

FY2022 2nd Quarter Financial Results

Livesense Inc. (TSE Prime Market: 6054)

August 12, 2022

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1. Financial Results

Executive Summary for the 2nd Quarter

Achieved profitability ahead of initial plan thanks to business growth and measures implemented last year for enhancing profitability. Net sales and operating income revised upward ¥500 million and ¥530 million, respectively, in full-year financial forecast.

Financial results for 2nd quarter

- Net sales ¥1,208 million (YoY +¥137 million +12.9%)
- Operating income ¥108 million (YoY +¥414 million —%)

Full-year forecasts

- Net sales ¥4,800 million (Change +¥300 million)
- Operating income ¥220 million (Change +¥500 million)

Sales up overall in existing businesses, with Tenshoku Kaigi in particular driving growth. Accelerated creation of business growth and new monetization points for sustainable growth.

- Machbaito revenue up +21.9%, Tenshoku Kaigi up +57.5%, and Tenshoku Draft up +43.5 % YoY
- Verification of new monetization points also underway within businesses

Progress made on customer acquisition and UX improvement in 2 new businesses.

- Number of paid members continued increasing in proposal-type matching service "knew." Released new features.
- Shift to paid services in online interview tool "batonn," but increase in customer acquisition slower than anticipated.

Worked on improving marketing and UX.

Overview of Quarterly Performance

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(Millions of JPY)

	FY2021 2Q	FY2022 2Q	YoY
Net Sales	1,070	1,208	+12.9%
Operating Income	-306	108	—
Operating Margin(%)	—	9.0%	—
Ordinary Income	-258	181	—
Profit attributable to owners of parent	-258	*324	—

*Impact of income tax-deferred with tax effect accounting: +¥142 million

Quarterly Net Sales and Operating Income

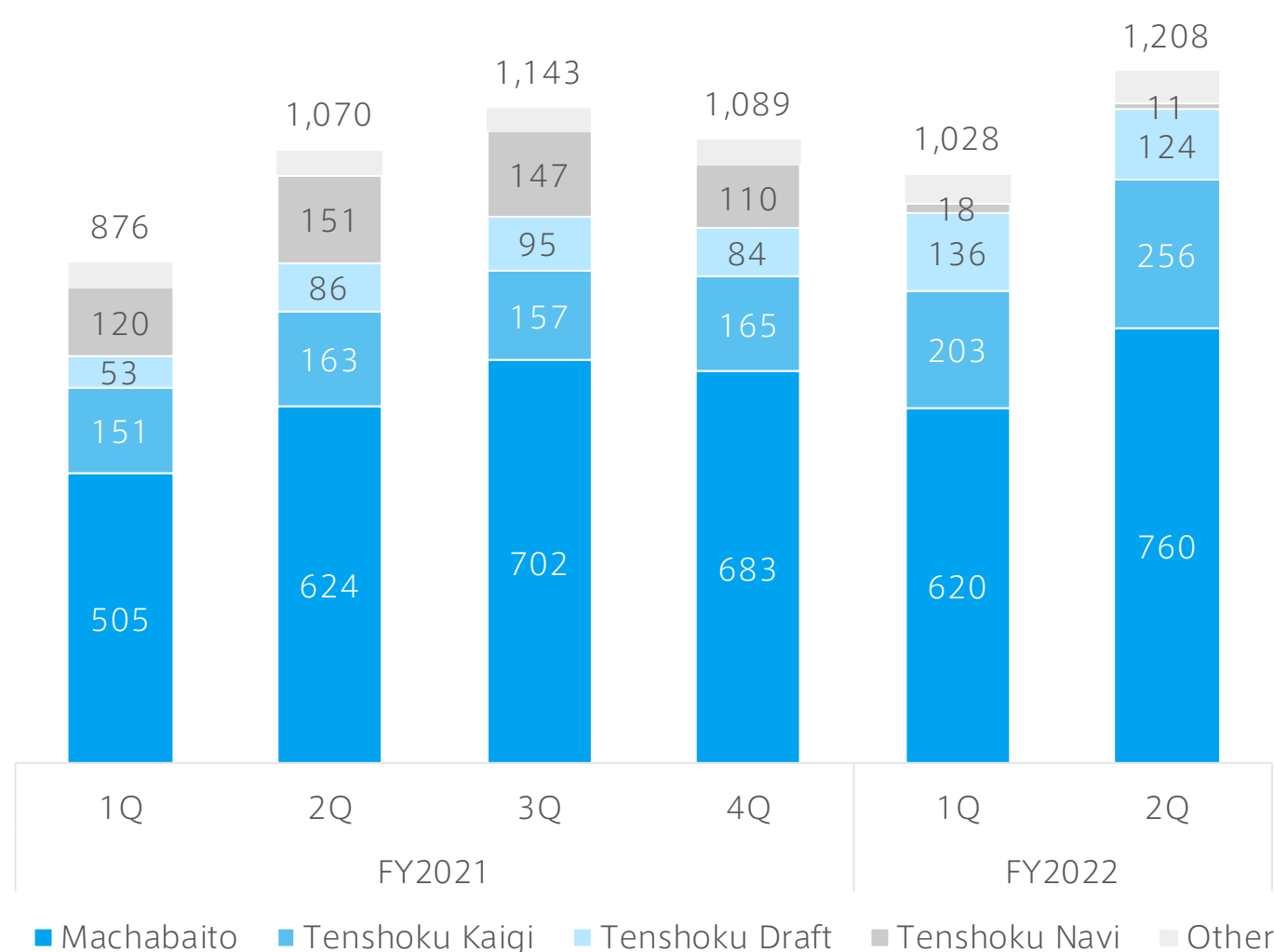
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| Net sales in three main businesses up ¥268 million (+30.7%) YoY.

| Achieved profitability thanks to business growth and measures implemented for enhancing profitability. Aiming for further business growth in second half while maintaining profitability.

