

FY2023 1st Quarter Financial Results

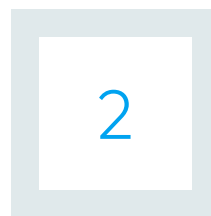
Livesense Inc. (TSE Prime Market: 6054)

May 15, 2023

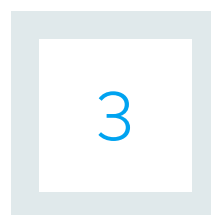
Agenda



Financial Results



Progress



Appendix

1. Financial Results

Executive Summary for the 1st Quarter

- | Sales up with growth of Machbaito, Tenshoku Kaigi, and Tenshoku Draft.
- | Operating income up with increase in sales. Made forward-looking investments to establish foundation for sustainable growth

(Millions of JPY)

	FY2022 1Q	FY2023 1Q	YoY
Net Sales	1,028	1,292	+25.7%
Operating Income	-63	48	—
Operating Margin(%)	—	3.7%	—
Ordinary Income	-22	88	—
Profit attributable to owners of parent	-35	73	—

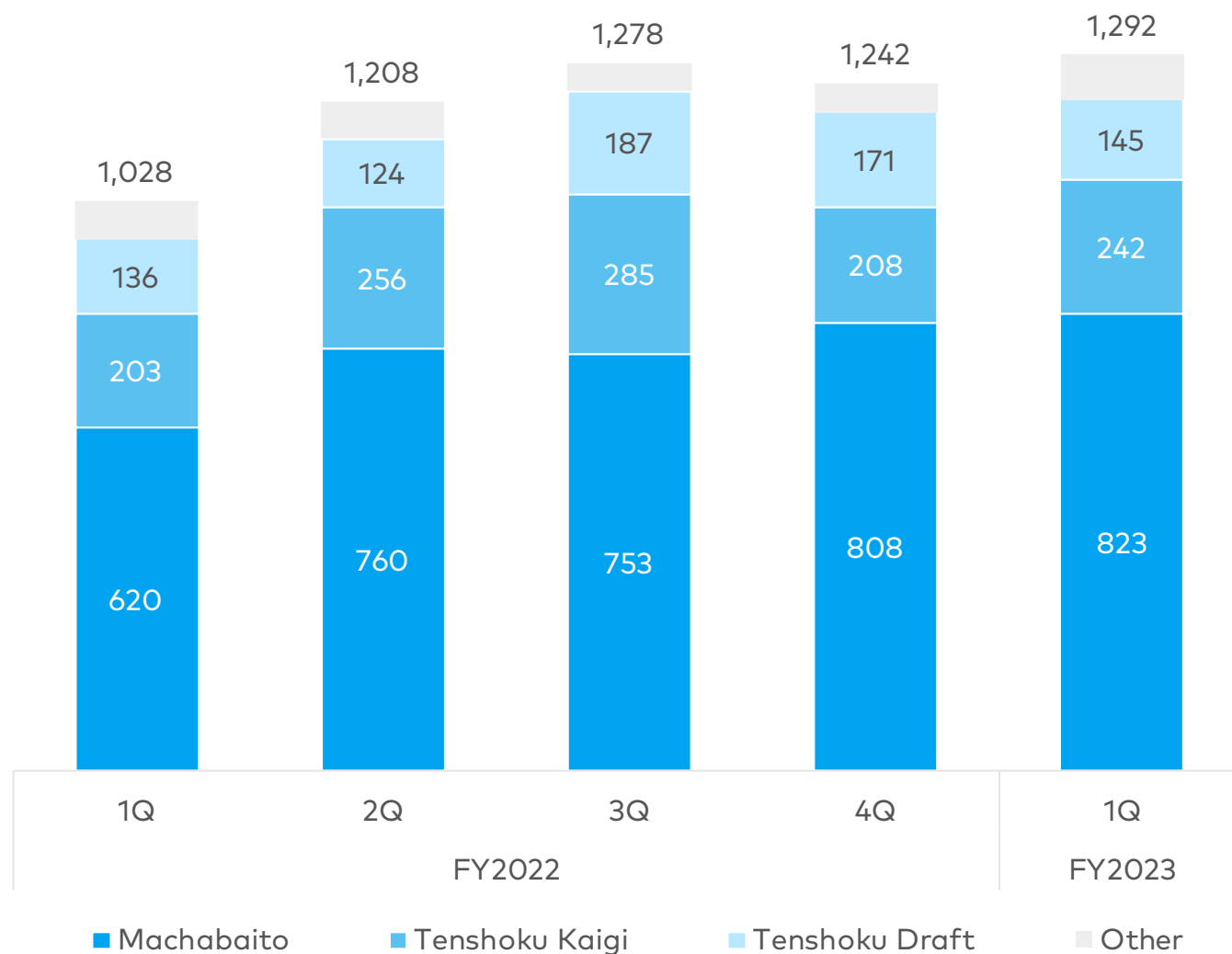
Quarterly Net Sales and Operating Income

Sales continuing to increase, up YoY for 8 consecutive quarters

Down QoQ mostly due to forward-looking investments related to Machbaito

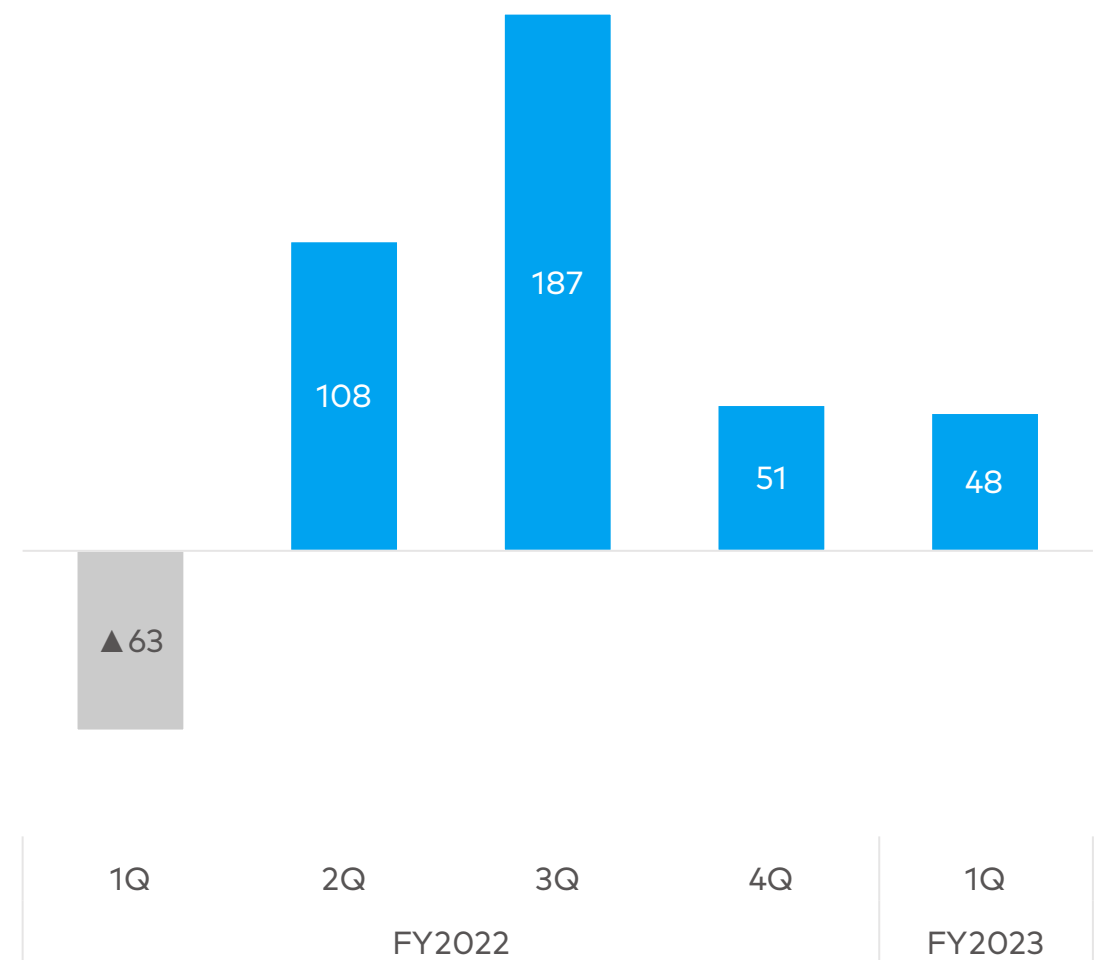
Net sales

(Millions of JPY)



