

# FY2022 1st Quarter Financial Results

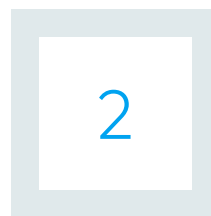
Livesense Inc. (TSE Prime Market: 6054)

May 13, 2022

# Agenda



Financial Results



Progress



Appendix

# 1. Financial Results

# Executive Summary for the 1st Quarter

**Net sales up ¥152 million YoY owing to growth of existing businesses. Operating loss shrunk by ¥296 million YoY through business withdrawal and reduction of fixed costs.**

- Net sales                      ¥1,028 million      ( YoY    +¥152 million      +17.4% )
- Operating income            -¥63 million      ( YoY    +¥296 million      -% )

**Increased revenue from Machbaito, Tenshoku Kaigi, and Tenshoku Draft was primary factor behind reduced operating loss. Enhancement of profitability progressing smoothly to restructure for profitability.**

- Machbaito revenue up 22.8%, Tenshoku Kaigi up 33.9%, and Tenshoku Draft up 154.0% YoY
- Verification of new monetization points also underway within businesses

**Verification of paid plans and ad spend launched for 2 new businesses.**

- Progress made on ad verification and improving registration, matching, etc. for proposal-type matching service "knew"
- Paid plan launched for online interview tool "batonn." Progress also made on improving UI of main screen

# Quarterly Financial Results Overview

(Millions of JPY)

	FY2021 1Q	FY2022 1Q	YoY
Net Sales	876	1,028	+17.4%
Operating Income	-360	-63	—
Operating Margin(%)	—	—	—
Ordinary Income	-319	-22	—
Profit attributable to owners of parent	-312	-35	—

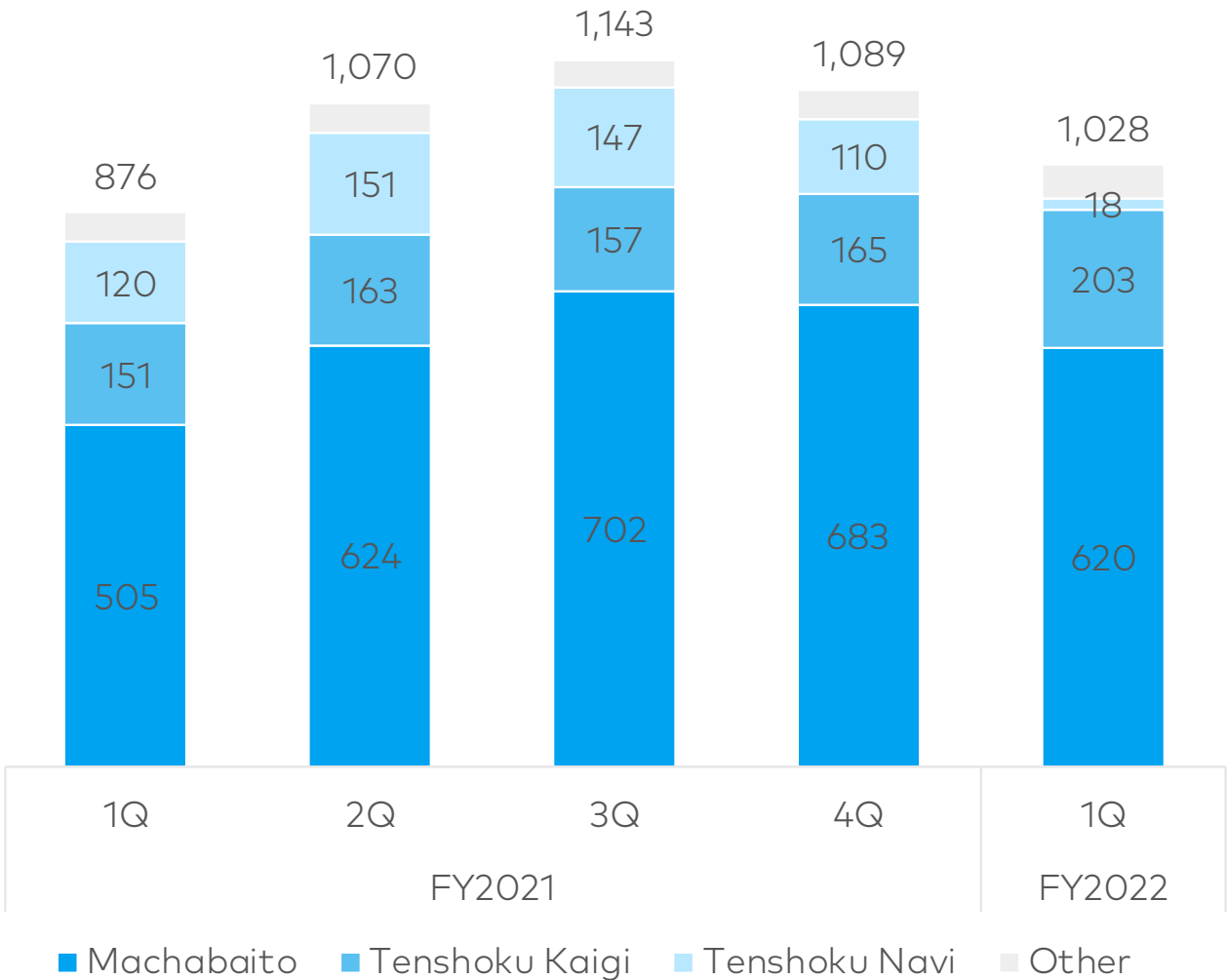
# Quarterly Net Sales and Operating Income

Revenue up YoY and QoQ if impact of withdrawal from Tenshoku Navi is excluded.

Operating loss has shrunk for 6 consecutive quarters. Also improved substantially QoQ.