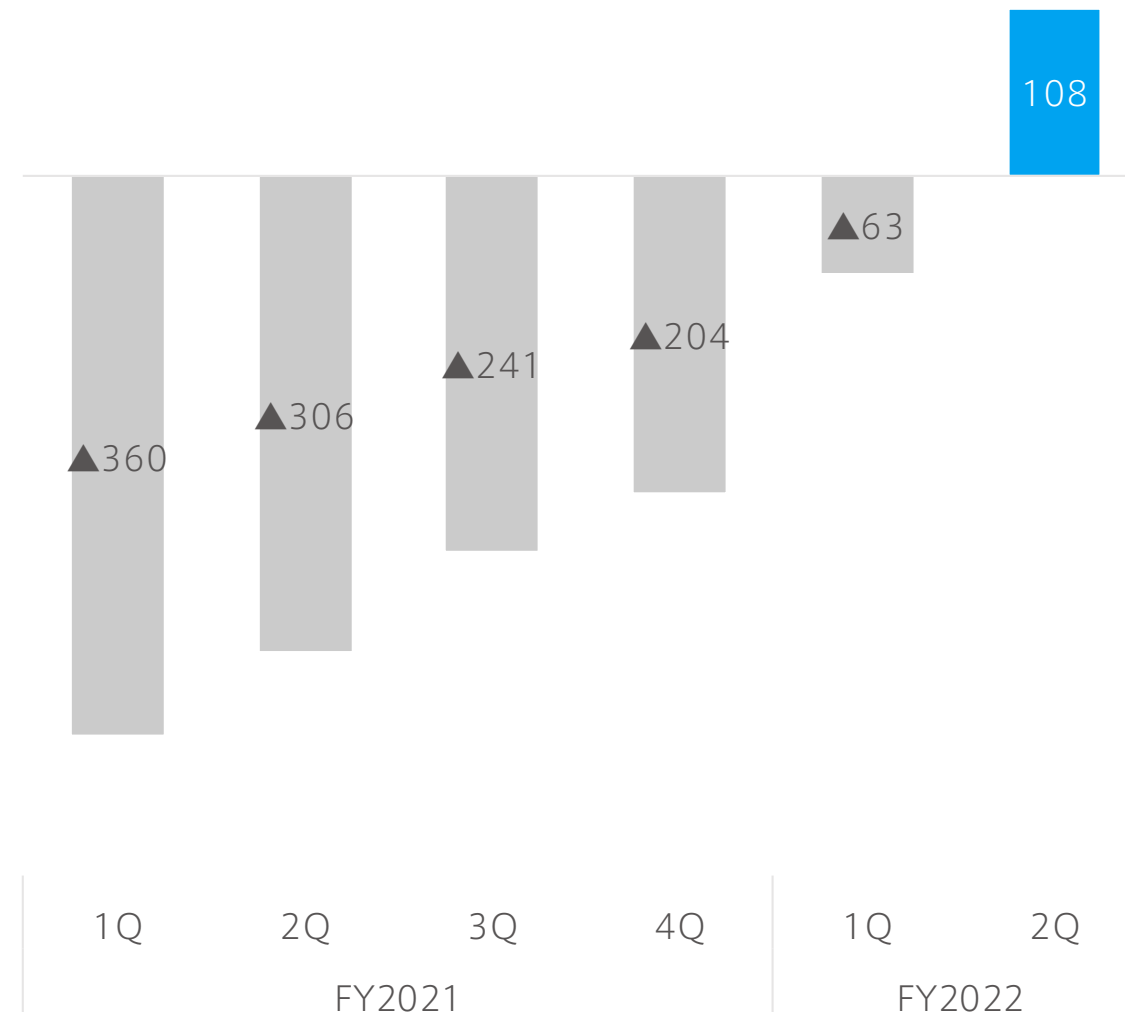
Net sales

(Millions of JPY)



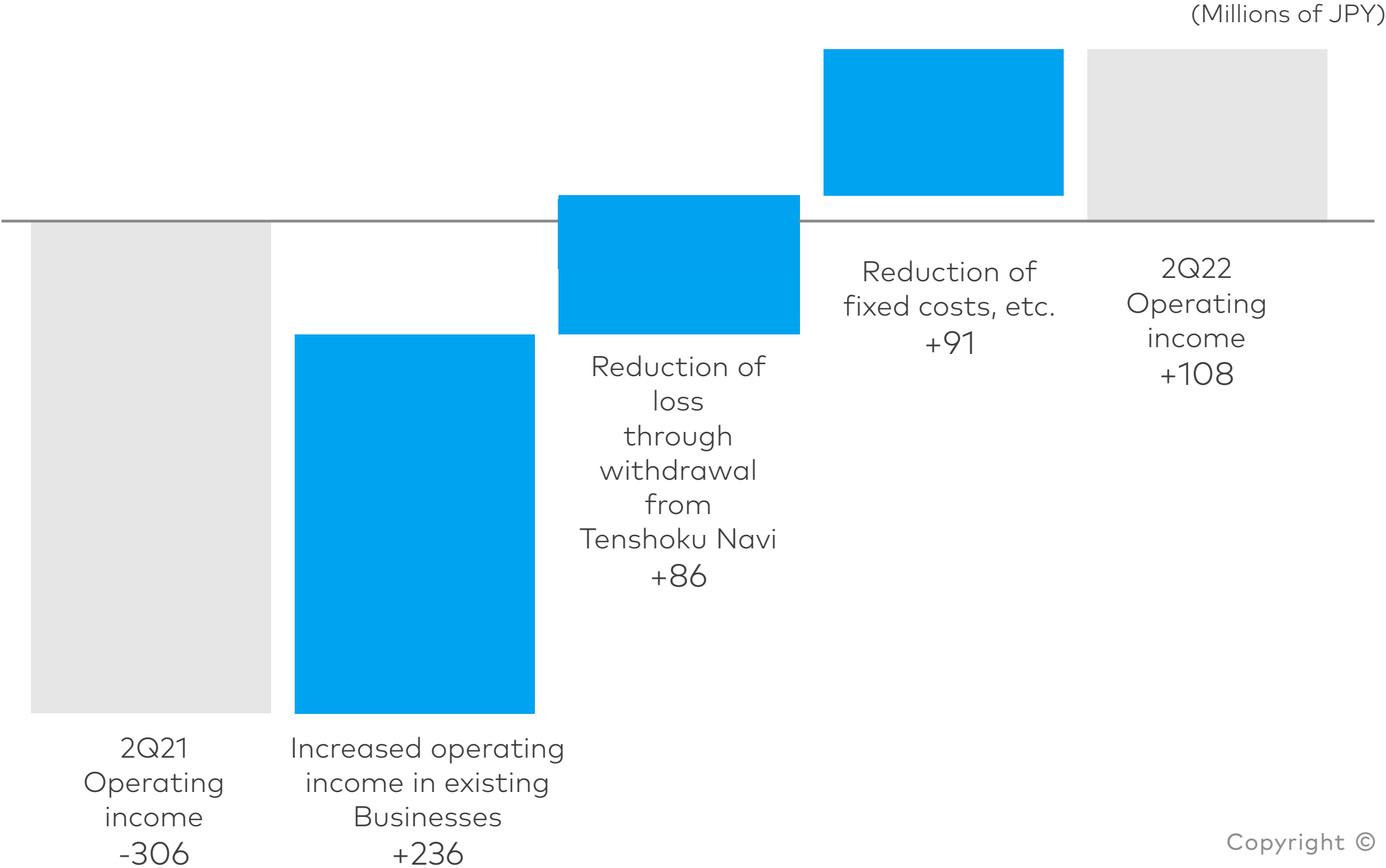
Operating income

(Millions of JPY)



