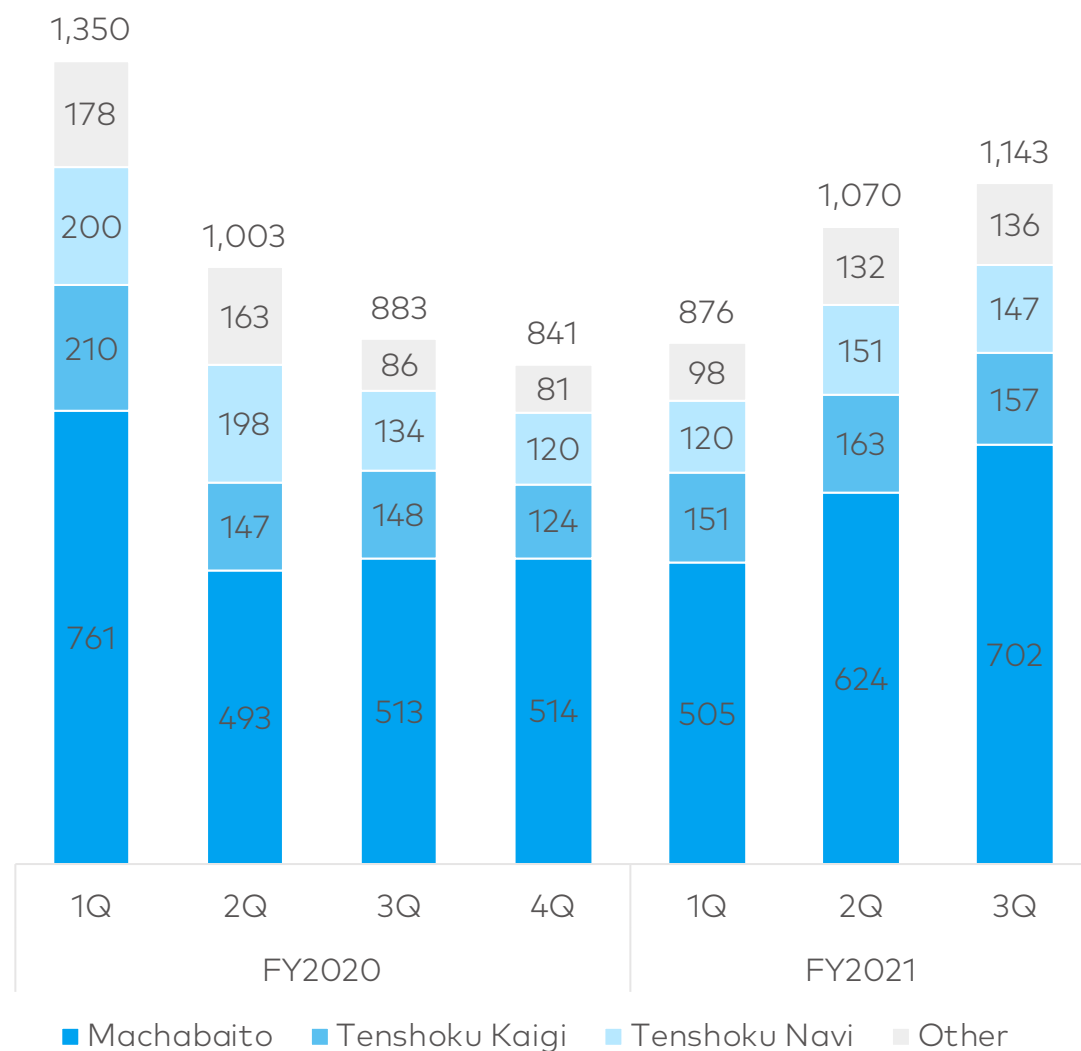
	FY2020 3Q	FY2021 3Q	YoY
Net Sales	883	1,143	+29.5%
Operating Income	-343	-241	—
Operating Margin(%)	—	—	—
Ordinary Income	-290	-187	—
Profit attributable to owners of parent	-357	-188	—

# Quarterly Net Sales and Operating Income

Sales up third straight quarter, reducing operating loss.

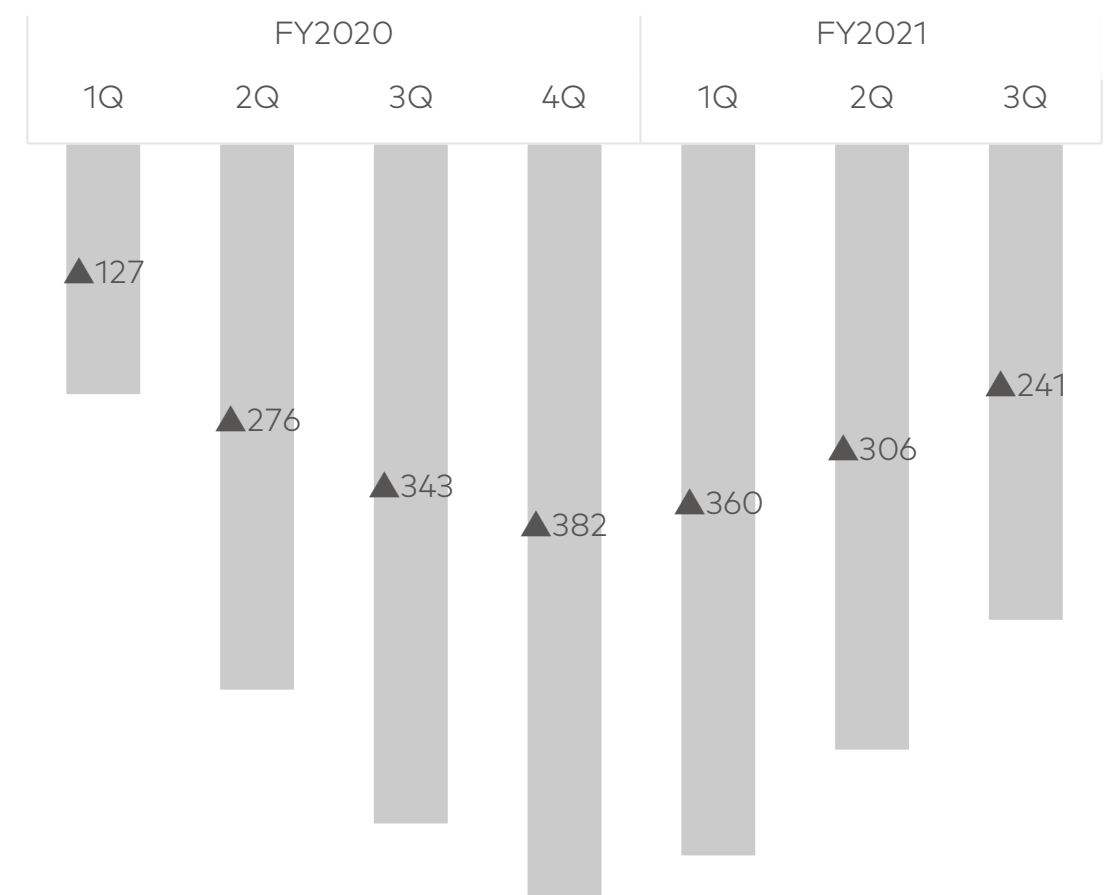
## Net Sales

(Millions of JPY)



