

FY2022 Financial Results

Livesense Inc. (TSE PRIME MARKET : 6054)

February 13, 2023

Agenda

1

Financial Results

2

FY2022 Summary

3

FY2023 Policy

4

Appendix

1. Financial Results

Full Year Executive Summary

4

- | Net sales up ¥+578 million (+13.8%) YoY owing to growth of main businesses.
Up ¥1,079 million (+29.6%) when excluding withdrawal from Tenshoku Navi
- | Operating income up ¥1,396 YoY owing to business growth and measures to enhance profitability (withdrawal from unprofitable businesses/reduction of fixed costs)
- | Progress made on development and verification of 2 new businesses, knew and baton.
Issue of expanding customer base remains.

(Millions of JPY)

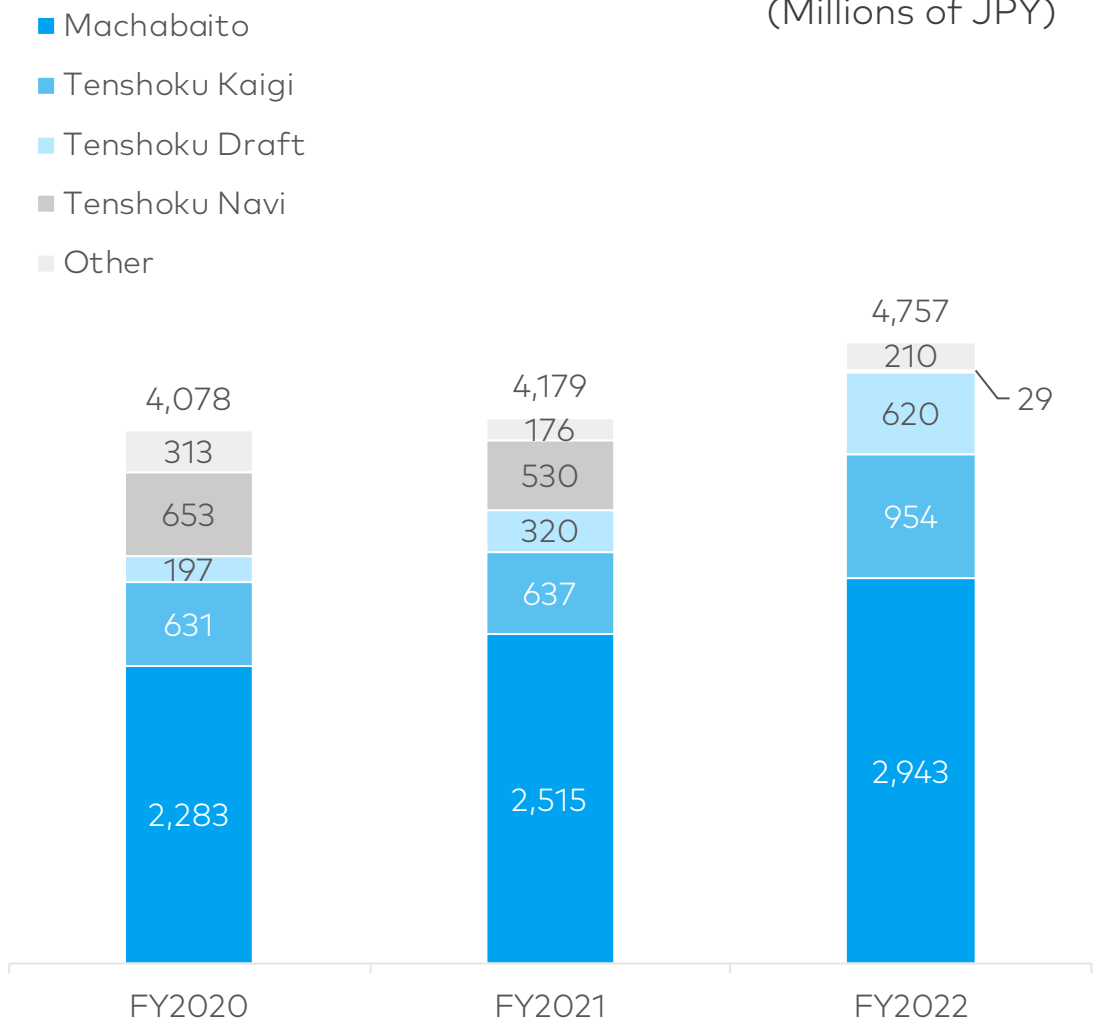
	FY2021	FY2022	YoY
Net Sales	4,179	4,757	+13.8%
Net Sales (Except for Tenshoku Navi)	3,649	4,728	+29.6%
Operating Income	-1,112	284	—
Operating Margin(%)	—	6.0%	—
Ordinary Income	-916	438	—
Profit attributable to owners of parent	-943	537	—

Full Year Net Sales and Operating Income

- Sales up with Machbaito, Tenshoku Kaigi, and Tenshoku Draft driving growth despite withrdrawal from Tenshoku Navi
- Returned to full-year profitability owing to business growth and measures to enhance profitability

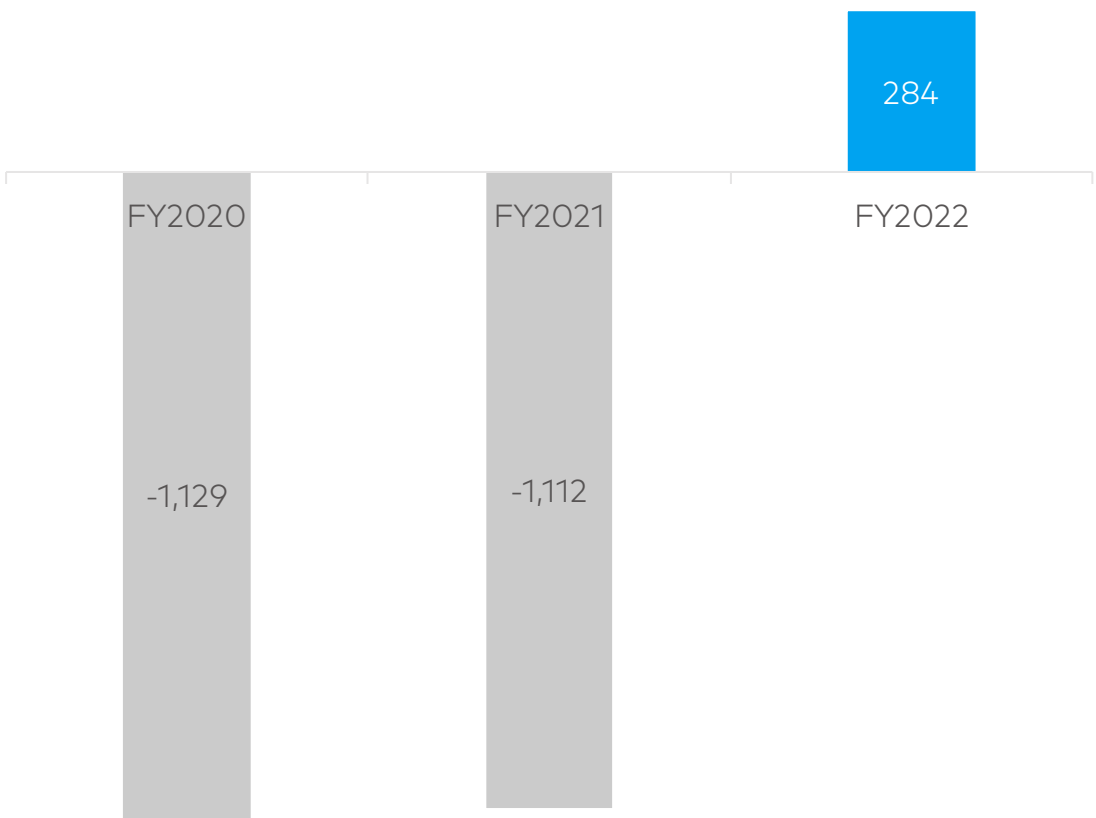
Net sales

(Millions of JPY)



Operating income

(Millions of JPY)



*Withdrawal from Tenshoku Navi completed on January 31, 2022

Operating Expenses

6

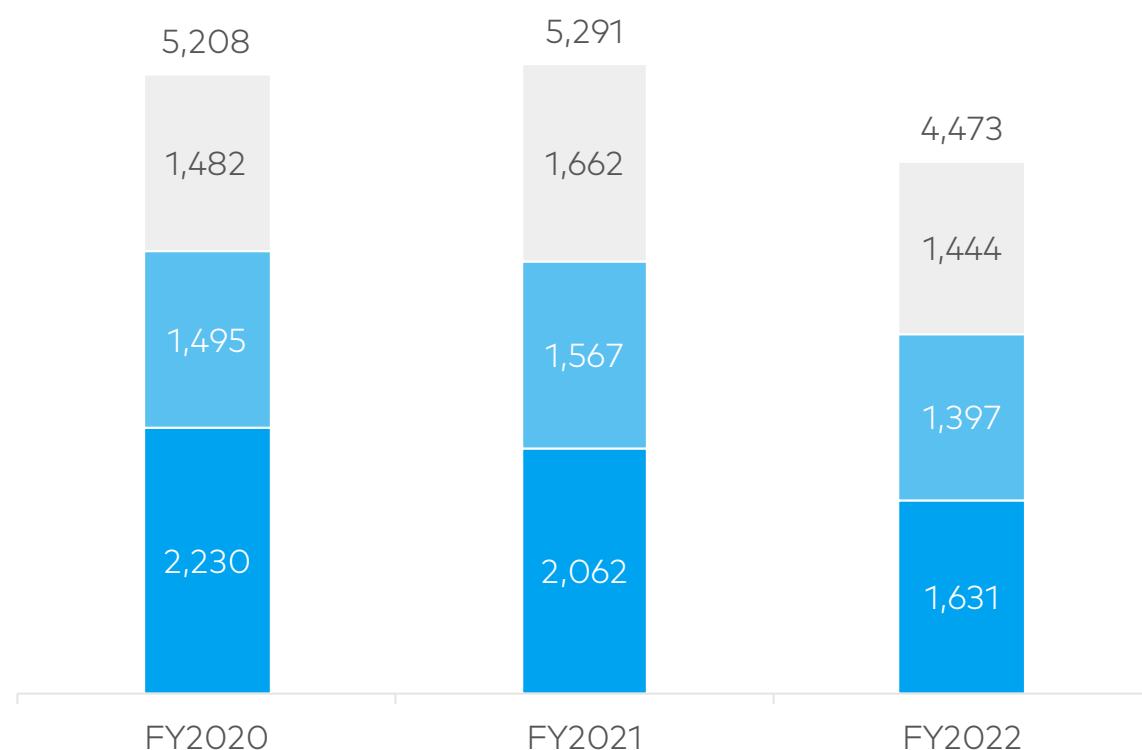
| Decrease in personnel and advertising expenses due to business withdrawal, etc.

| Personnel expenses up temporarily in 4Q due to the payment of 79 million yen in special bonuses to employees in conjunction with realization of greater profits than initially planned.