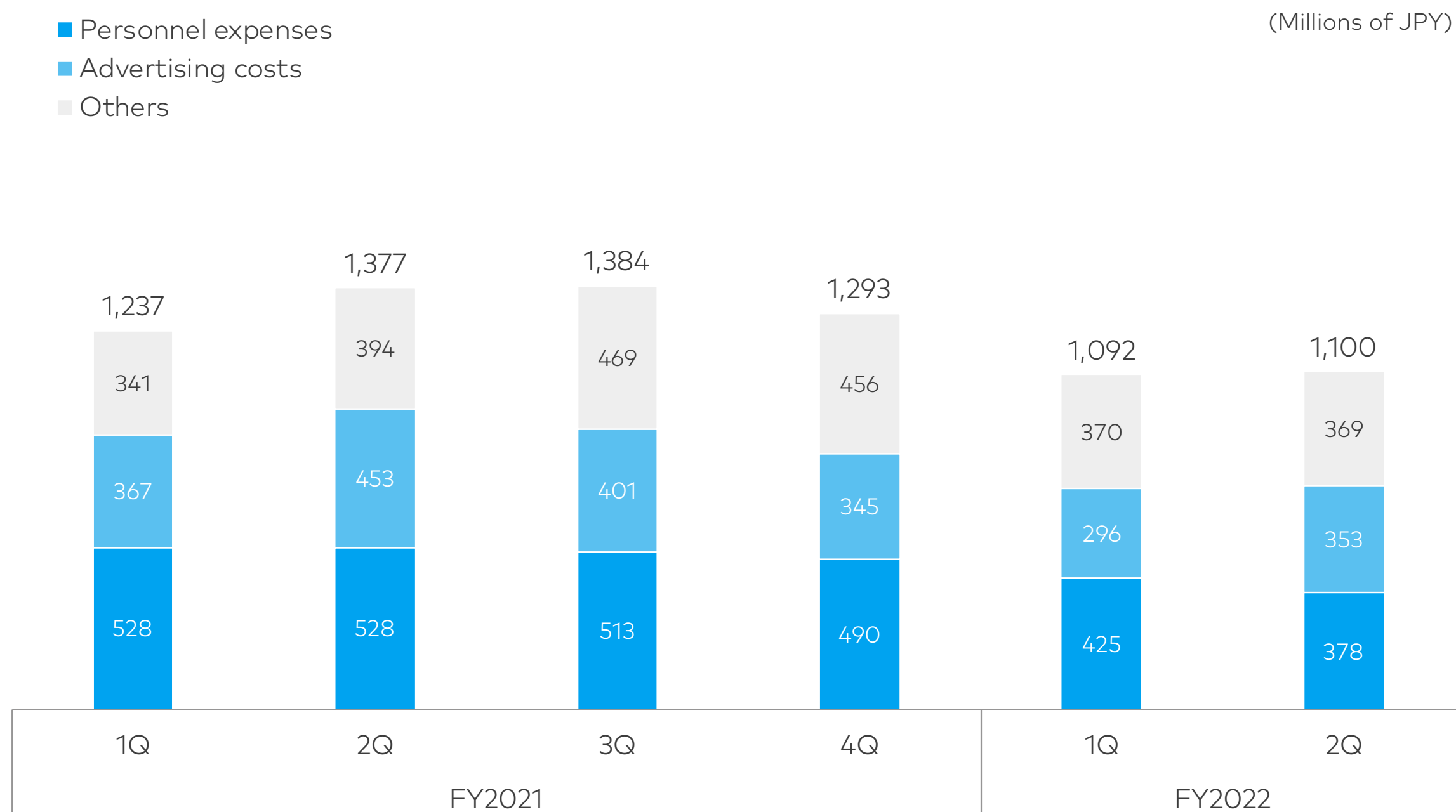
Operating Income -YoY Comparison

- | Operating income up ¥236 million (+212.6%) owing to increased sales in existing businesses
- | Achieved profitability owing to increase in sales and measures for enhancing profitability implemented in previous fiscal year.



Operating Expenses

| Expenses reduced by ¥276 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

2nd Quarter Progress

Enhance profitability of existing businesses

Sales up overall in existing businesses. Achieved profitability

Machbaito: Hiring rates recovered. Addressed customer needs and made upsells with customer attraction capabilities

Tenshoku Kaigi: Sales up owing to increase in number of visitors and sales efforts to expand budgets of big partners

Tenshoku Draft: Numbers of both participating members and companies increased

IESHIL: Strengthen membership acquisition and increase revenue from members

Establish foundation for new businesses

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







knew: Number of paid members continued to increase. Released new features

batonn: Customer acquisition delayed than expected. Made progress on improving marketing and UX

Description of Business

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

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

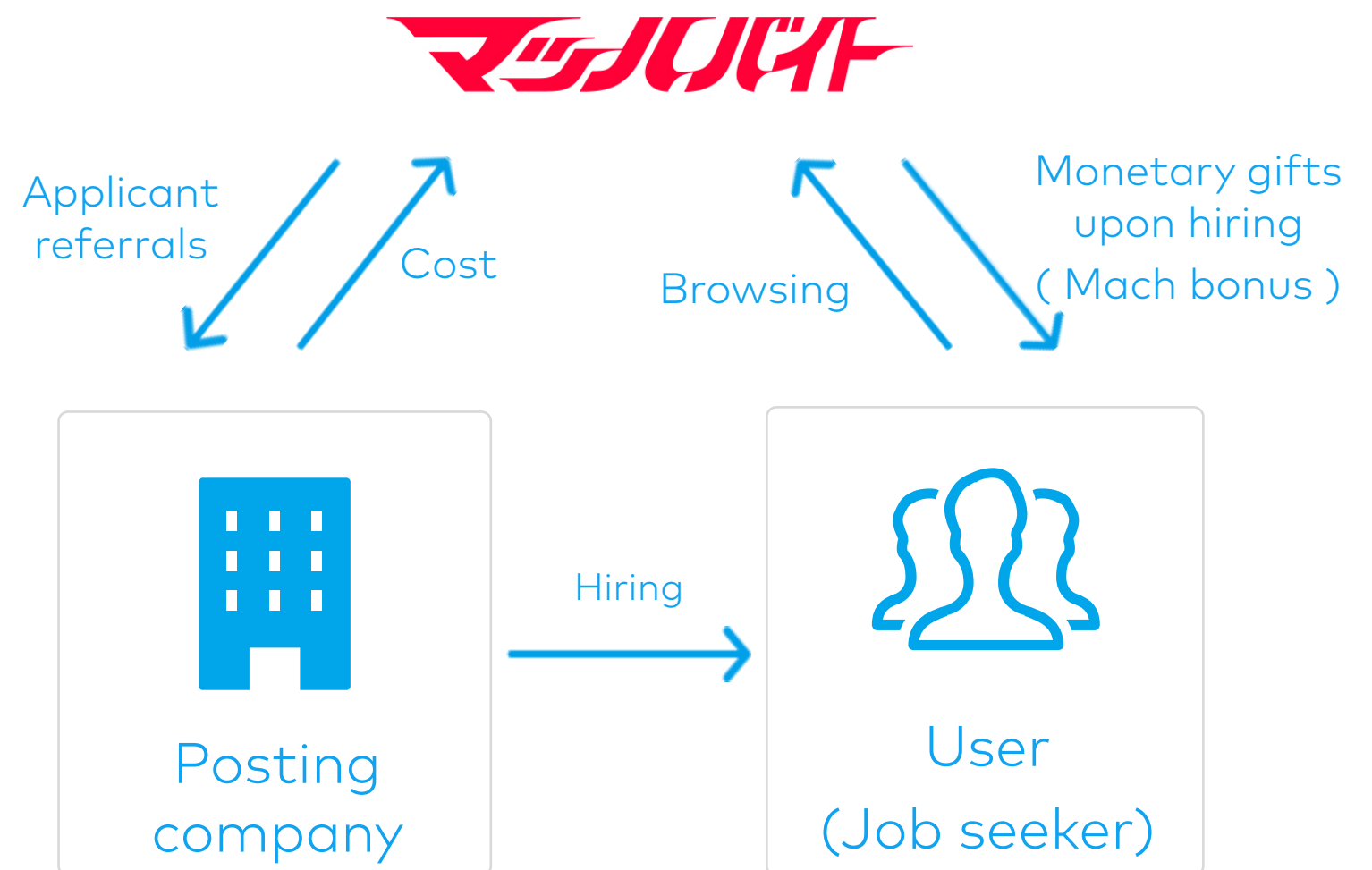
2. Progress

Existing Businesses

Machbaito

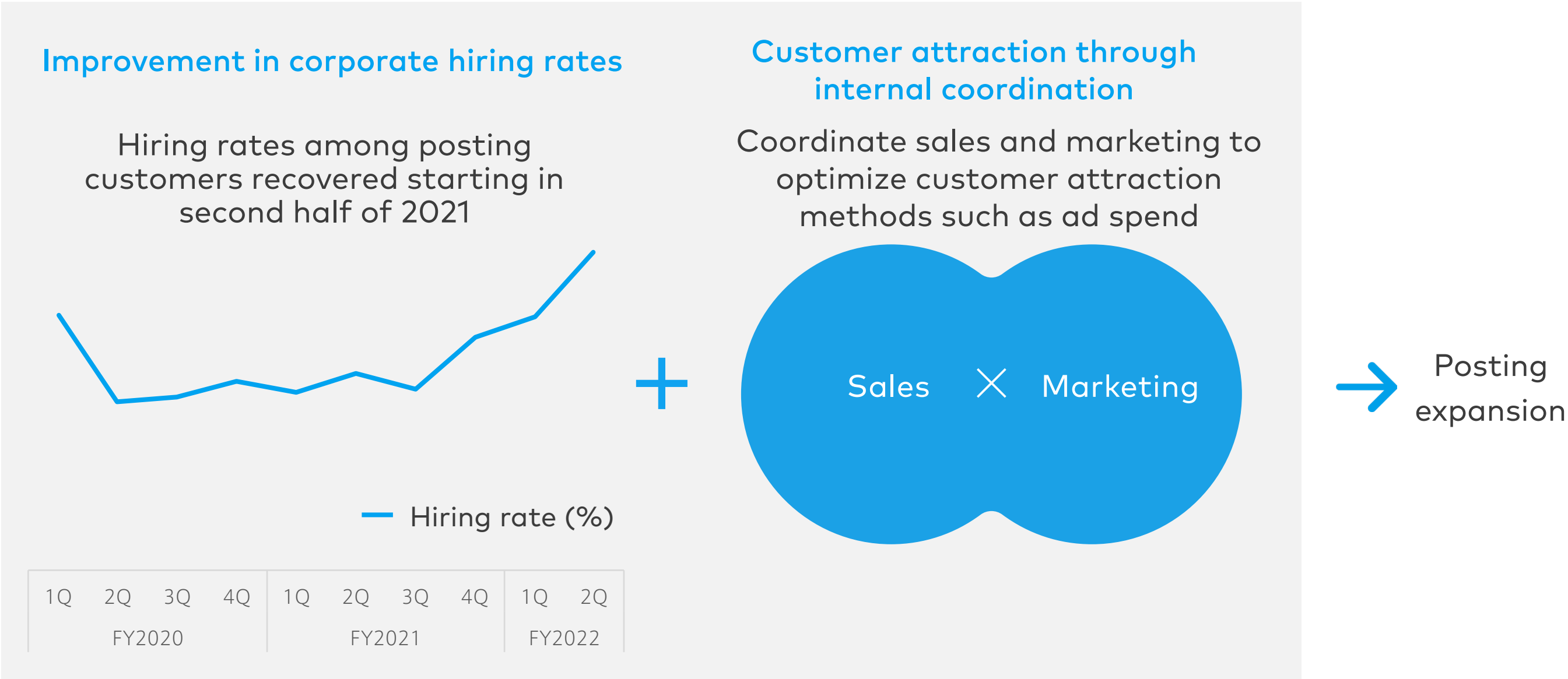
- | Part-time employment service with more than 310,000 job postings.
- | Acquiring users, especially young students and job hoppers, by offering monetary gifts upon hiring and other promotions.

