

# FY2023 2nd Quarter Financial Results

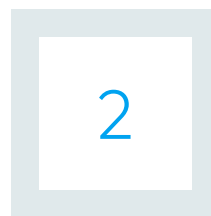
Livesense Inc. (TSE Prime Market: 6054)

August 14, 2023

# Agenda



Financial Results



Progress



Appendix

# 1. Financial Results

# Executive Summary for the 2nd Quarter

Sales up 23.6% YoY with business growth driven by three main businesses. Operating income up 62.3% YoY with reflection of investment effect from previous quarter.

(Millions of JPY)

	FY2022 2Q	FY2023 2Q	YoY
Net Sales	1,208	1,494	+23.6%
Operating Income	108	175	+62.3%
Ordinary Income	181	217	+20.1%
Profit attributable to owners of parent	324	218	▲32.8%

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

Strengthening of existing businesses set forth in group-wide policy progressed steadily. Profitability enhanced and service value improved in multiple businesses.

We conducted major releases in knew and batonn for PMF\* in new businesses. Major releases in knew and batonn for PMF\* in new businesses.

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

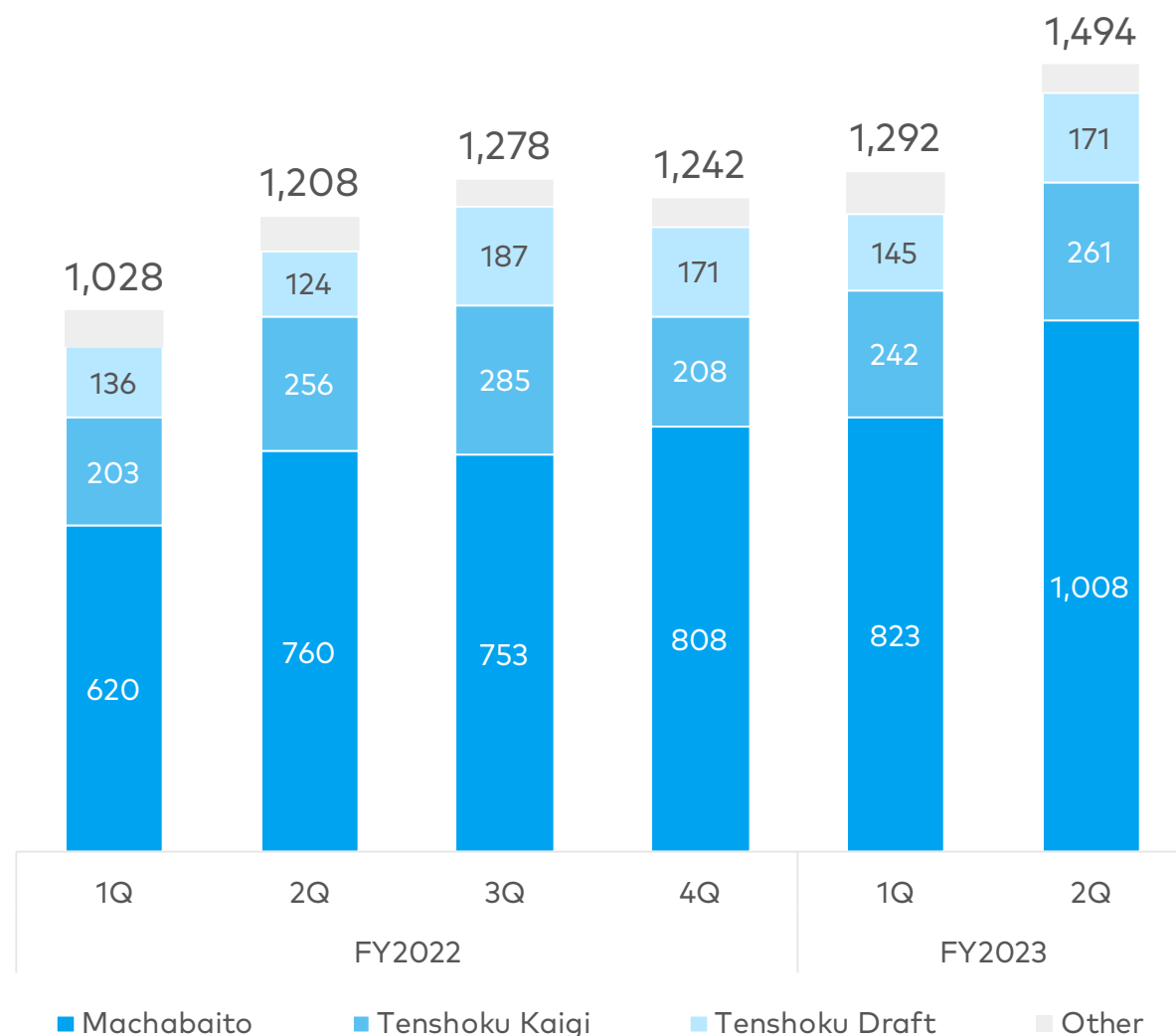
# Quarterly Net Sales and Operating Income

