

FY2022 3rd Quarter Financial Results

Livesense Inc. (TSE1: 6054)

November 14, 2022

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1. Financial Results

Executive Summary for the 3rd Quarter

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| Net sales up YoY and QoQ owing to increased sales in existing businesses. Operating income up substantially both YoY and QoQ owing in part to effect of measures for enhancing profitability.

- Net sales ¥1,278 million (YoY +¥135 million +11.9%)
- Operating income ¥187 million (YoY +¥429 million -%)

| Tenshoku Kaigi and Tenshoku Draft were the main drivers of growth. Sales up 28.6% YoY in three main businesses. Growth rate on par with that of previous quarter.

- Tenshoku Kaigi revenue up +81.9%, Tenshoku Draft up +97.4% YoY
- Verification of new monetization points also underway within businesses

| New businesses made progress on product improvements and verification.

- Number of matches increased in proposal-type matching service "knew" with changes to flow
- Progress made on UX improvements in interview optimization tool "baton." Working on acquisition of paying customers

Quarterly Financial Results Overview

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(Millions of JPY)

	FY2021 3Q	FY2022 3Q	YoY
Net Sales	1,143	1,278	+11.9%
Operating Income	-241	187	—
Operating Margin(%)	—	14.7%	—
Ordinary Income	-187	226	—
Profit attributable to owners of parent	-188	166	—

Quarterly Net Sales and Operating Income

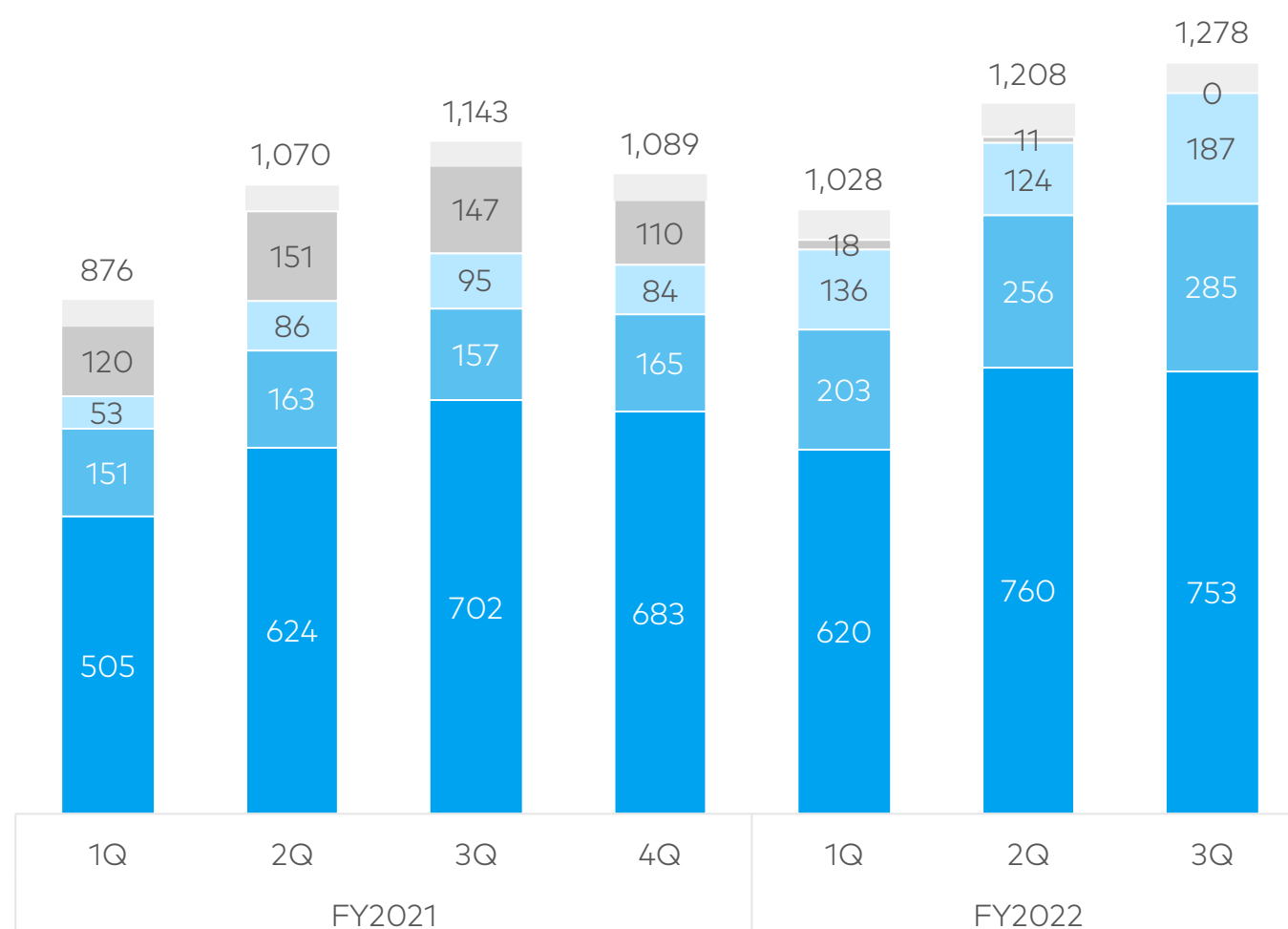
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| Net sales in three main businesses up ¥273 million (+28.6%) YoY.

| Operating income up ¥429 million YoY owing to increased sales and measures for enhancing profitability in existing businesses.
In addition, Operating income up ¥79 million (73.0%) QoQ.

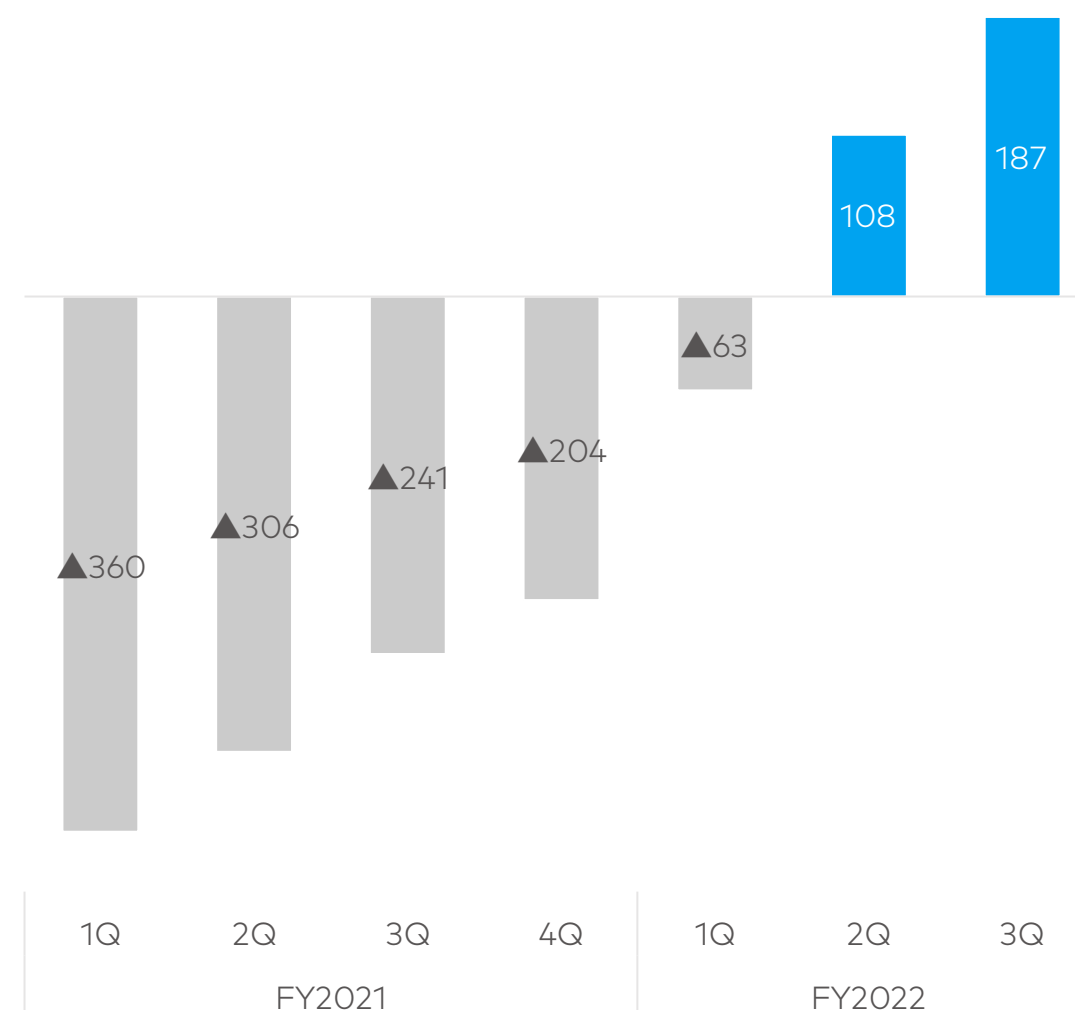
Net sales

(Millions of JPY)