Overview of service



Machbaito

- | Corporate hiring rates improved with recovery in hiring needs.
- | Realize up-selling by leveraging customer attraction capabilities through coordination of sales and marketing.
Net sales up ¥136 million (+21.9%) YoY.



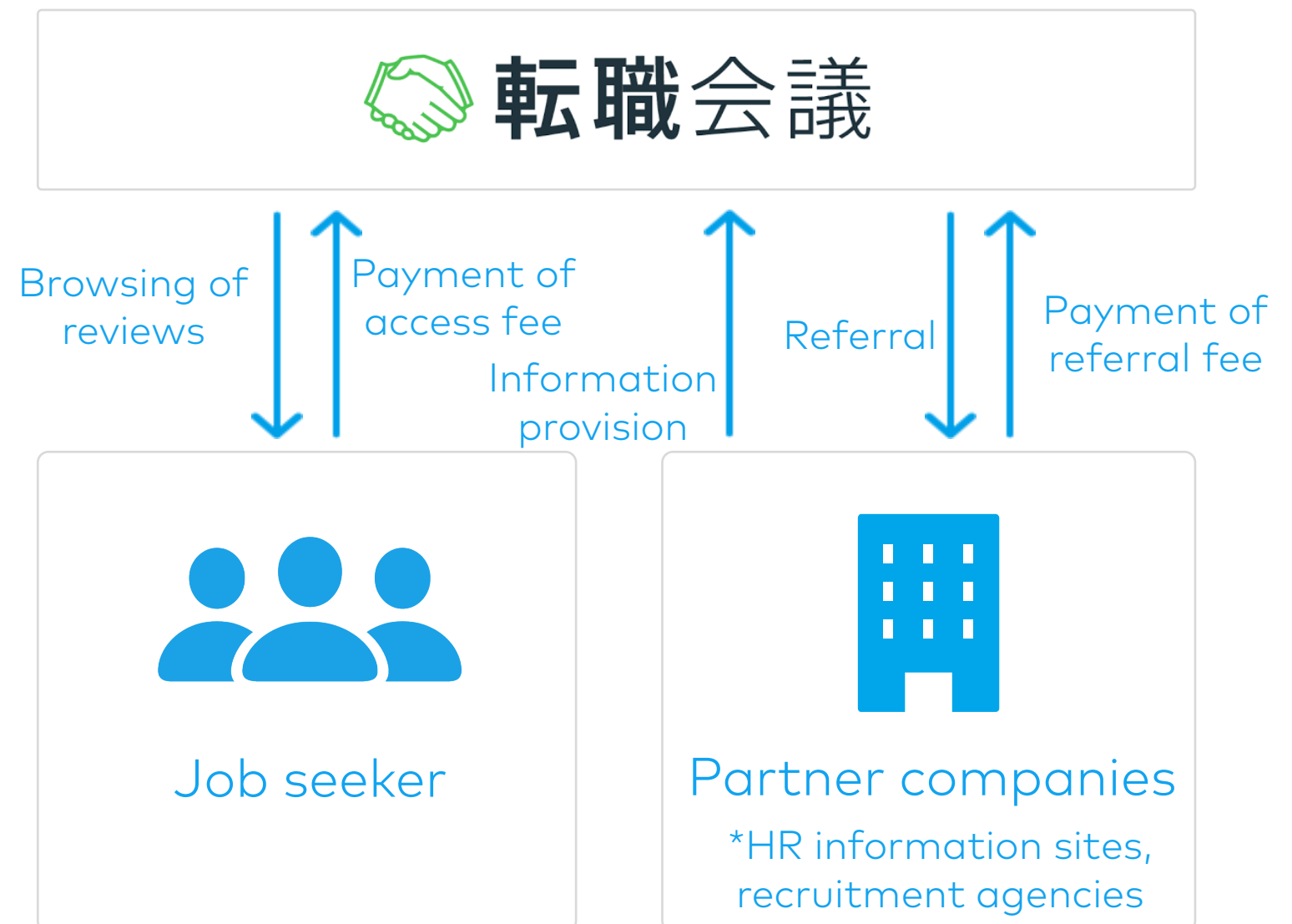
Main Business Topics

Tenshoku Kaigi

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- More than 3.4 million reviews posted with information such as company reputation and annual income.
- Provides comprehensive information, including more than 240,000 jobs, in addition to reviews. Sales created through referrals to posting companies and fees to access user reviews.