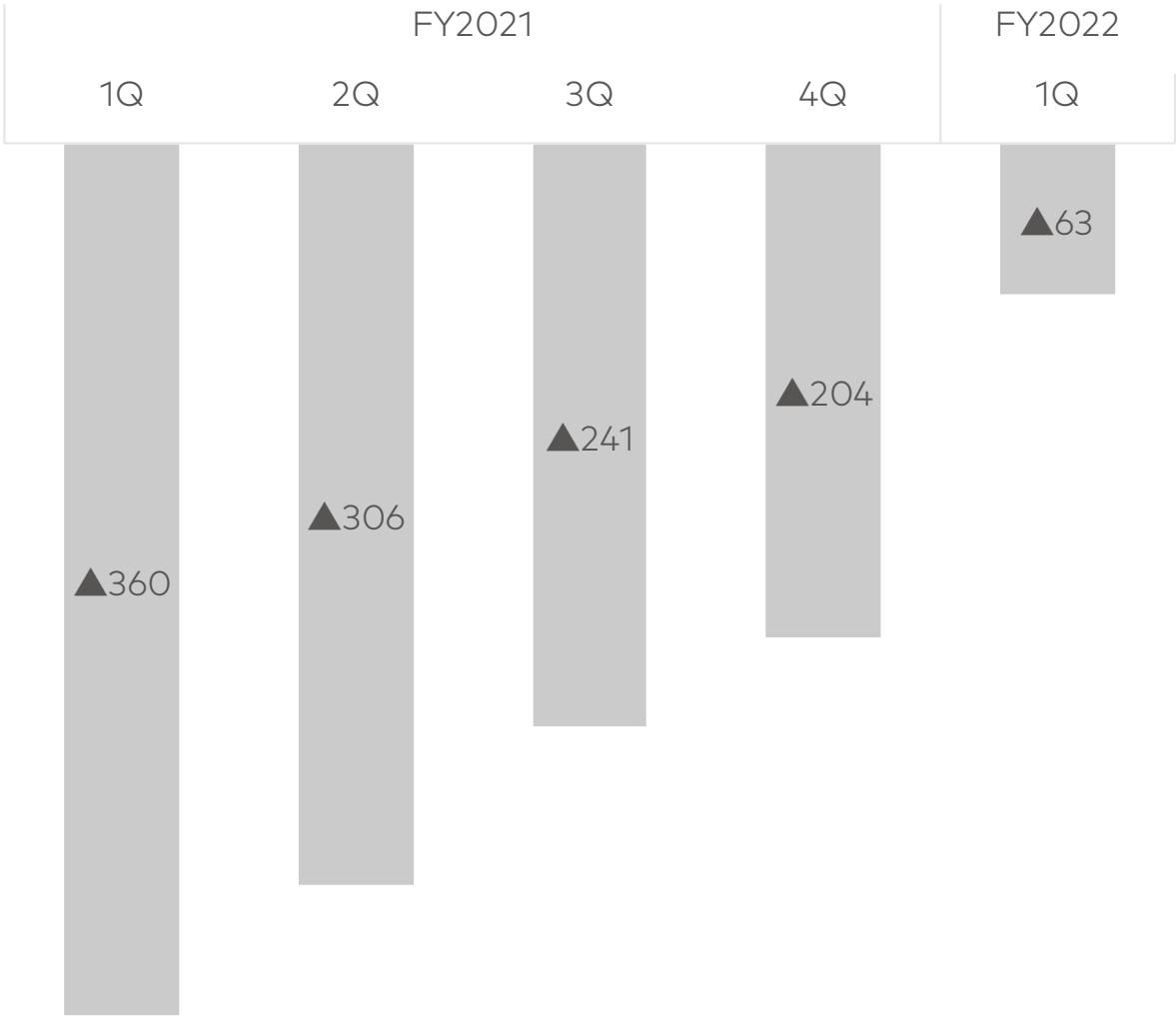
## Net Sales

(Millions of JPY)



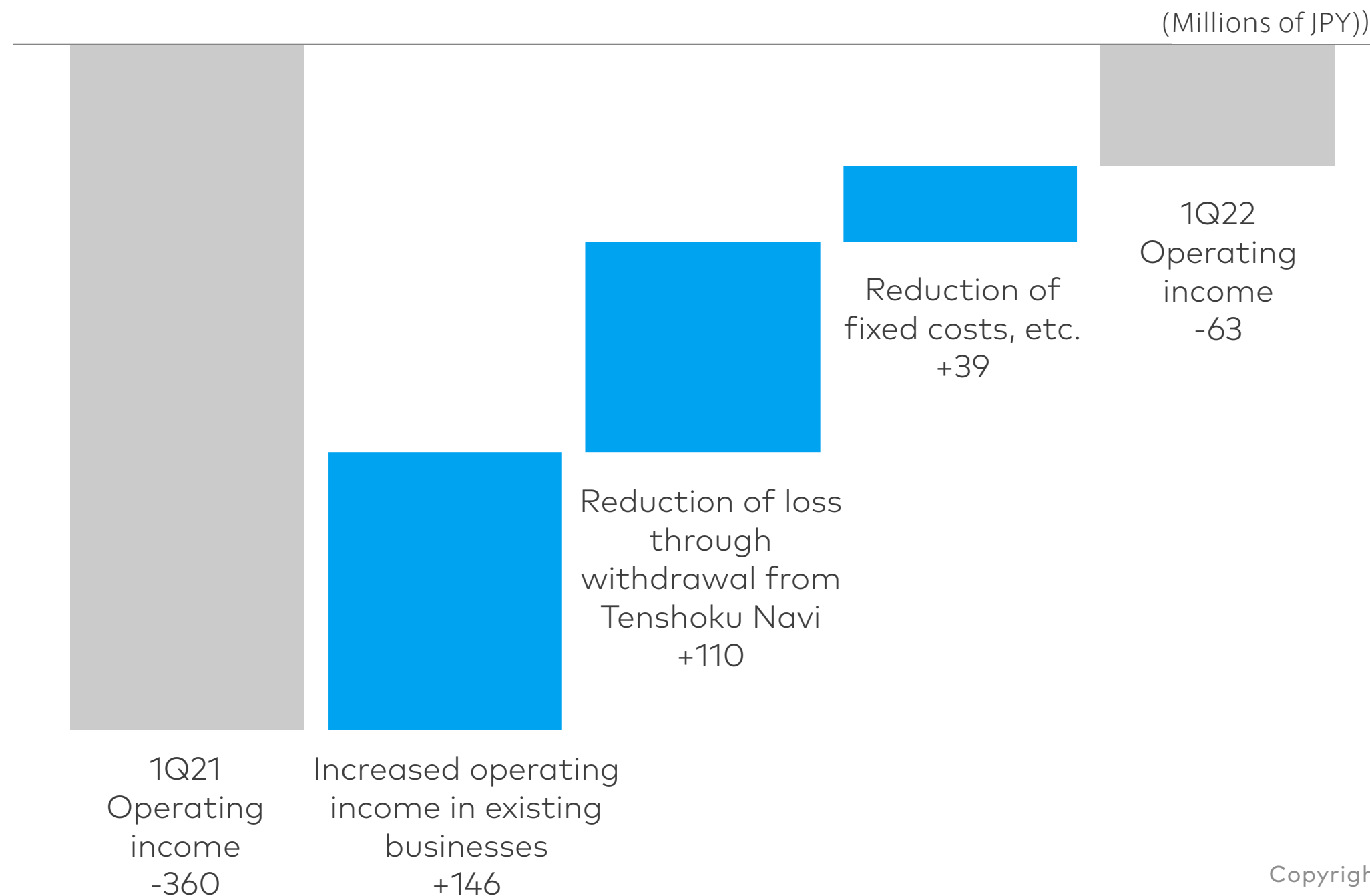
## Operating Income

(Millions of JPY)