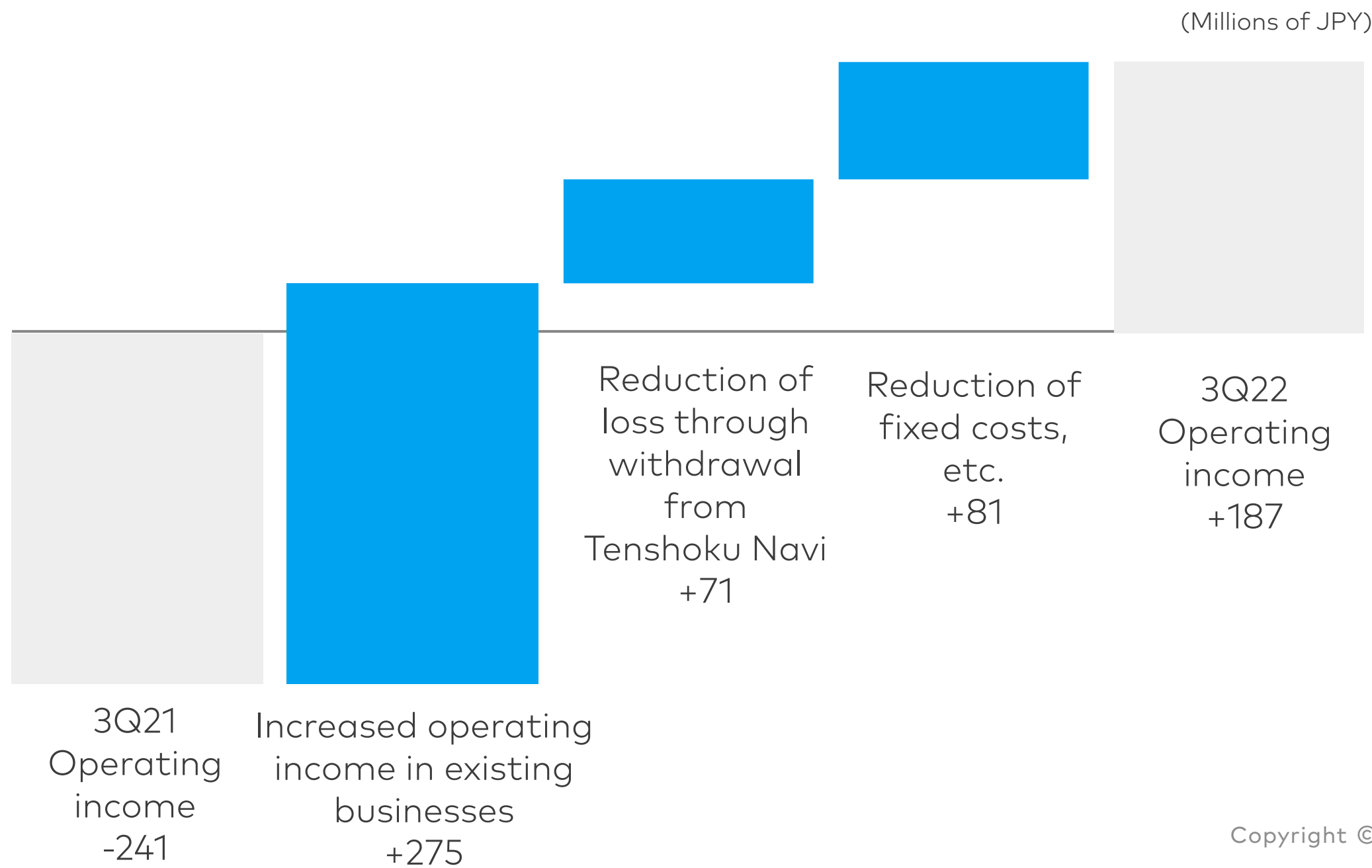
Operating income

(Millions of JPY)



Operating Income: Variance Analysis

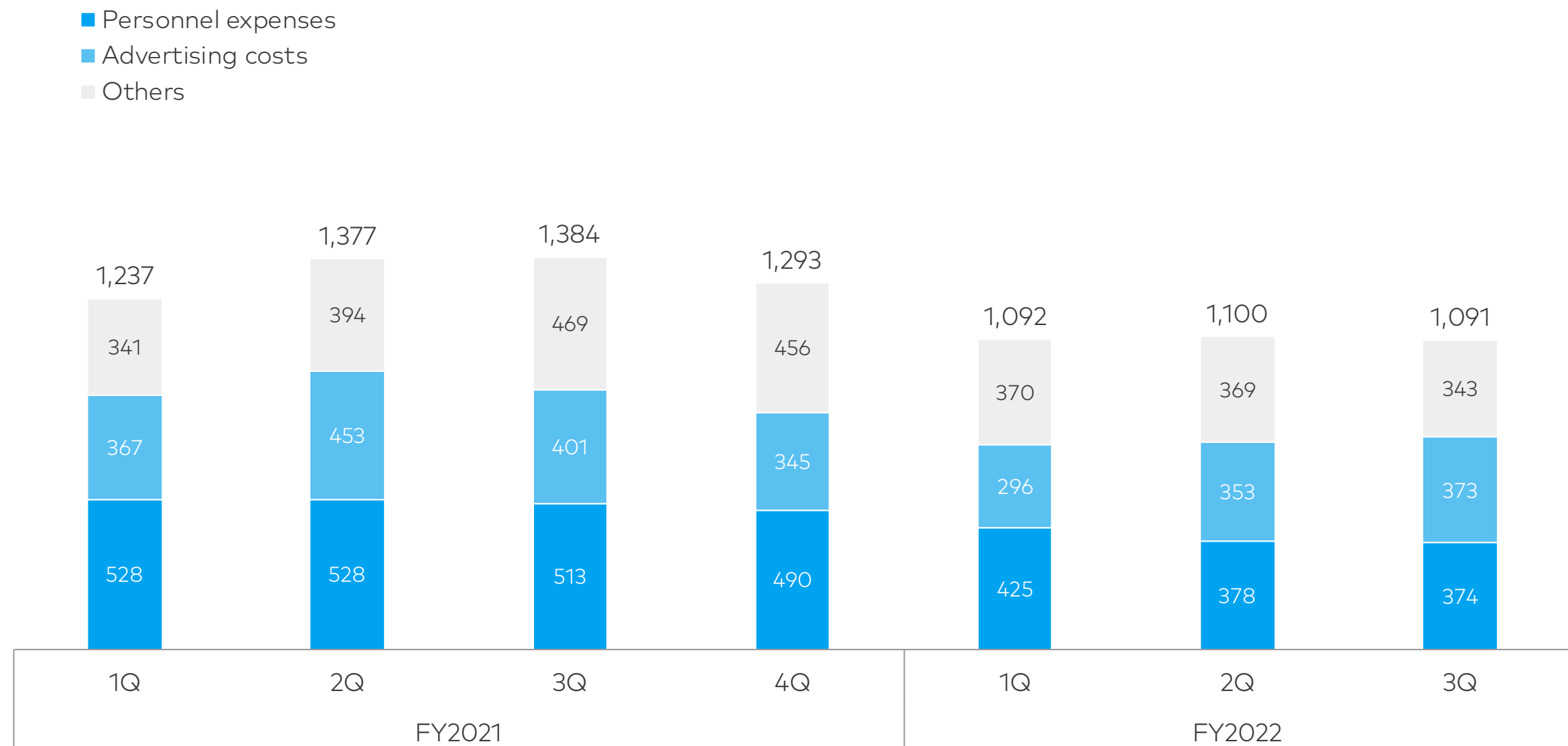
- | Operating income up ¥429 million YoY owing primarily to increased sales and measures for enhancing profitability.
- | Operating income improved significantly in existing businesses, contributing to significant increase in company-wide operating income.