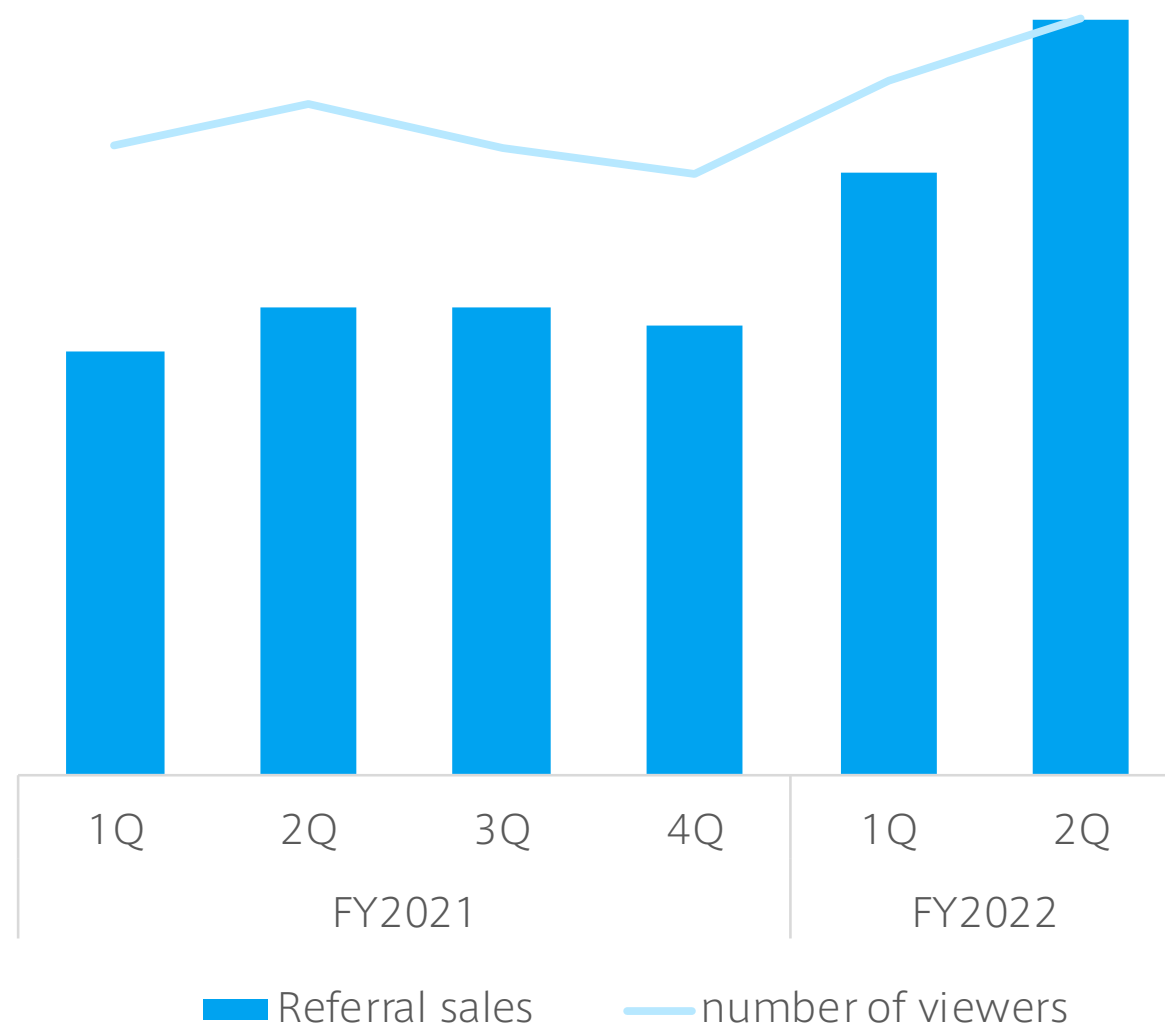
Overview of service



Tenshoku Kaigi

- | Net Sales up ¥93 million (+57.5%) YoY owing to increase in number of visitors and sales efforts to expand budgets of big partners.
- | Implemented measures to increase users along with quantity and quality of reviews to improve site value.

Trend in referral sales
and number of visitors



Measures to improve site value

Increase number of users



- Encourage new users to register as members
- Invite members who have not used the site recently to come browse

Increase quantity and quality of reviews



- Promote posts to increase reviews and organize input items
- Revise screening criteria to improve quality of reviews

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

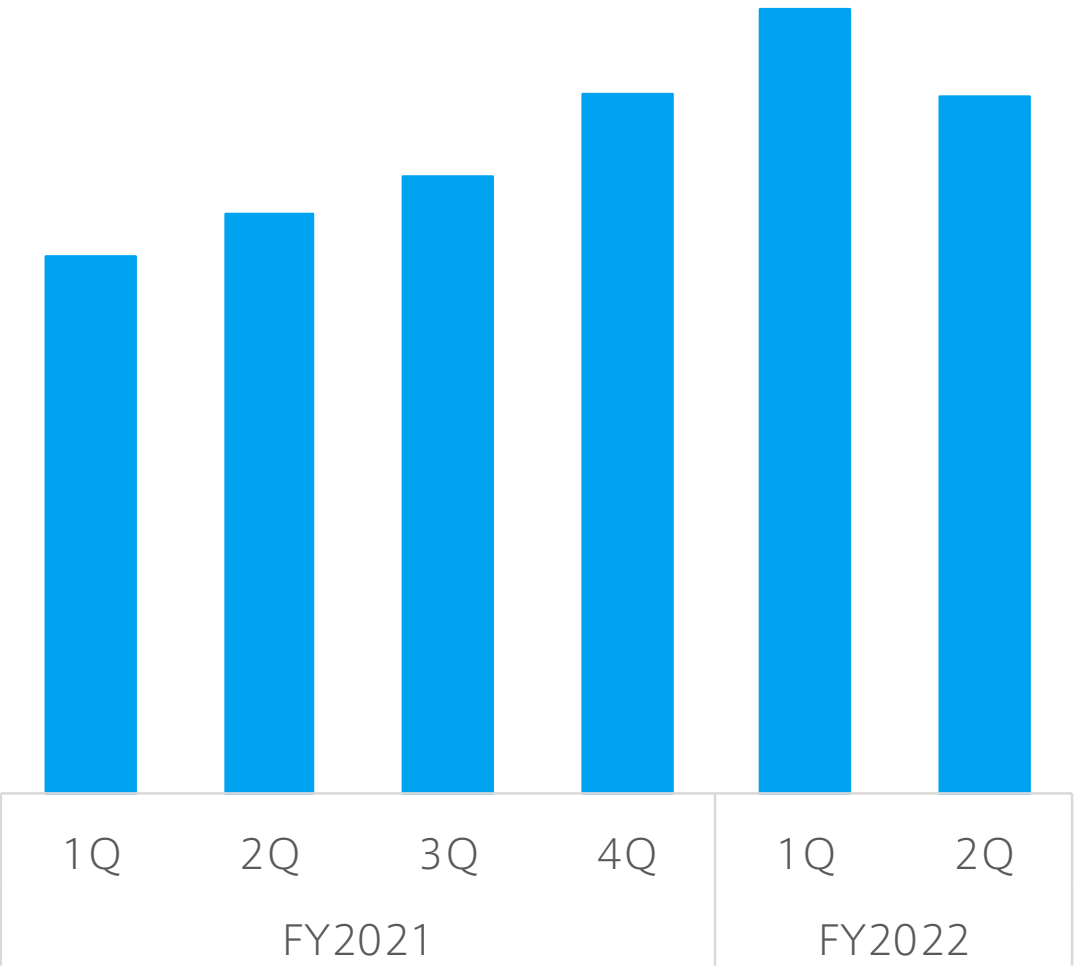


*Some sales created from initial system setup fee and annual usage fee

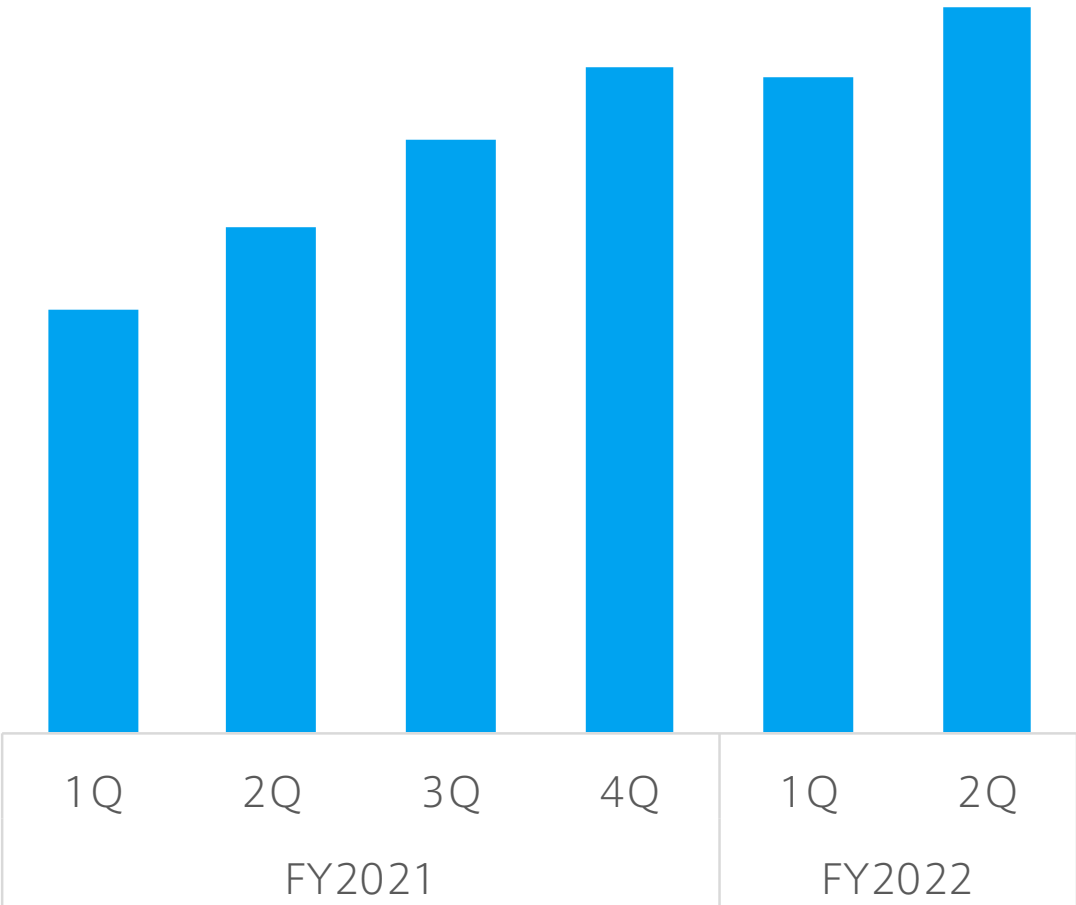
Tenshoku Draft

- | Net sales up ¥37 million (+43.5%) YoY owing to increase in numbers of both participating members and companies.
- | Number of participating members down QoQ due to change in participation criteria, but nomination rate improved. Recorded highest number of participating companies ever owing to ongoing company support and new customer cultivation.