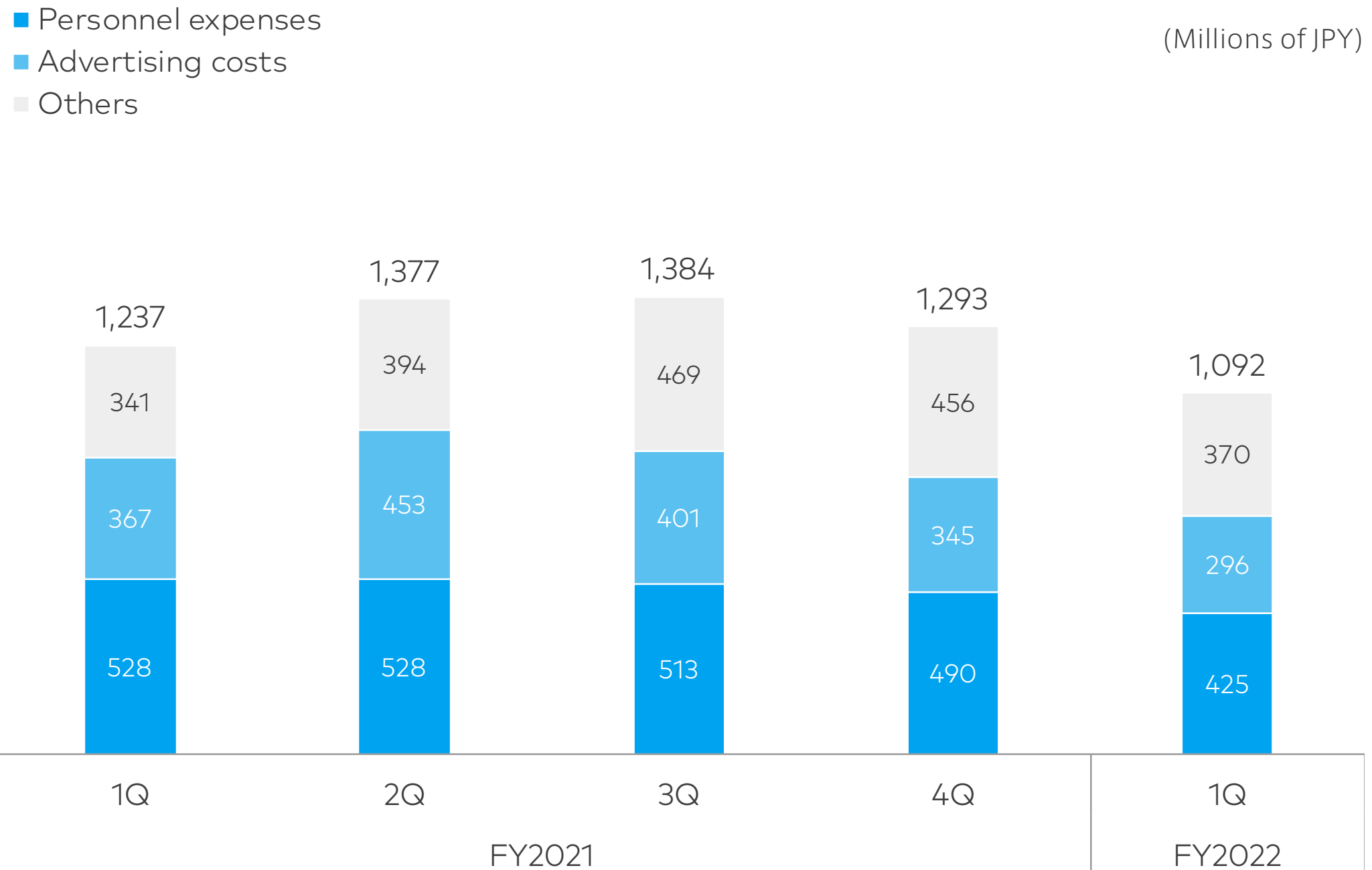
# Operating Income -YoY Comparison

- | Operating income up ¥146 million in existing businesses in conjunction with sales growth.
- | Loss reduced by ¥150 million YoY owing to measures established to restructure for profitability announced in November 2021.



# Operating Expenses

Expenses reduced by ¥144 million YoY. Personnel expenses and advertising costs reduced through business withdrawal, etc.





## 2. Progress

## | FY2022 Company-wide Policy

Establish foundation for restructuring for profitability and full fledged growth of new businesses in pursuit of our corporate vision  
"Invent the next common"

### Business Strategy

### 1st Quarter Progress

Enhance profitability of existing businesses

**Revenue up in main businesses, shrinking operating loss. Progress made on restructuring for profitability**

Machbaito: Expand sales based on high level of customer attraction

Tenshoku Kaigi: Sales up with increase in referrals and visitors

Tenshoku Draft: Increase in number of participating job seekers and companies. Pricing also revised

Establish foundation for new businesses







**Progress made on verification of 2 products. Aiming to launch business**

knew: Progress made on ad verification and improving registration, matching algorithm, etc.

Batonn: Paid plan launched. Progress also made on improving UI of main screen

# Description of Business

Expanding into new domains, primarily human resources and real estate.

Existing businesses	 <p>Part-time employment service</p>  <p>Limited tender career change service</p>	 <p>Career change service with reviews</p>  <p>Real estate information service</p>
New businesses under consideration	 <p>Proposal-type matching service</p>	 <p>Online interview tool</p>

## 2. Progress

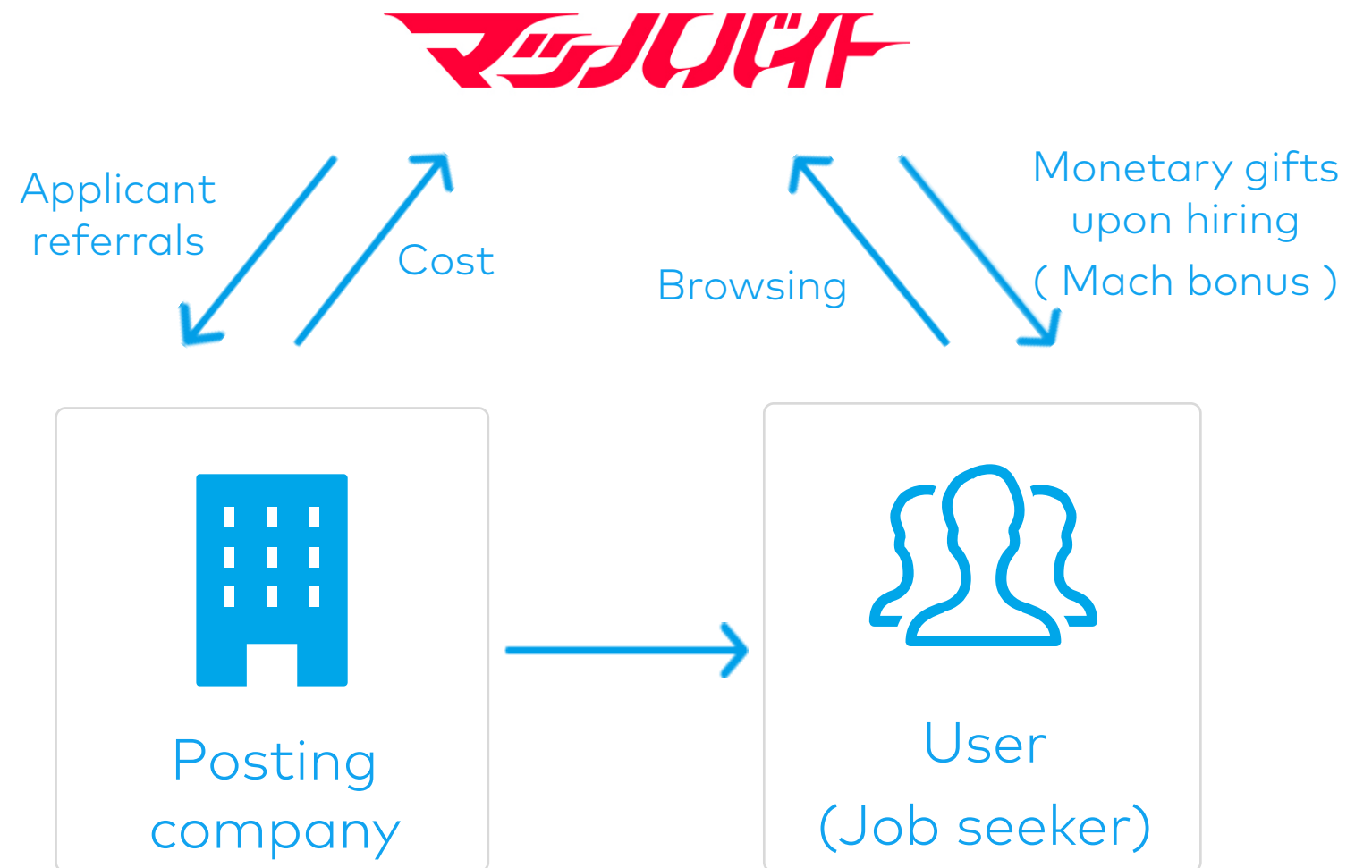
Existing Businesses

## Machbaito

| Part-time employment service with more than 230,000 job postings.

| Acquiring users, especially young students and job hoppers, by offering monetary gifts upon hiring and other promotions.