Operating Expenses

| Expenses reduced by ¥293 million YoY. Decrease in personnel and advertising expenses due to business withdrawal, etc.

(Millions of JPY)



Financial Forecasts for FY2022

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| No changes to financial forecasts at this time as we ascertain investment and seasonal impacts and developments at some customers.

(Millions of JPY)				
	FY21	FY2022 3Q cumulative total(A)	FY22 Revised forecast (B)	Progress rate(A/B)
Net Sales	4,179	3,515	4800	73.2%
Operating Income	-1,112	232	220	105.6%
Ordinary Income	-916	386	400	96.5%
Profit attributable to owners of parent	-943	456	540	84.5%

2. Progress

| FY2022 Company-wide Policy

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."

Business Strategy

3rd Quarter Progress

Enhance profitability of existing businesses

Sales and profit increased in existing businesses as a whole due to the growth of each business.

Machbaito: Maintained growth with sales activities tailored to changes in needs by industry

Tenshoku Kaigi: Sales up owing to acquisition of budgets of big partners

Tenshoku Draft: Numbers of members and companies both up YoY

IESHIL: Improved approach to members. Increased appetite for buying and selling and improved rate of referrals to partners

Establish foundation for new businesses

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





knew: Changed flow of matching. Increased number of matches

batonn: Progress made on UX improvements. Continued to work on acquiring paying customers

Description of Business

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

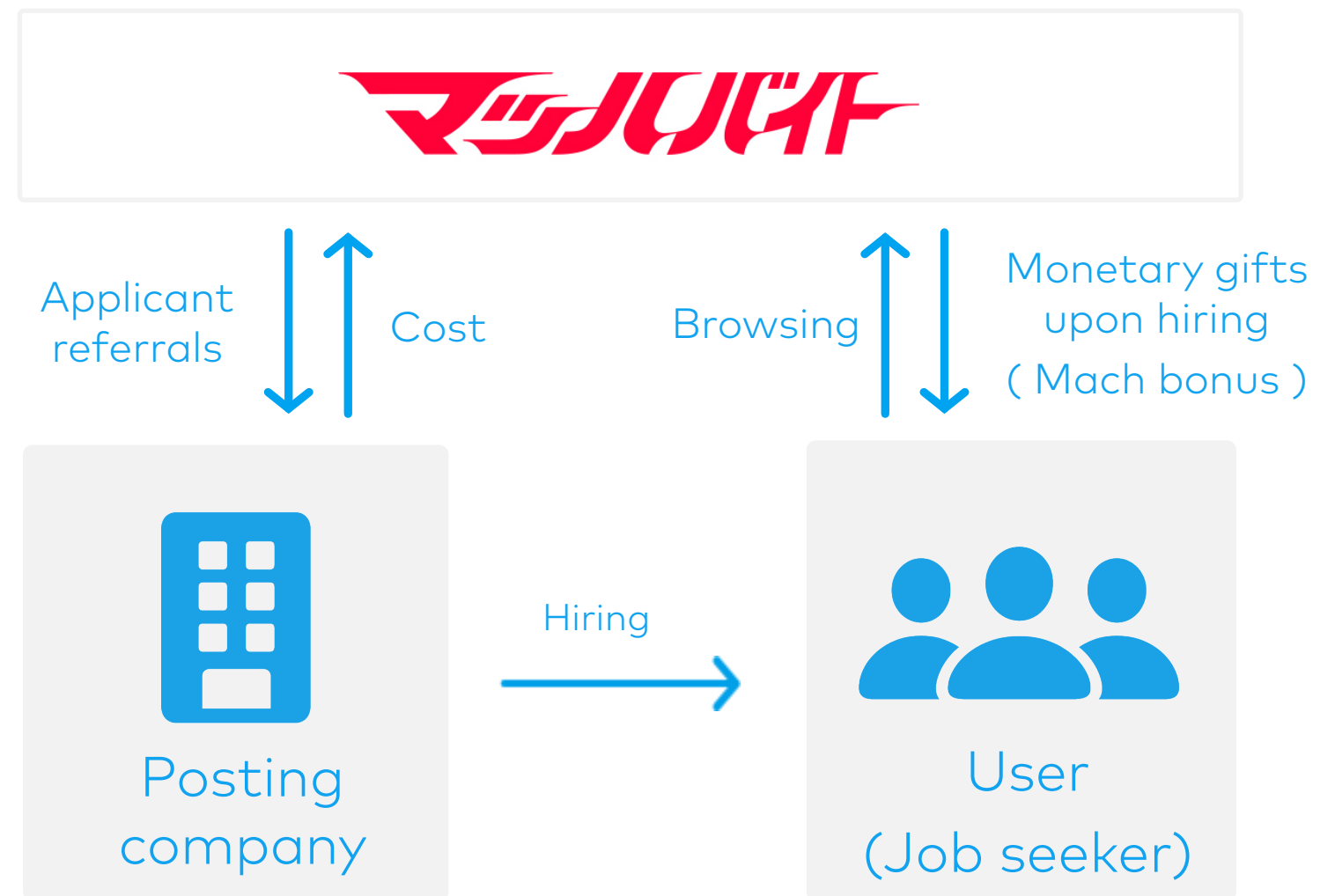
Existing businesses	 Part-time employment service	 Career change service with reviews
New businesses under consideration	 Limited tender career change service	 Real estate information service
	 Proposal-type matching service	 Interview optimization tool

2. Progress

Existing Businesses

- | Part-time employment service with more than 360,000 job postings.
- | By focusing on monetary gifts upon hiring, strengthened App promotion. Consequently the number of users, especially young students and job hoppers were increased.