Trend in number of participating members



Trend in number of participating companies

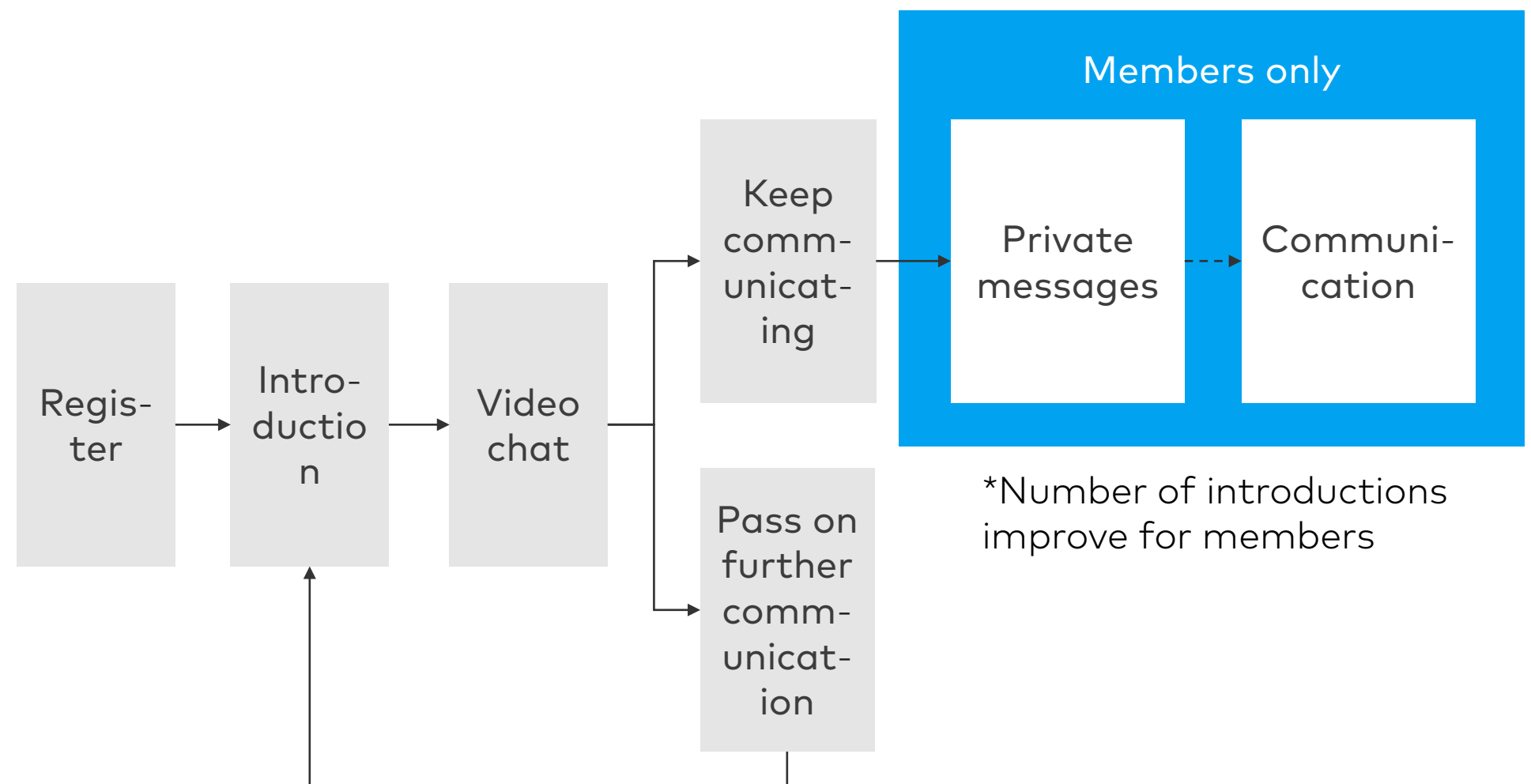


2. Progress

New Businesses

Proposal-type Matching Service "knew"

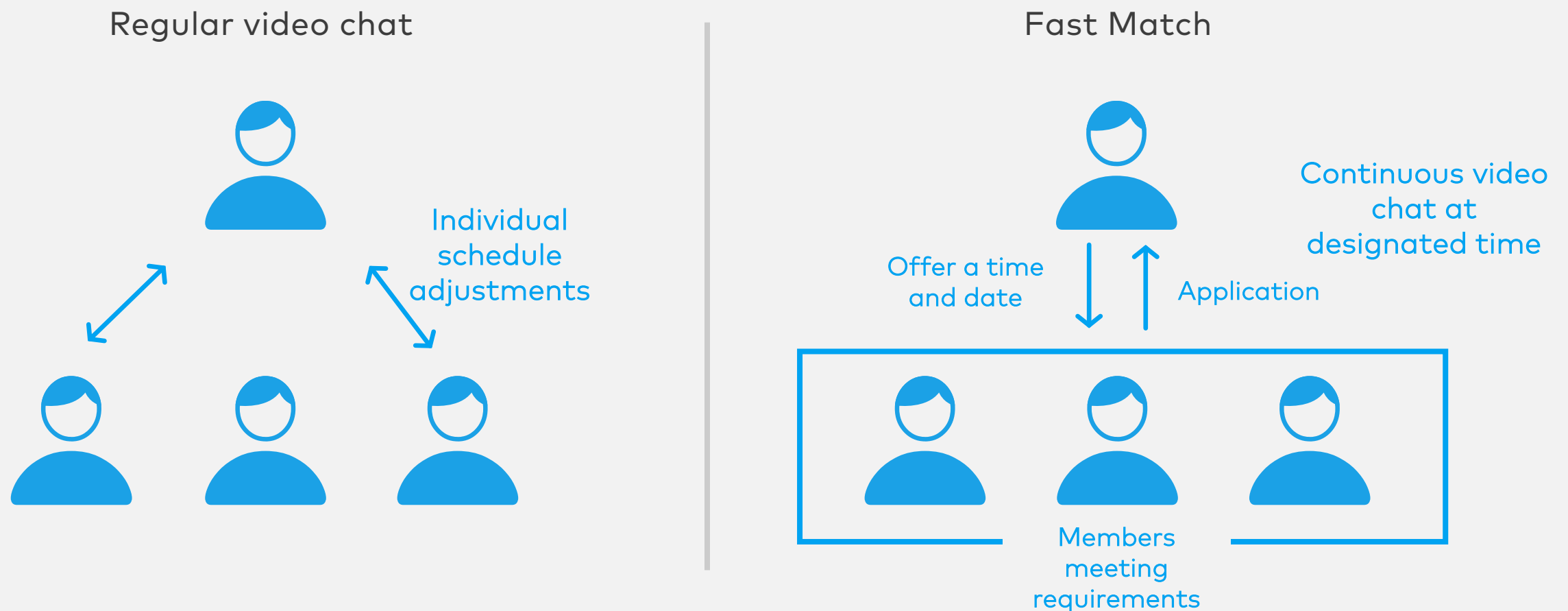
- "knew" is a new proposal-type matching service that utilizes video chat. You can make your profile picture and profile private, and no likes or messages are necessary.
- Everything up to introductions and video chat can be used free of charge. Members can exchange messages one-on-one.