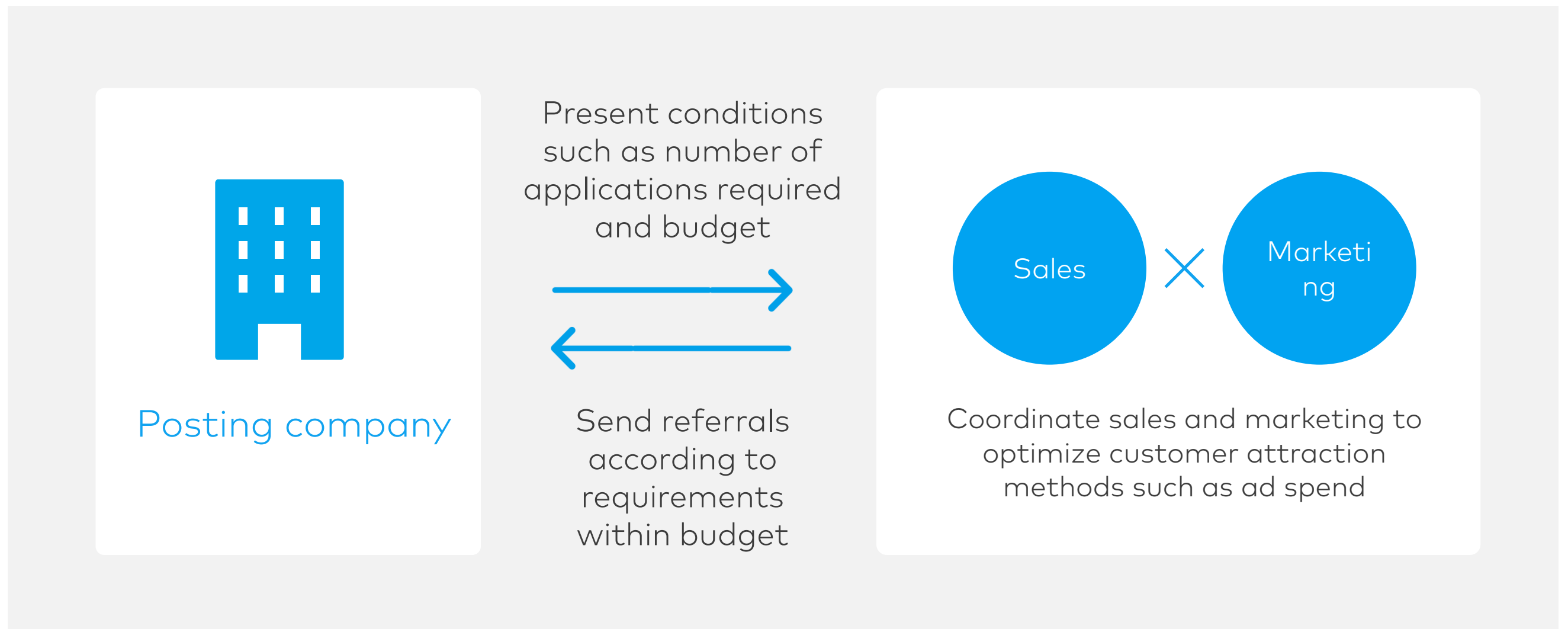
### Overview of service



## Machbaito

- | Attracting customers according to company needs by coordinating sales and marketing. Net sales up to +22% YoY, sales per posting company up to +13% YoY.
- | Will pursue expansion into new domains while securing profits based on strong customer attraction.

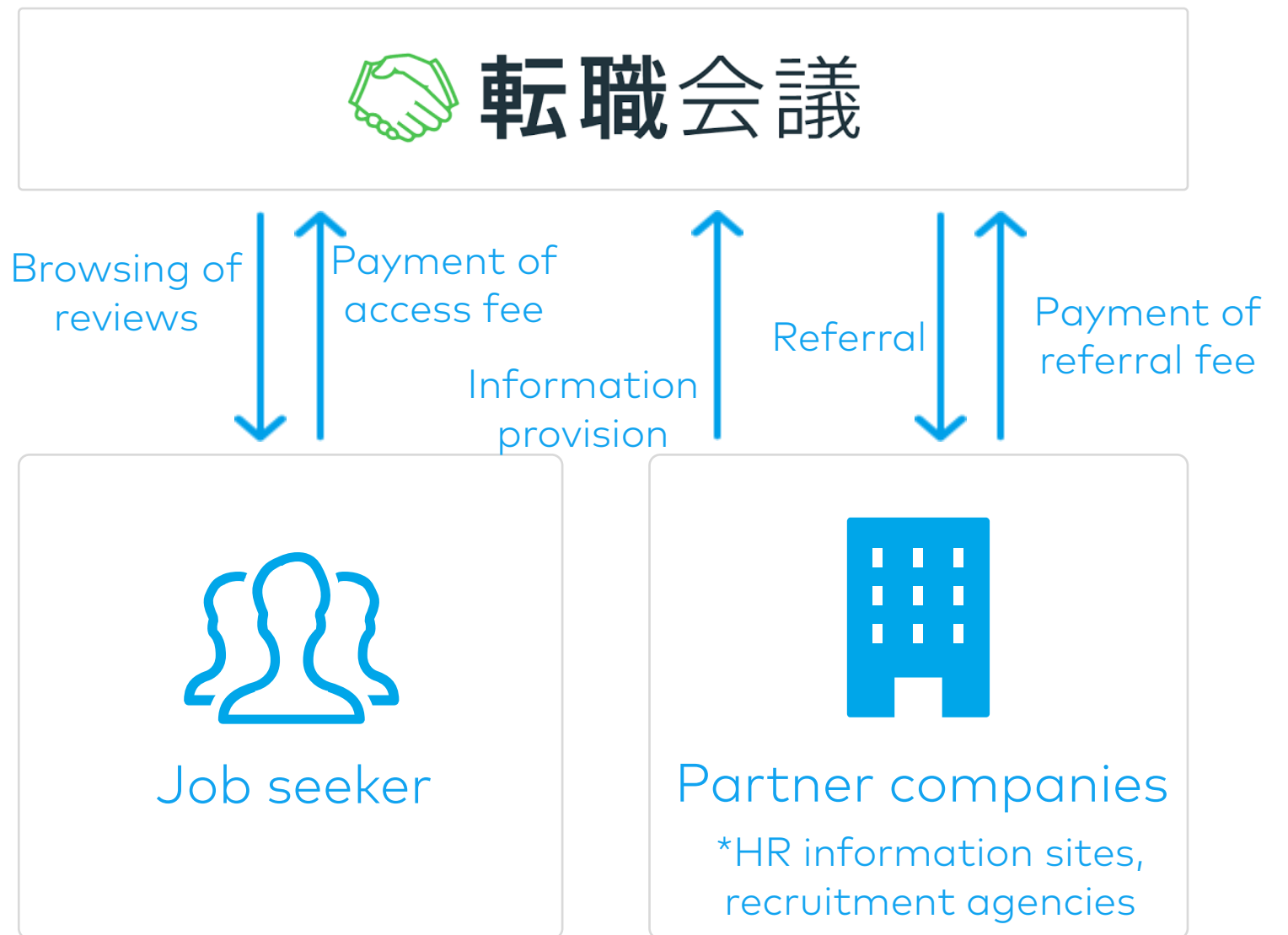
### Overview of customer attraction through coordination of sales and marketing



## Tenshoku Kaigi

- More than 3 million reviews posted with information such as company reputation and annual income.
- Provides comprehensive information, including more than 210,000 jobs, in addition to reviews. Sales created through referrals to posting companies and fees to access user reviews.