Operating income

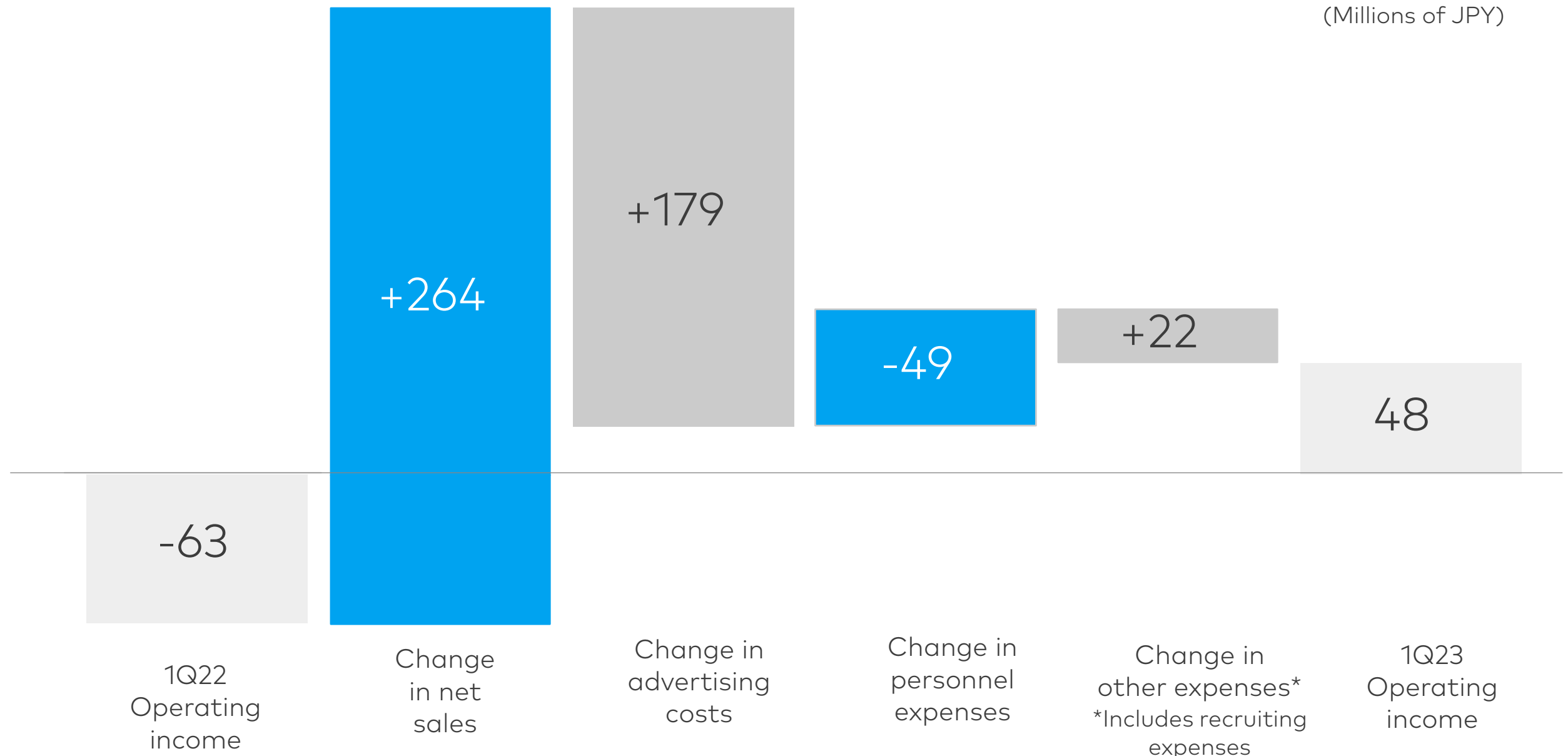
(Millions of JPY)



Trends in Operating Income: Variance Analysis

- | Income up with business growth. Also making investments within the range that ensures profitability.
- | Expenses up due to ad spending to attract customers and resumption of hiring to strengthen personnel system

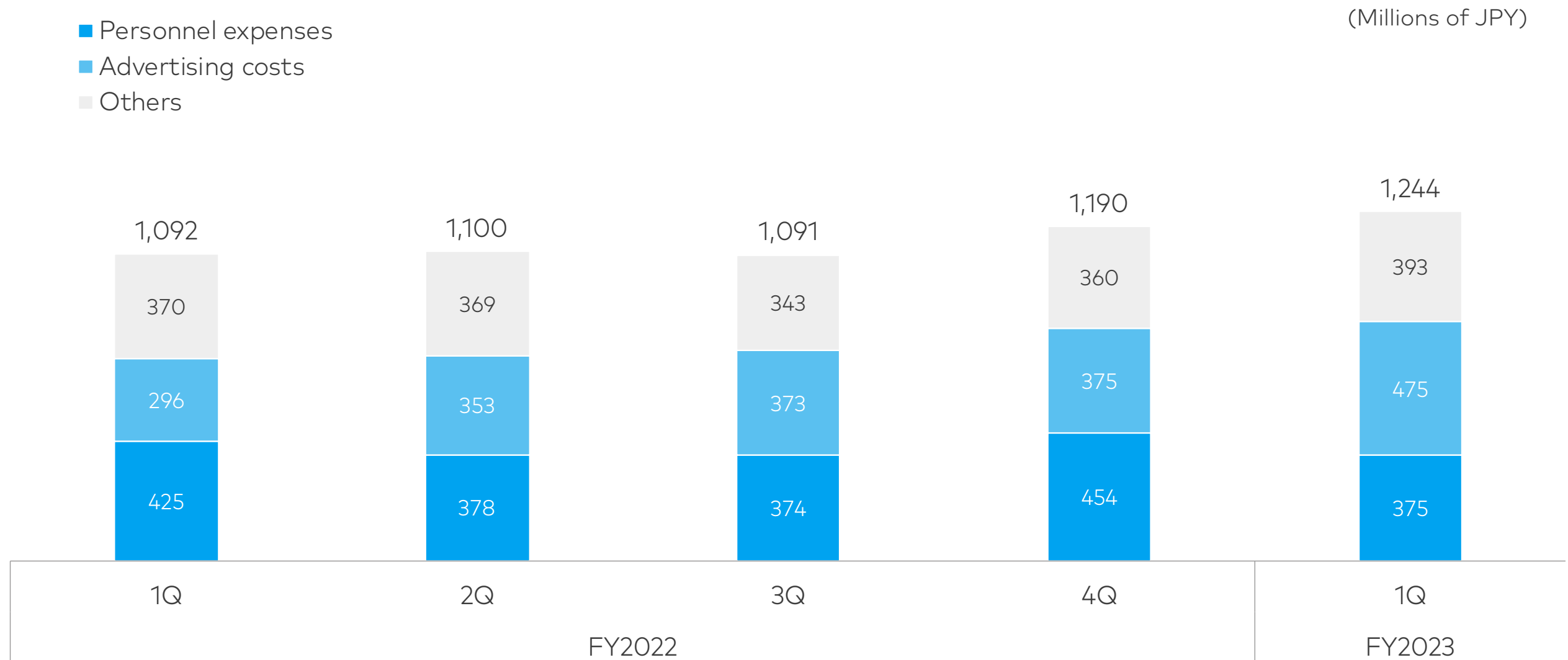
(Millions of JPY)



Operating Expenses

Total expenses up both YoY and QoQ due to business growth and more investment

Personnel expenses down QoQ due to absence of special bonuses recorded previous quarter



Progress towards performance forecasts

Impact of seasonal factors and forward-looking investments already reflected in forecasts. Progress being made mostly as expected.

(Millions of JPY)

	1Q FY2023 Result (A)	1Q FY2023 Forecast (B)	Progress (A/B)
Net Sales	1,292	6,000	21.5%
Operating Income	48	350	13.7%
Ordinary Income	88	500	17.7%
Profit attributable to owners of parent	73	460	15.9%

2. Progress

| 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

Progress made on forward-looking investments to establish foundation for sustainable growth and verification

Machbaito : Sales up with expansion of transactions with major customers. Made forward-looking investments for sustainable growth

Tenshoku Kaigi : Sales up with expansion of referral and Review Pass sales

Tenshoku Draft : Number of members up with campaign and UX improvements

IESHIL : Progress made on website improvements for increased inflow and verification of advertising

Create new revenue streams based on existing businesses

Measures for creating new revenue streams under verification in several businesses

IESHIL : Purchase and resale business for members under verification

Tenshoku Draft : Special agent support service for job applicants under verification