Full-year trend in expenses

(Millions of JPY)

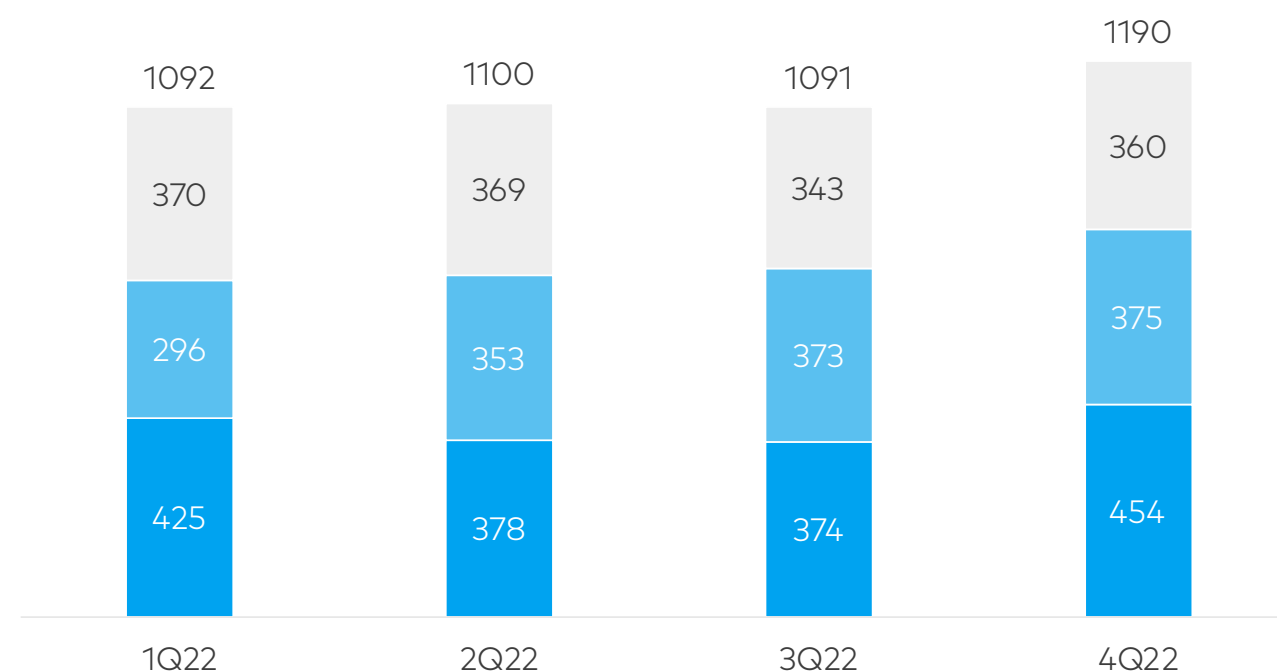
- Personnel expenses
- Advertising costs
- Others



Quarterly trend in expenses

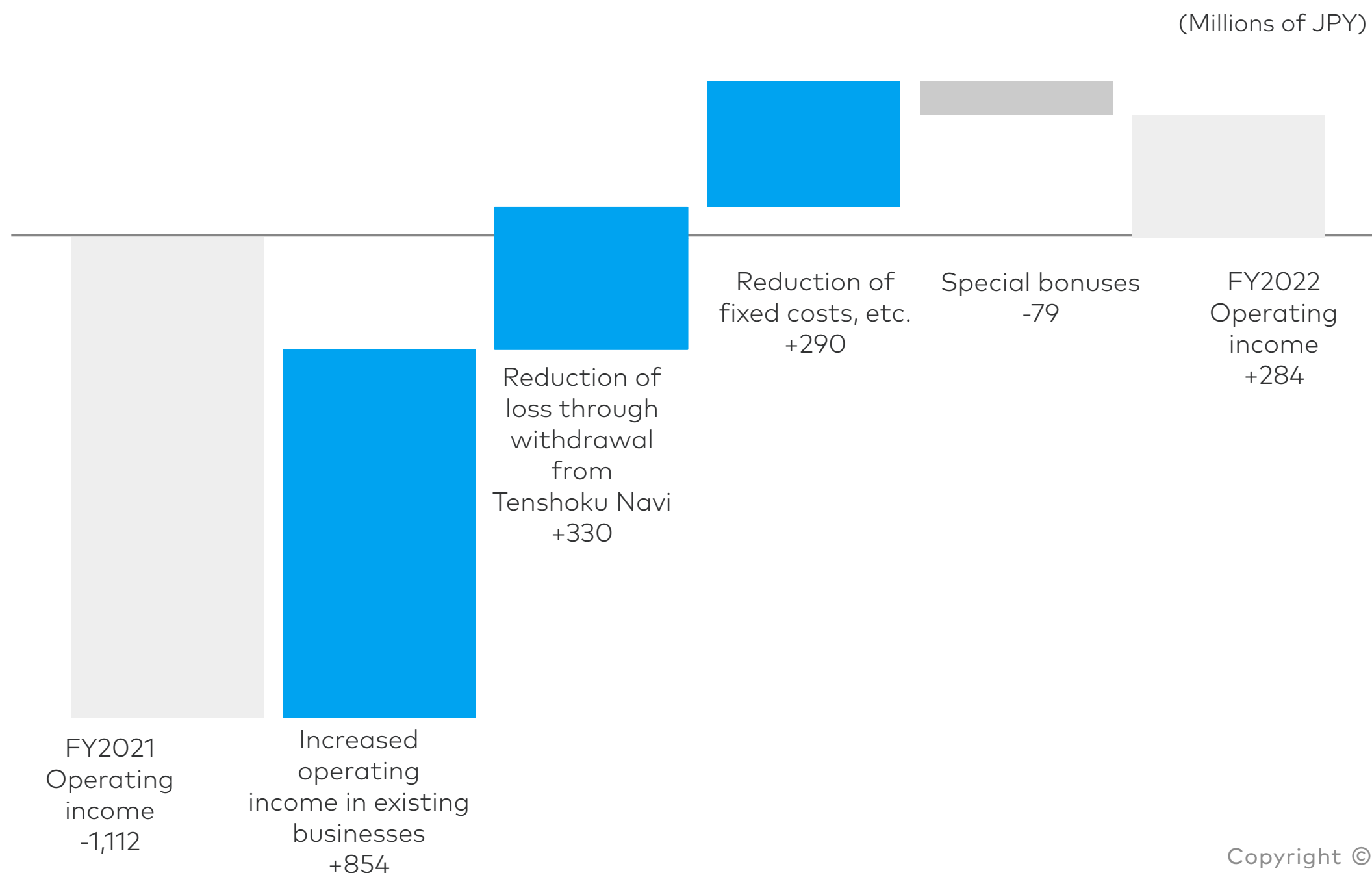
(Millions of JPY)

- Personnel expenses
- Advertising costs
- Others



Full Year Operating Income: Variance Analysis

- | Significant contribution to profitability from business growth
- | Reduction of expenses through measures for enhancing profitability also contributed



2. FY2022 Summary

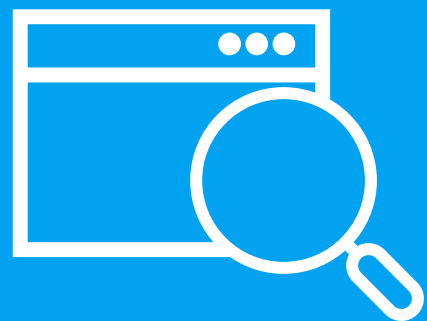
Basic Philosophy of Business Operation

9

Basic Philosophy

We will view structural distortions preventing optimal choices as social issues to be solved with technology.

Three business themes based on basic philosophy



System Innovation through DX

Improve convenience and efficiency by updating old system and solving issues and distortions in each field



High Transparency

Realize society where better choices can be made by eliminating asymmetry of information



Respect for Humanity

Increase satisfaction with choices through matching that incorporates diverse preferences and values, breaking free from excessive mechanization

System Innovation through DX

| Improve convenience and efficiency of everyday life and business by updating old system and solving issues of inconvenience and inefficiency



Old system

Inconveniences remain due to overlooking DX delays and system that is dependent on people



Updated system

Improve convenience through system innovation and make everyday life and business situations smarter and more efficient