We conducted an investigation in Sales up owing to growth of existing businesses. Machbaito achieved record-high quarterly sales.

We will strengthen our investments Operating income up owing to partial reflection of investment effect from 1Q.

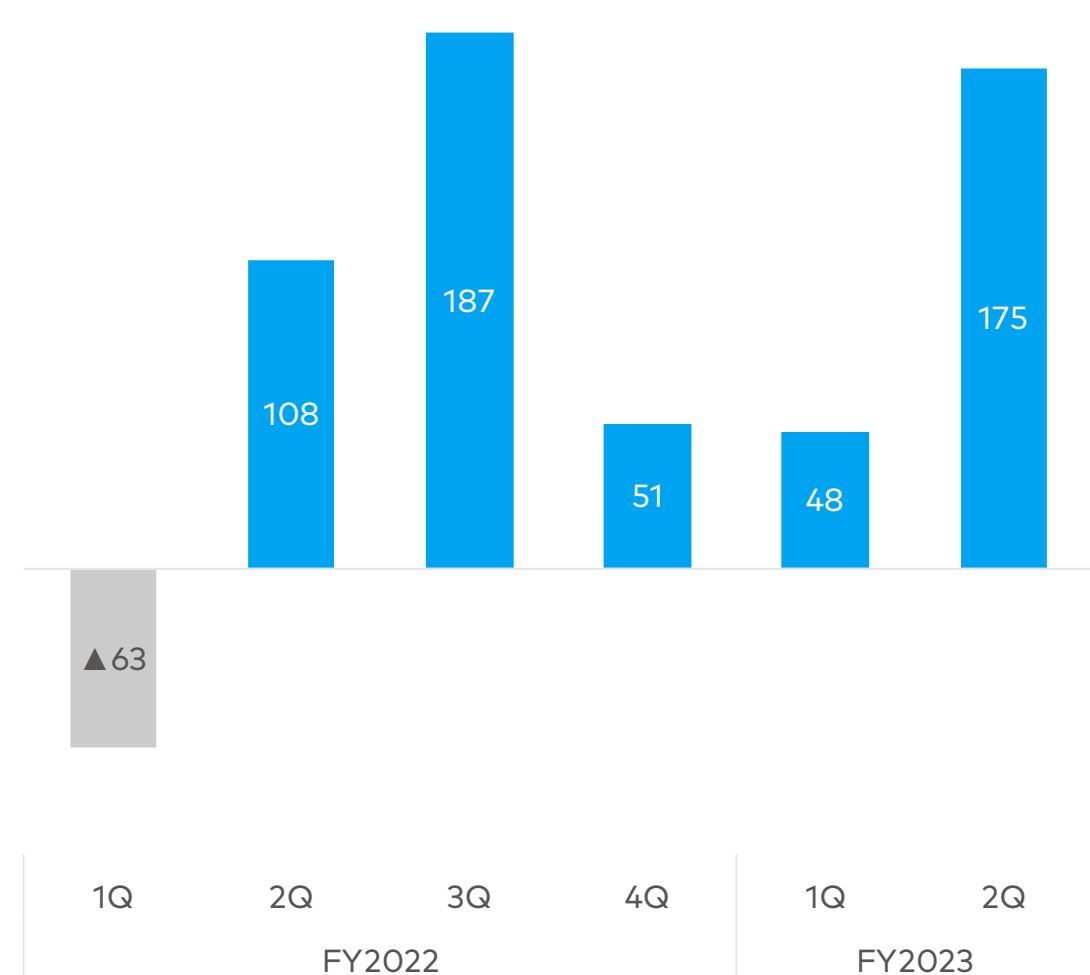
## Net sales

(Millions of JPY)