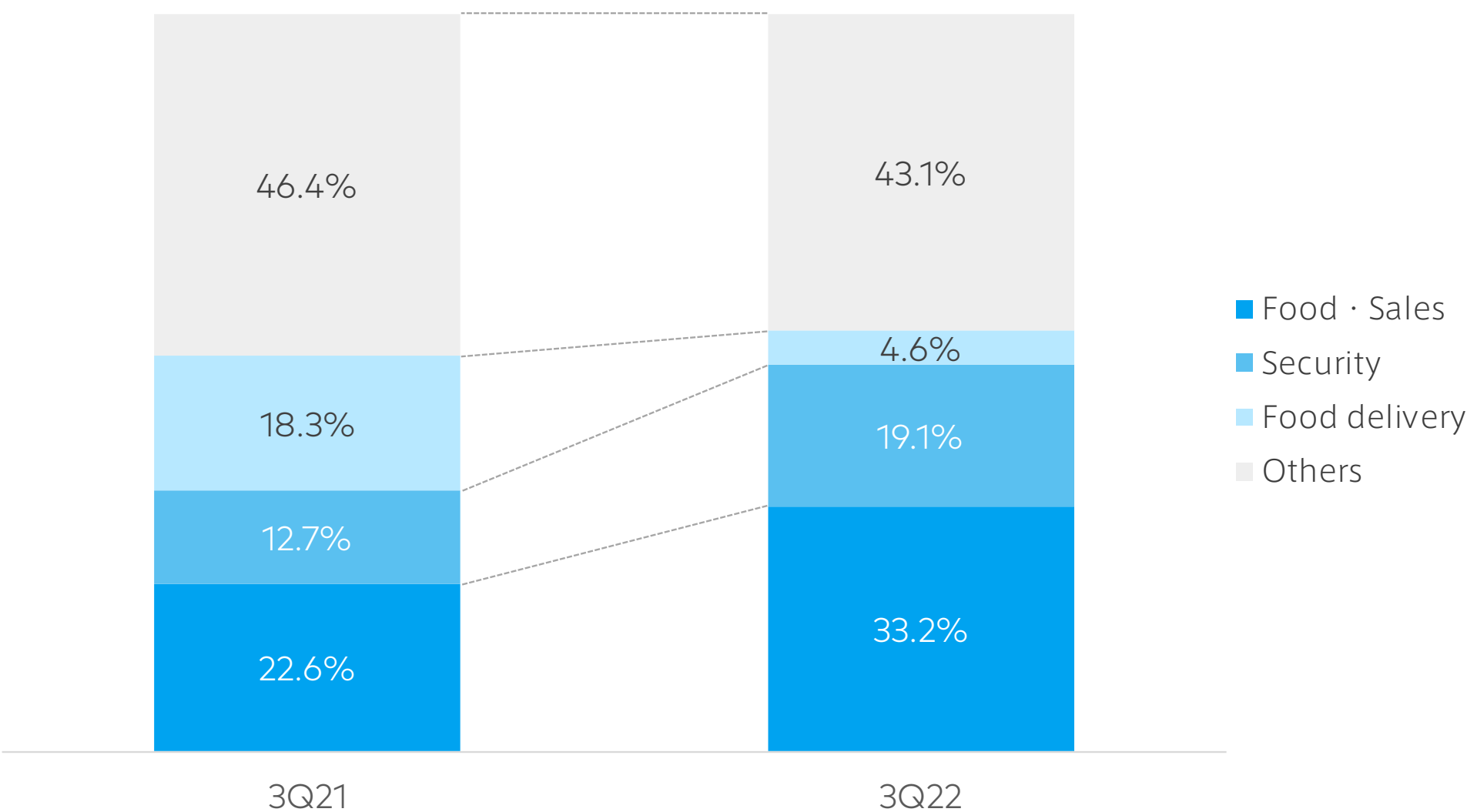
Overview of service



Machbaito

- | Net sales up ¥51 million (7.4%) YoY. Profitability improved with increase in direct sales rate.
- | Despite slowdown in demand for food delivery services, which had temporarily increased, sales up owing to substantial upselling in other industries.

Sales Composition by Industry



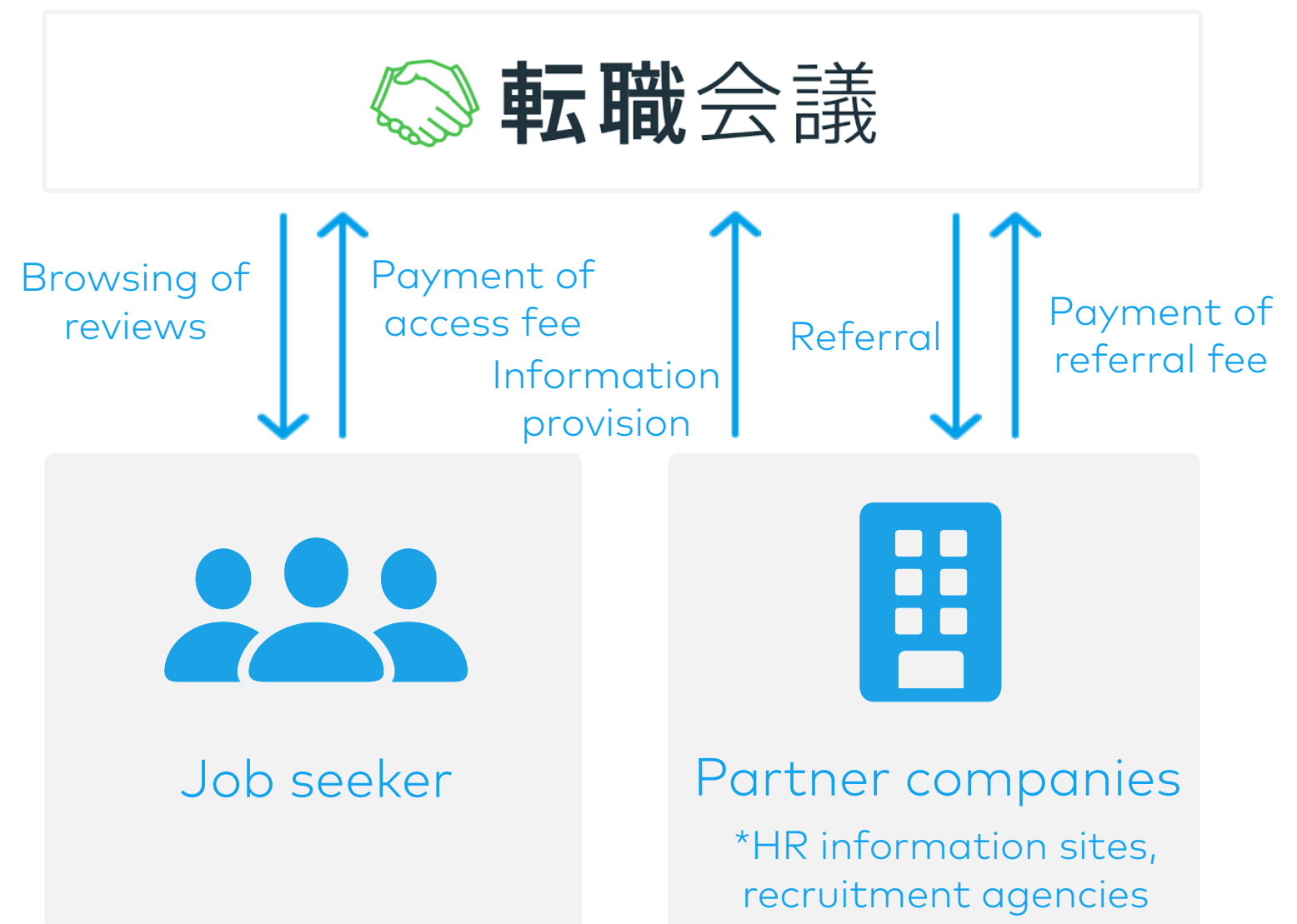
Main Business Topics

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 260,000 jobs, in addition to reviews. Sales created through referrals to posting companies and fees to access user reviews.