Business Examples



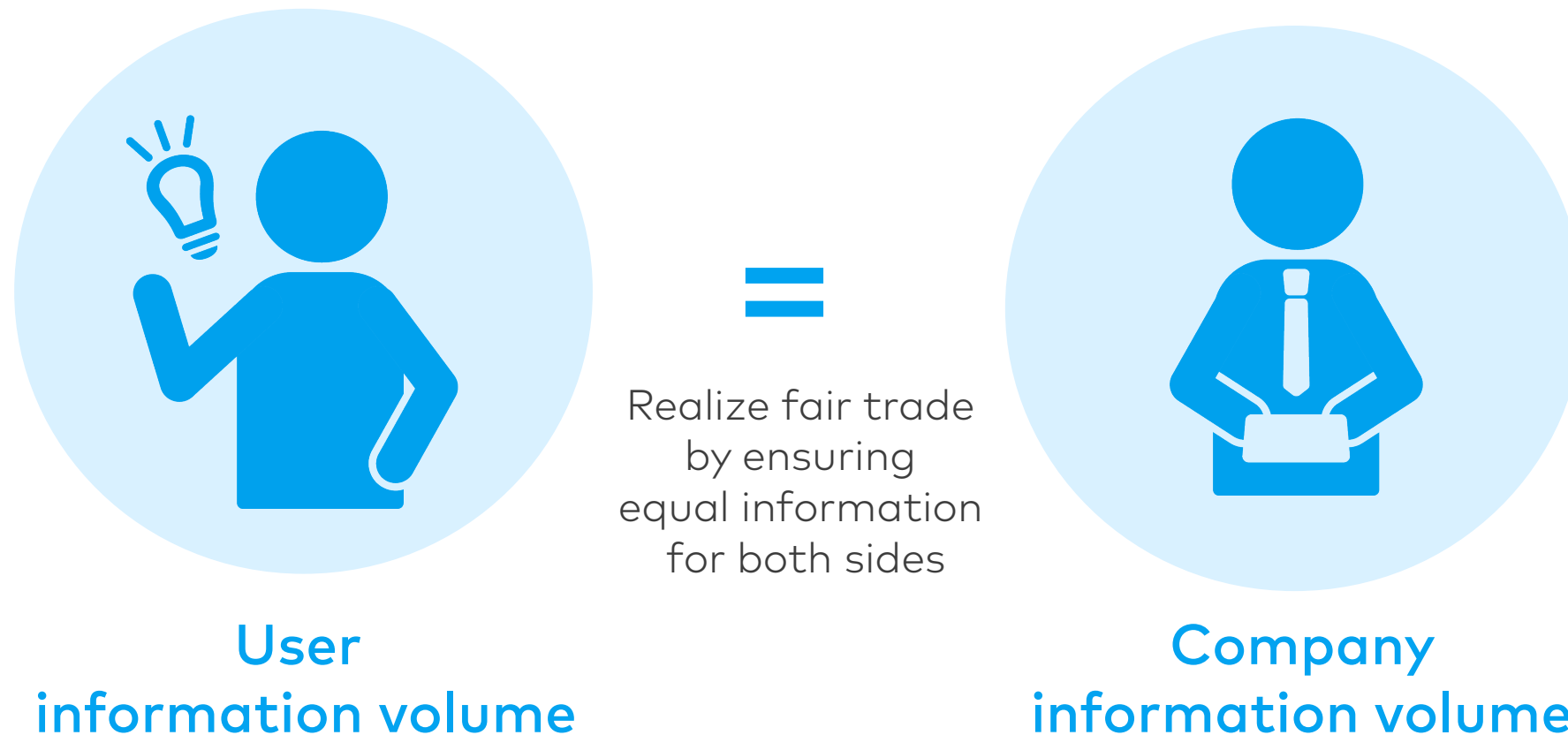
Promoted digitalization in the part-time job industry in which paper-based job listings were the norm.
Made it easier to find part-time jobs.

batonn

Eliminated dependence on people and omissions through digitalization of interview content and evaluations and functions to attract candidates. Aiming to realize efficient hiring with fewer mismatches.

High Transparency

| Reduce mismatches by eliminating asymmetry of information and realize a society with better choices for individuals and organizations



Business Examples



Provides reviews of more than 240,000 companies and visualizes working conditions at companies to deliver optimal support for job changes.



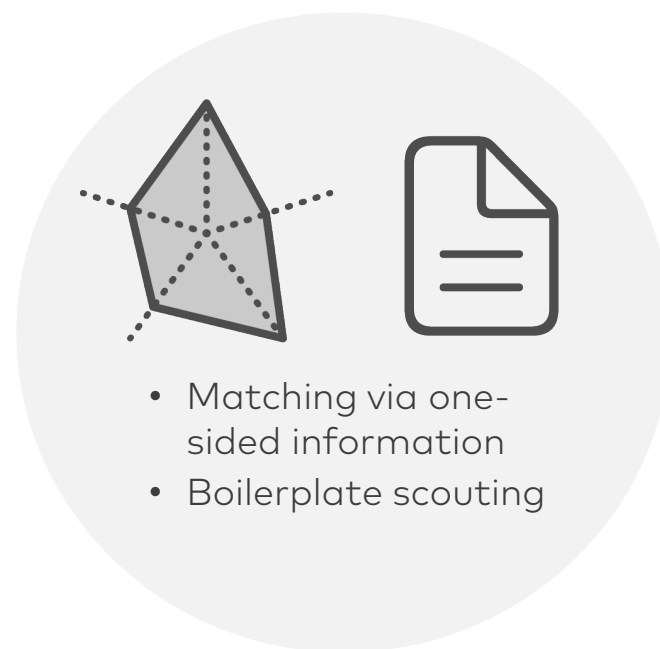
Promotes fairness in job changes through a system that shows annual income and position before selection.



Promotes transparency in real estate transactions by providing users with information such as new construction prices, foundation safety, and disaster risk.

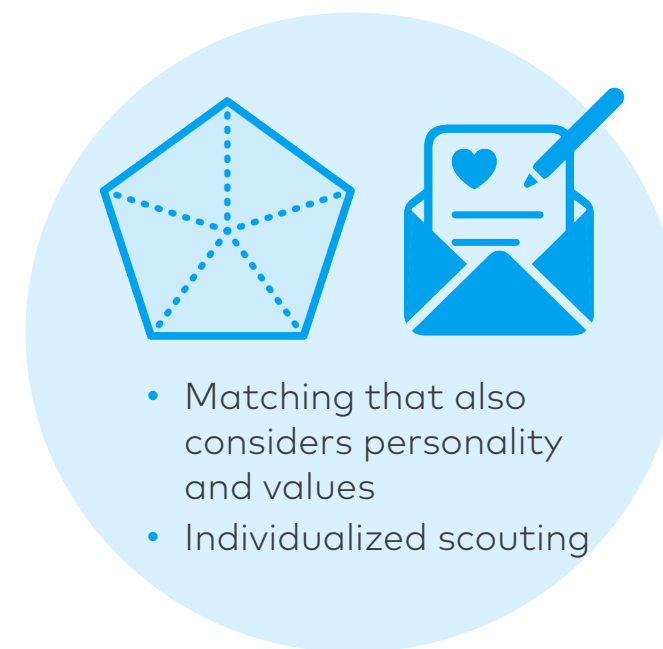
Respect for People

| Increase satisfaction with choices through matching that incorporates diverse preferences and values, breaking free from excessive mechanization



Overly mechanical matching

Although mechanization has increased the volume of information, this sometimes makes it difficult to reach the best decision



Personalized matching

Increase satisfaction in decision-making through matching that reflects individual diversity and individualized proposals

Business Examples

二> 転職DRAFT

Individualized scouting by companies based on resume content made it easier for job applicants to find a job matching their preferences.







knew

Partners are proposed based on the entered preferences, making it possible to match users according to overall preferences.

Description of Business

13

| Roll out services in accordance with three business themes in human resources, real estate, and other domains

Existing businesses	 Part-time employment service	 job change review site
	 Limited tender career change service	 Real estate information service
New businesses under consideration	 Introduction-type matching service	 Interview optimization tool

| 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

Full-year Summary

Enhance profitability
of
existing businesses

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

- Machbaito : Engaged in customer attraction according to corporate needs and implemented up-selling with big customers
- TenshokuKaigi : Sales up owing to acquisition of budgets of big partners
- TenshokuDraft : Numbers of participating members and companies both increased
- IESHIL : Increased rate of referrals to partners by improving interviews with members. Verified purchase and resale business separately.

Establish foundation
for new businesses

Challenge of customer acquisition remains despite progress on verification of 2 new businesses

- knew : Progress made on improving matching algorithm and UX and verifying advertising
- batonn : Progress made on functional improvements for better UX