Realize PMF* in new businesses

Progress made on verification of 2 products

knew : Progress made on UX improvements and algorithm for matching

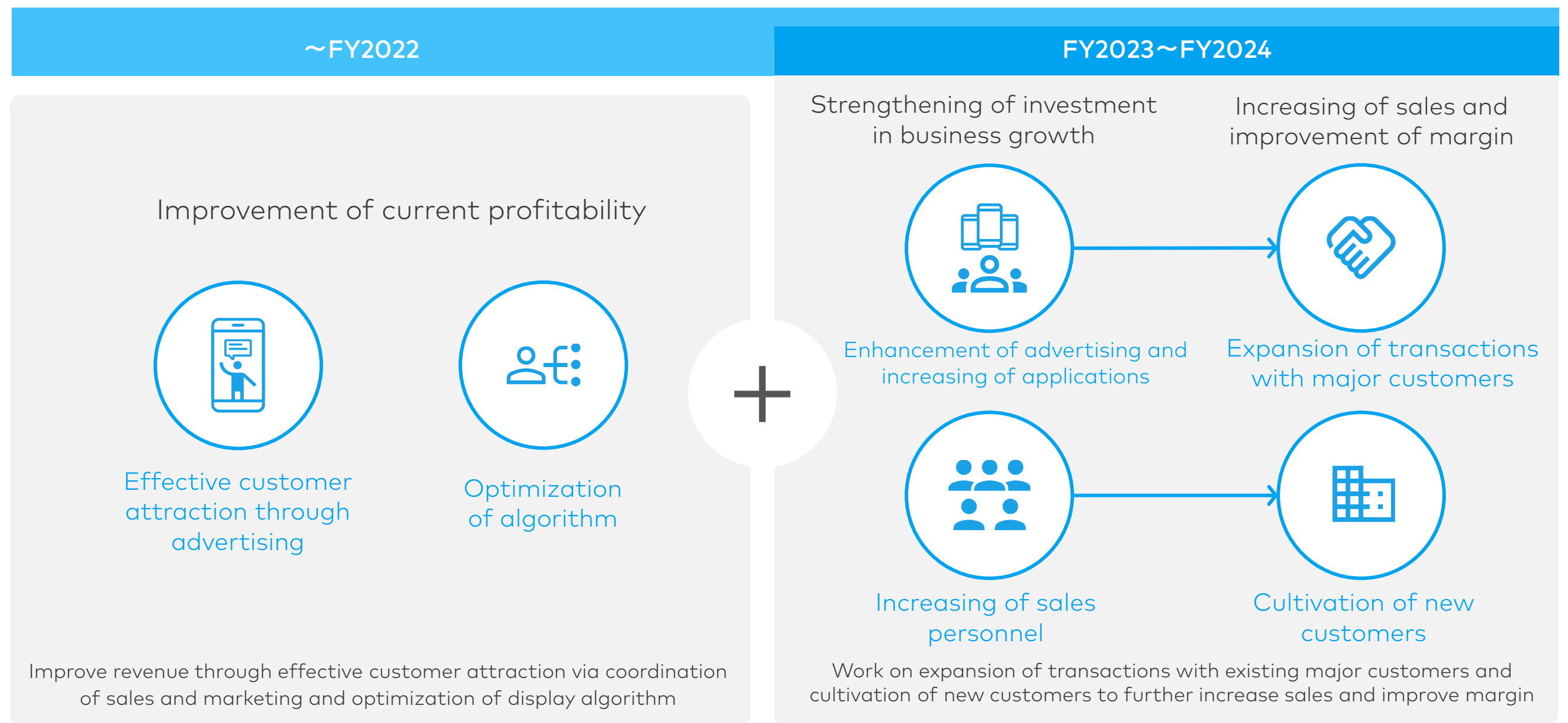
batonn : Progress made on bringing in trial companies and UX improvements

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

Machbaito

Transitioning to phase of improving current profitability and strengthening investment in business growth

Strengthening advertising and sales to build foundation for sustainable growth while utilizing existing know-how and algorithm

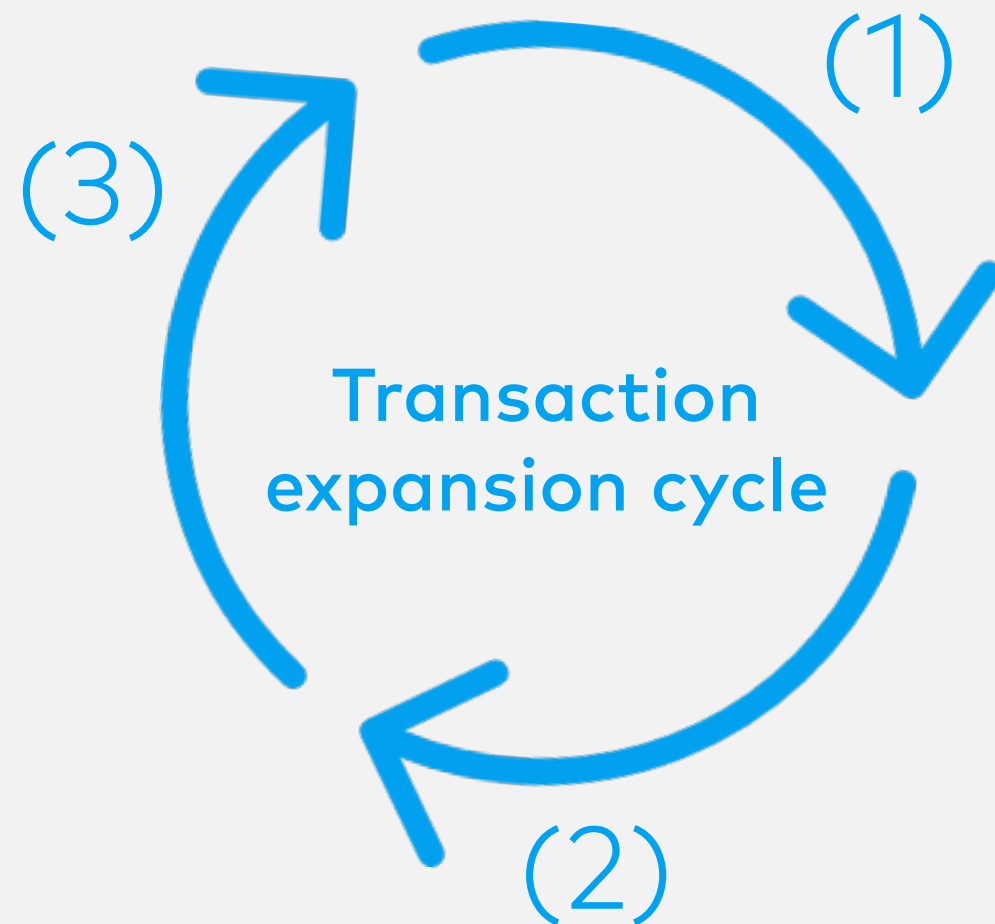


Machbaito

| Progress made on efforts to expand transactions with major customers in 1Q

| Earning trust from customers by increasing number of applications in advance. Aiming for sustainable growth by using revenue from expanded transactions to make further investments

Policy of expanding transactions with major customers



(1) Increase number of applications

Increase number of applications, particularly from advertising and app

(2) Earn customer trust and expand transactions

Earn trust of major customers by increasing number of applications to expand transactions

(3) Further strengthen advertising and business investments

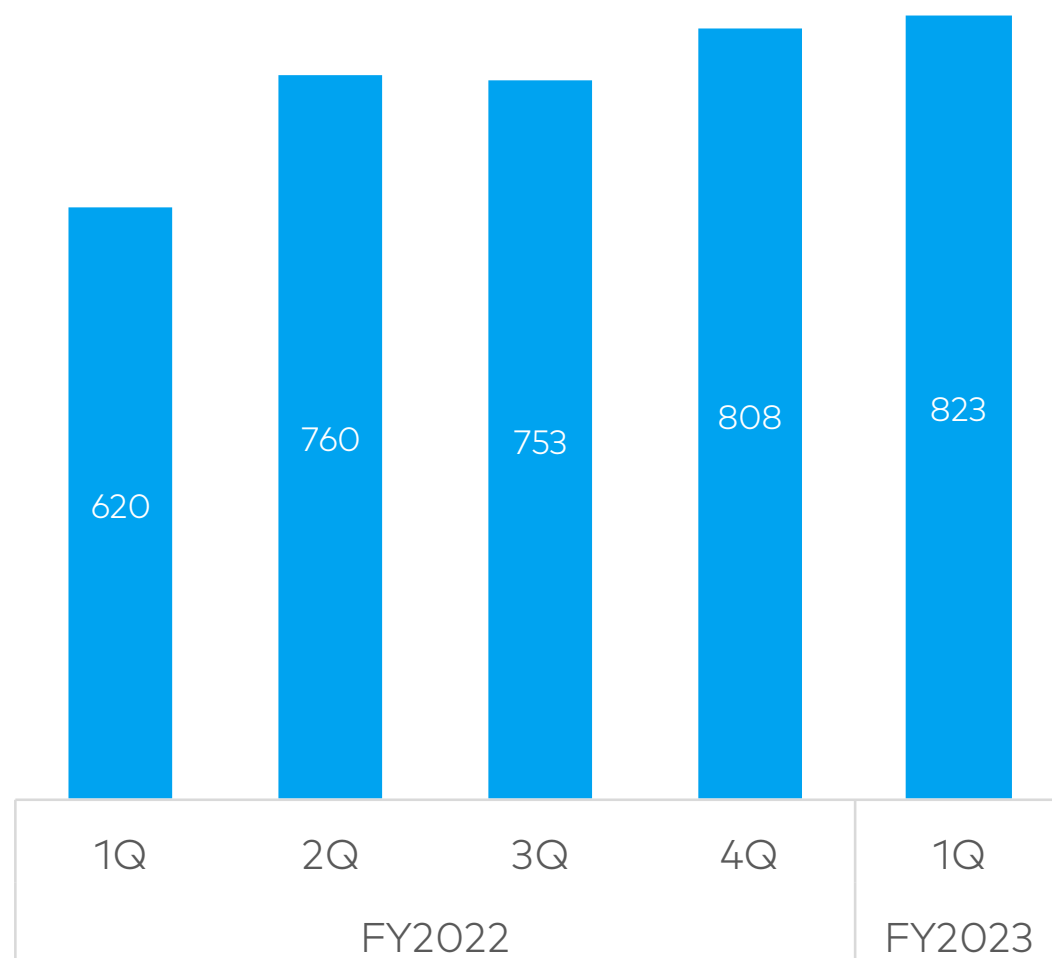
Improve profitability per job by expanding scale and use it for further strengthening advertising and business investments