## Operating Income

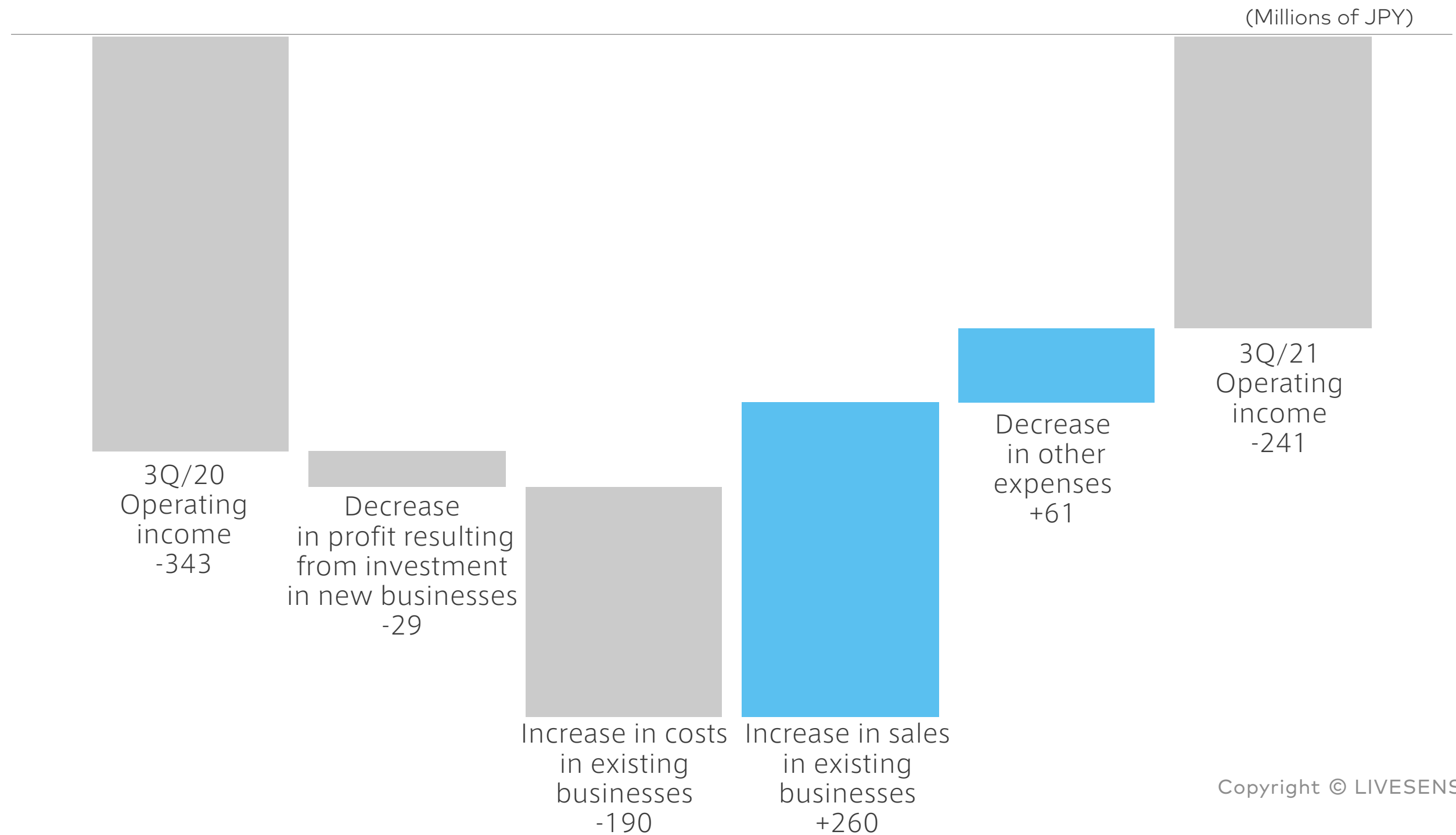
(Millions of JPY)



# Operating Income -YoY Comparison

| Operating loss reduced, primarily as a result of increased net sales and decreased corporate expenses.