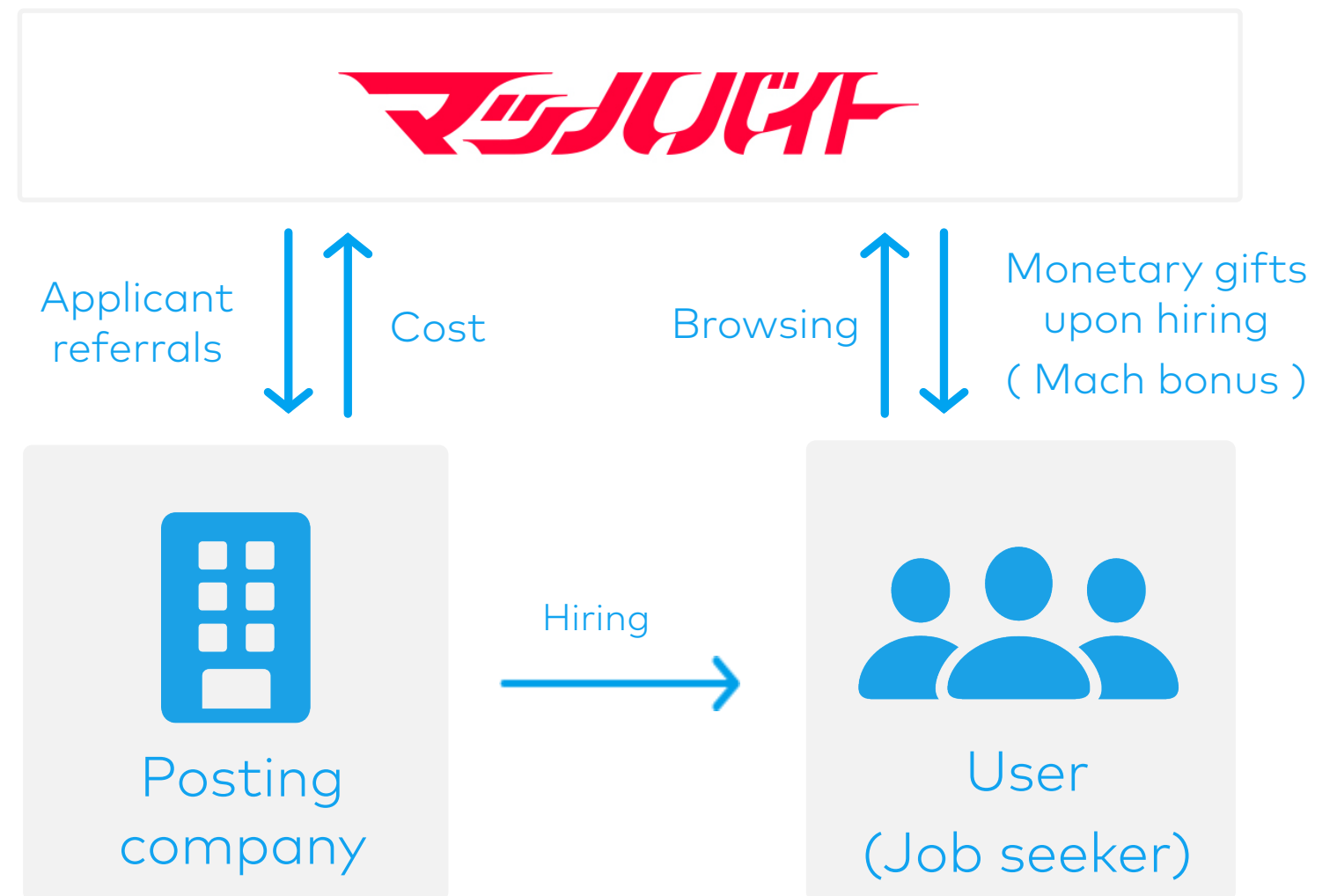
2. FY2022 Summary

Existing business

Machbaito

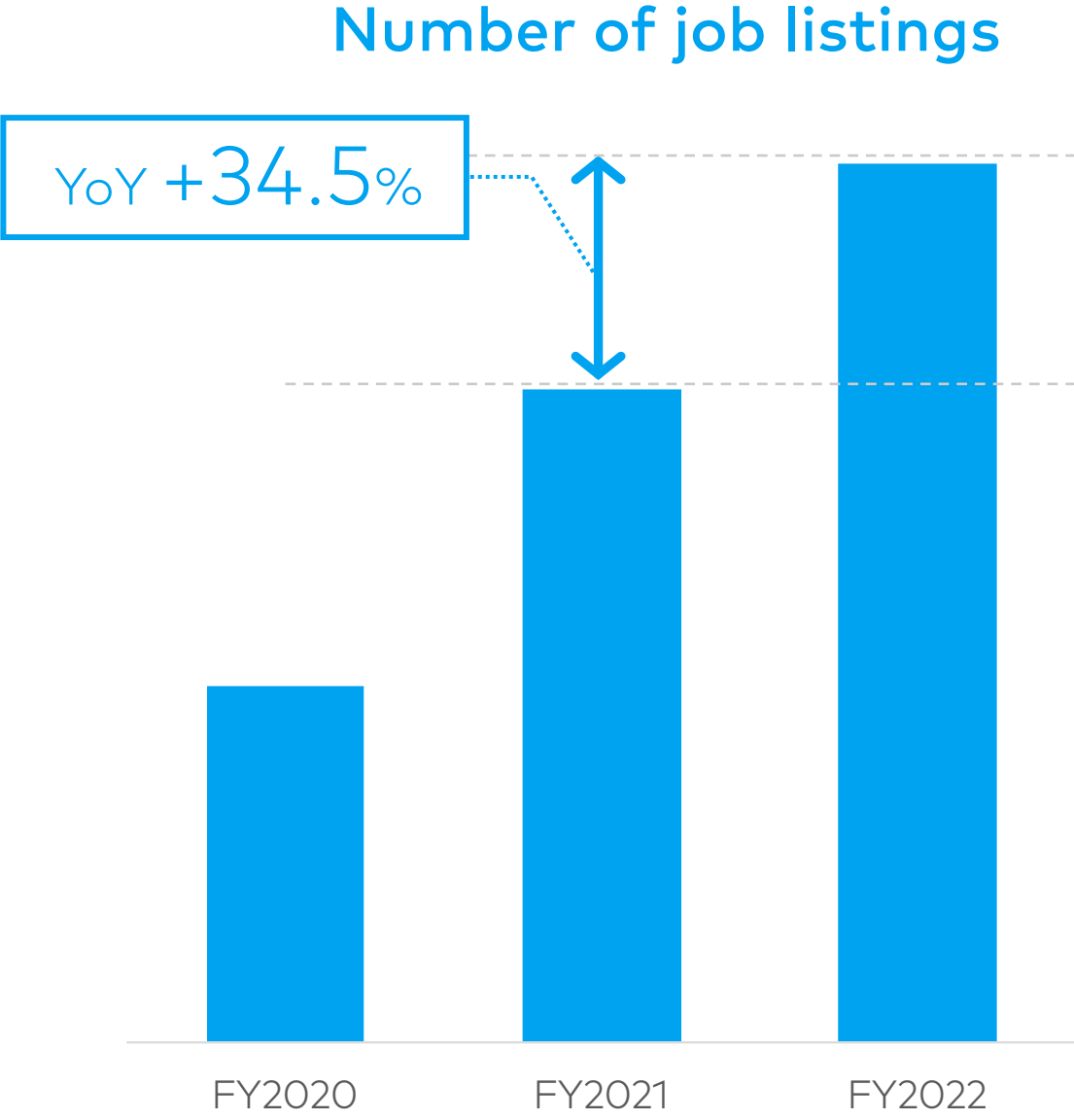
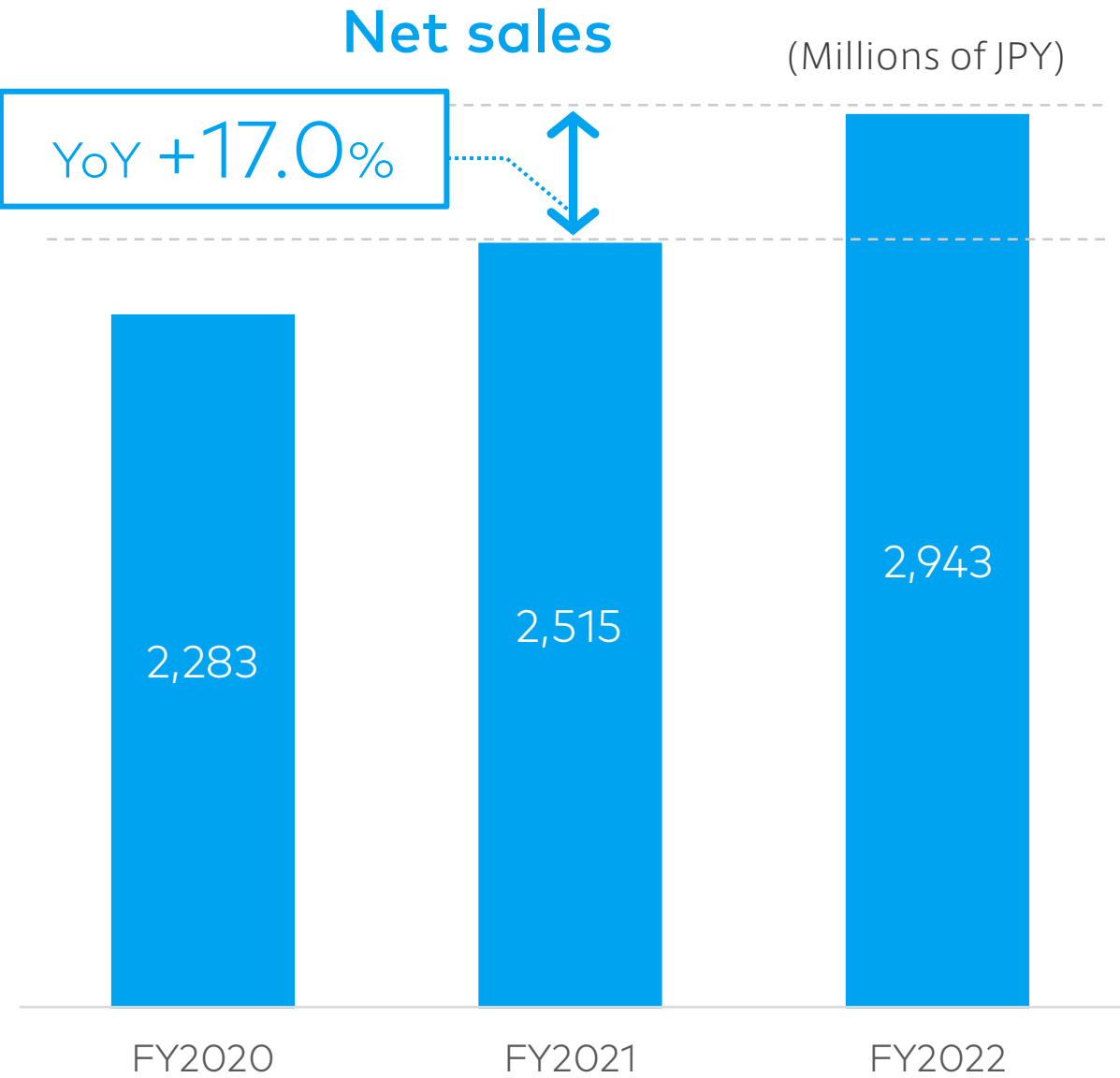
- | Part-time employment service with more than 300,000 job postings.
- | By focusing on monetary gifts upon hiring, strengthened App promotion. It consequently increased the number of users, especially young students and job hoppers.