Machbaito

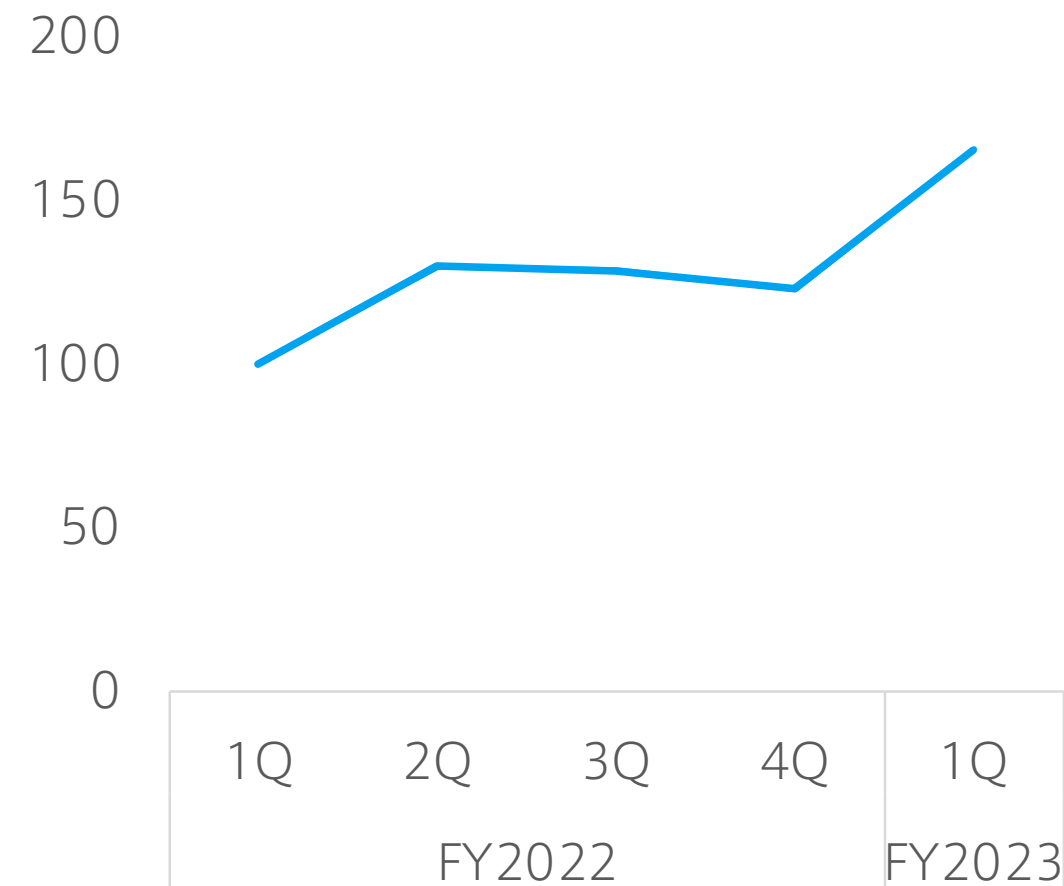
- | Sales up ¥203 million (+32.7%) YoY with expansion of transactions with major customers
- | Strengthening advertising to attract customers as forward-looking investments, increasing number of applications. Aiming to expand transactions

Net sales

(Millions of JPY)



Number of applications



*Relative values when 1Q FY2022 number of applications is set as 100

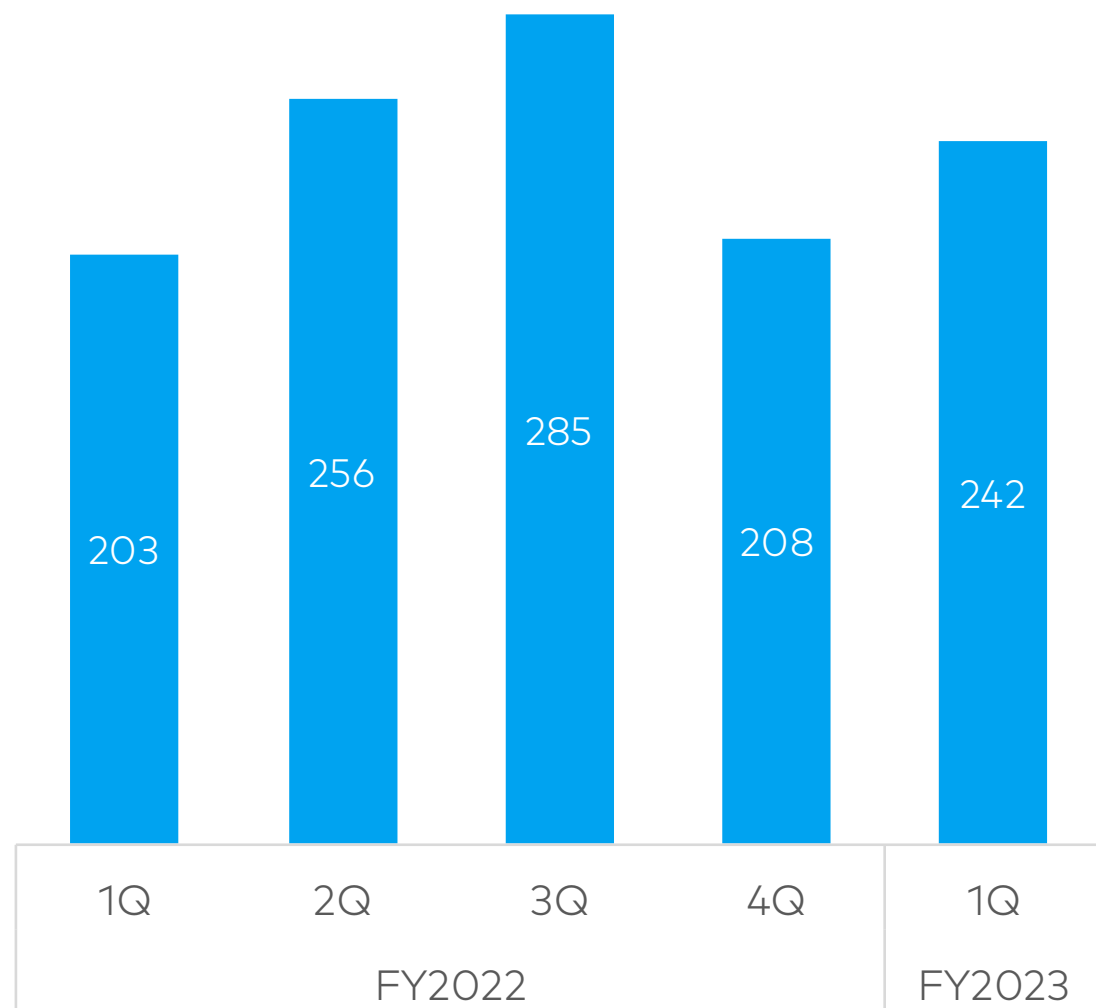
Tenshoku Kaigi

Budgets of big partners shrank in previous quarter, but sales were up ¥39 million (+19.3%) YoY owing to expansion of referral and Review Pass sales