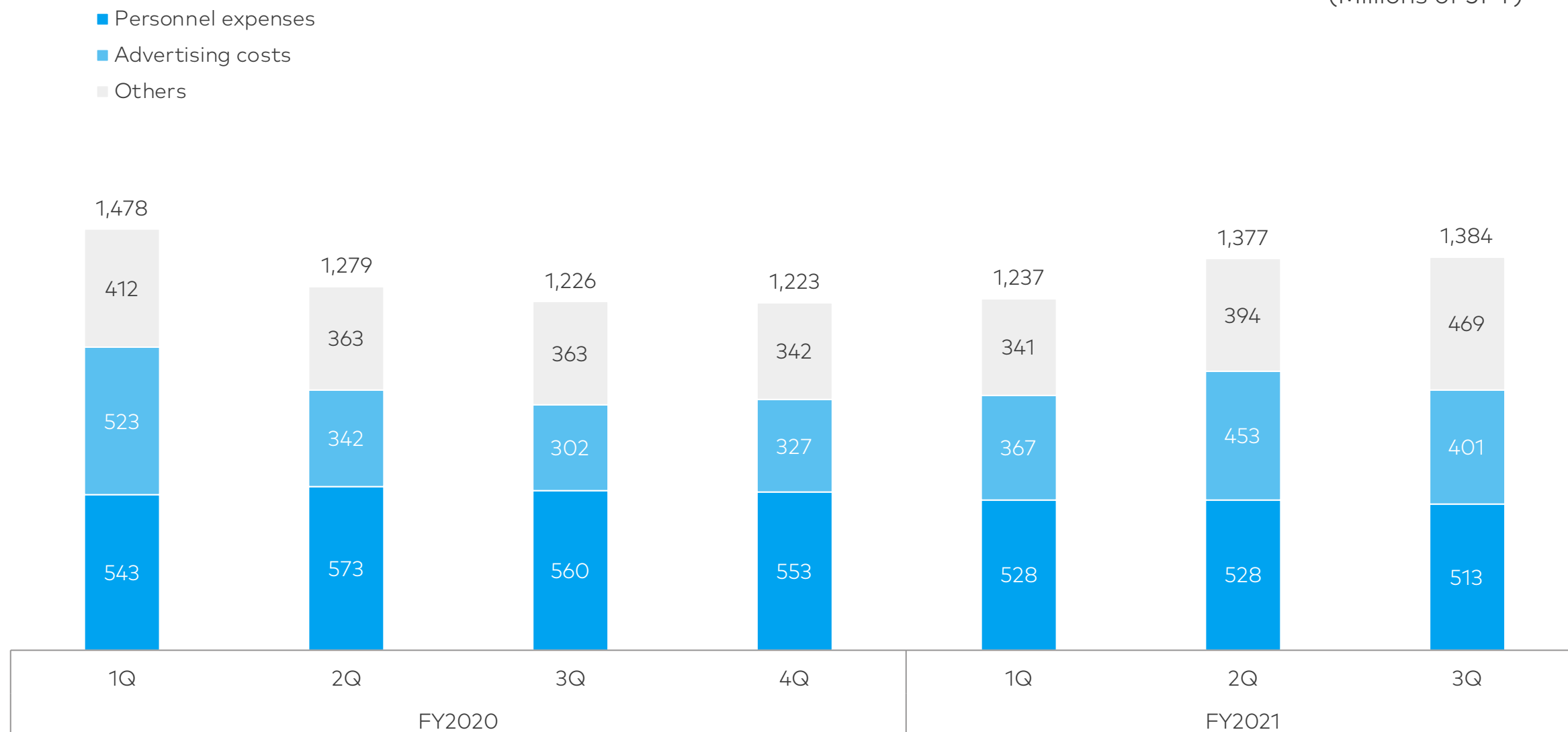
Costs such as those associated with customer acquisition up in existing businesses due to increase in net sales.



# Operating Expenses

| Other expenses increased as a result of strengthening customer acquisition efforts. Total costs remained flat.

(Millions of JPY)





## **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

### 3rd Quarter Progress

Enhance profitability of existing businesses

- Continued cultivating customers according to market environment and increased sales YoY in all major businesses.
- Focus in Machbaito was on business categories with robust hiring needs. Income up.
- Reviewing new income model to enhance profitability.

Launch new businesses

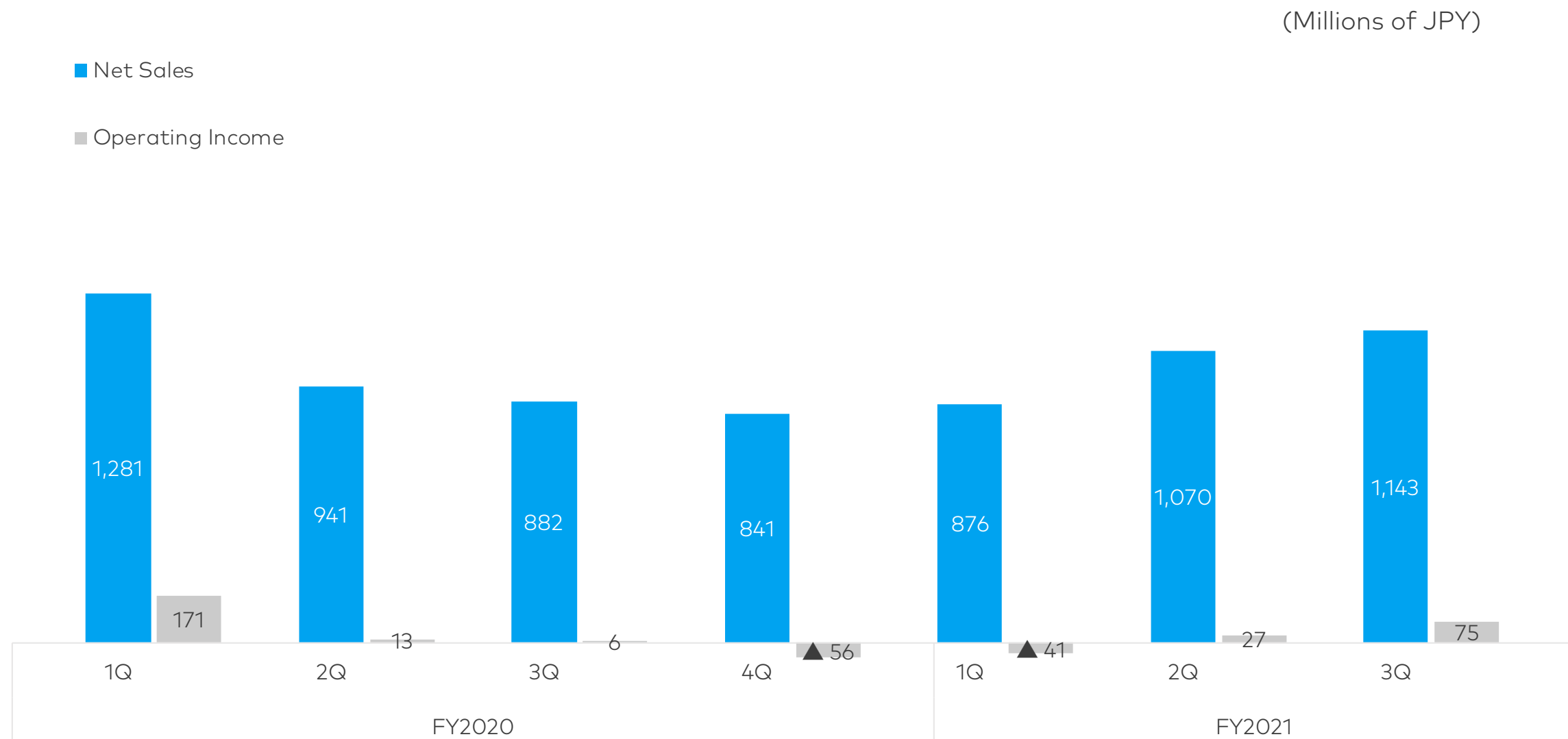
- Media mentions of "knew" increased. Membership increasing steadily.
- Beta version of "batonn" released.
- Multiple proposals being developed with plans for launch within the year.

## 2. Progress

Existing Businesses

# Net Sales and Operating Income of Existing Businesses

Net sales and operating income growing steadily in existing businesses.