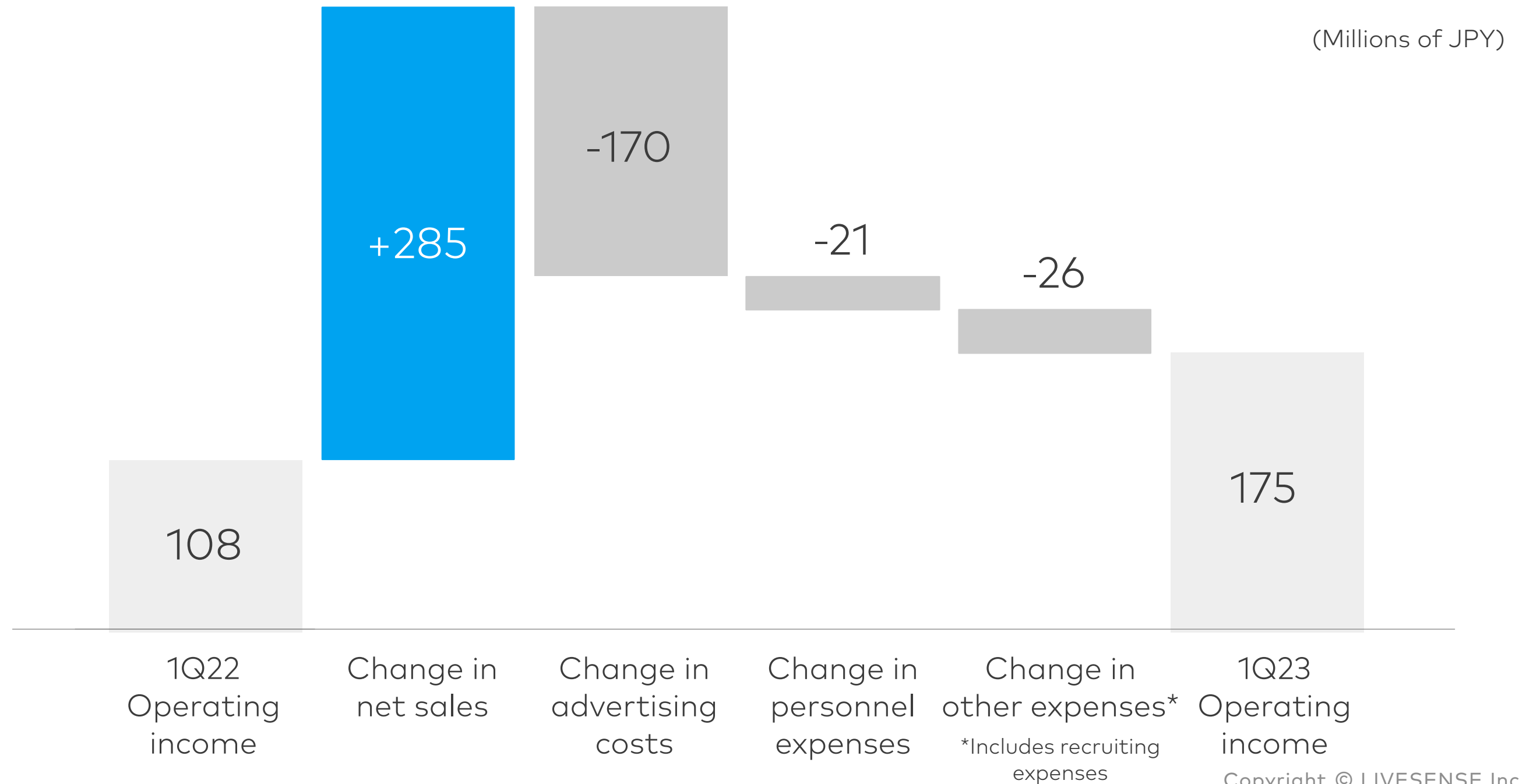
## Operating income

(Millions of JPY)