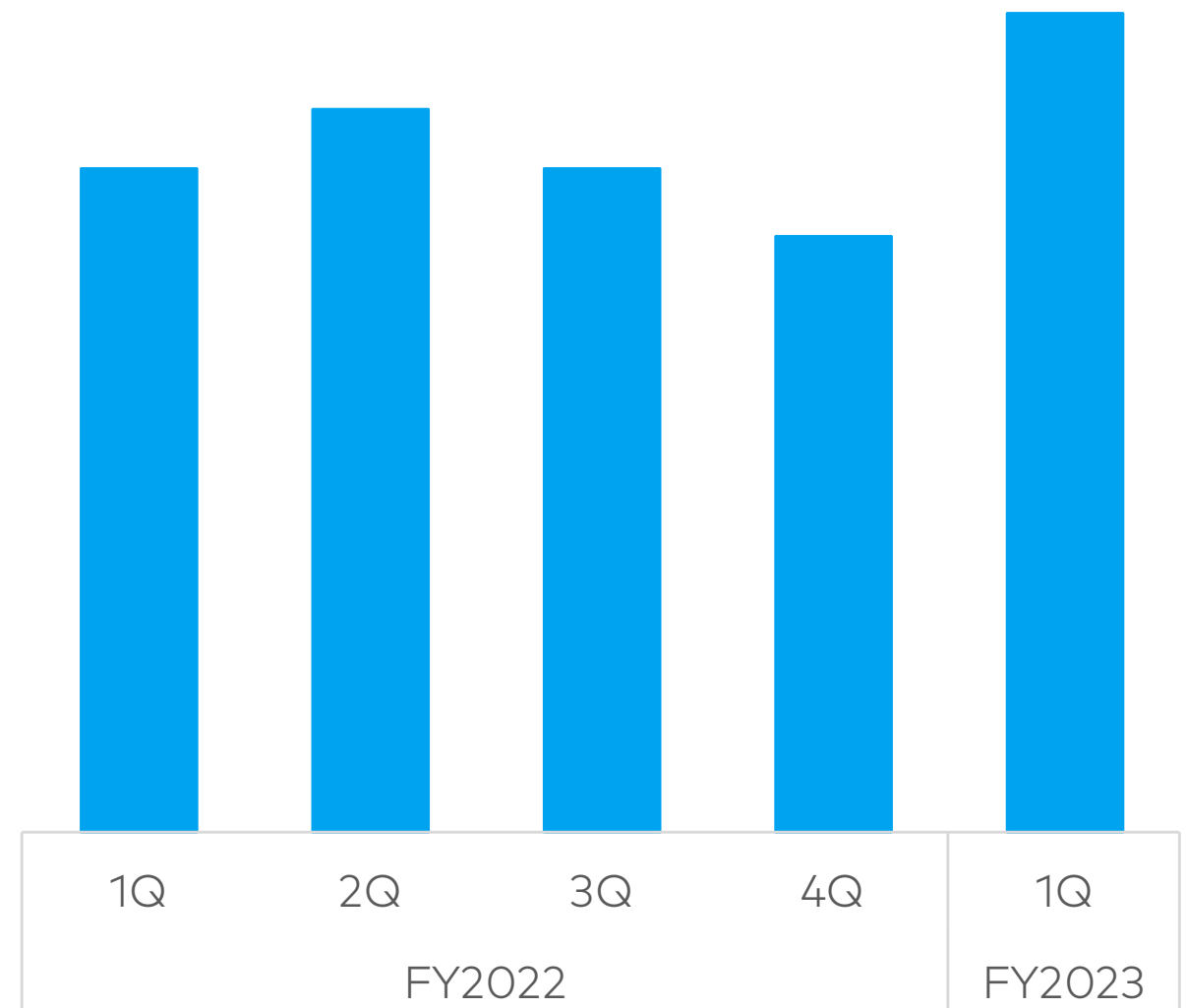
Number of registrations up with ongoing UX improvements

Net sales

(Millions of JPY)



Number of registered members

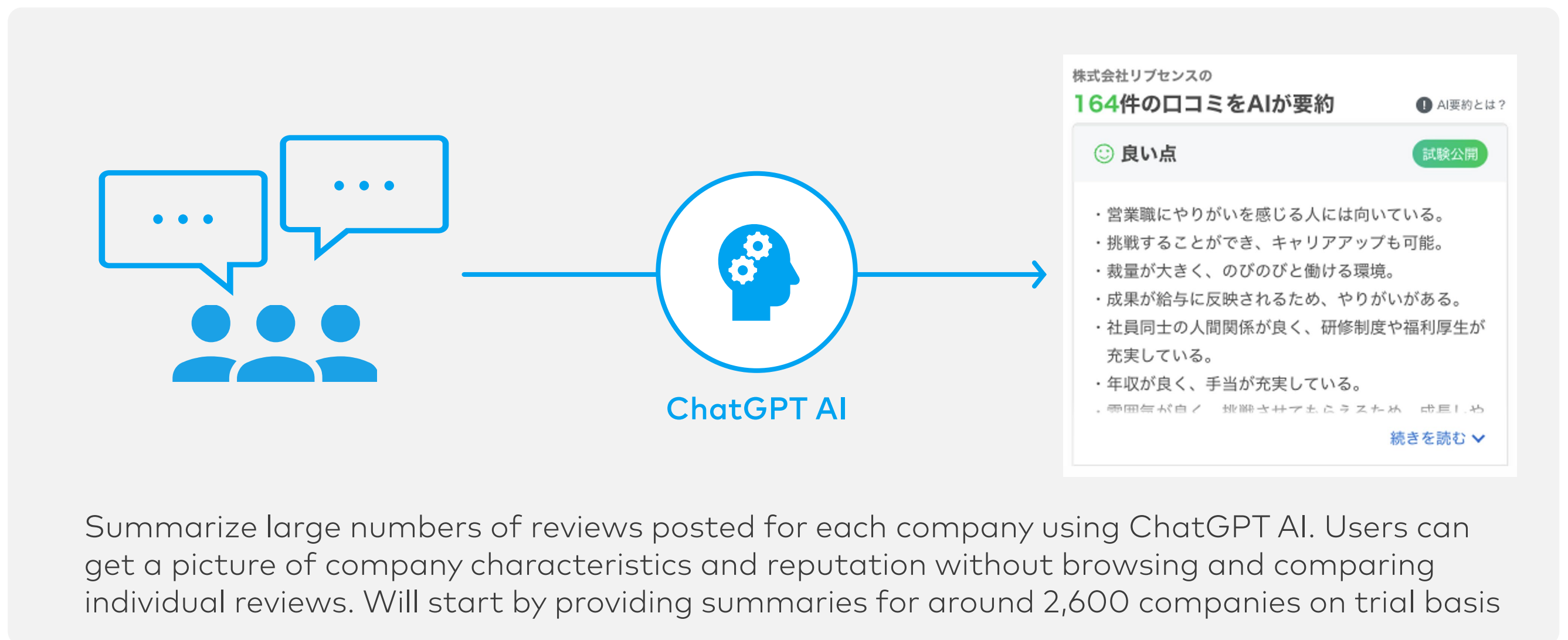


Tenshoku Kaigi

| Launch review summaries by ChatGPT

| Increase efficiency of information gathering in career change activities, and improve UX and site value