### Overview of service

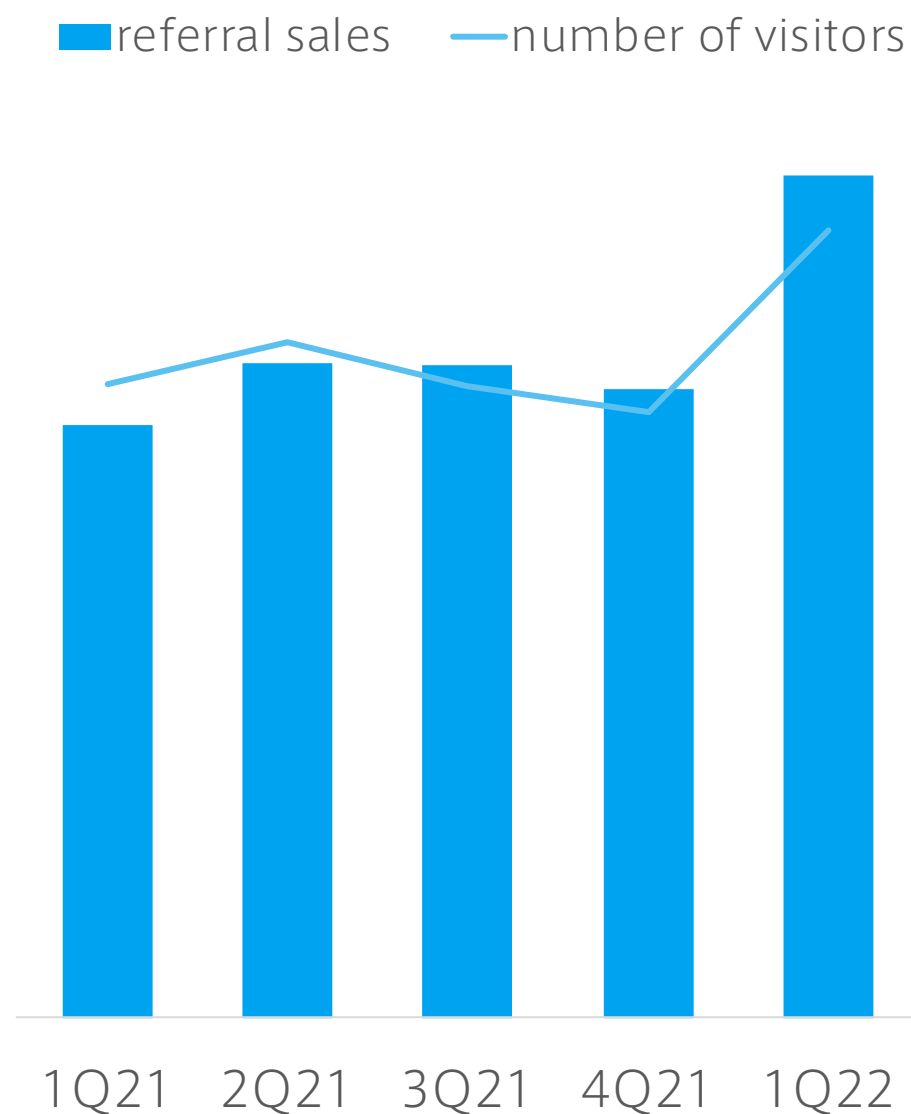


## Tenshoku Kaigi

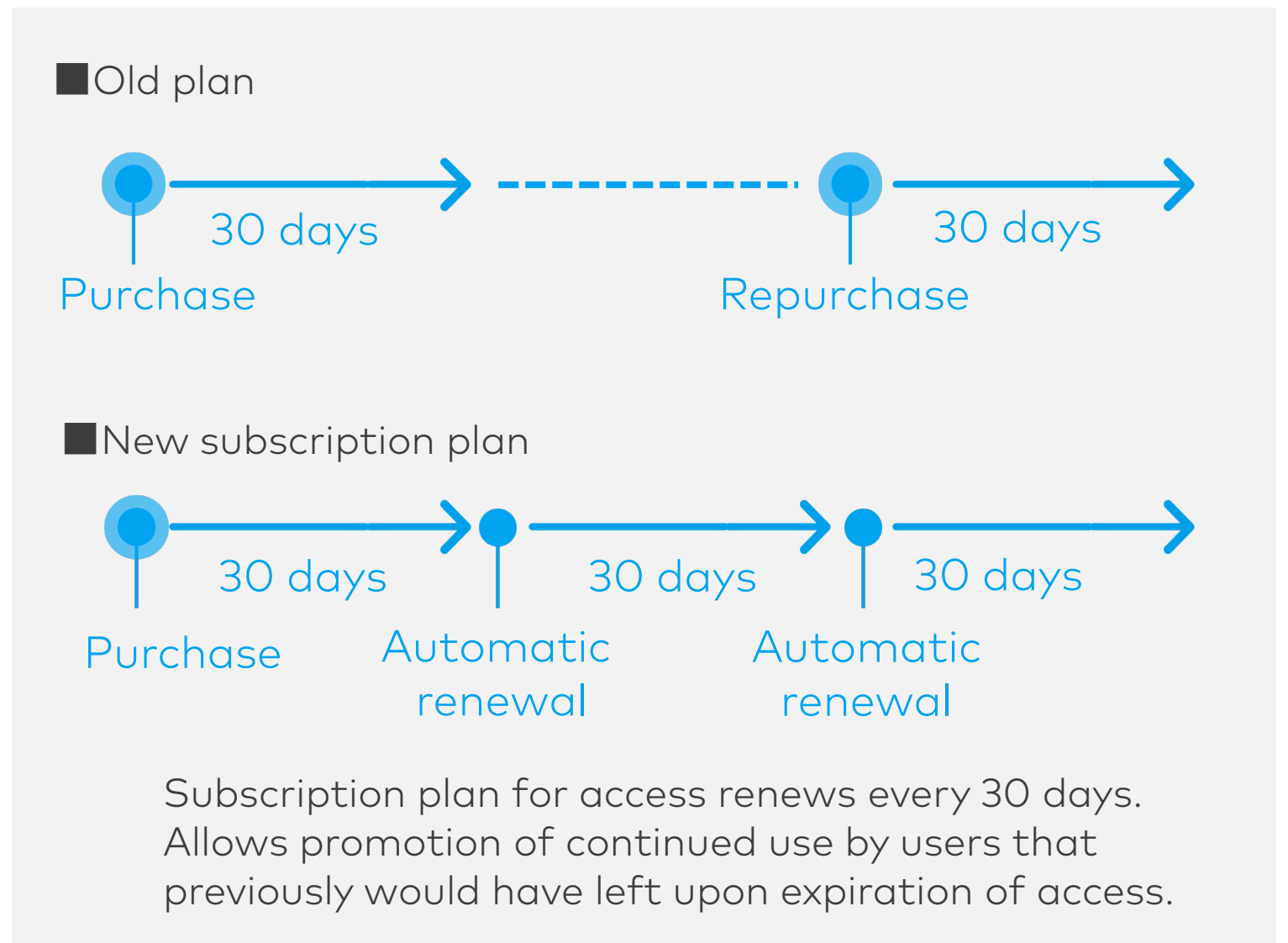
Sales grew owing to increase in number of users in addition to expanded collaboration with recruitment agencies.