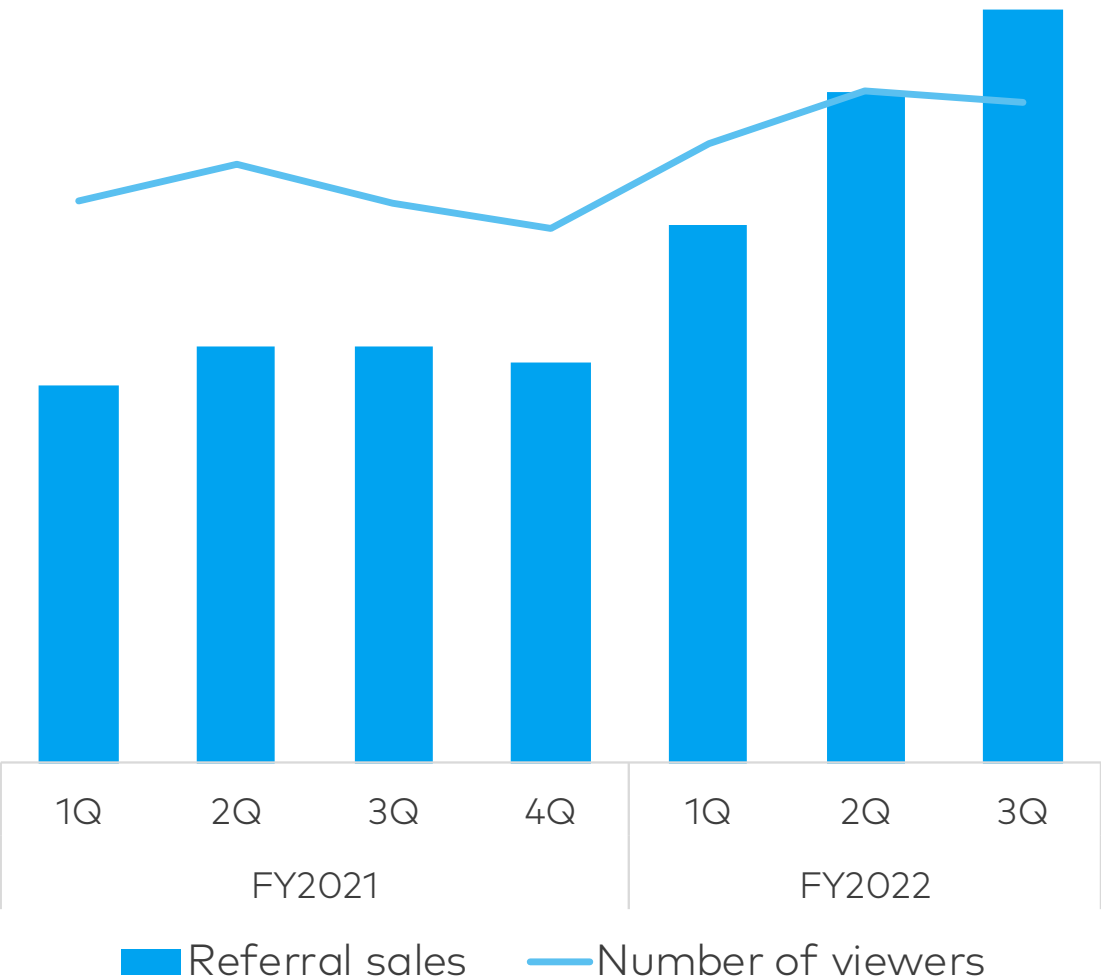
Overview of service



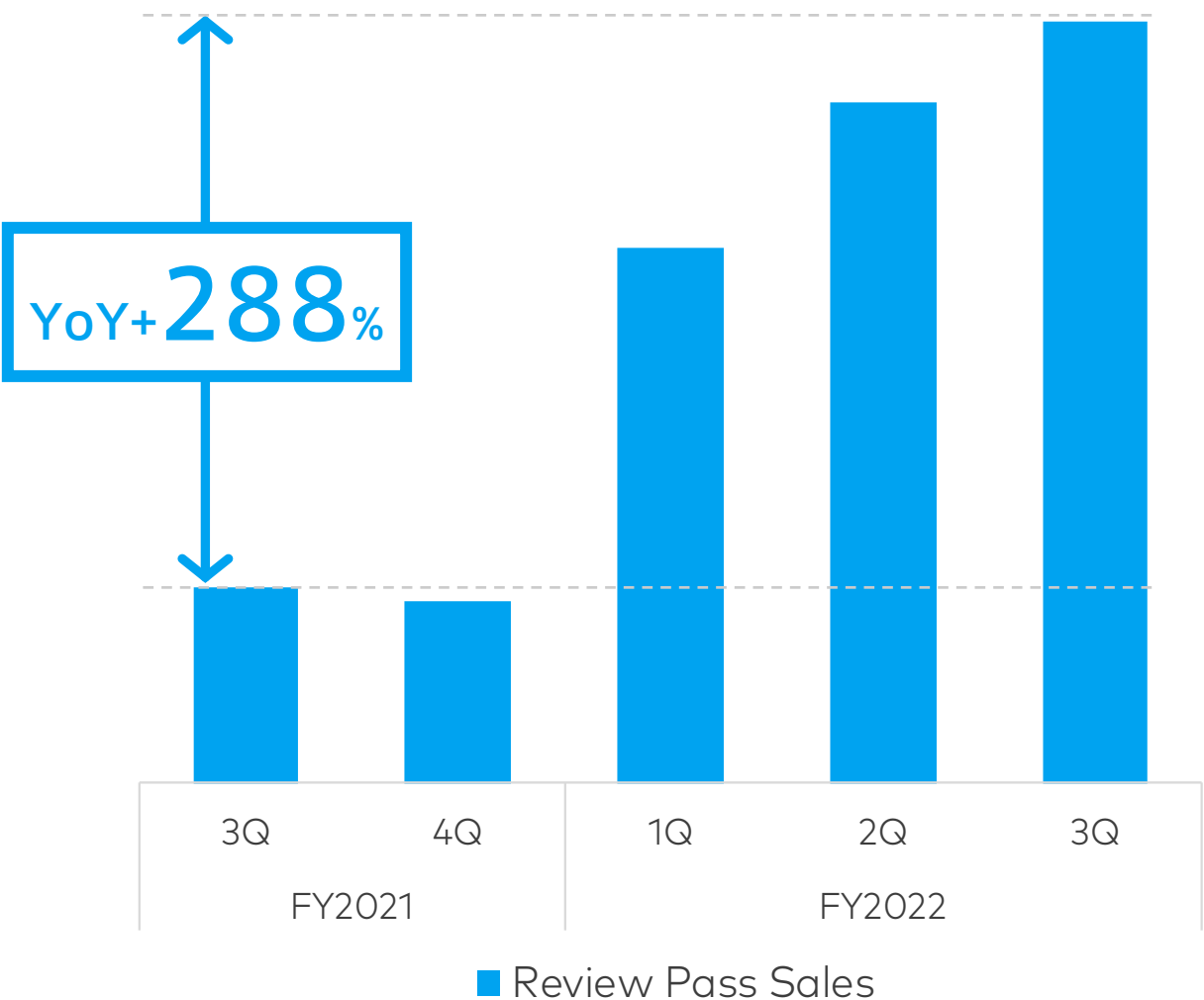
Tenshoku Kaigi

- | Net sales up ¥128 million (81.9%) YoY owing to acquisition of budgets of big partners.
- | Sales of Review Pass, which allows unlimited browsing of reviews, up YoY. Last year's conversion to subscription contributed to increase.