Overview of service



Machbaito

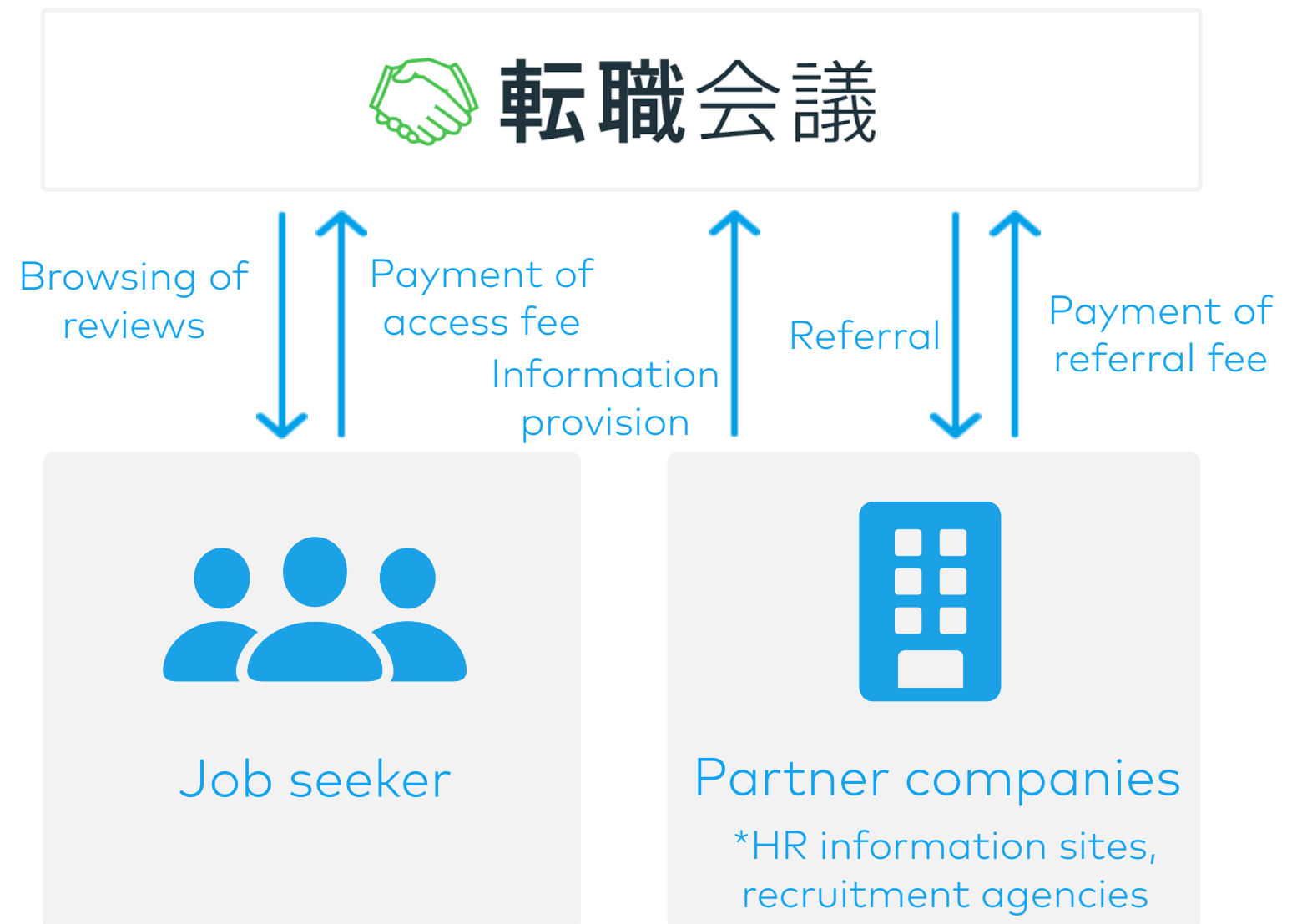
- Sales up ¥428 million (+17.0%) owing to up-selling to major customers
Profitability also improved with higher profitability per job opening
- Expanded number of job listings by engaging in customer attraction according to corporate hiring needs



Tenshoku Kaigi

- More than 3.6 million reviews posted with information such as company reputation and annual income.
- Provides comprehensive information, including more than 300,000 jobs, in addition to reviews. Sales created through referrals to posting companies and fees to access user reviews.

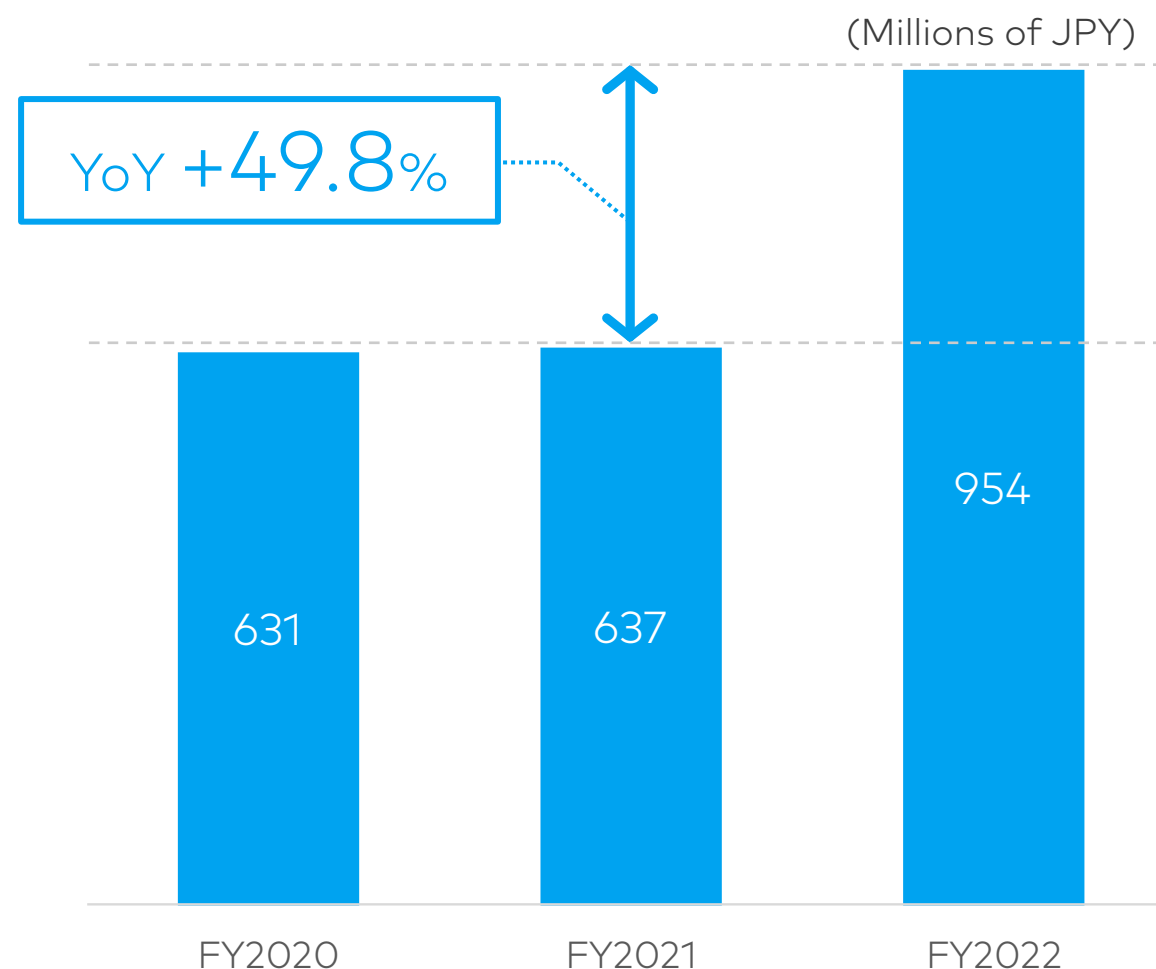
Overview of service



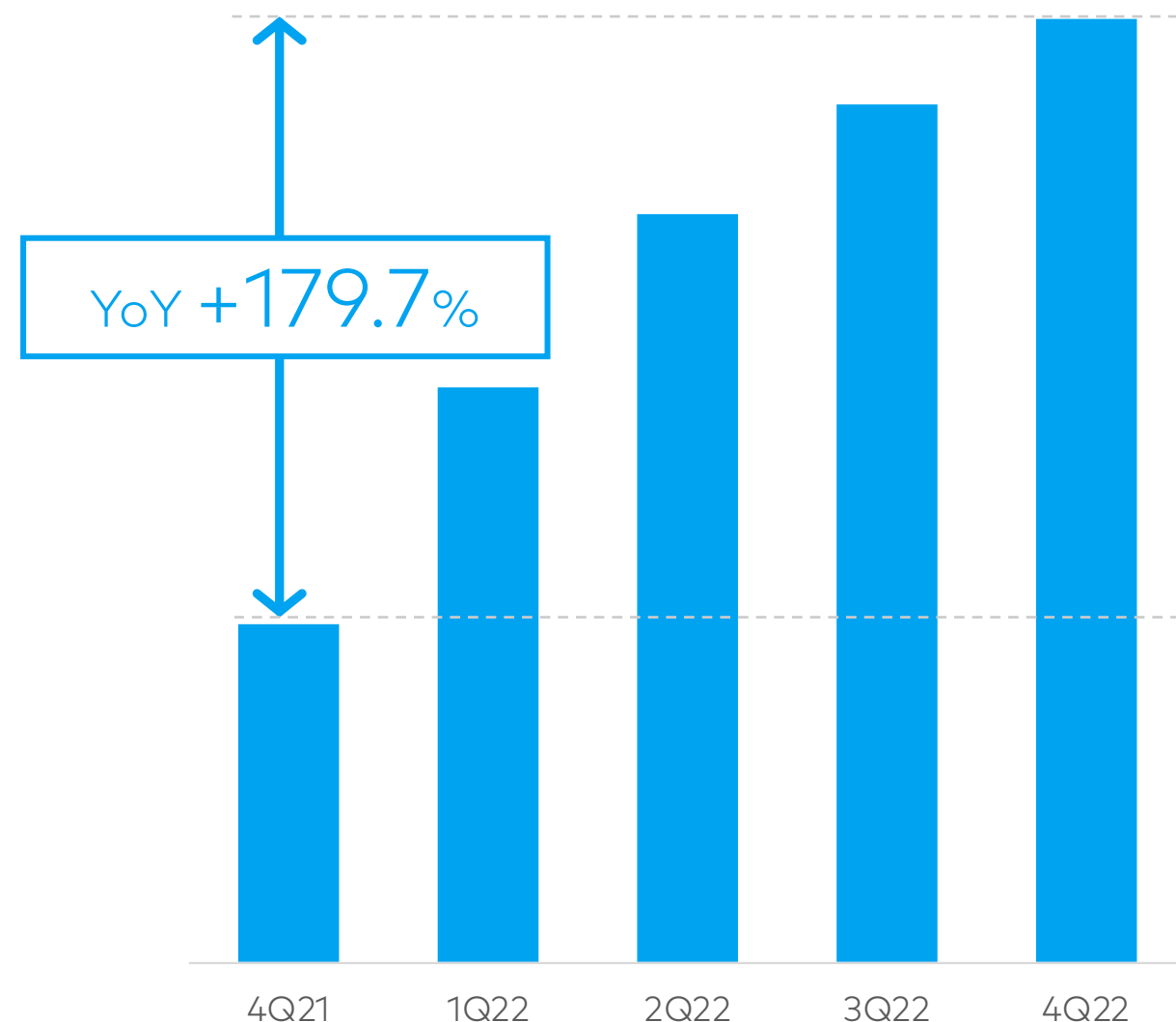
Tenshoku Kaigi

- | Sales up ¥317 million (+49.8%) YoY owing to acquisition of budgets of big partners
- | Number of users of subscription-based "Review Pass" that allows unlimited browsing of reviews also increased