New subscription sales for access to reviews.

### Trend in referral sales and number of visitors



### Changes to review access plan

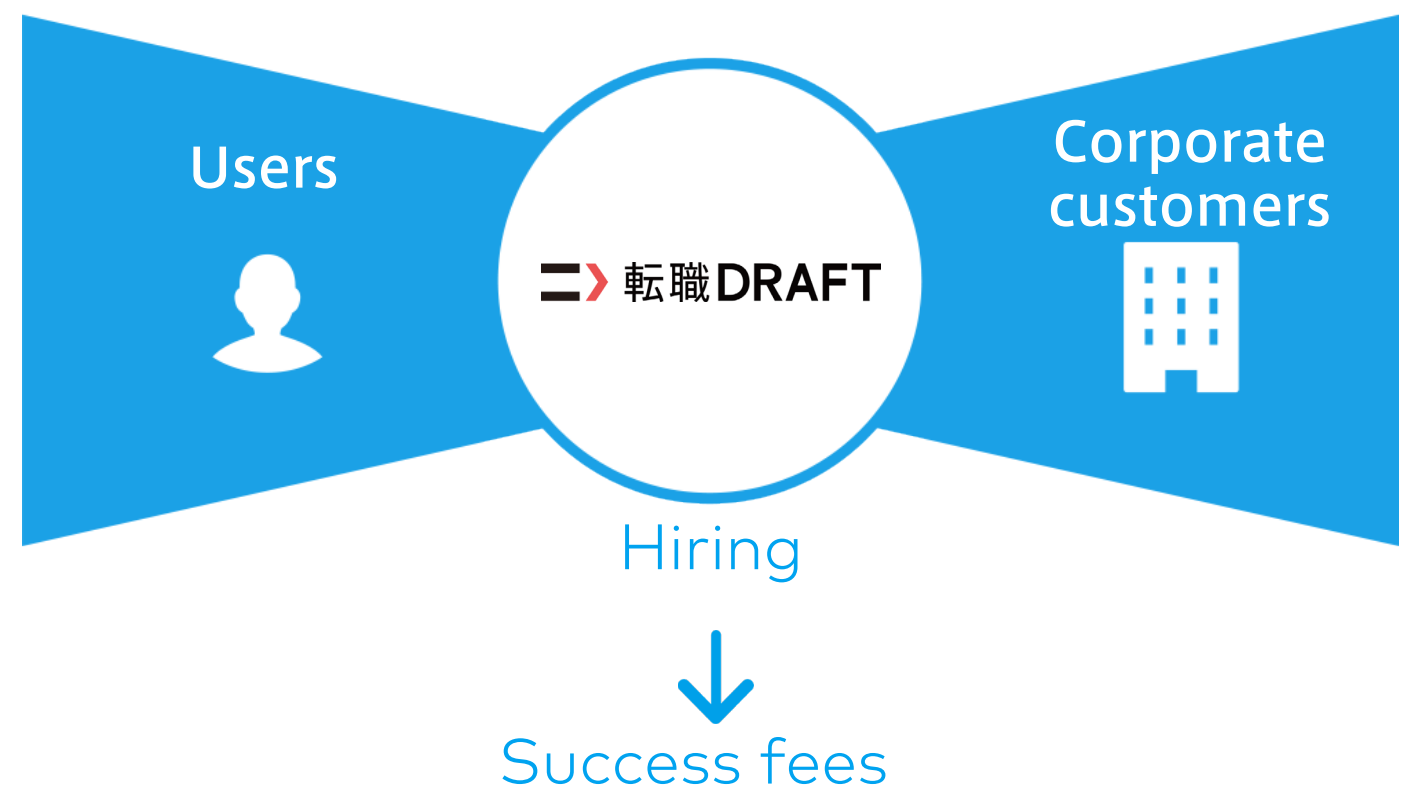




## Tenshoku Draft

- | Career change service in which companies bid on IT engineers based on experience and skills.
- | Characterized by unconventional screening in which annual income and reason for selection are presented first.

### Overview of service



\*Some sales created from initial system setup fee and annual usage fee

## Tenshoku Draft

| Succeeded in increasing numbers of participating members and companies by enhancing measures for job seekers and companies. Up a substantial +46% and +55% YoY, respectively.

| Pricing also revised based on current value provided. Contributed to increase in sales.

### Measures producing increase in numbers of participating members and companies

Number of participating members

Number of participating companies



+46% YoY



+55% YoY



Increase in sales resulting from increase in hiring

- Enhanced contact with users via marketing
- Improved yield from review at time of joining

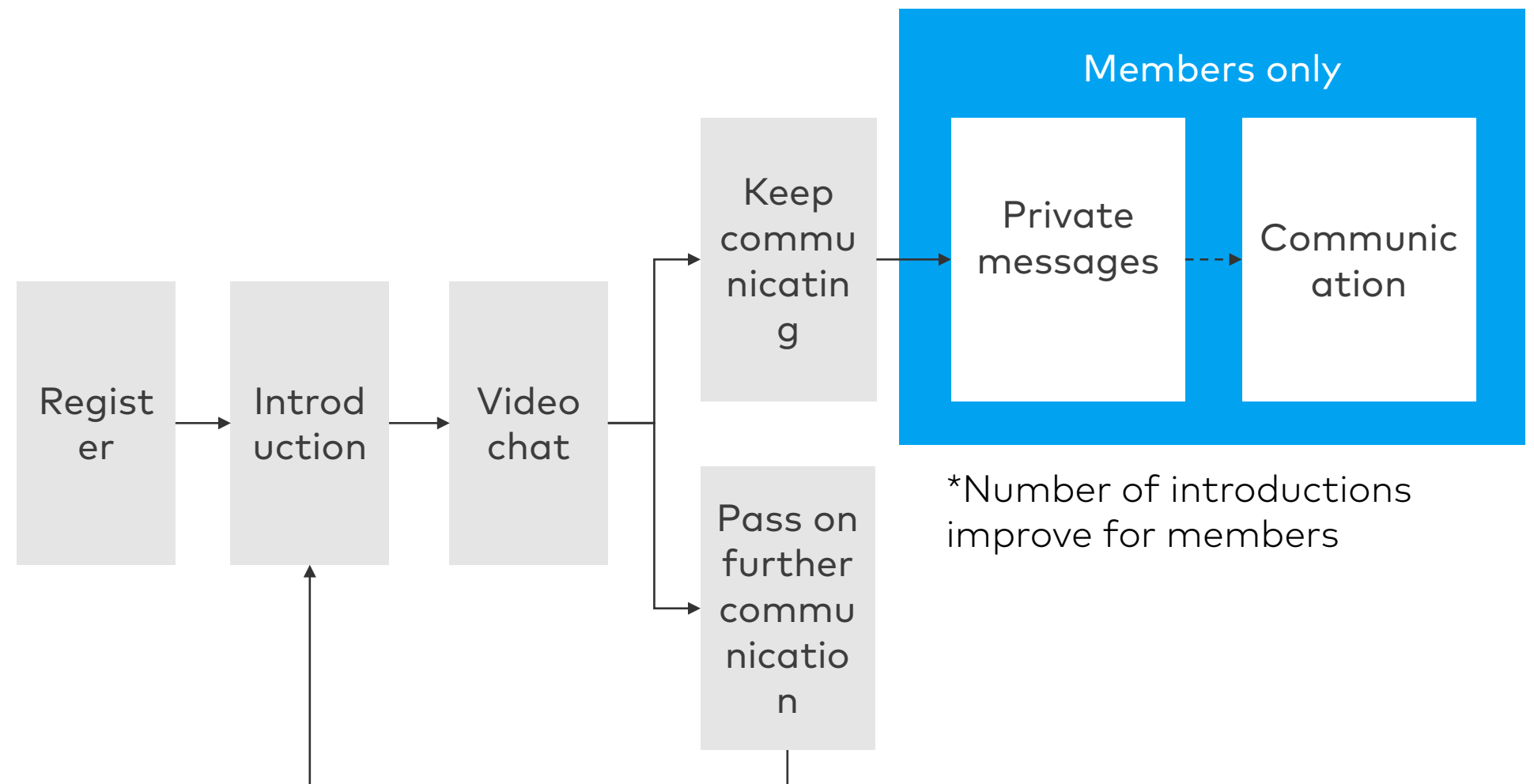
- Improved rate of continued participation through enhancement of company support
- New cultivation