Trend in referral sales and number of visitors



Trend in Review Pass Sales



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

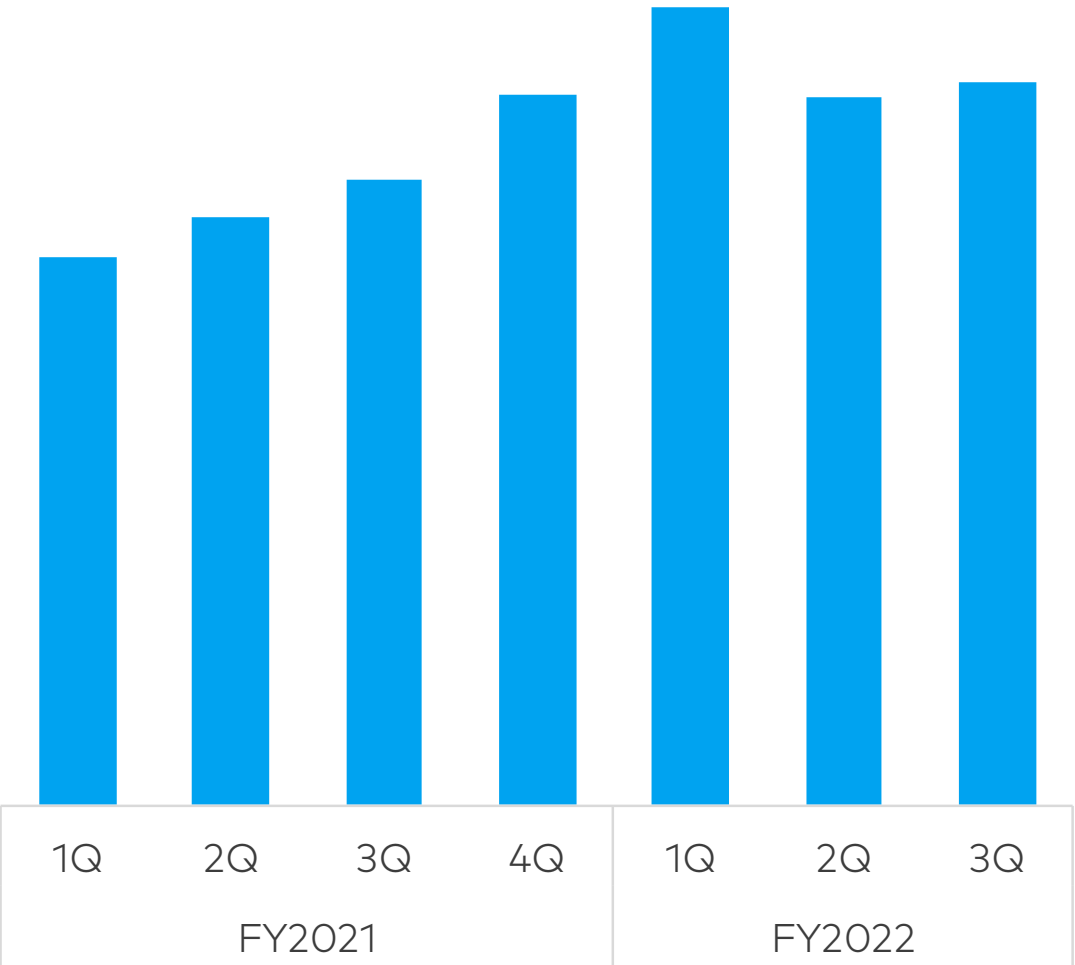


*Some sales created from initial system setup fee and annual usage fee

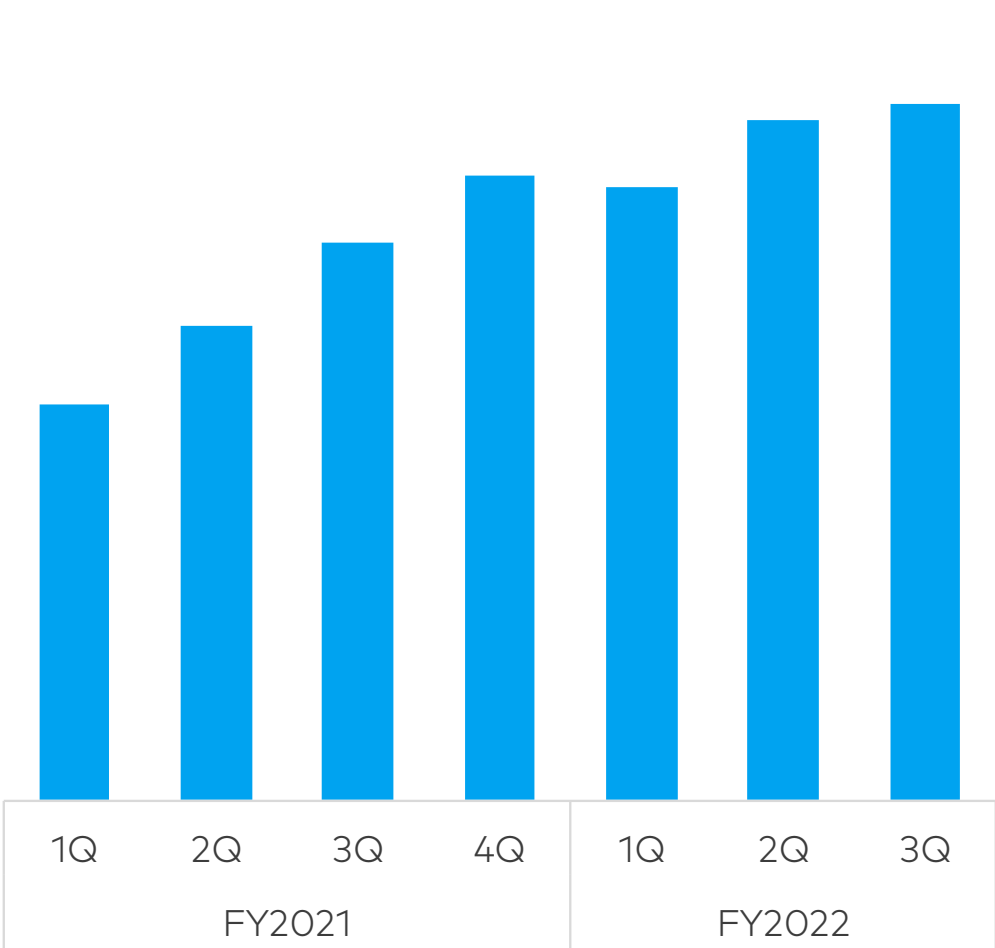
Tenshoku Draft

- | Net sales up ¥92 million (+97.4%) YoY owing to increase in numbers of both participating members and companies.
- | Number of participating members up slightly QoQ. Aiming to increase number of participating members and number of hires by improving experience for first-time participants and encouraging past participants to participate again.

Trend in number of participating members



Trend in number of participating companies

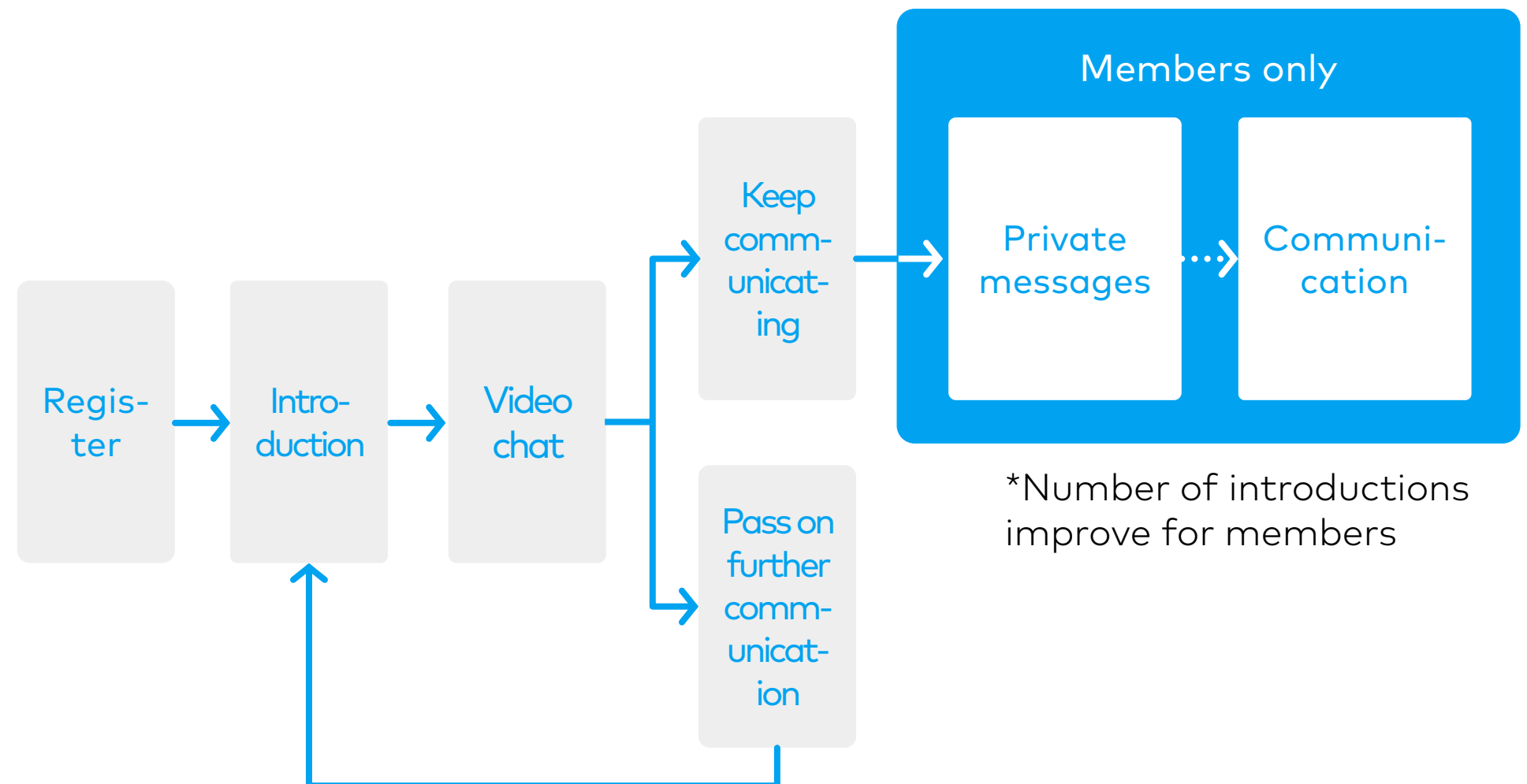


2. Progress

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.



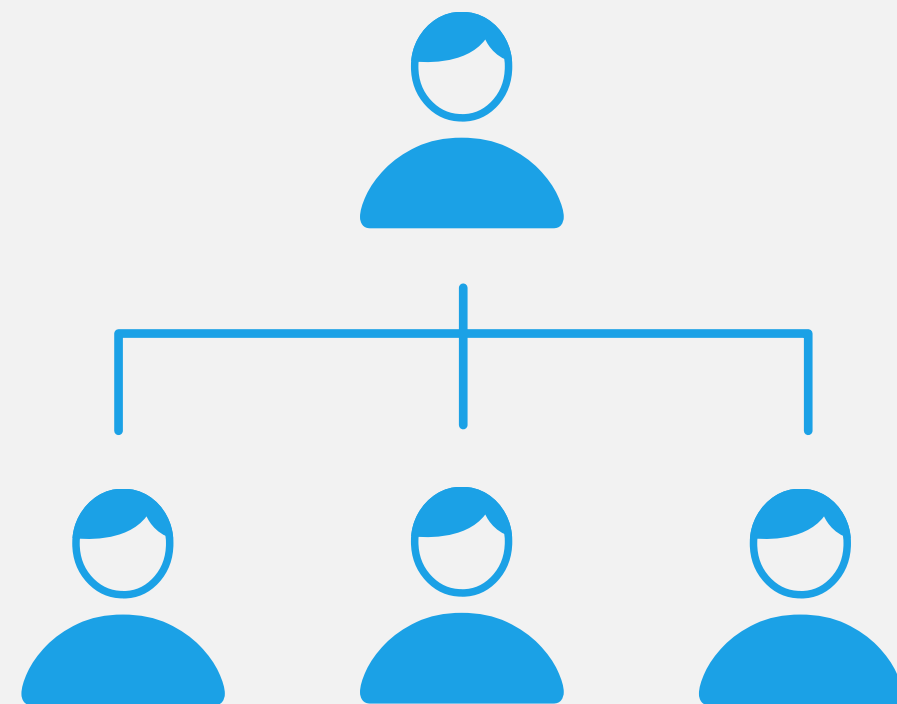
Proposal-type Matching Service "knew"

- | Switched from individual adjustments to multiple choice for video chat scheduling.
- | Simplification of procedure and increase in number of video chats per day improved member experience. Number of matches also increased.