Net sales



Review Pass users



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



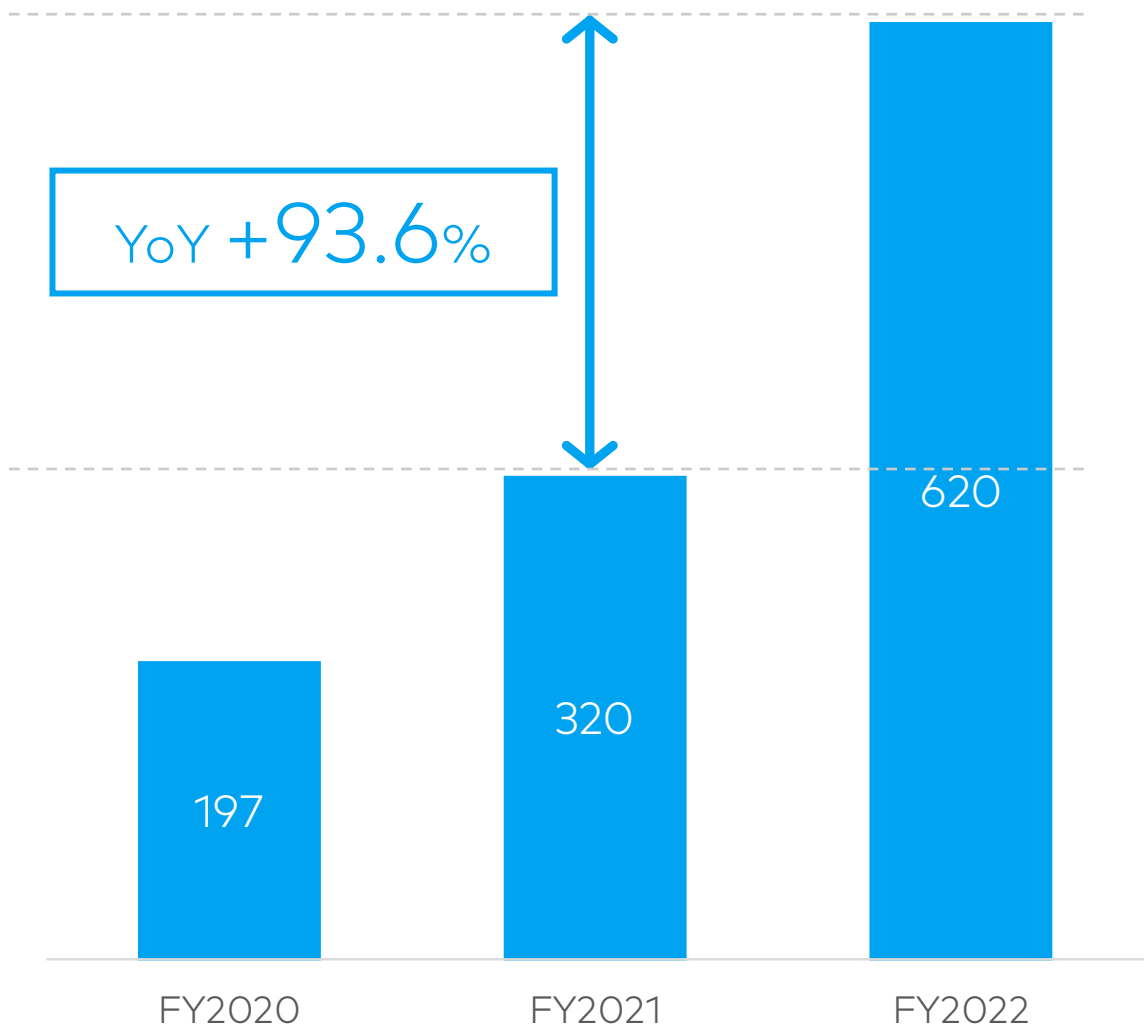
*Some sales also created through Tenshoku Draft usage fee

Tenshoku Draft

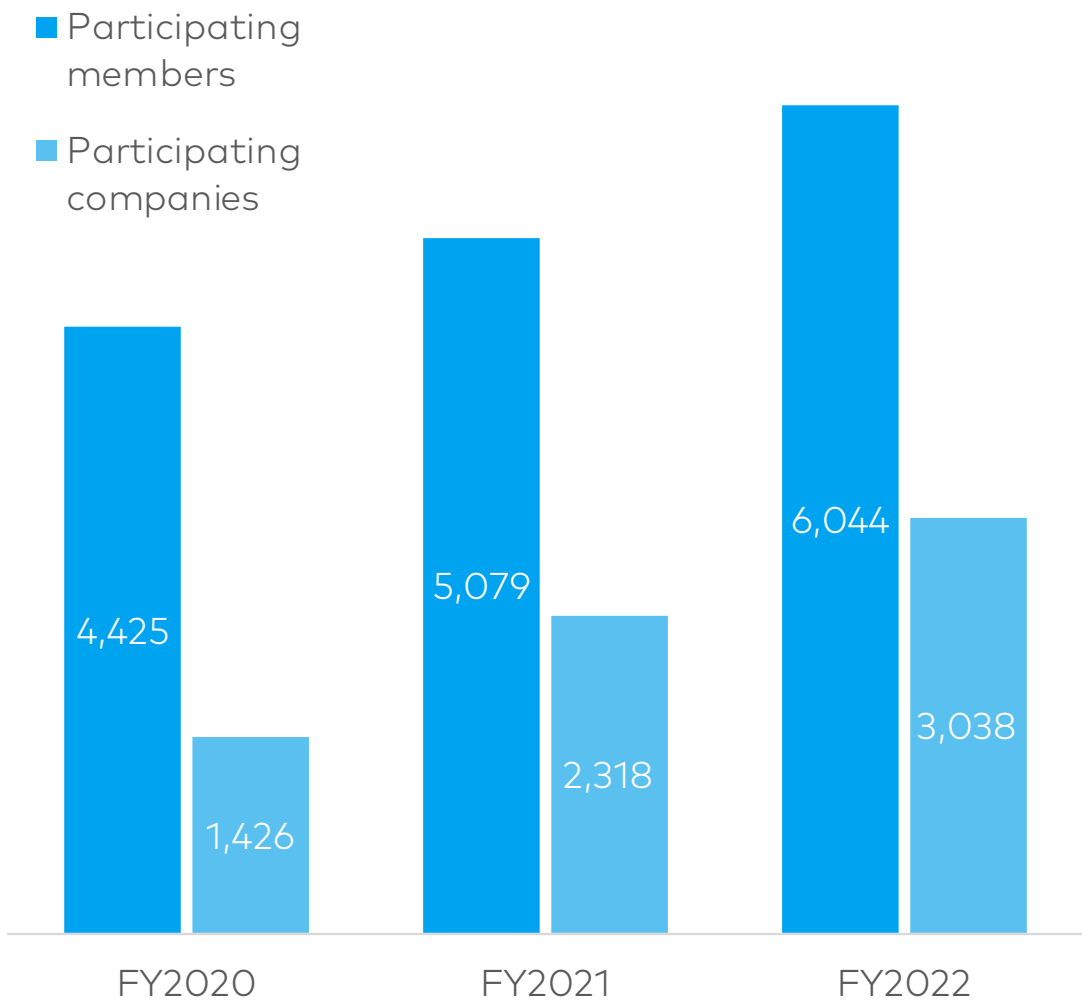
- | Numbers of participating members and companies both increased with greater service recognition and better customer experience
- | Sales up ¥299 million (+93.6%) YoY. Revised price structure also contributed to higher sales

Net sales

(Millions of JPY)



Total numbers of participating members and companies*



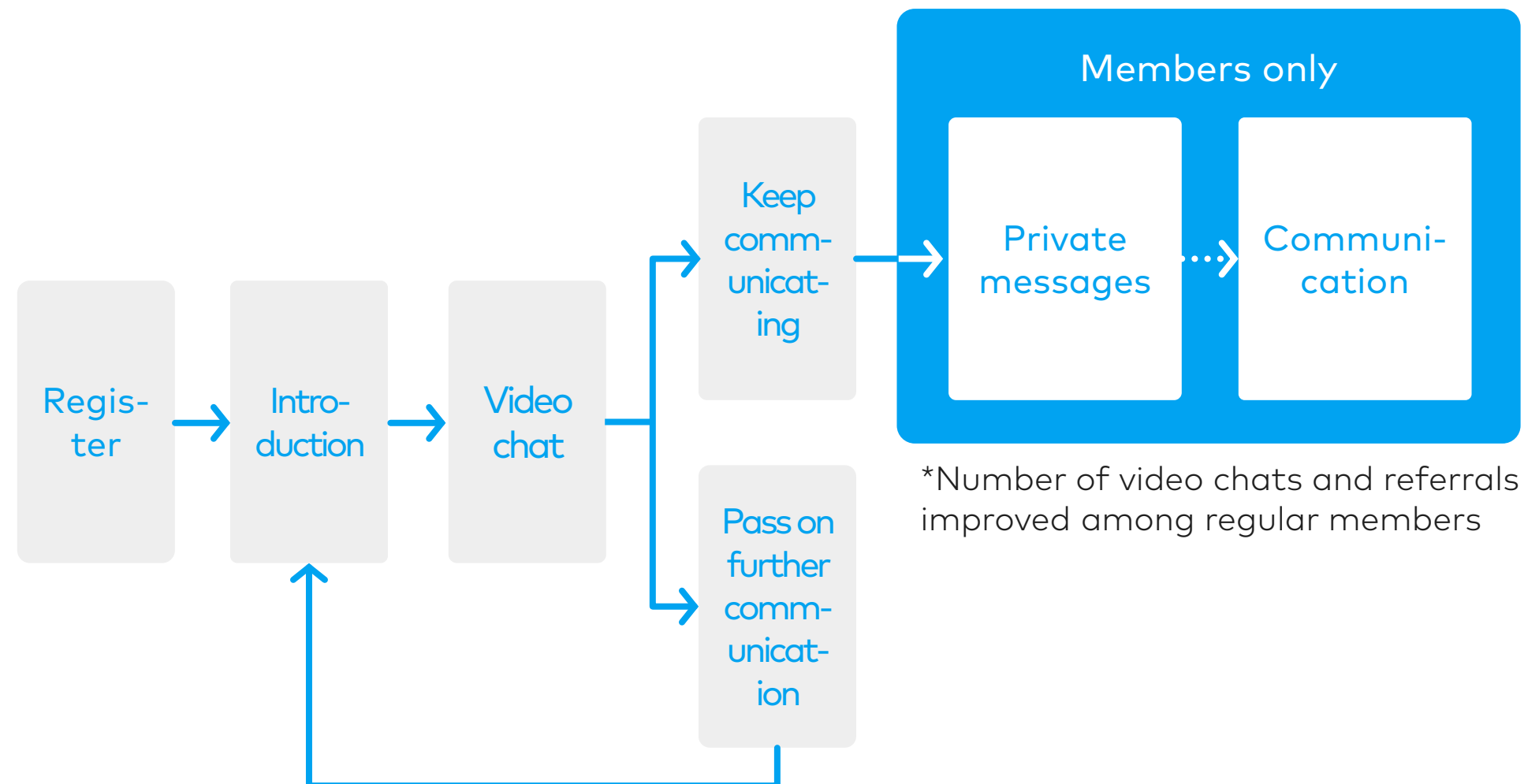
*Total numbers of participating members and companies for each event

2. FY2022 Summary

New Businesses

Introduction-type Matching Service "knew"

- "knew" is a new Introduction-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.