## 2. Progress

New Businesses

## Proposal-type Matching Service "knew"

- "Knew" is a new proposal-type matching service that utilizes video chat. You can make your profile picture and profile private, and no likes or messages are necessary.
- Everything up to introductions and video chat can be used free of charge. Members can exchange messages one-on-one.



# Proposal-type Matching Service "knew"

| New fee plans and measures to improve registration and matching success rates.

| Ad spend will be put into high gear after improving sales per user.

### Verification schedule

2Q-3Q 2021

Launch of web services and release of app

4Q 2021

Launch of monthly member functions

1Q 2022

Ad verification and fee plan expansion

2Q 2022

Full-scale ad spend

Expansion of recognition and sales

## Online Interview Tool "batonn"

- | Paid service proposal for companies participating in beta test. Several companies have implemented it. Improved video call operations and UI on evaluation input/confirmation screen.
- | Expanded companies participating in beta test utilizing referrals from existing customers as well.

### Overview of service



Visualization of interviews and efficient tracking

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

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

## **3. Appendix**

# 3. Appendix

Corporate Profile



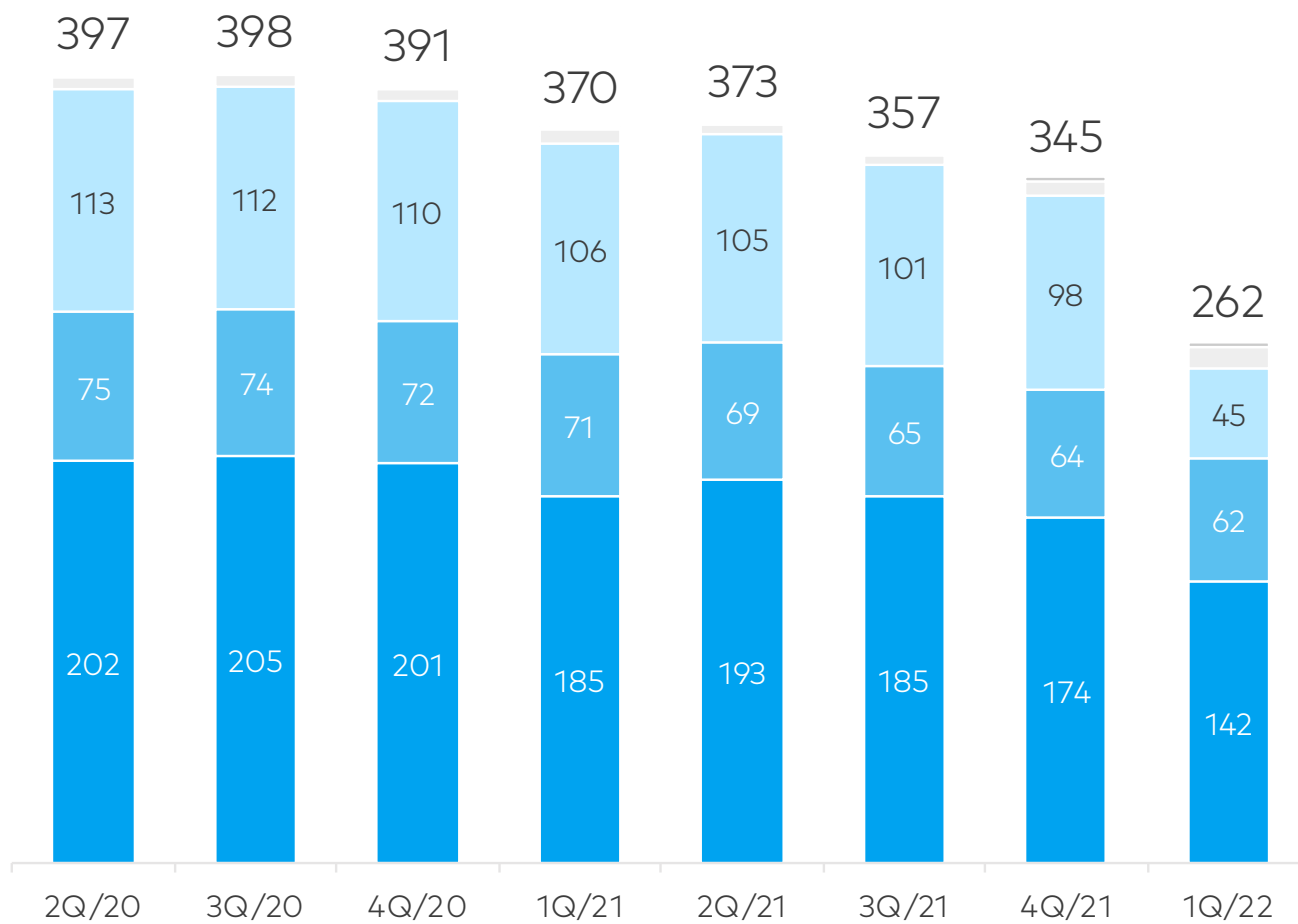
# Corporate Profile

Company name	Livesense Inc.
CEO/Founder	Taichi Murakami
Business Philosophy	Happiness Begetting Happiness.
Corporate Vision	Invent the next common.
Established	February 8, 2006
Listing Market	Tokyo Stock Exchange Prime Market (Securities code: 6054)
Number of Employees (Non-Consolidated)	Full-Time: 212 (as of March 31, 2022)
Consolidated Subsidiaries	PHIL LIFE Inc.