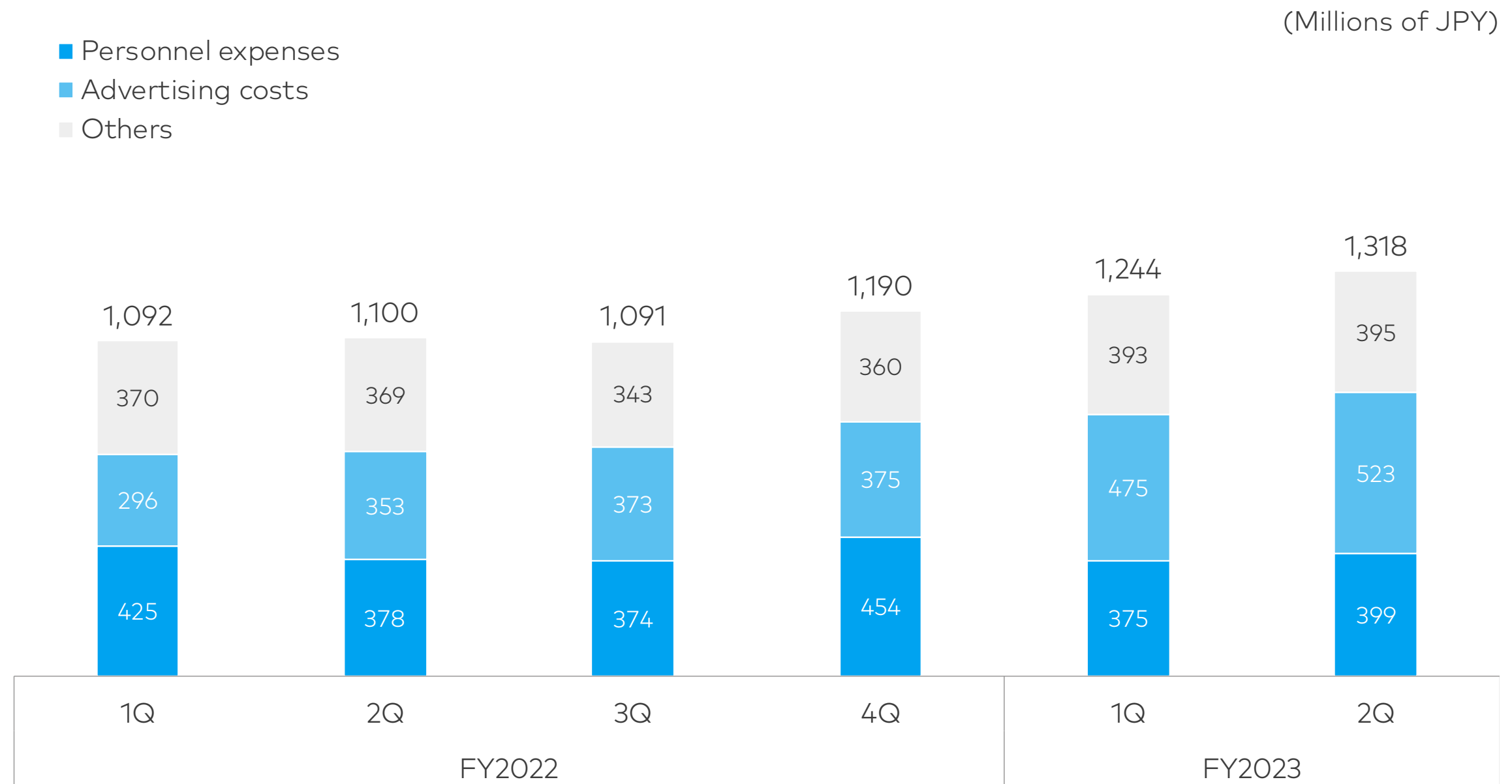
# Trends in Operating Income: Variance Analysis

- | Sales up significantly with business growth. Invested in customer attraction and enhancement of hiring.
- | Will continue to increase investment for medium- to long-term growth while maintaining higher sales and income.



# Operating Expenses

Advertising costs and personnel expenses up YoY and QoQ due to stronger customer attraction and hiring.



# Progress Towards Performance Forecasts

| Progress is being made mostly as expected with respect to sales and income.

| We Promoted strengthening of organizational structure for medium- to long-term growth starting in 2H. We assume increased expenses due to revision of compensation system, hiring, etc.