Overview of review summaries



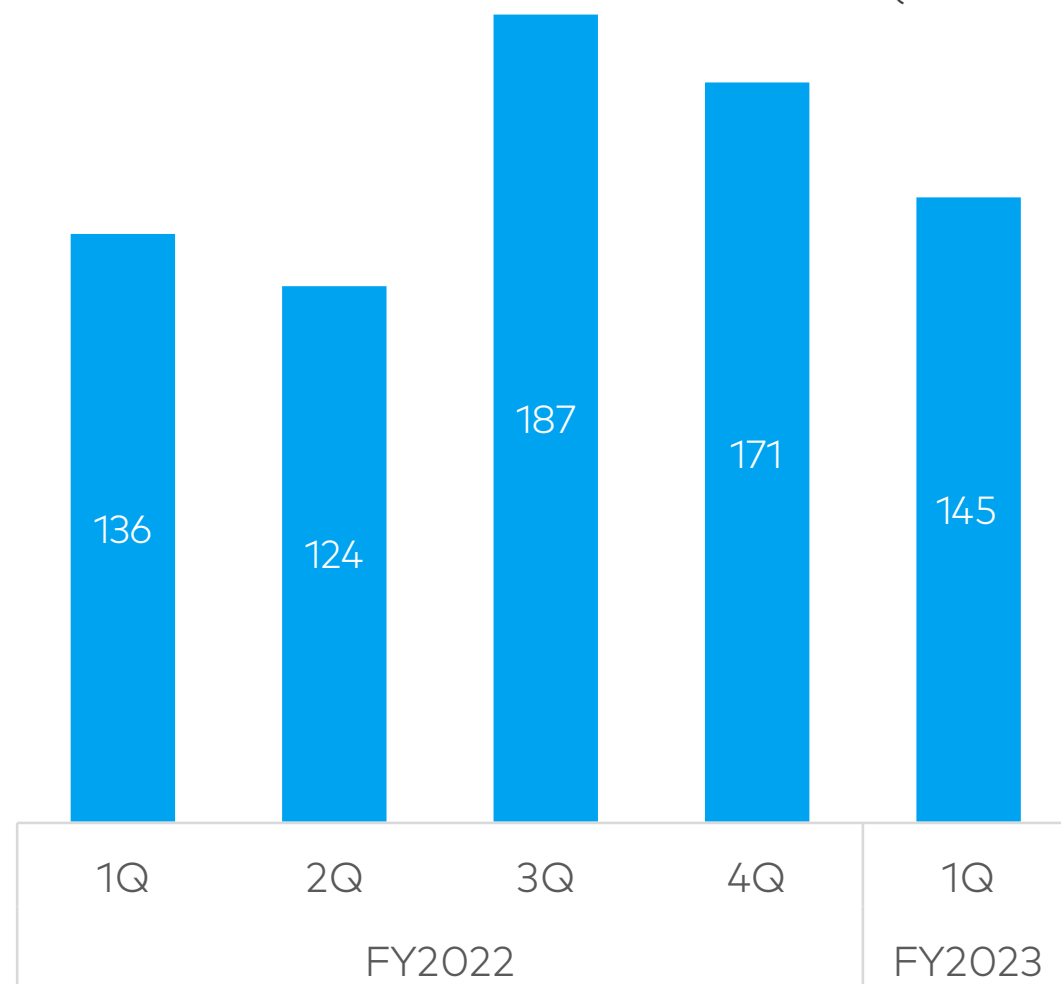
Tenshoku Draft

Sales up ¥9 million (+6.6%). The growth rate is somewhat low, but the leading indicators are growing

Sales down QoQ due to seasonal factors (recording of usage fees). There are no major concerns regarding the outlook because sales will build up toward the end of the year

Net sales

(Millions of JPY)



Tenshoku Draft Profit structure

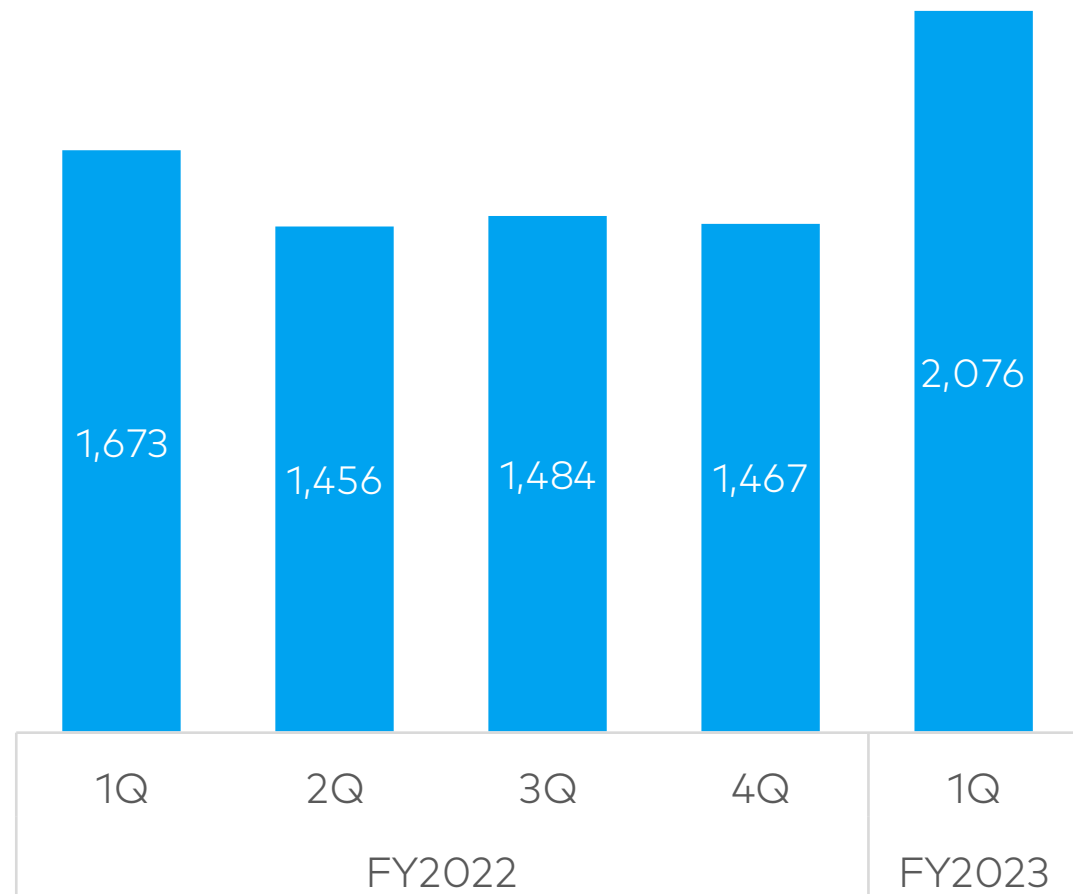


Tenshoku Draft

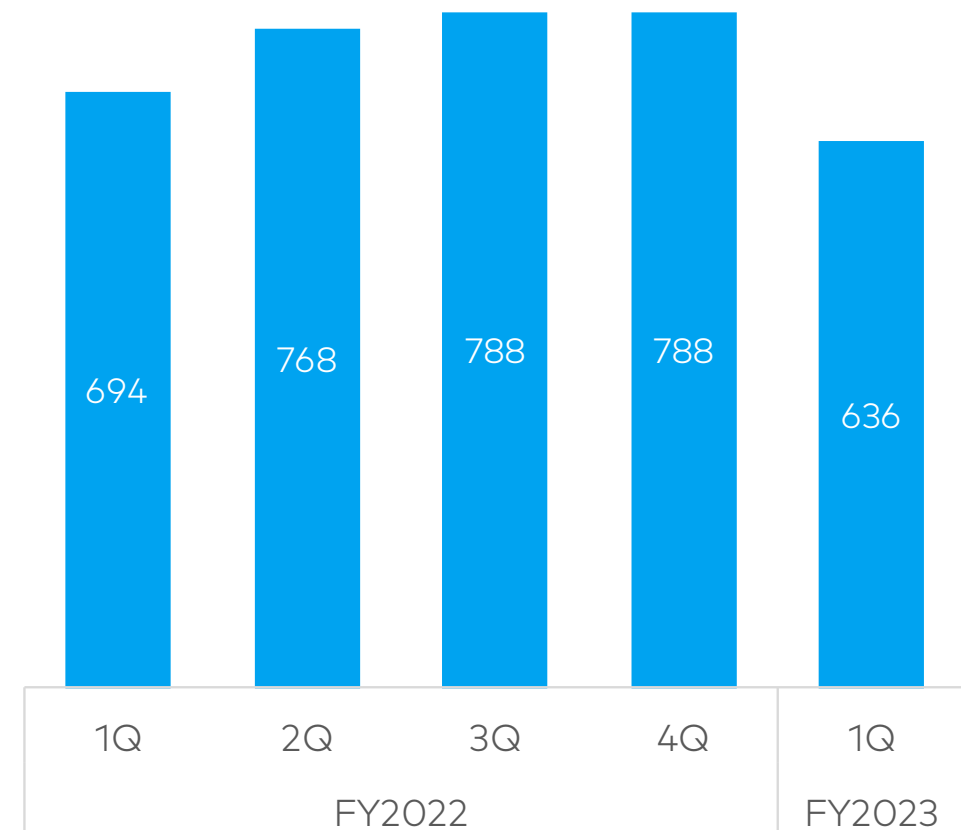
| Number of participants up with campaign and UX improvements

| Number of participating companies down due to year-end contract renewals, but number of active companies was maintained. No major impact on number of matches

Total number of participants



Total number of participating companies



*Total numbers of participating members and companies for each event

IESHIL Purchase and Resale

| IESHIL condominium reselling business targeting members under verification

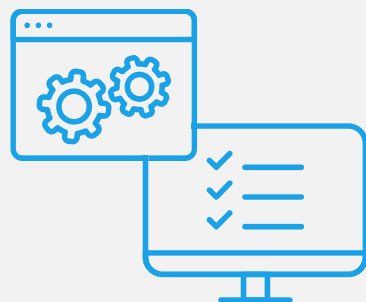
| Aiming to realize secure and highly satisfactory transactions by disclosing purchase and renovation amounts, normally not provided in market, as well as custom renovations, etc.