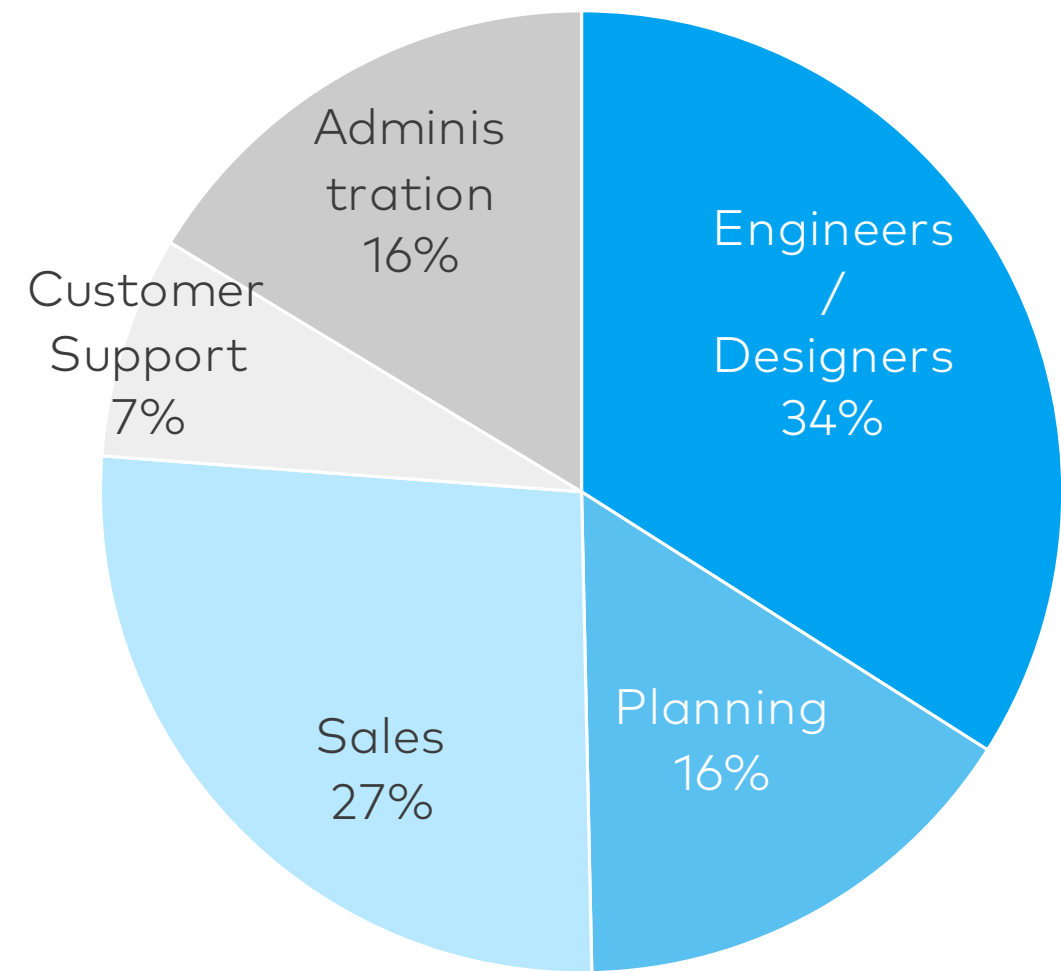
### No. of Employees (Consolidated)

(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 FY2022

# 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

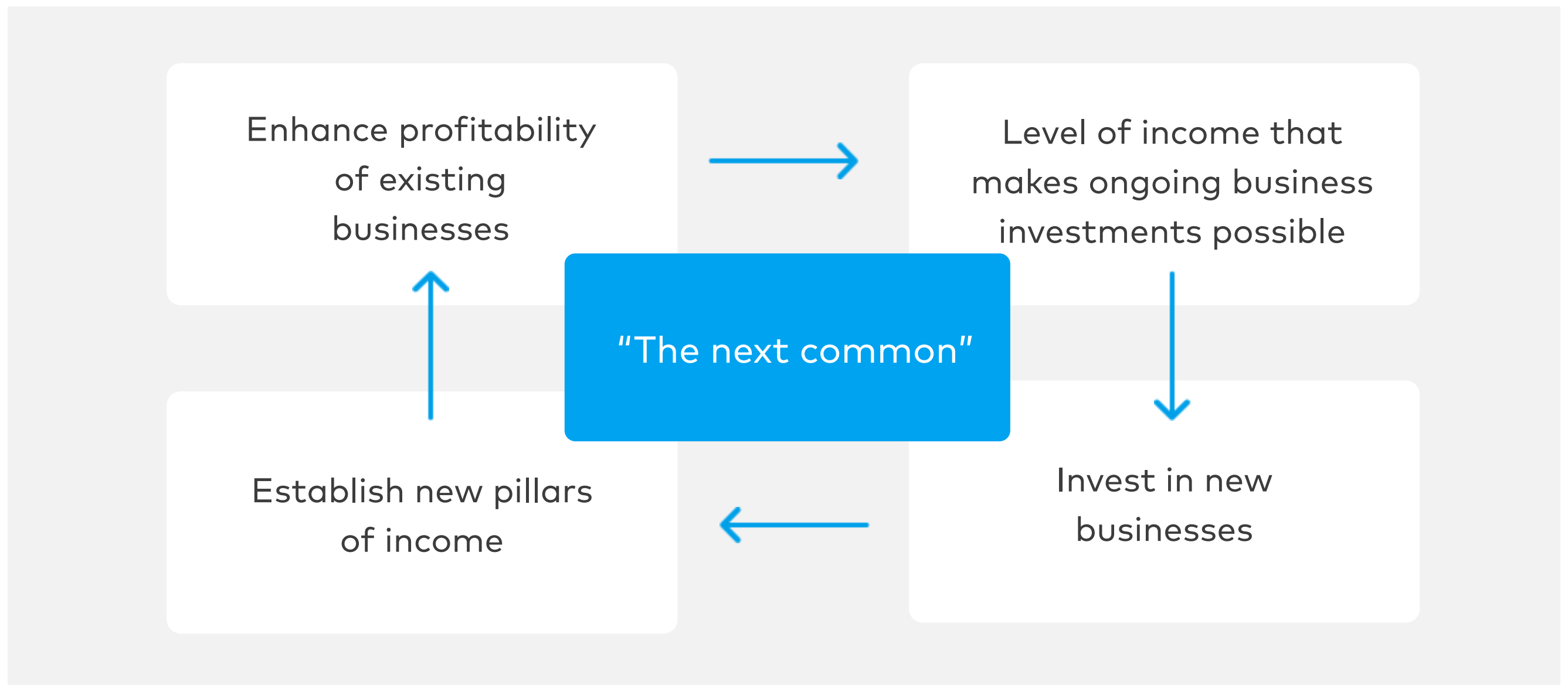


New businesses

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.



## | Policy:

Establish foundation for restructuring for profitability and full-fledged growth of new businesses in pursuit of our corporate vision  
"Invent the next common"

### ● Enhance profitability of existing businesses

- Further business growth of Machbaito and Tenshoku Draft
- Creation of new monetization points

### ● Establish foundation for new businesses

- knew: Establishment of customer attraction model capable of sustainable expansion
- batonn: Shift to paid services and acquisition of corporate customers

# Financial Forecasts for FY2022

- | Maintain and build upon FY2021 recovery and increase sales to cover with drawal from Tenshoku Navi.
- | Substantially improve operating loss. Achieve restructuring for profitability in FY2022 and return to full-year profitability in FY2023.

(Millions of JPY)

	FY2021	FY2022	YoY
Net Sales	4,179	4500	+7.7%
Operating Income	-1,112	▲ 280	—

\*Does not factor in substantial changes in the market environment occurring as a result of an end to or resurgence of COVID-19, rapid growth of new businesses, or substantial changes in net sales/income from large-scale investments



# 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.