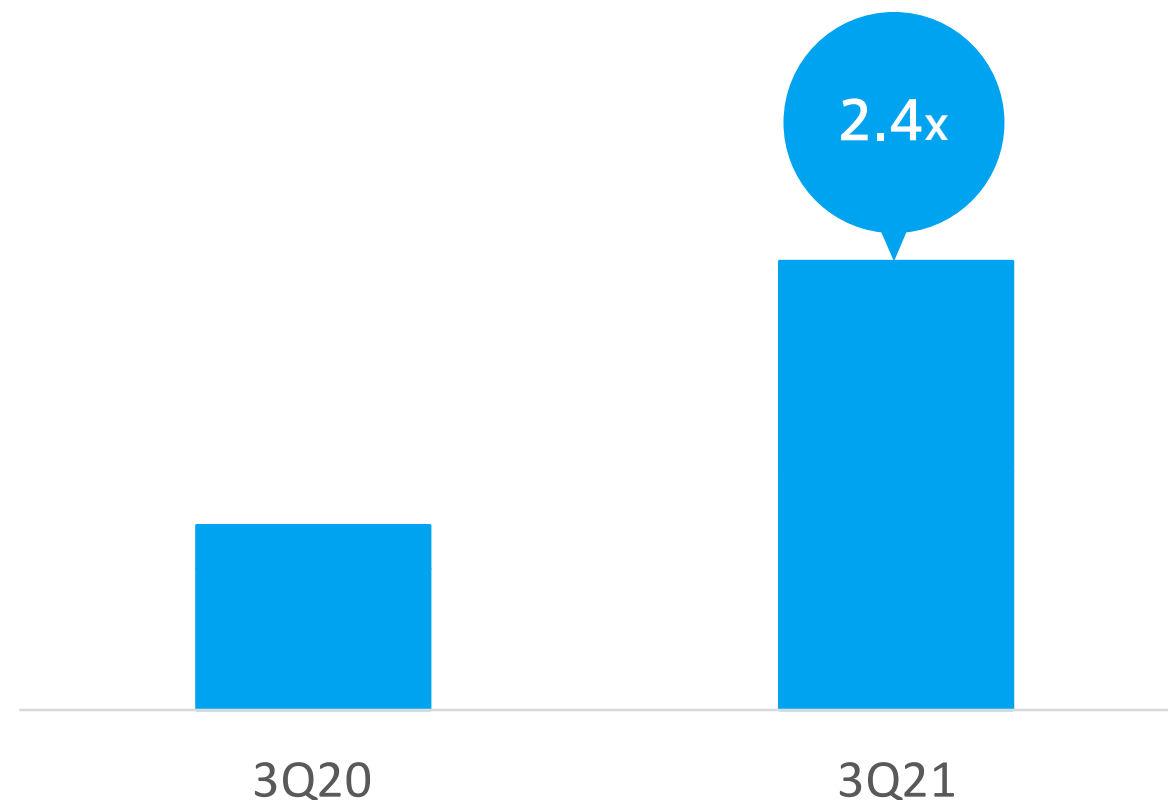


\* Net sales and operating income of existing businesses other than transferred business, new business and corporate expenses

### Machbaito

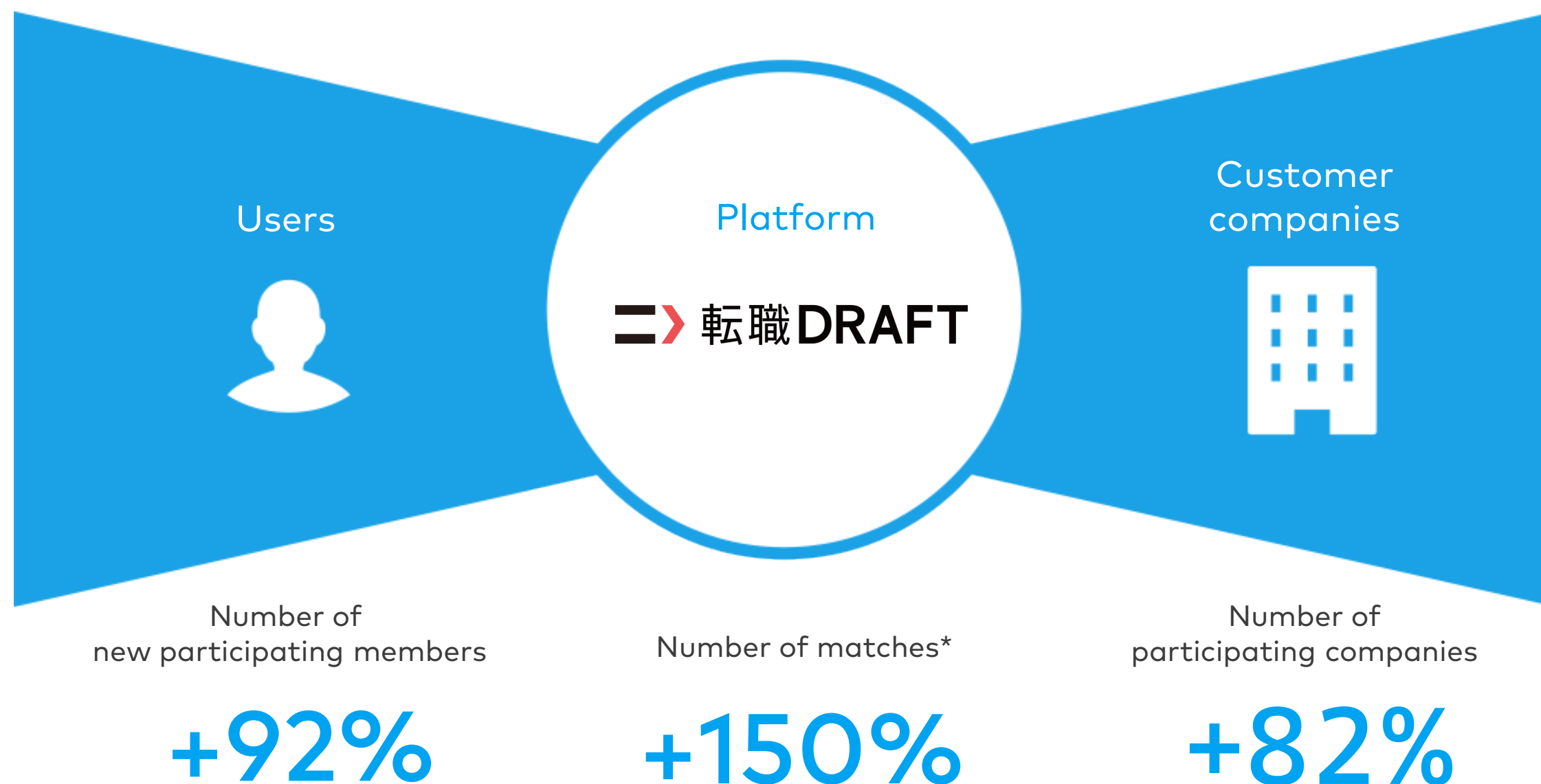
- | Continuing to cultivate companies with robust hiring needs even under current circumstances.
- | Creating applications according to company needs by linking sales, marketing and media. Usage is expanding.