Proposal-type Matching Service "knew"

- | Progress made on ad verification, number of paid members continued to increase.
- | Released "Fast Match" to reduce burden of schedule adjustment/video chat. Aiming for improved retention rate with UX improvements.

What is Fast Match?



Normally, schedules are adjusted individually with the referrals. With Fast Match, those interested apply for the time/date presented, eliminating the need for individual adjustments

batonn

- "batonn" is a new online interview tool. It can prevent mismatches during recruitment and enhance attraction to candidates.
- Elimination evaluation disparities between interviewers by converting interviews into data and linking the post-interview evaluation with the rationale.

Recording and transcription



Sharing of evaluations



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

Online Interview Tool "batonn"

- | Pace of acquisition is slower than anticipated, despite proposals for paid use.
- | Progress made on improving marketing and UX with promotion of customer acquisition and onboarding.

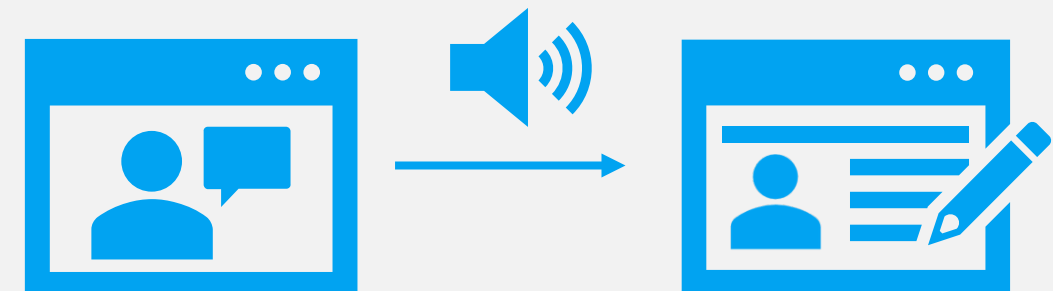
UX improvements

Interview screen



Guide displayed for evaluation criteria to prevent omissions. Yes/No option added to record impression from interview. Makes it easy to reflect on interview.

Voice transcription function



85% reduction
of transcription time

Reduced post-video interview voice transcription time, so evaluation can be entered right away after interview. Will continue to roll out measures to improve interview/evaluation experience.

3. Policy for 2H

What LIVESense is aiming for

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| 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



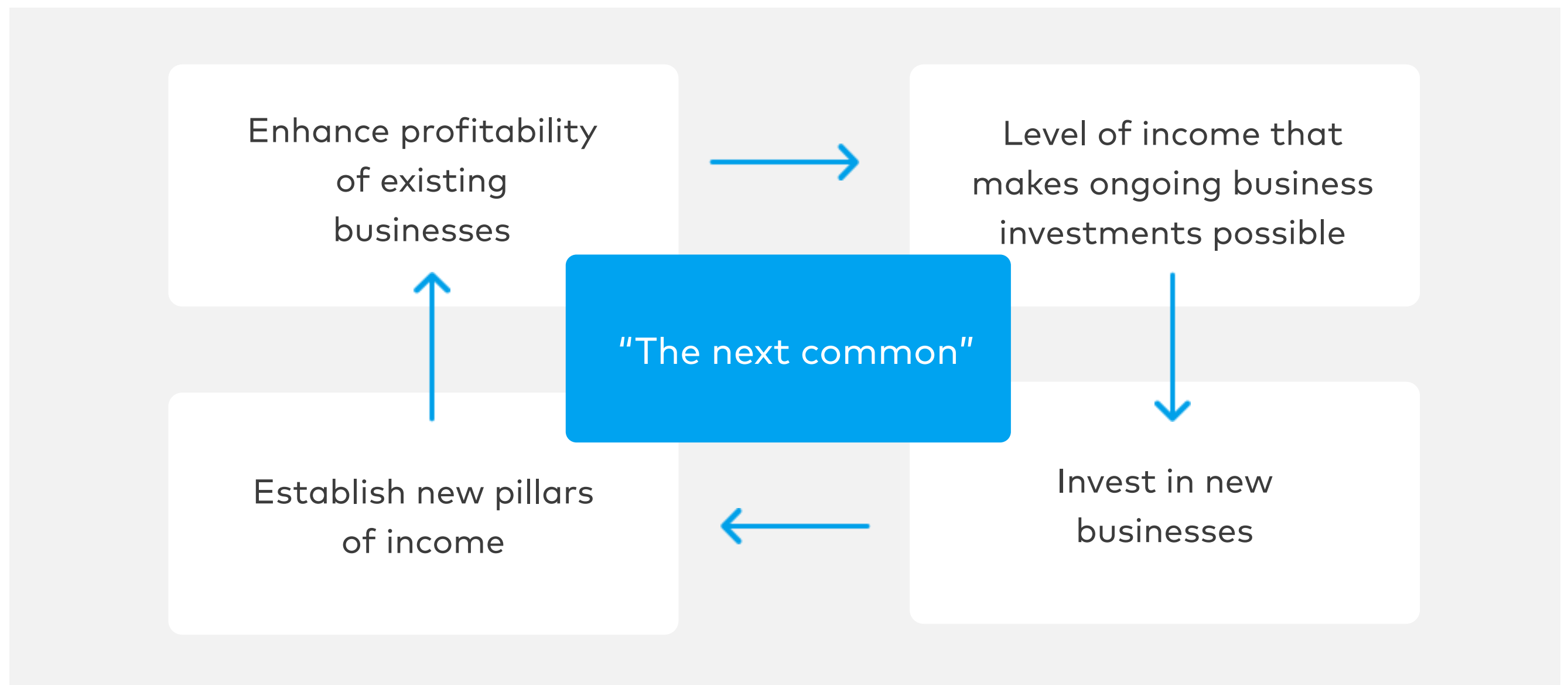
New businesses

Diversify business models
and create next pillars

What LIVESense is aiming for

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



- | Accelerate efforts for sustainable growth while maintaining basic policy in response to achievement of profitability.

Policy for 2H

Enhance profitability of existing businesses and establish foundation for new businesses to achieve sustainable growth for pursuit of our corporate vision "Invent the next common."

● Enhance profitability of existing businesses

- Further business growth of Machbaito, Tenshoku Kaigi 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

Enhance Profitability of Existing Businesses

- | Update policy in second half to achieve sustainable growth in response to early achievement of profitability.
- | Accelerate enhancement of profitability by creating business growth and new monetization points centered on Machbaito, Tenshoku Kaigi and Tenshoku Draft



Strengths	<ul style="list-style-type: none">• Create applications according to company needs by coordinating sales and marketing• Mach bonus incentive for users	<ul style="list-style-type: none">• Name recognition as leading job change review site in Japan• Large membership owing to name recognition and massive number of reviews	<ul style="list-style-type: none">• High level of satisfaction with hiring among both job seekers and companies via competitive bidding• Job seeker support through resume review and feedback
FY2022 second half policies	<ul style="list-style-type: none">• Expand customer share and acquire new big customers• Cultivate new industries where strengths can be utilized and create new user value	<ul style="list-style-type: none">• Expand customer share and acquire new big customers• Create new monetization points utilizing the existing assets of Tenshoku Kaigi	<ul style="list-style-type: none">• Increase in number of participants and number of participating companies through product improvements and marketing• Enhance brand of services for continuous business expansion• Create new monetization points utilizing Tenshoku Draft platform

- | Continue investing in new businesses to create future pillars.
- | Exploring new business proposals centered on establishing foundation for knew and batonn

knew

batonn

New future businesses

Overview of service	Proposal-type matching service	Online interview tool	(Development and verification as necessary)
Challenges to address	<ul style="list-style-type: none">· Fewer opportunities to meet people· Inefficient matching	<ul style="list-style-type: none">· Remaining inefficiencies in hiring interviews· Poor experience of interviewers and candidates	Social problems
Profit model	Monthly subscription	Monthly subscription	Consider on case-by-case basis
FY2022 policy	Establishment of customer attraction model capable of sustainable expansion	Shift to paid services and acquisition of corporate customers	Certain level of ongoing investment

Financial Forecasts for FY2022

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- Revise financial forecasts upward in response to business growth exceeding initial plan.
- Consolidated operating income increased significantly due to an increased sales of Tenshoku Kaigi, which has particularly high margin.