TenshokuDraft Agent

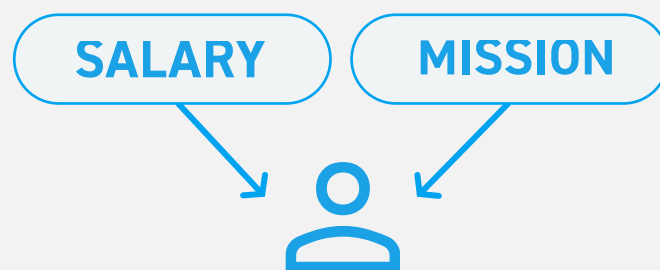
- | Engineer-specific agent services under verification
- | Optimize job postings and hiring flow for engineers by utilizing know-how accumulated through Tenshoku Draft

Characteristics of TenshokuDraft Agent



Provide technology used and development culture in job postings

Key technologies used, development procedures, coordination with other professionals, and team culture also described in job postings. Makes it easier to picture what work will be like after job change.



Present expected annual income* and post-hiring mission after first interview

Regular agents do not present information about offers until final stage, which leaves possibility of mismatch between offer and applicant's wishes. By presenting annual income and mission after first interview, TenshokuDraft Agent can reduce burden of mismatches and negotiations.

*Offer guaranteed to be at least 90% of estimated annual income presented

Realization of PMF in New Businesses

| Functions to improve UX under development in knew

| Case studies of use accumulating for batonn. Progress also being made on UX improvements, including function for summarizing interview content using ChatGPT. Contributing to acquisition of participating companies



Overview of service	Referral-type matching service	Interview Optimization Tool
FY2023 Policy	<ul style="list-style-type: none">• Increase sales per member through UX improvements• Strengthen branding	<ul style="list-style-type: none">• Accumulating case studies of use by increasing number of companies participating in trial
Progress on verification	Progress in improving functions and algorithms to enhance user experience leading to acquisition and retention of paid members	Launching function to summarize interview content using ChatGPT AI. Progress being made on bringing in user companies

3. Appendix

3. Appendix

Corporate Philosophy

Origin of the company name /Business Philosophy

23

| Origin of the company name

LIVE + SENSE

| Business Philosophy

Happiness Begetting
Happiness.

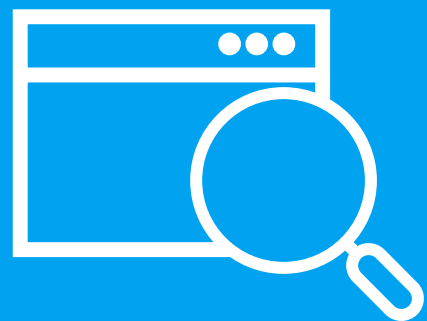
| Corporate Vision

Invent the next common.

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



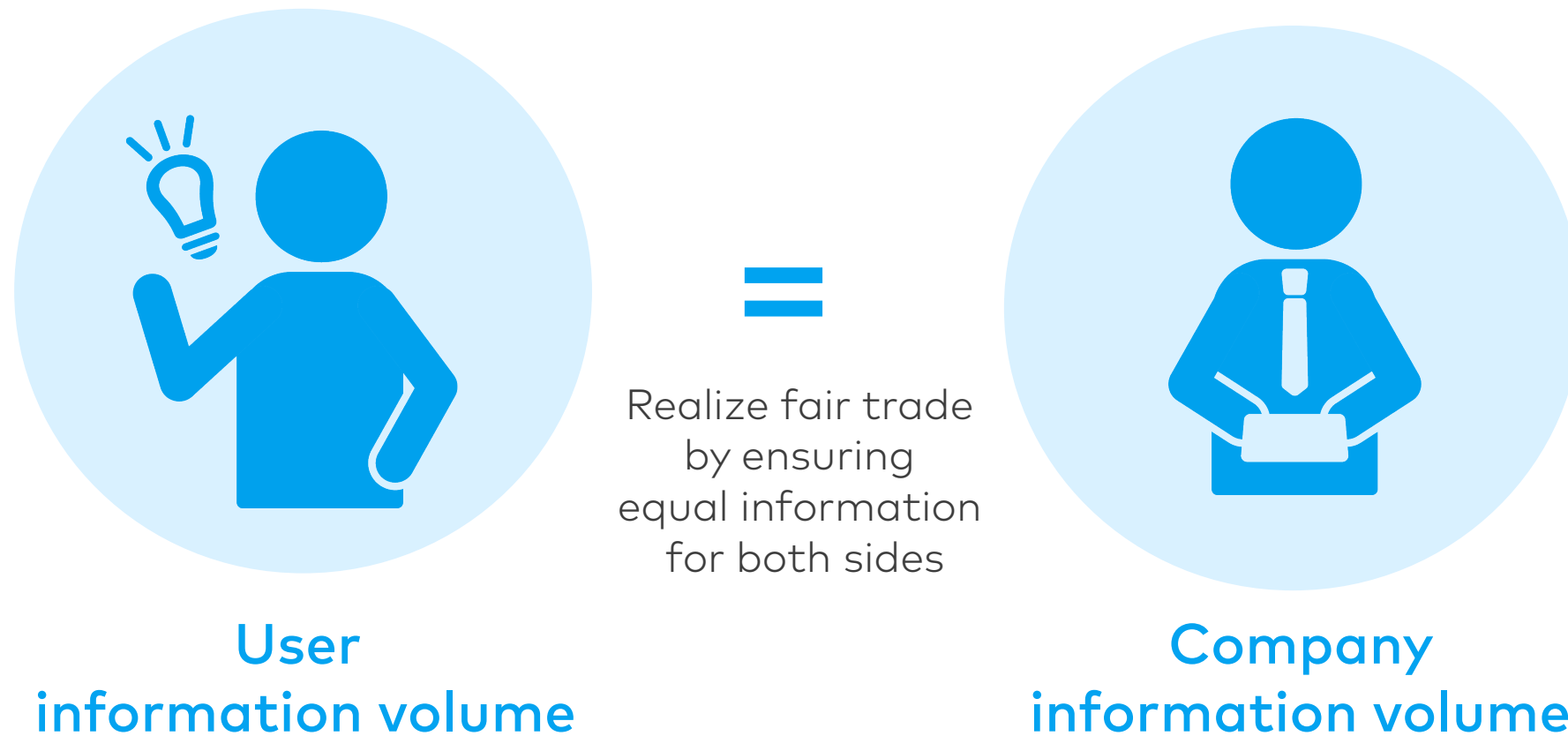
Promoted digitalization in the part-time job industry in which paper-based job listings were the norm. Made it easier to find part-time jobs.



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.



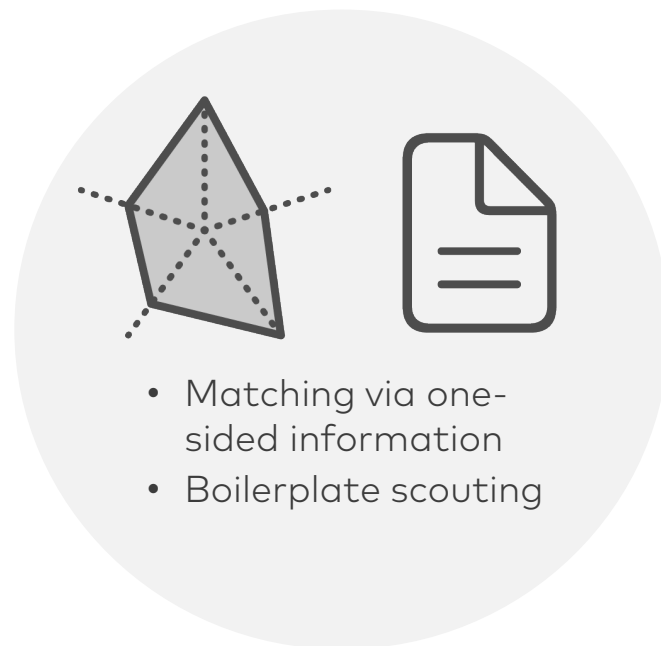
Promotes fairness in job changes through a system that shows annual income and position before selection.