Number of applications for food delivery and manufacturing staffing projects



## Tenshoku Draft

- | Strong reputation acquired as career change service for engineers; sales doubled YoY.
- | Continued growth with number of participating companies, number of new participating members, and number of matches all up.



\*Number of company appointments accepted by members

(All figures are YoY comparisons between events held in September)

## 2. Progress

New Businesses



## knew

- | Covered by various media outlets as new matching service.
- | Number of users increasing steadily owing to media exposure and reviews despite being pre-release.

### Media outlets

anan  
Business Insider Japan  
ABEMA Hills  
Hansoku Kaigi  
Bridal Industry Newspaper  
etc.

### ABEMA Hills

1 恋愛の"顔面至上主義" 2 魅力を会話で伝える 3 自分を愛して他人を愛す

マッチングアプリが進化!?

ニュー *knew* まるで「親友からの紹介」のような 提案型マッチングサービス

最大の特徴は…  
ビデオ通話するまで  
相手の顔が分からない"ブラインドマッチ"

条件で比較して切り捨てたり  
顔写真の好き嫌いだけでなく  
本当に好きになる人って  
またちょっと違う感覚も  
あるのでは?と思った

村上 太一 社長

自称マッチングアプリ専門家  
榎 望 キャスター  
これまでにない  
マッチングアプリ!  
従来の写真有りのアプリなど  
自分から選びたい人も  
もちろんいるので  
共存していくのでは?

## batonn

| Beta version of online interview tool "batonn" released.

| Elimination evaluation disparities between interviewers by converting interviews into data and linking the post-interview evaluation with the rationale.

### Recording and transcription



Visualization of interviews and efficient tracking

- Smooth video calls and recording function
- Highly accurate transcription function

### Sharing of evaluations



Achieve evaluations based on objective facts

- Enter evaluation based on recordings and transcription data
- Link interactions serving as basis for evaluation
- Dashboard function for coordination between interviewers

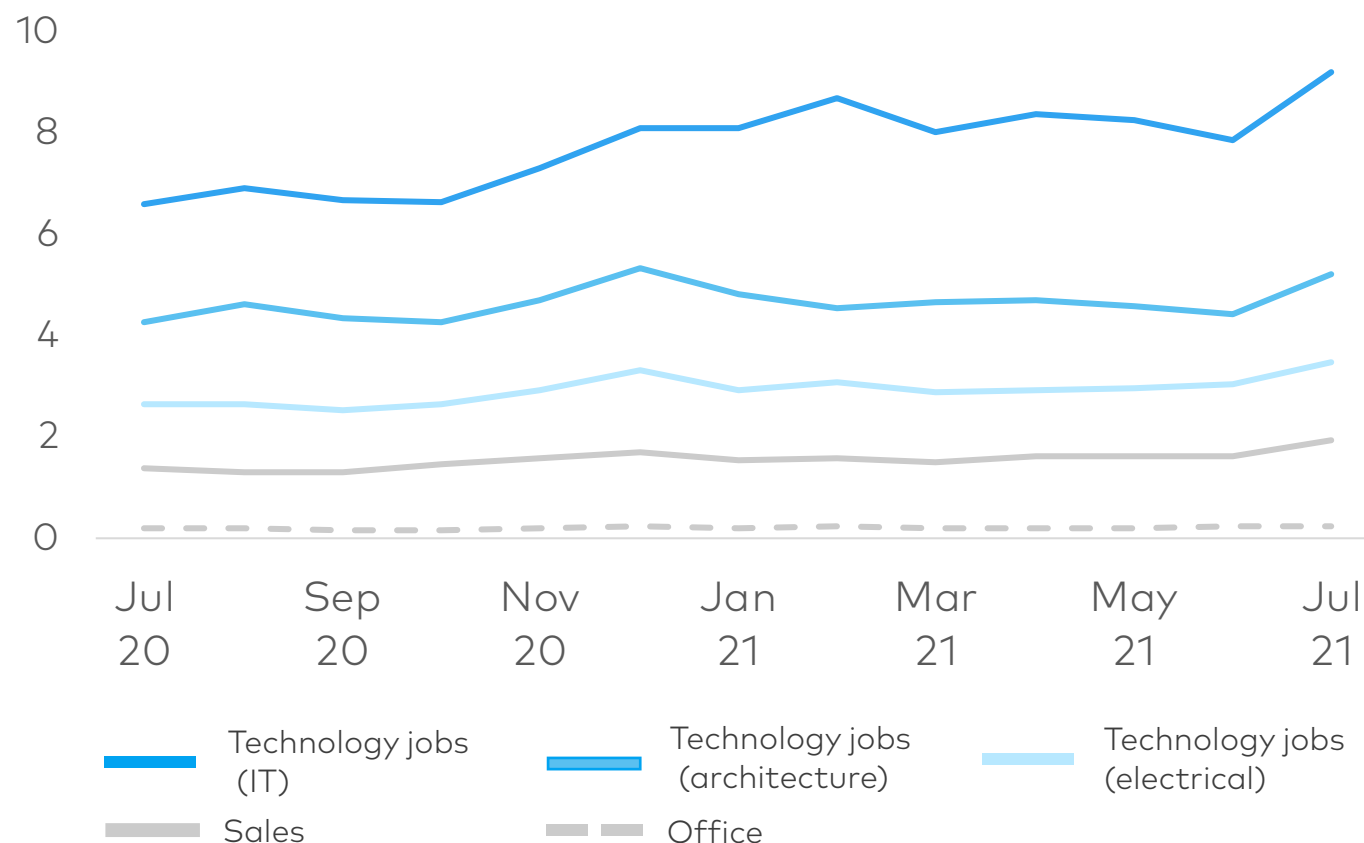


# batonn: Market Environment and Human Resources Hiring Challenges

Job seeker's market continues for outstanding human resources, especially for technical and specialist positions.

Recruiting companies need to improve hiring process so that they do not overlook outstanding human resources, who are few in number, and are chosen by them.