(Millions of JPY)

	1Q FY2023 Result (A)	1Q FY2023 Forecast (B)	Progress (A/B)
Net Sales	2,787	6,000	46.5%
Operating Income	223	350	64.0%
Ordinary Income	306	500	61.3%
Profit attributable to owners of parent	291	460	63.3%



## **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 progress on expanding transactions with major customers

**Tenshoku Kaigi** : Sales up with expansion of transactions with partners and increased sales of Review Pass

**Tenshoku Draft** : Sales up mainly from success fees and usage fees. Number of participants up owing to UX improvements

**IESHIL** : Progress made on website improvements for increased inflow and improvement of rate of referral to partners

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** : Released improvement measures for matching UX and usage rate

**batonn** : Company trial signups accelerating owing to function for summarizing interview content

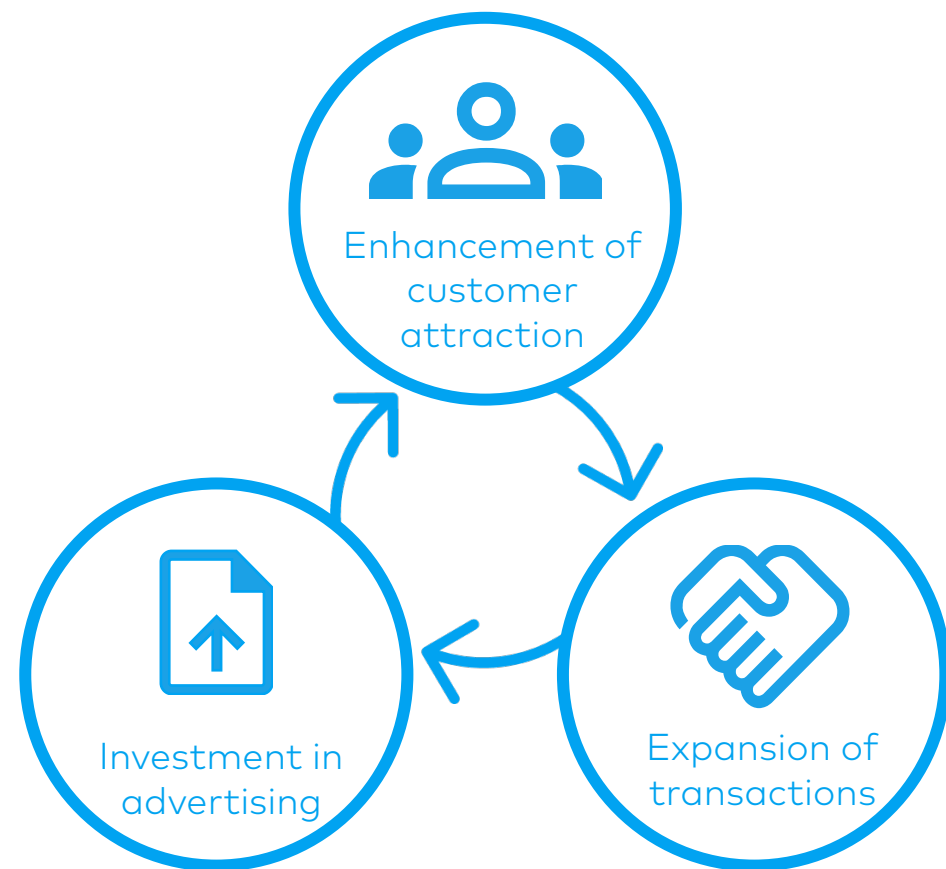
\*Product market fit: State where service is accepted by customers in particular market

## Machbaito

Promoting expansion of transactions with major customers and cultivation of new customers leveraging strengths in high-efficiency customer attraction methods and algorithms.

 ... This year's focus

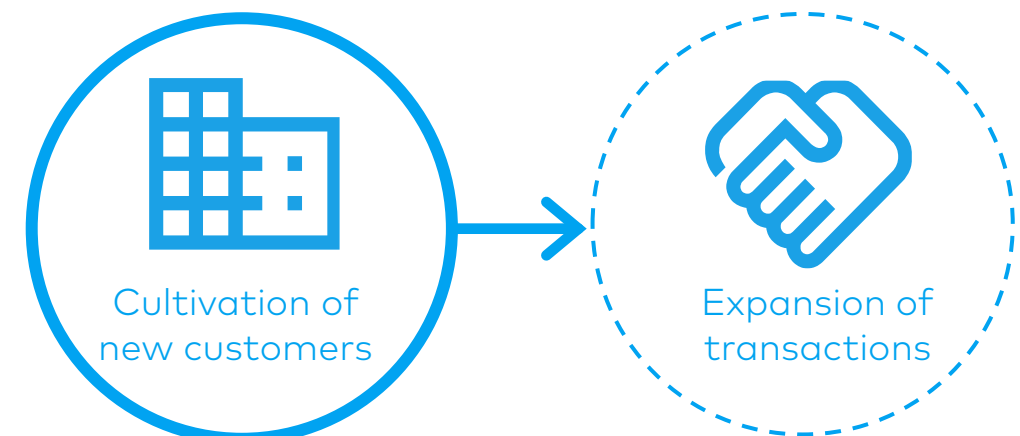
### Expansion of transactions with major customers