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

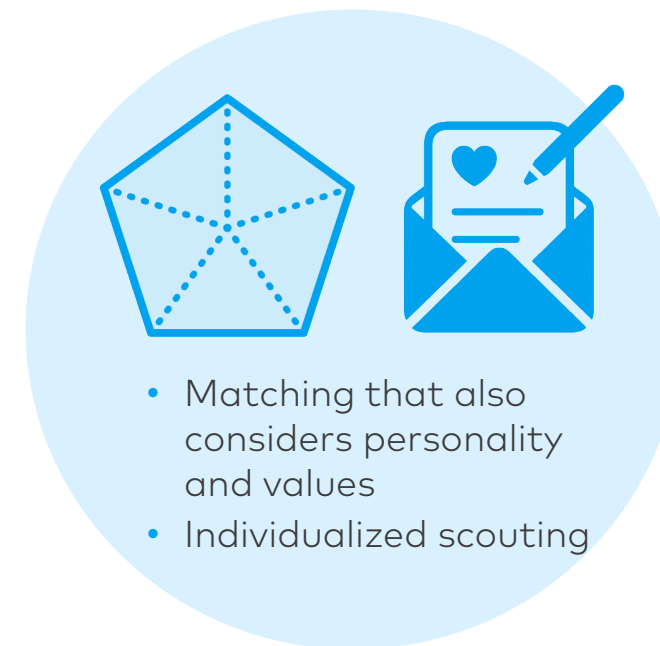
Respect for People

| 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



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



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

3. Appendix

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

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

Create new revenue streams



- 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

- 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

Realize PMF in new businesses

knew

Referral-type matching service

- Increase sales per member through UX improvements
- Strengthen branding

batonn

Interview Optimization Tool

- Acquire user companies based on ease of use for interviewers
- Increase number of user companies and accumulate case studies of use

New businesses of the future

Review based on business themes and market opportunities

- Verification of business proposals other than knew and batonn that will become future pillars of revenue

Financial Forecasts for FY2023

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%	1,242
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

3. Appendix

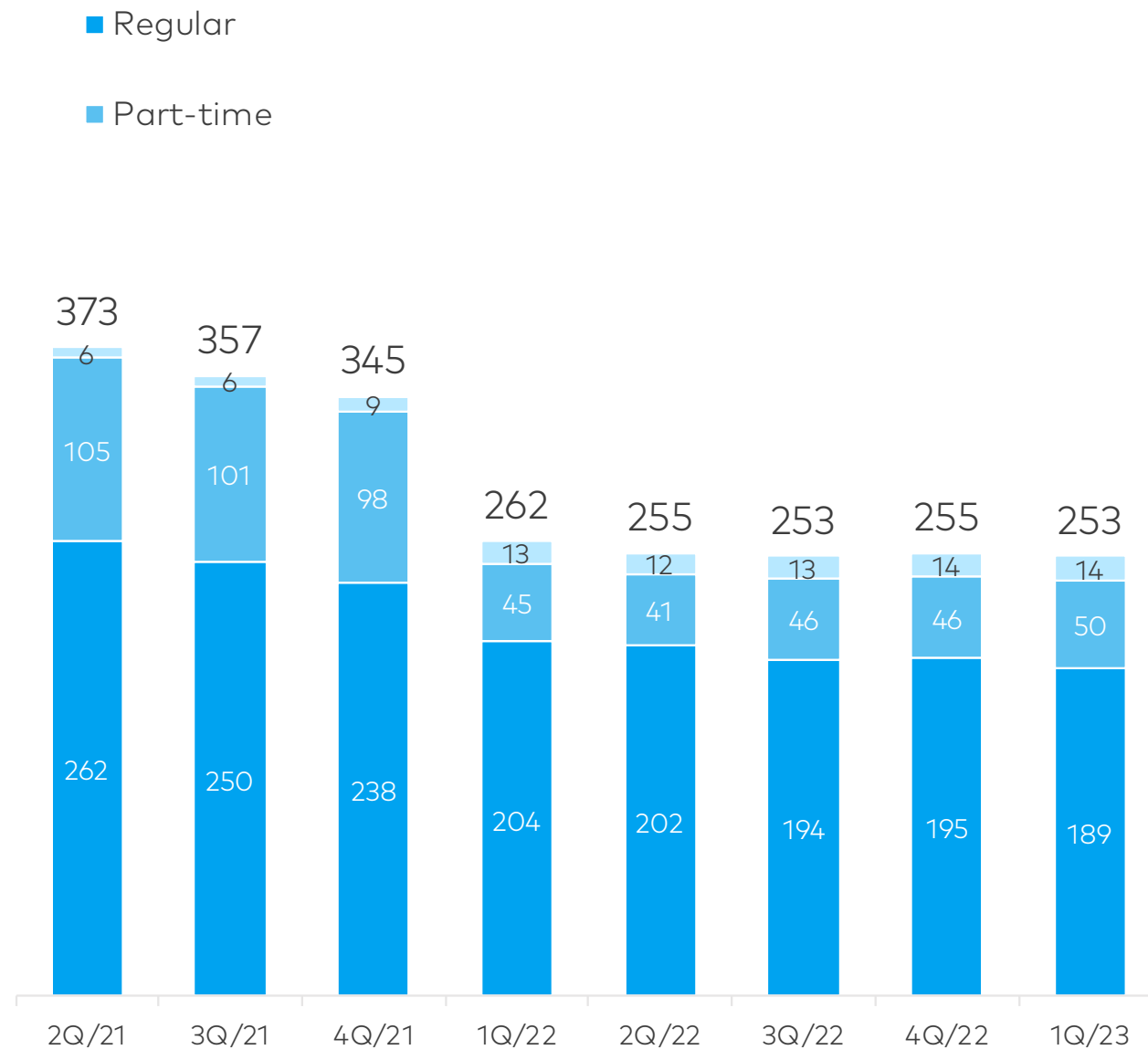
Corporate Profile

Corporate Profile

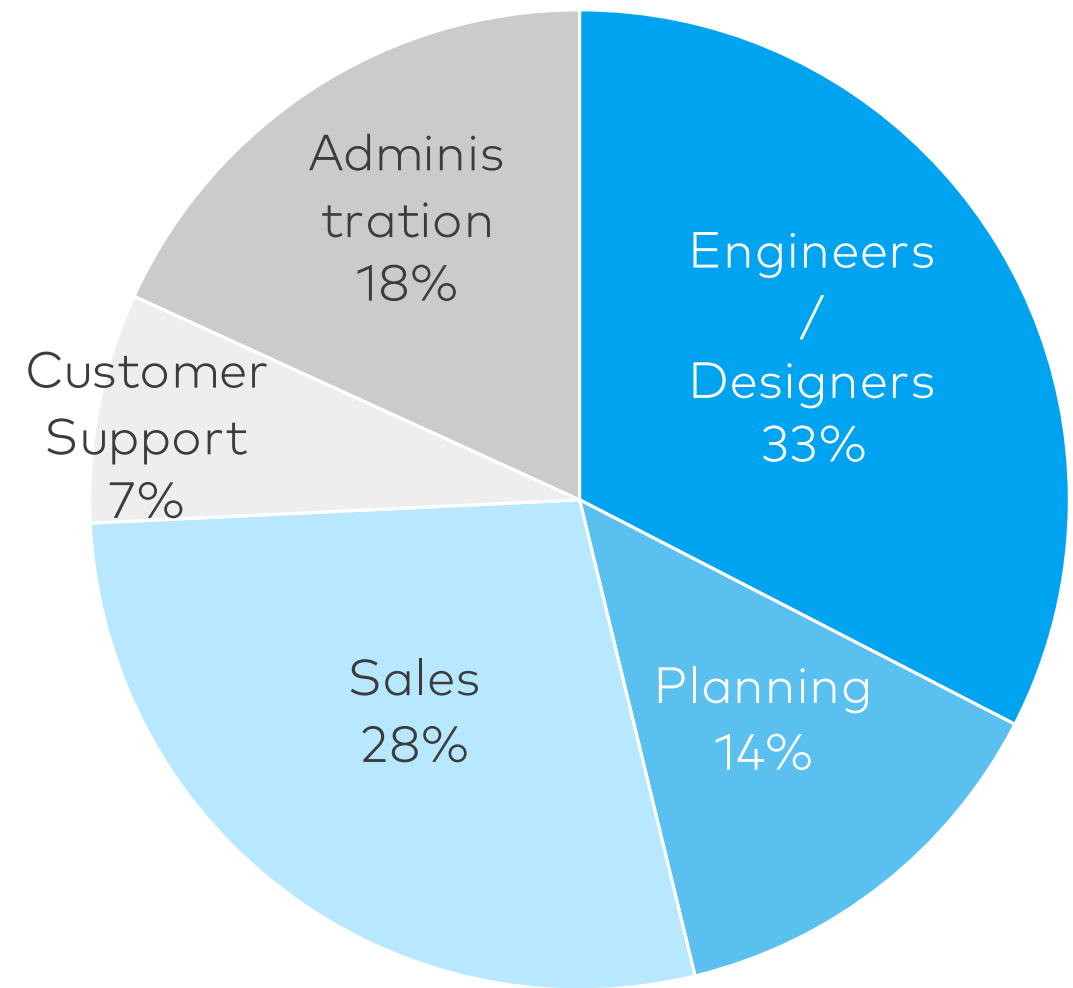
Company name	Livesense Inc.
CEO/Founder	Taichi Murakami
Business Philosophy	Happiness Begetting Happiness.
Corporate Vision	Invent the next common.
Established	February 8, 2006
Listing Market	Tokyo Stock Exchange Prime Market (Securities code: 6054)
Number of Employees (Non-Consolidated)	Full-Time: 198 (as of March 31, 2023)
Consolidated Subsidiaries	PHIL LIFE Inc.

No. of Employees (Consolidated)

(People)



Breakdown of Full-time Employees



*Non-consolidated, head office full-time employees only
 *Full-time employees primarily in charge of customer support and sales



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.