Job openings-to-applicants ratio by job type



## Challenges and solutions for existing hiring processes

- Interview questions vary depending on interviewer
- Inefficient processes, such as using same questions for all interviews, create dissatisfaction among candidates
- No coordination on candidate requirements and hiring criteria between interviewers



- Structuring of interviews
- Sharing of interview videos/transcriptions
- Coordination of requirements and evaluations based on actual recordings



Improve overall recruitment process by structuring interviews and sharing data to enhance coordination between interviewers

Source: Created by our company from doda Report on Job Openings-to-Applicants Ratio (July 2021) [https://doda.jp/guide/kyujin\\_bairitsu/](https://doda.jp/guide/kyujin_bairitsu/)

## **3. Appendix**

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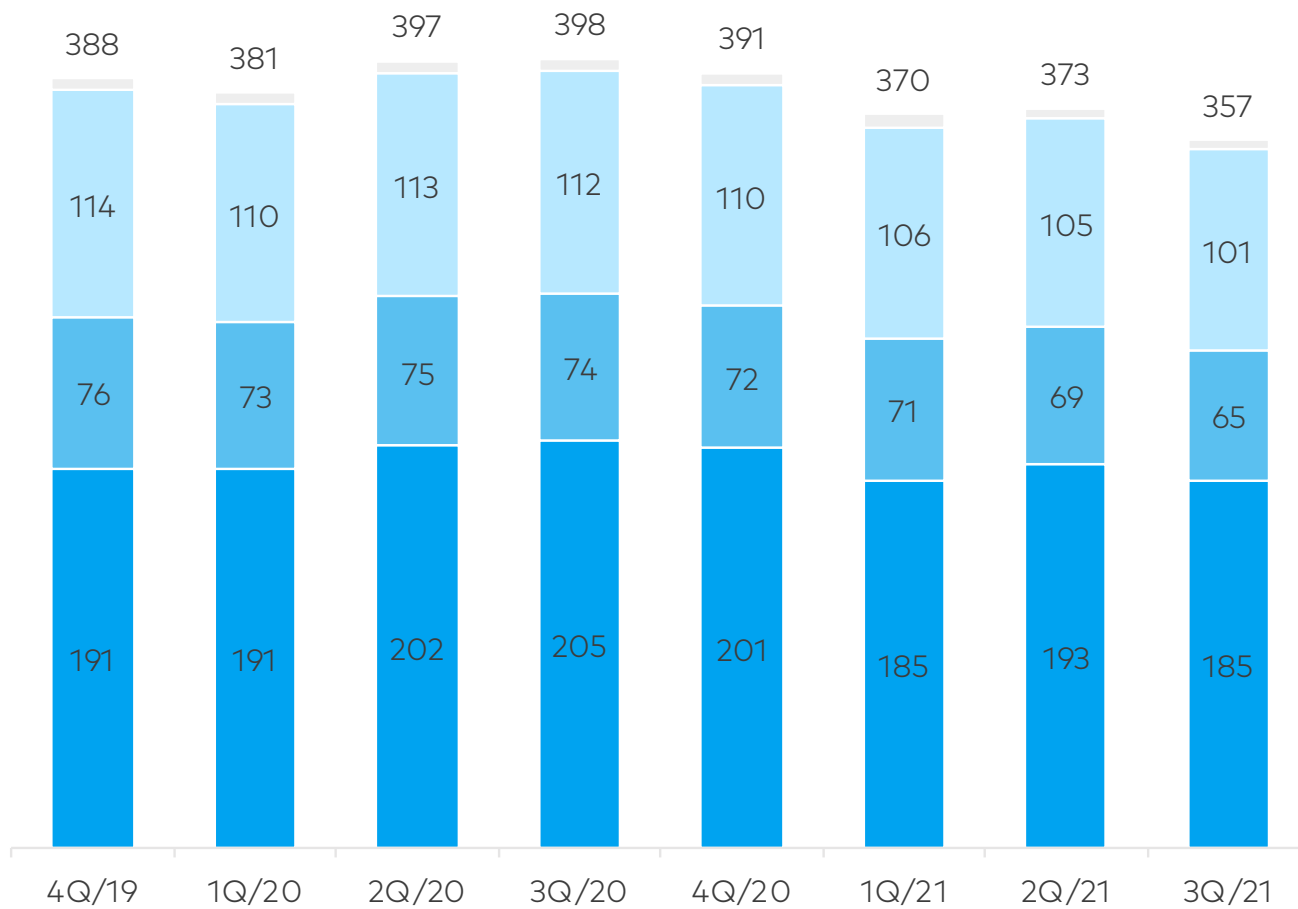
Corporate Profile

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: 250 (as of September 30, 2021)
Consolidated Subsidiaries	PHIL LIFE Inc.

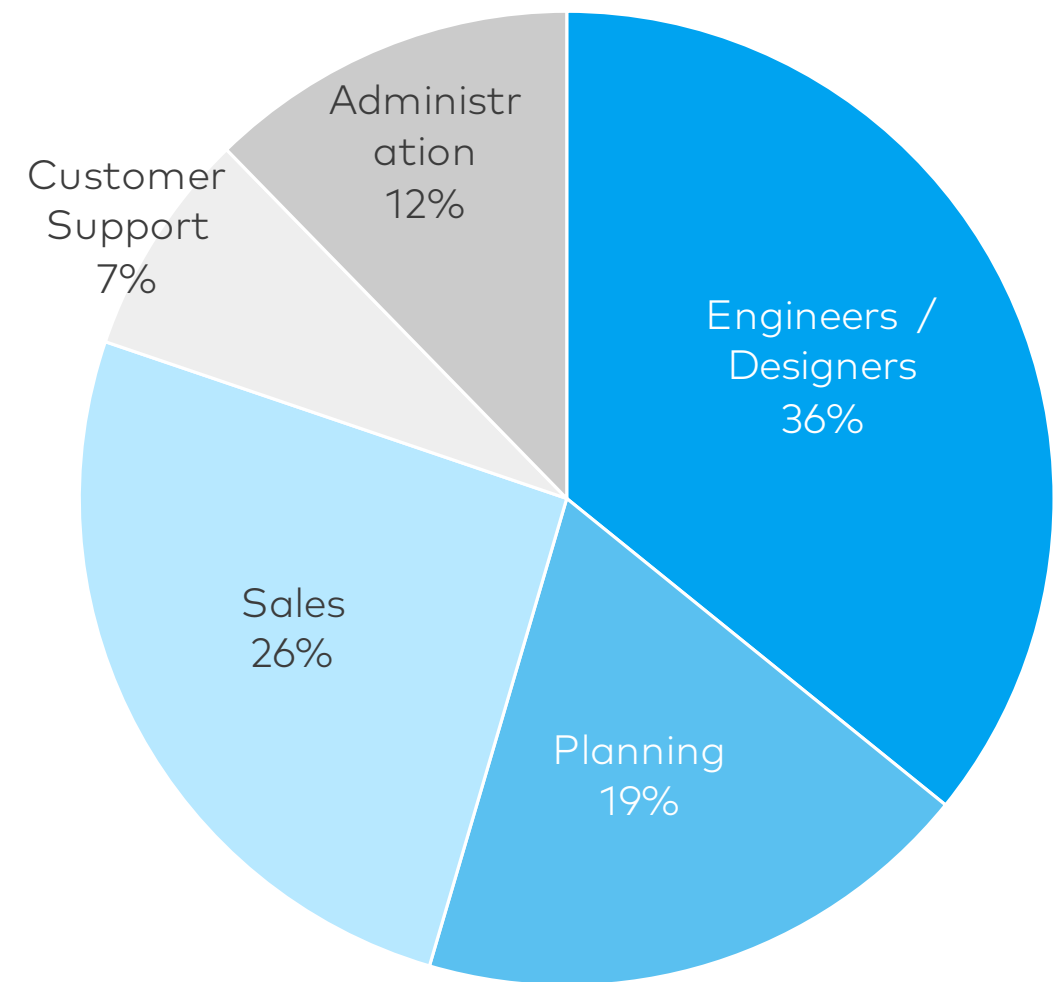
## No. of Employees (Consolidated)