(Millions of JPY)

	FY21	FY22 Previously announced forecast (A)	FY22 Revised forecast (B)	Amount of change (B-A)
Net Sales	4,179	4,500	4800	300
Operating Income	-1,112	-280	220	500
Ordinary Income	-916	-110	400	510
Profit attributable to owners of	-943	-140	540	680



LIVESENSE

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4. Appendix

4. Appendix

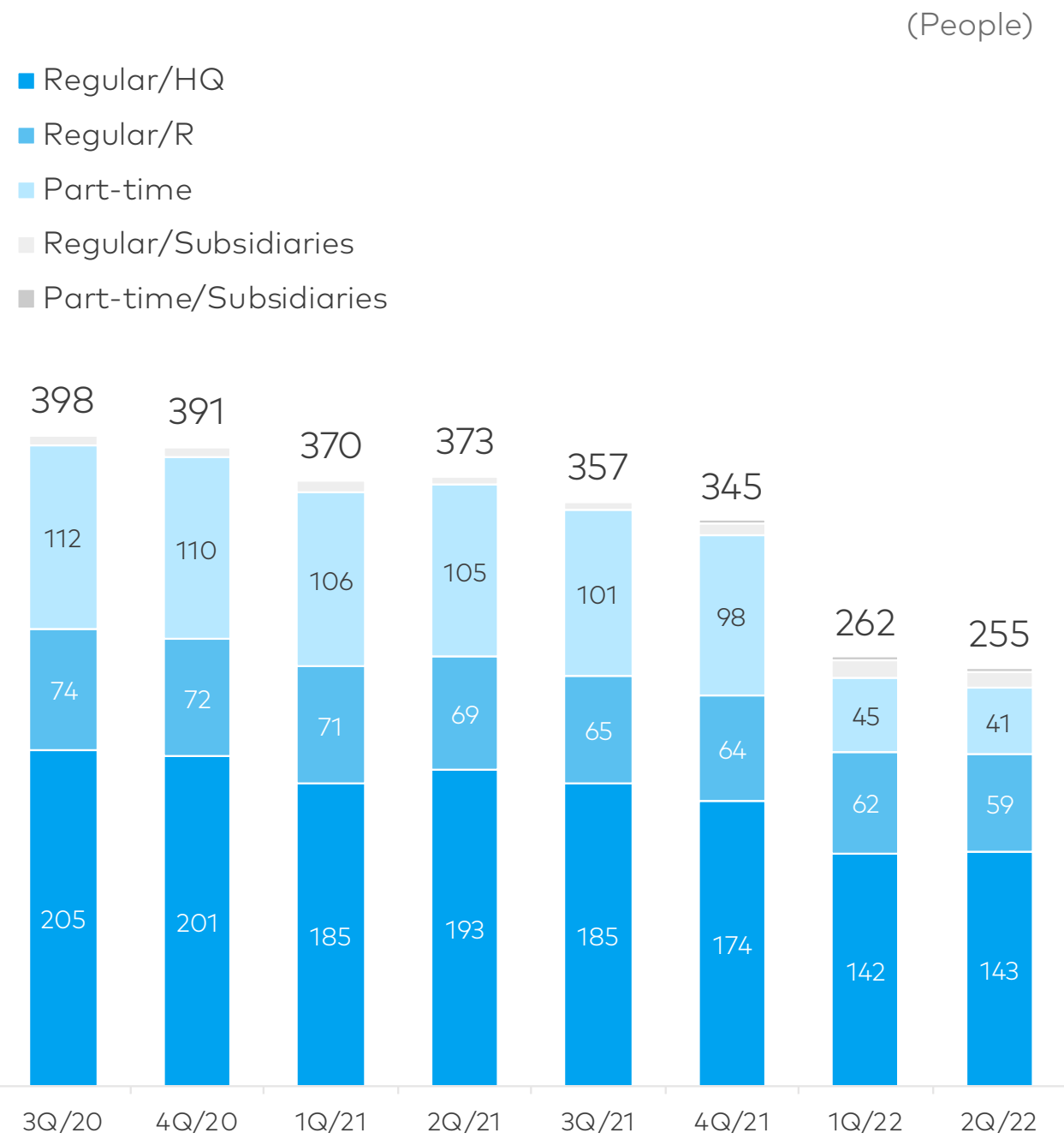
Corporate Profile

Corporate Profile

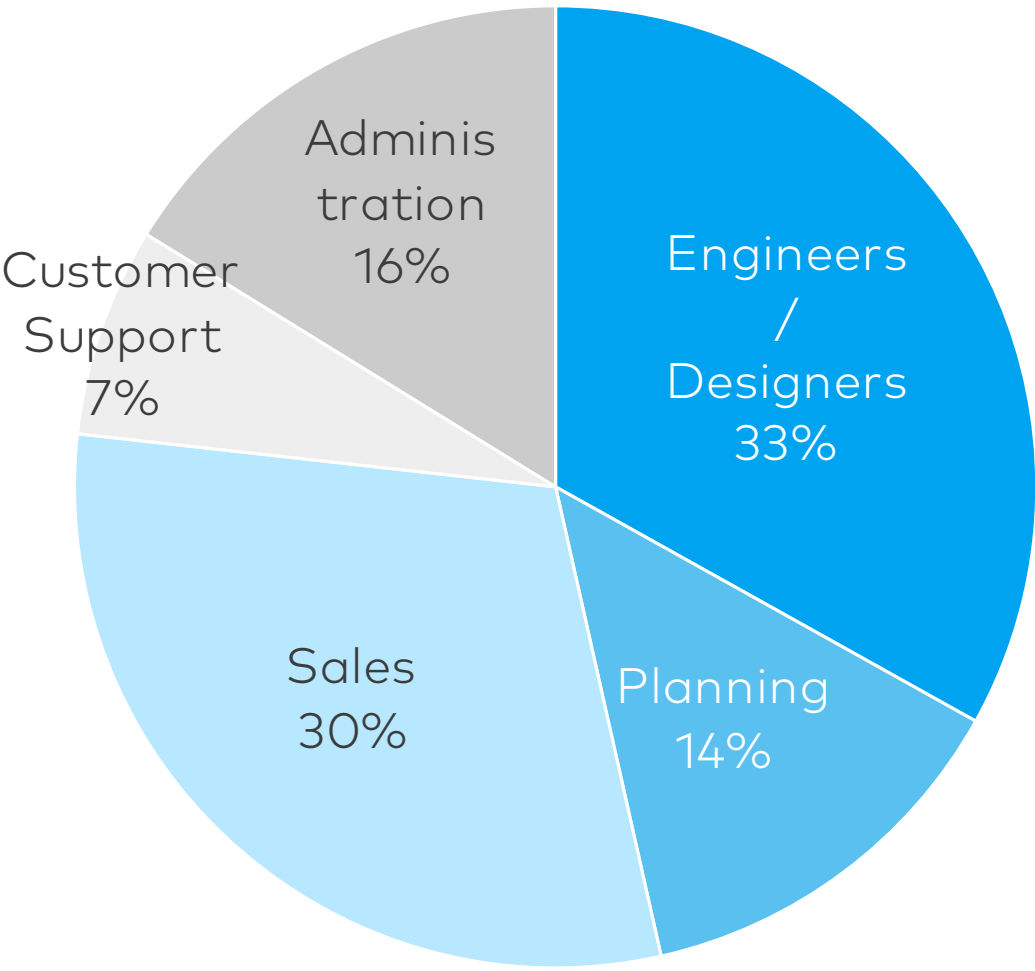
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Company name	Livesense Inc.
CEO/Founder	Taichi Murakami
Business Philosophy	Happiness Begetting Happiness.
Corporate Vision	Invent the next common.
Established	February 8, 2006
Listing Market	Tokyo Stock Exchange Prime Market (Securities code: 6054)
Number of Employees (Non-Consolidated)	Full-Time: 209 (as of June 30, 2022)
Consolidated Subsidiaries	PHIL LIFE Inc.

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



LIVESENSE

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.