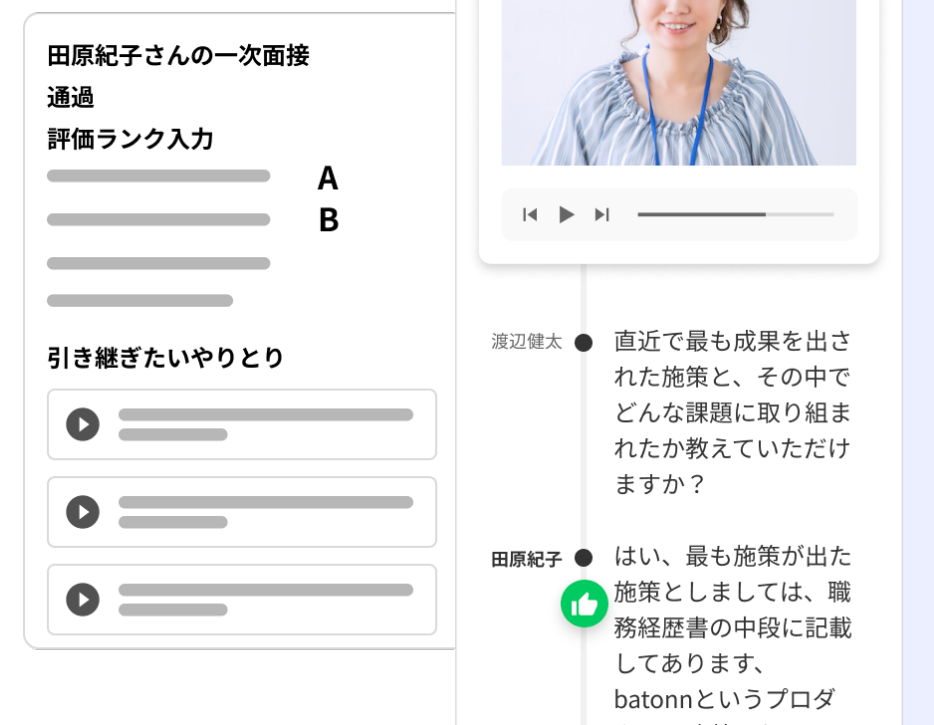
Interview Optimization Tool "batonn"

- "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

Progress on New Businesses

- | Improved matching algorithm and engaged in development to reduce interviewer workload
- | Challenges remain despite progress on establishment of customer attraction model and customer acquisition



Overview of service	Introduction-type matching service	Interview Optimization Tool
FY2022 Policy	Establishment of customer attraction model capable of sustainable expansion	Shift to paid services and acquisition of corporate customers
Progress on verification	Number of paid members and number of matches increased owing to matching algorithm and UX improvements. Further improvements needed for establishment of customer attraction model	Implemented improvements to transcription function and functions to help reduce interviewer workload. Challenge of acquiring companies remains

3. FY2023 Policy

FY2023 Company-wide Policy

**Establish foundation for stable and sustainable growth
and strengthen investments to create "the next common"**

**Establish foundation
for sustainable growth
through enhancement of
existing businesses**

- Increase number of users by strengthening acquisition channels, increasing recognition, and improving UX
- Increase sales through up-selling to customers and segment expansion

**Create new revenue
streams based on
existing businesses**

- Explore and verify new monetization points and peripheral businesses utilizing existing assets and platforms

**Realize PMF* in
new businesses**

- Realize PMF quickly for full-scale investment in new and batonn
- Invest in creation of new businesses other than 2 above

*Product market fit: State where service is accepted by customers in particular market

Strengthening of Existing Businesses and Creation of New Revenue Streams

28

| Promote strengthening of foundation for profit generation in FY2023 and growth in FY2024 and beyond. Accelerate exploration and verification of new revenue streams

Enhance existing businesses



- Increase number of applications by strengthening existing application channels and streamlining ad placement
- Up-selling to major customers
- Cultivate new customer groups to help increase sales in next fiscal year and beyond



- Enhance site by increasing quantity and quality of reviews
- Increase sales per member by expanding Review Pass and improving rate of referrals to partners



- Increase number of participating members through enhancement of inflow channels and UX improvements
- Expand corporate customer segment



- Increase number of members by enhancing advertising and content marketing

Create new revenue streams

- Exploration of new revenue streams utilizing existing assets/platforms
- Verification for profitability

- | Continue investing in new businesses to create future pillars
- | Realize PMF quickly for launch of full-scale investment in knew and batonn

Overview of service

knew

Referral-type matching service

batonn

Interview Optimization Tool

**New businesses of
the future**

Review based on business
themes and market
opportunities

Realize PMF in new businesses

- Increase sales per member through UX improvements
- Strengthen branding
- Acquire user companies based on ease of use for interviewers
- Increase number of user companies and accumulate case studies of use
- Verification of business proposals other than knew and batonn that will become future pillars of revenue

| Aim for increasing sales and profit by strengthening existing businesses and creating new revenue streams based on existing businesses.
Continue investing in new businesses

(Millions of JPY)

	FY21	FY22 Previously announced forecast (A)	FY22 Revised forecast (B)	Amount of change (B-A)
Net Sales	4,757	6,000	26.1%	1242
Operating Income	284	350	23.2%	65
Ordinary Income	438	500	14.1%	61
Profit attributable to owners of parent	537	460	-14.4%	* -77

*Resulting from reactionary drop from temporary increase in profit based on tax effect accounting in FY2022

Progress on Compliance with Listing Requirements

31

- | Daily avg. trading value met criteria at end of FY2022
- | Will aim to continue meeting tradable share market cap criteria for conformance with Prime Market

Item	As of the transition reference date	As of the end of FY2022	Standard	Compliance status as of the end of FY2022
Number of shares in circulation	135,435 units	108,538 units	20,000 units or more	○
Total market capitalization of tradable shares	3.1 billion yen	3.11 billion yen	10 billion yen or more	×
Ratio of tradable shares	48.1%	38.5%	35% or more	○
Average daily trading value	0.06 billion yen	0.97 billion yen	more than 0.2 billion yen	○