(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

# 3. Appendix

Our Strategy for FY2021



# 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

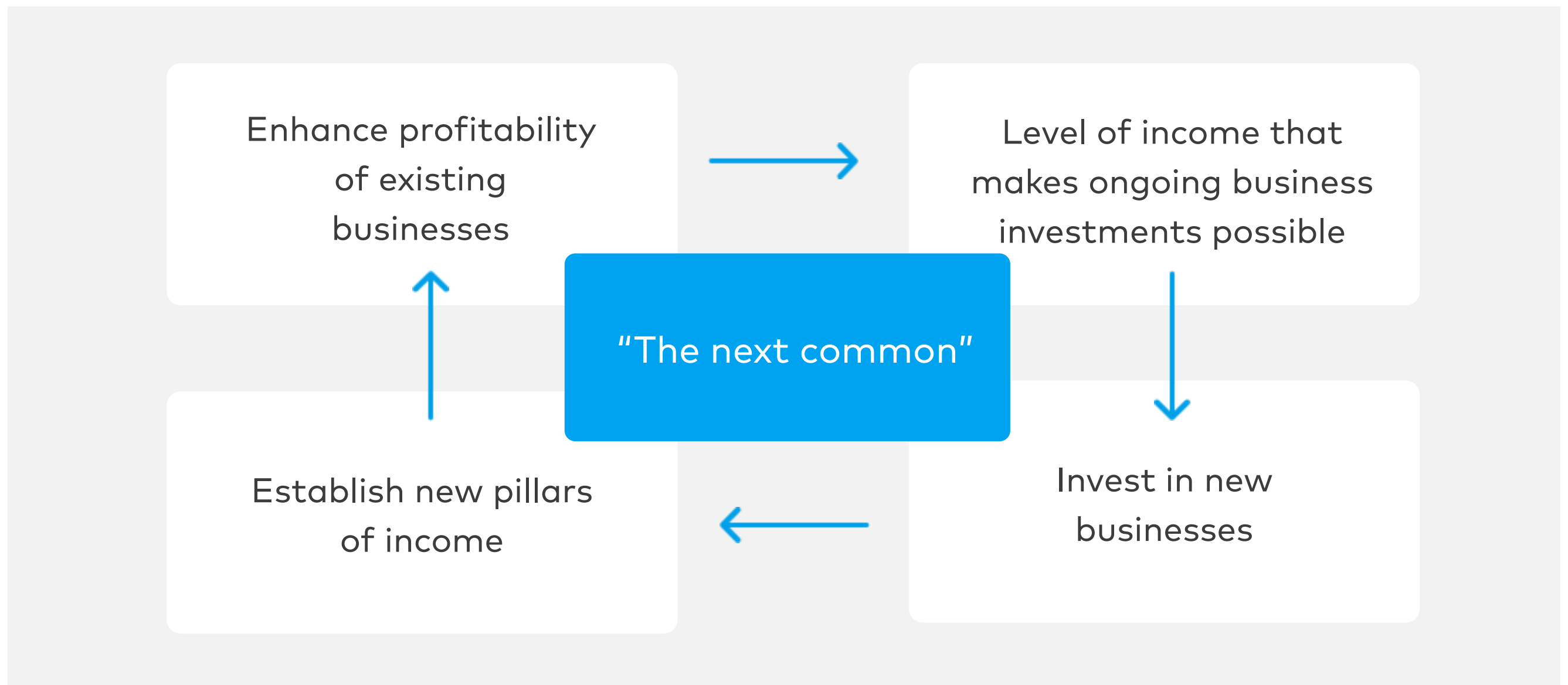


New businesses

Diversify business models  
and create next pillars

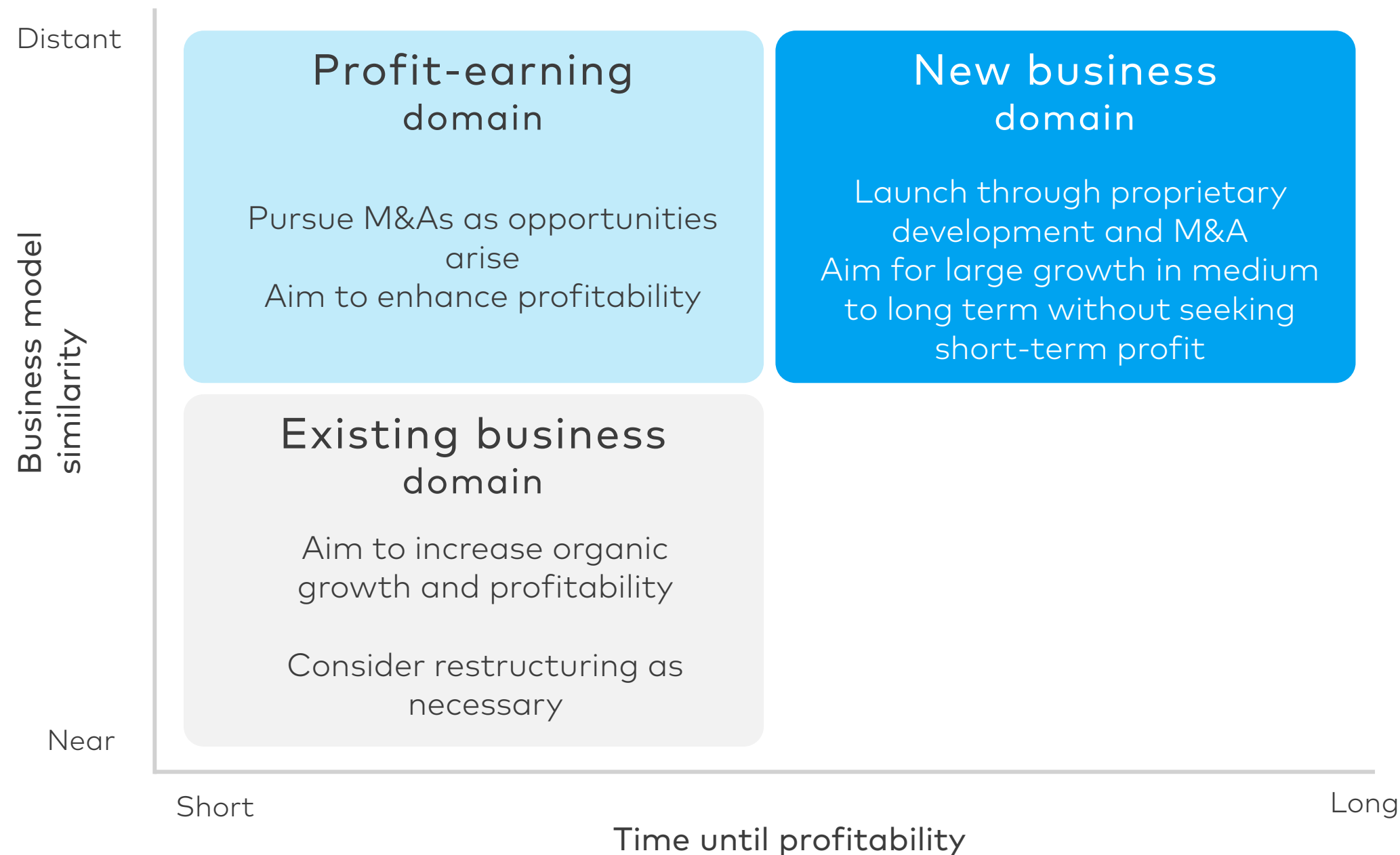
# What Livesense is aiming for

| 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

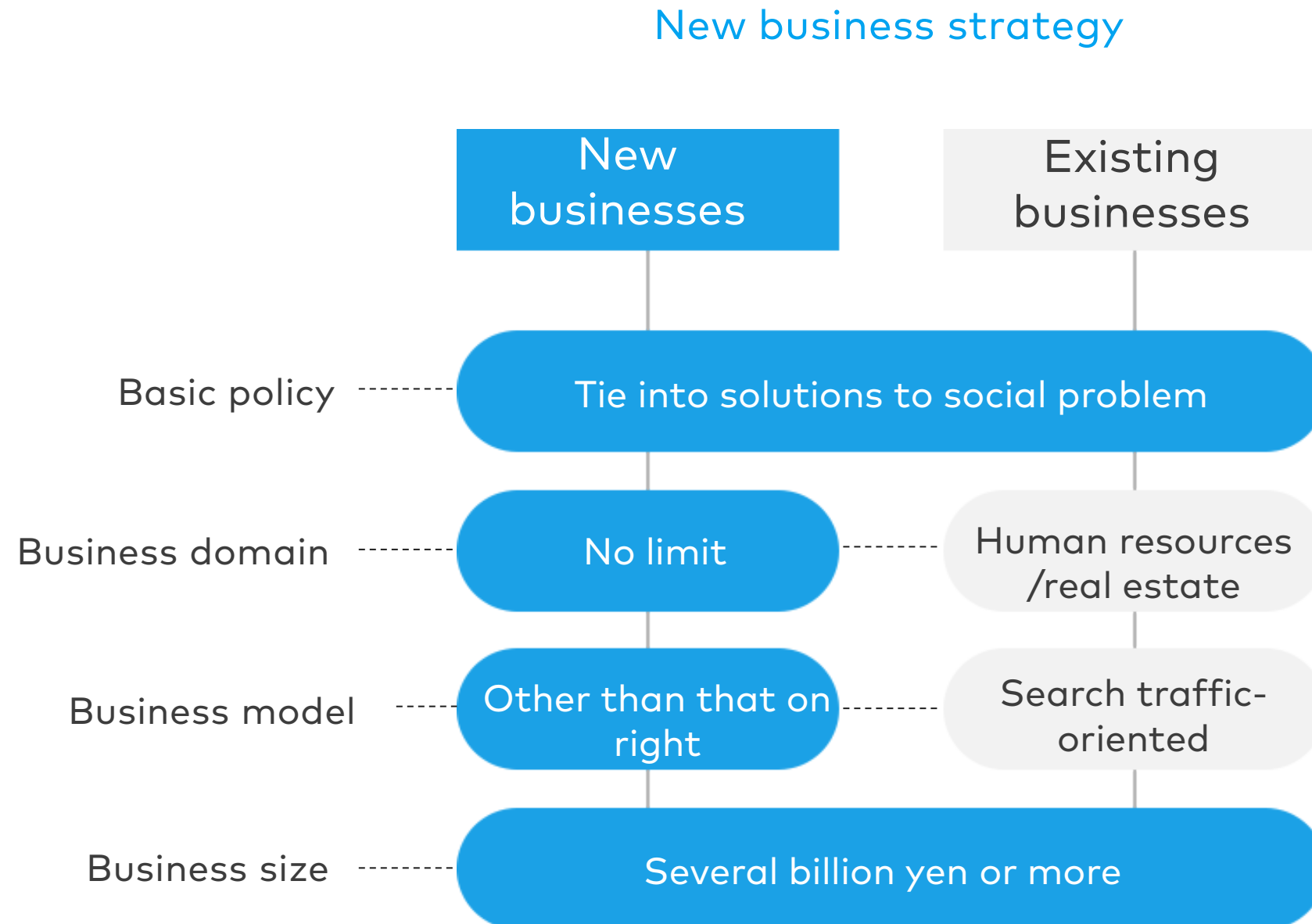
- | Further promote current strategy and measures to strengthen both customer acquisition and attraction.
- | Work on creating new profit opportunities for quick profitability and regrowth.

## Business Policies for 2H

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

# Launching New Business

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





# 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.