Change in Flow of Matching



Select desired introduction
date after registration



Administrator coordinates so that video
chats can be conducted with multiple
people on same day

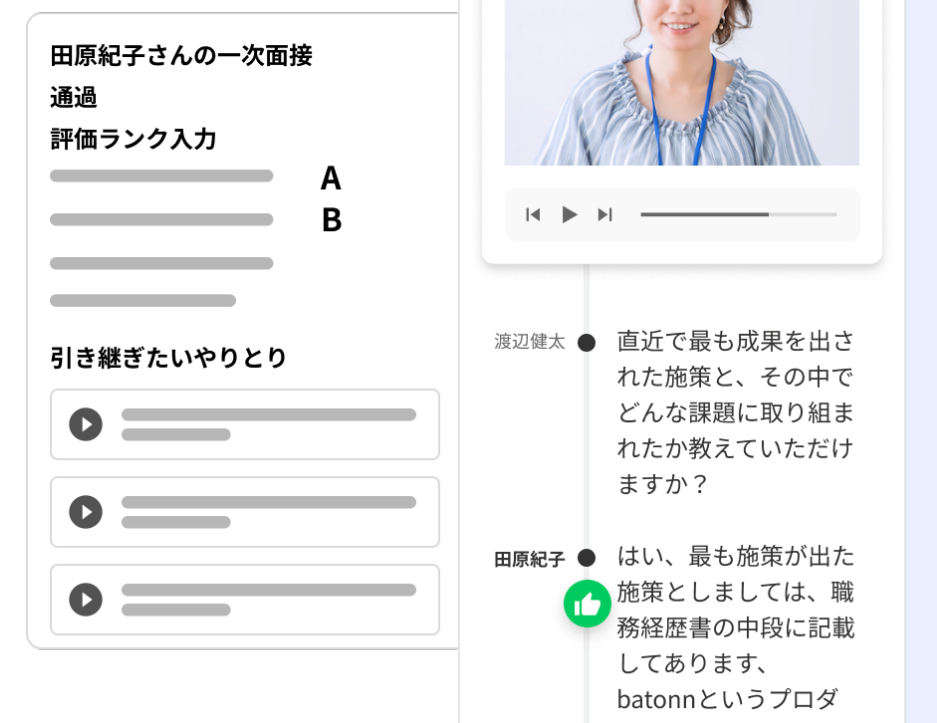
Interview Optimization Tool "batonn"

- "batonn" help improve the interview and selection process and enhance recruiting capabilities.
- BY video interview recording and automatic transcription of the interview content, "batonn" enable to link recordings with the interviewer's impressions and simplify handing over to the next evaluator.



Video call specialized for cooperation with evaluators

- Smooth video calls and recording function
- Improve the quality of interviews with the guide function
- Mark conversations that interest you during an interview



Objective and focused evaluation screen

- Digitize interviews with high-precision transcription
- Link interactions serving as basis for evaluation
- Automatically extract marked conversations and link with evaluation

Interview Optimization Tool "batonn"

- | Progress made on UX improvements, including questionnaire function to help make interview experience better and function to reduce workload of persons in charge of hiring.
- | Promote acquisition of customers with paid use needs.

UX improvements

Candidate questionnaire function



Example questionnaire content

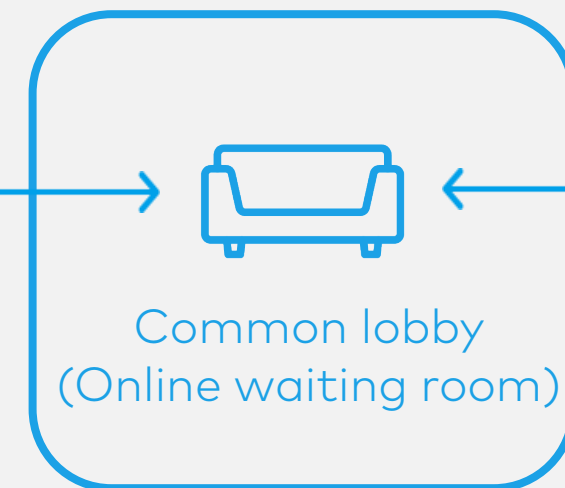
- Did you feel you were understood?
- Priorities when choosing a company
- Did your understanding of priorities improve through the interview?

Questionnaire helps visualize priorities when choosing a company, gaps in understanding through selection process, and candidate concerns. Increase attractiveness for next interview.

Common lobby function



Person in
charge of
hiring



Candidate

Conduct interviews using common URL for all candidates.
Reduce man-hours required for such tasks as setting unique interview URLs and notifications for candidates.

3. Appendix

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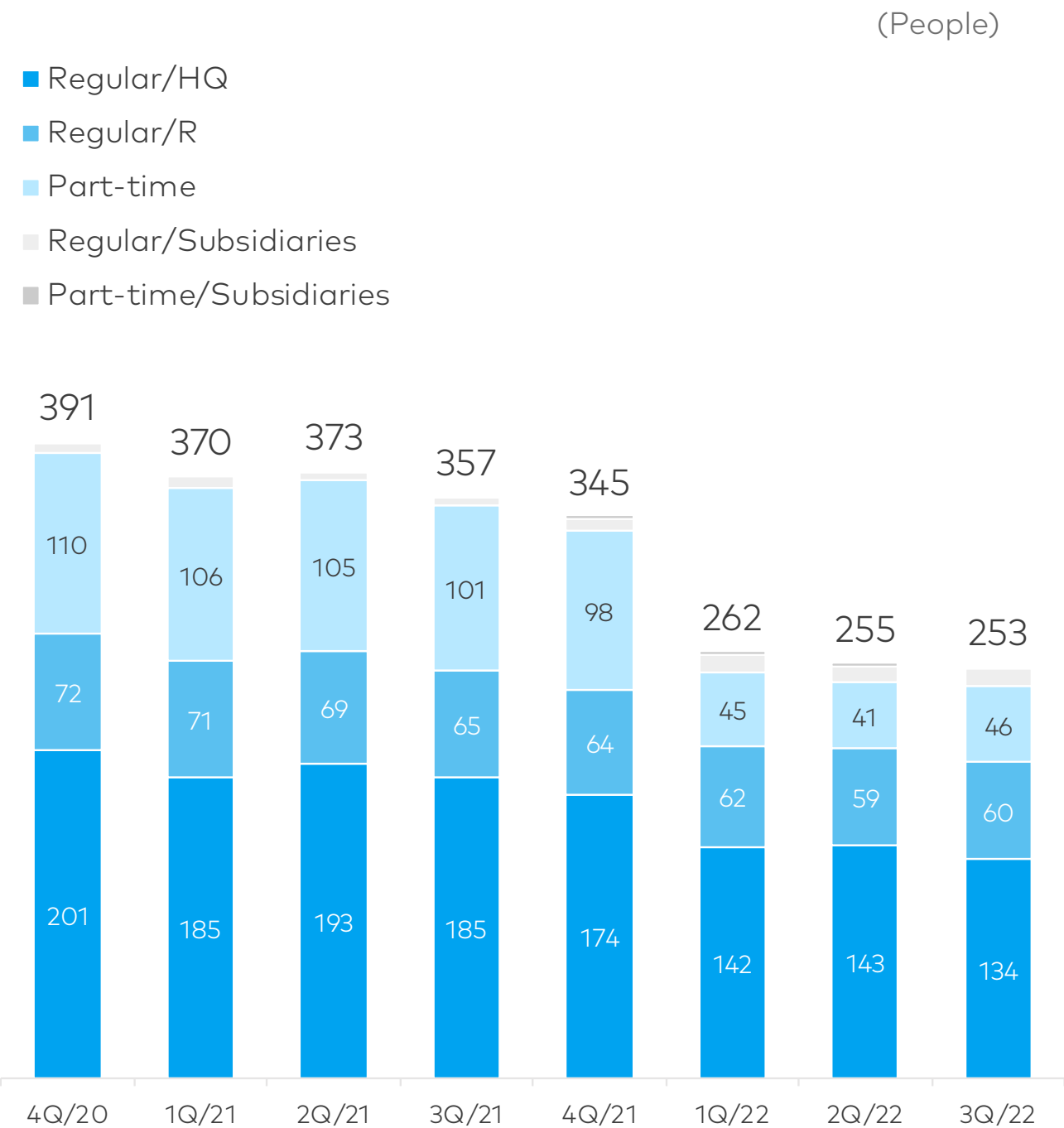
Corporate Profile