LIVESENSE

あたりまえを、発明しよう。

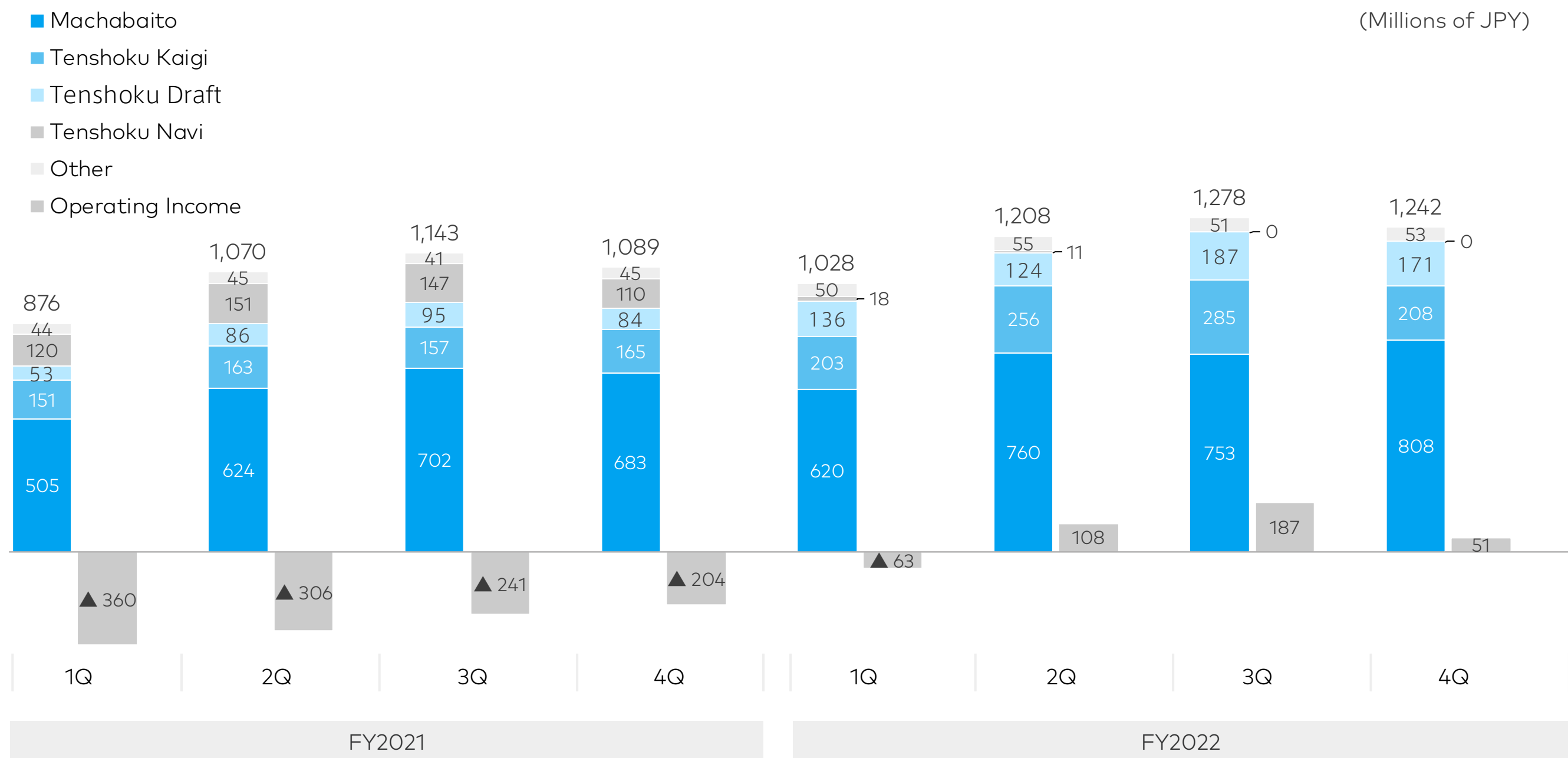
4. Appendix

4. Appendix

Quarterly results

Quarterly Net Sales and Operating Income

35

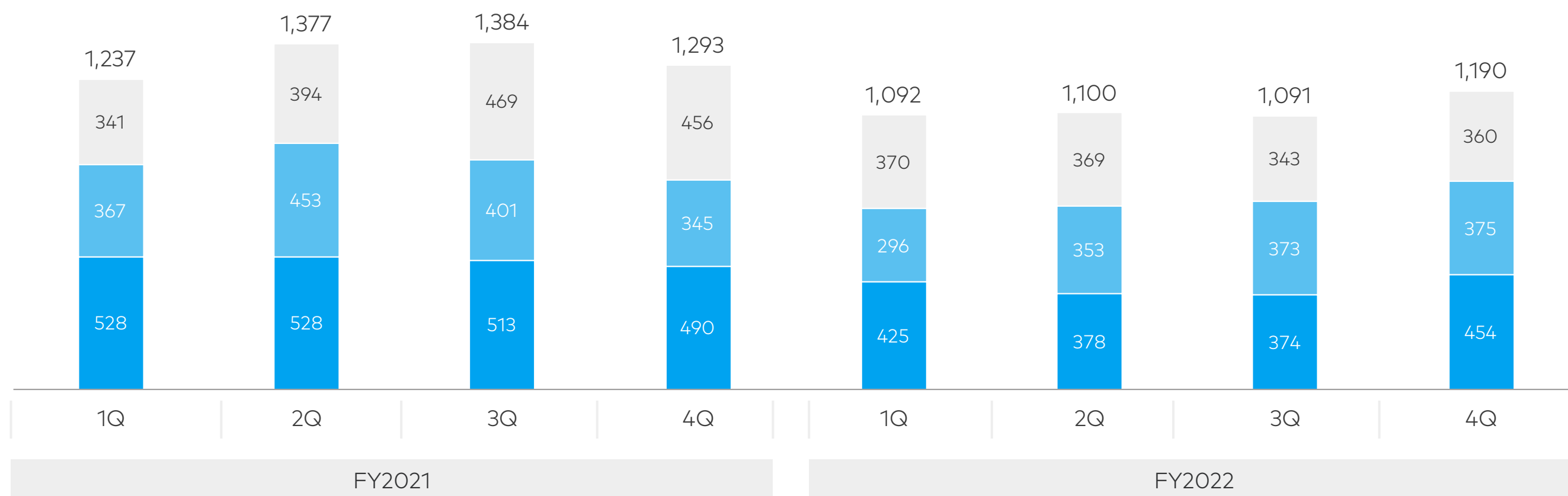


Quarterly Operating Expenses

36

- Personnel expenses
- Advertising costs
- Others

(Millions of JPY)



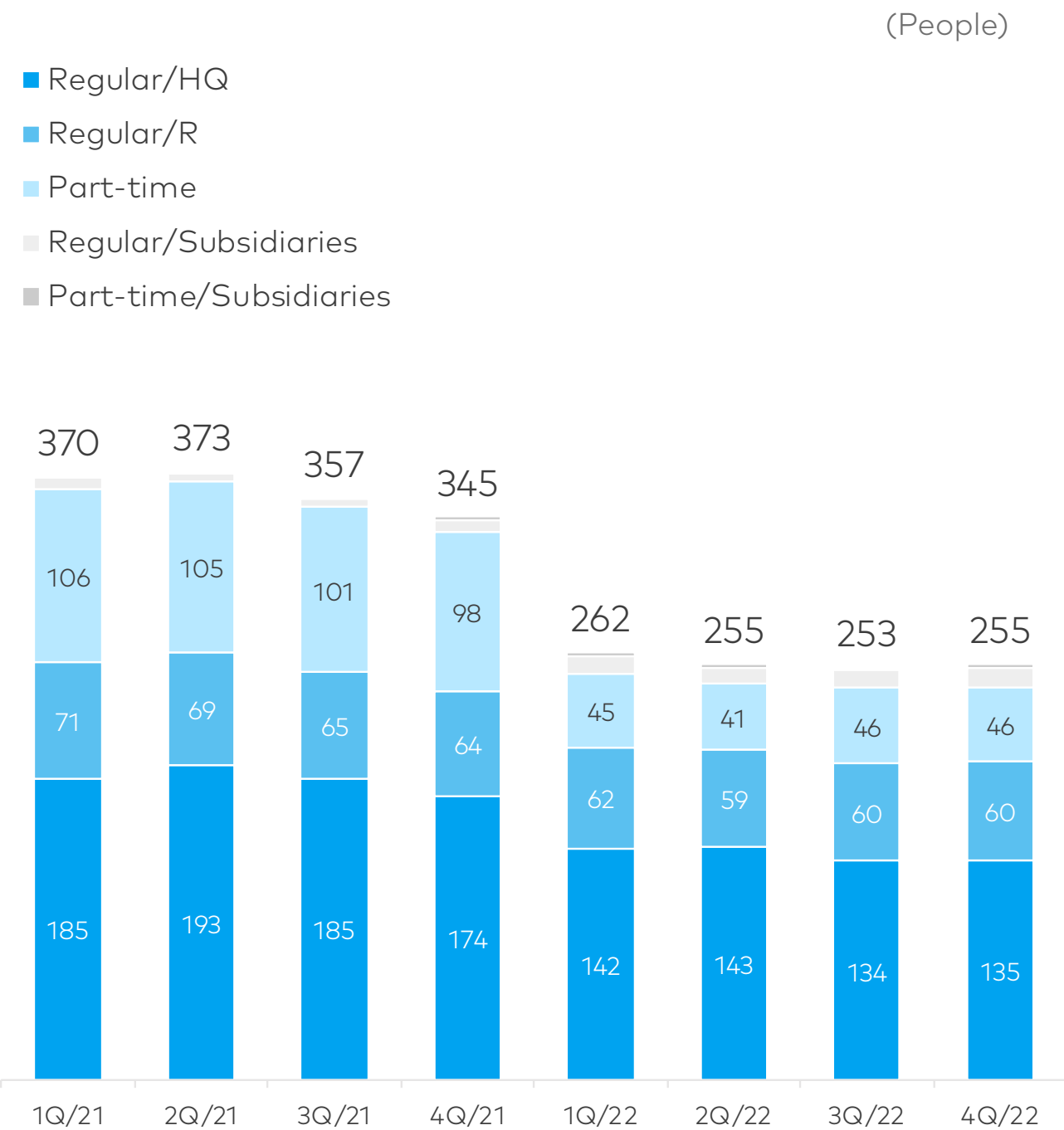
*Personnel expenses temporarily increased in 4Q FY2022 due to special bonuses

4. Appendix

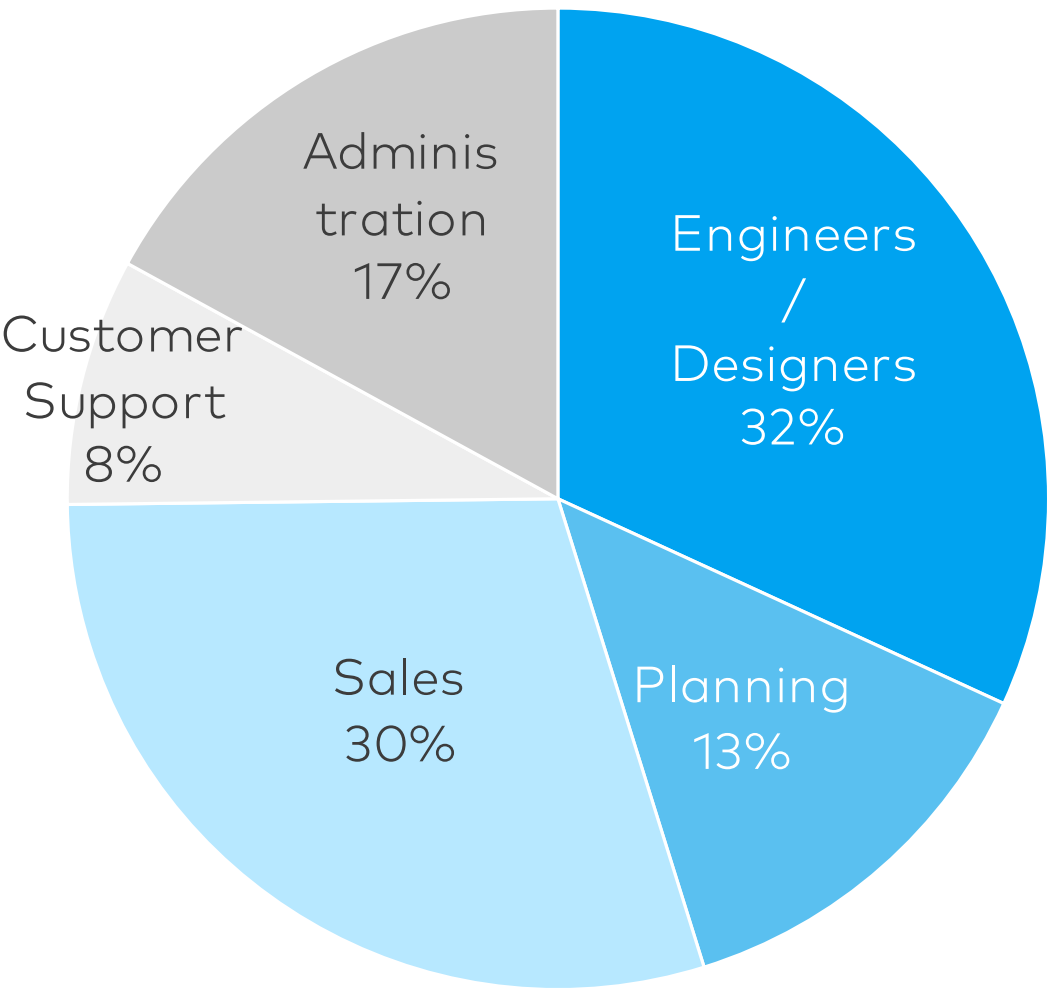
Corporate Profile

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: 203 (as of December 31, 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.