Corporate Profile

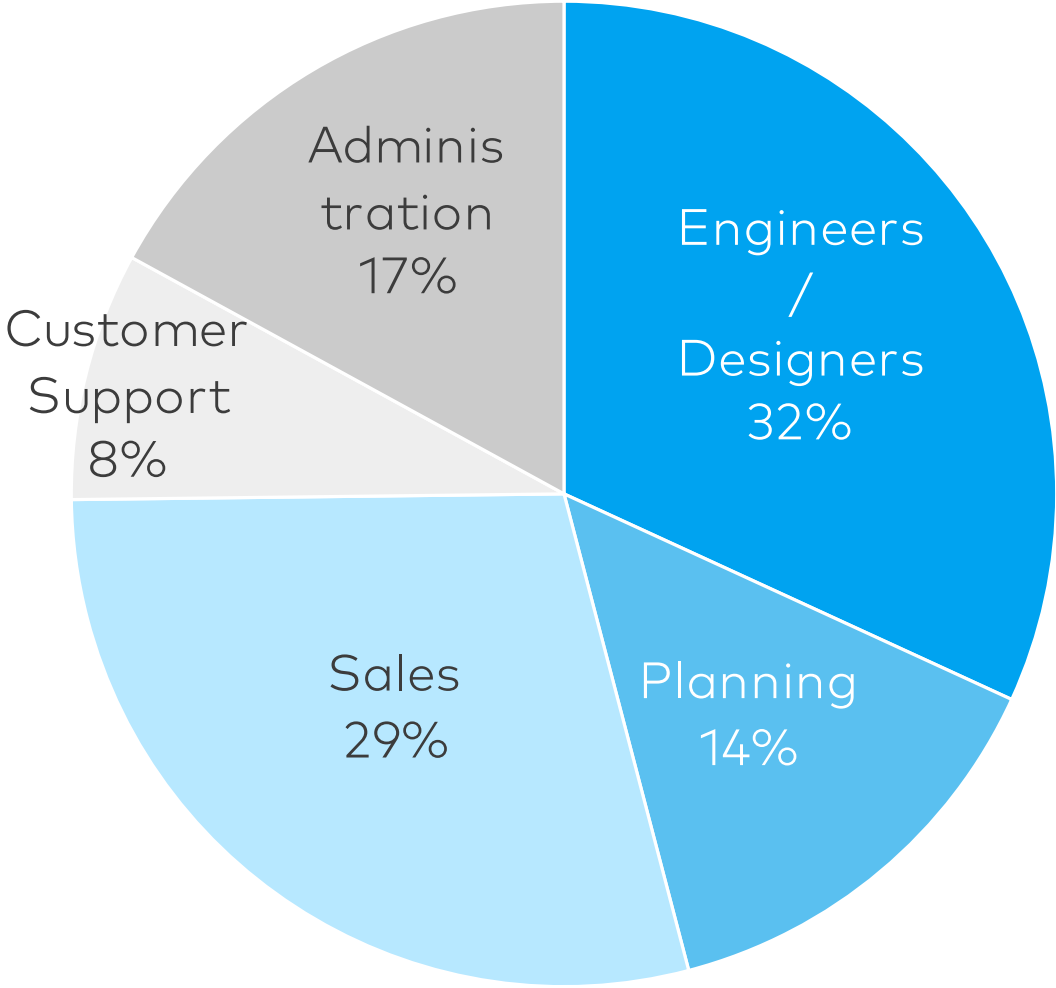
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Company name	Livesense Inc.
CEO/Founder	Taichi Murakami
Business Philosophy	Happiness Begetting Happiness.
Corporate Vision	Invent the next common.
Established	February 8, 2006
Listing Market	Tokyo Stock Exchange Prime Market (Securities code: 6054)
Number of Employees (Non-Consolidated)	Full-Time: 202 (as of September 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

3. Appendix

Our Strategy for FY2022

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



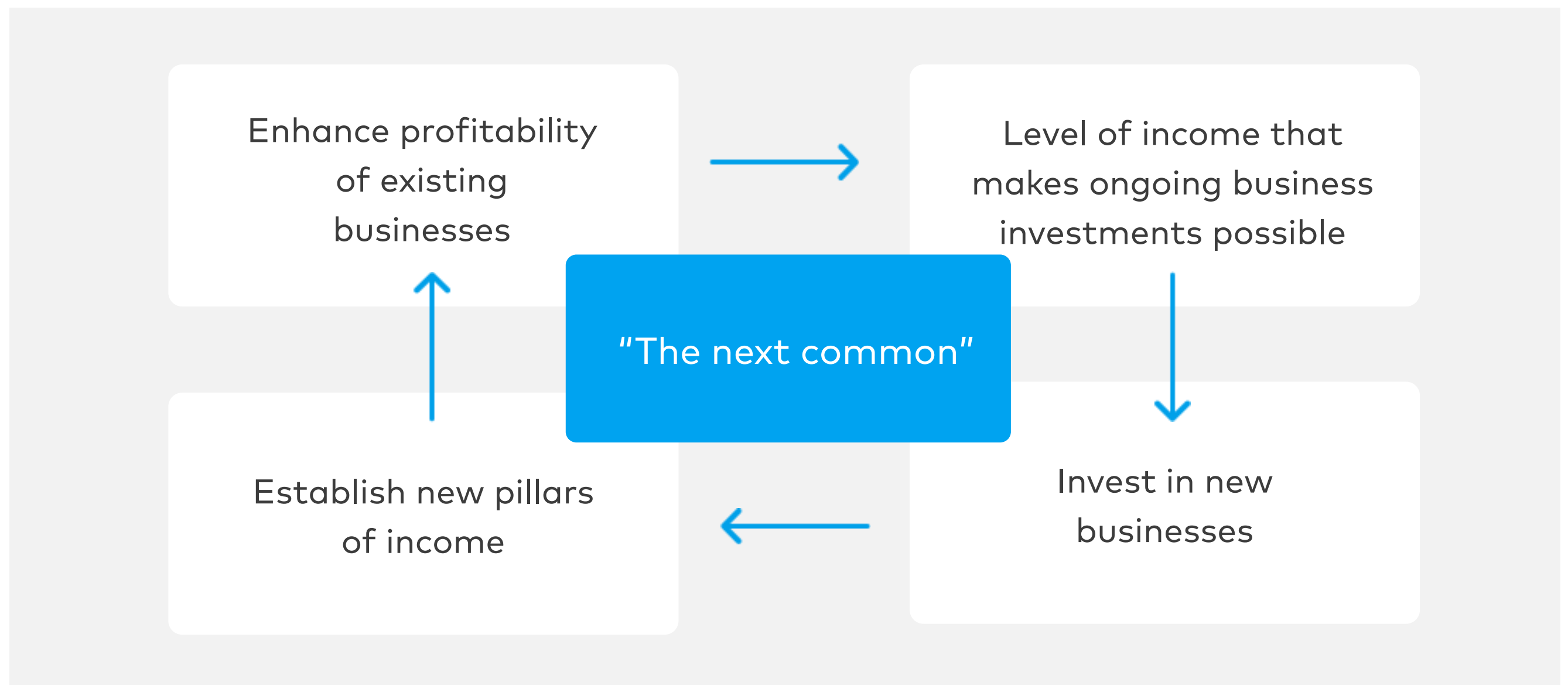
New businesses

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.



| Policy :

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

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- | 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

	<i>knew</i>	batonn	New future businesses
Overview of service	Proposal-type matching service	Interview Optimization 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



LIVESENSE

あたりまえを、発明しよう。



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.