Earning trust from customers by increasing number of applications in advance. Aiming for sustainable growth by using revenue from transaction expansion in business investments



### Cultivation of new customers



\*Expected from next year or later

Cultivating industries and occupations that were not traditionally main targets, aiming to expand customer base

**Cultivated strengths**

... Highly efficient customer attraction and optimized algorithms

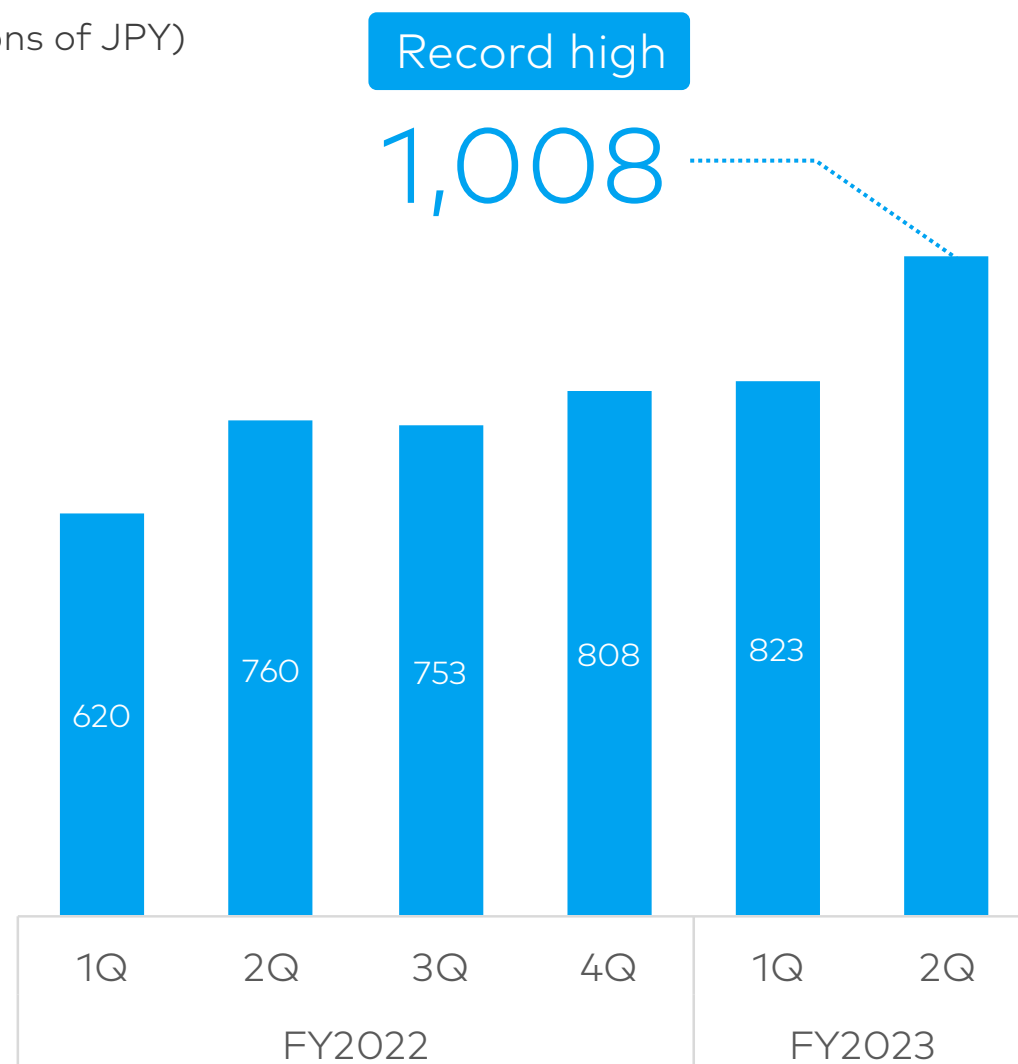
## Machbaito

Sales up ¥247 million (+32.5%) YoY with expansion of transactions with major customers. Record-high quarterly net sales.

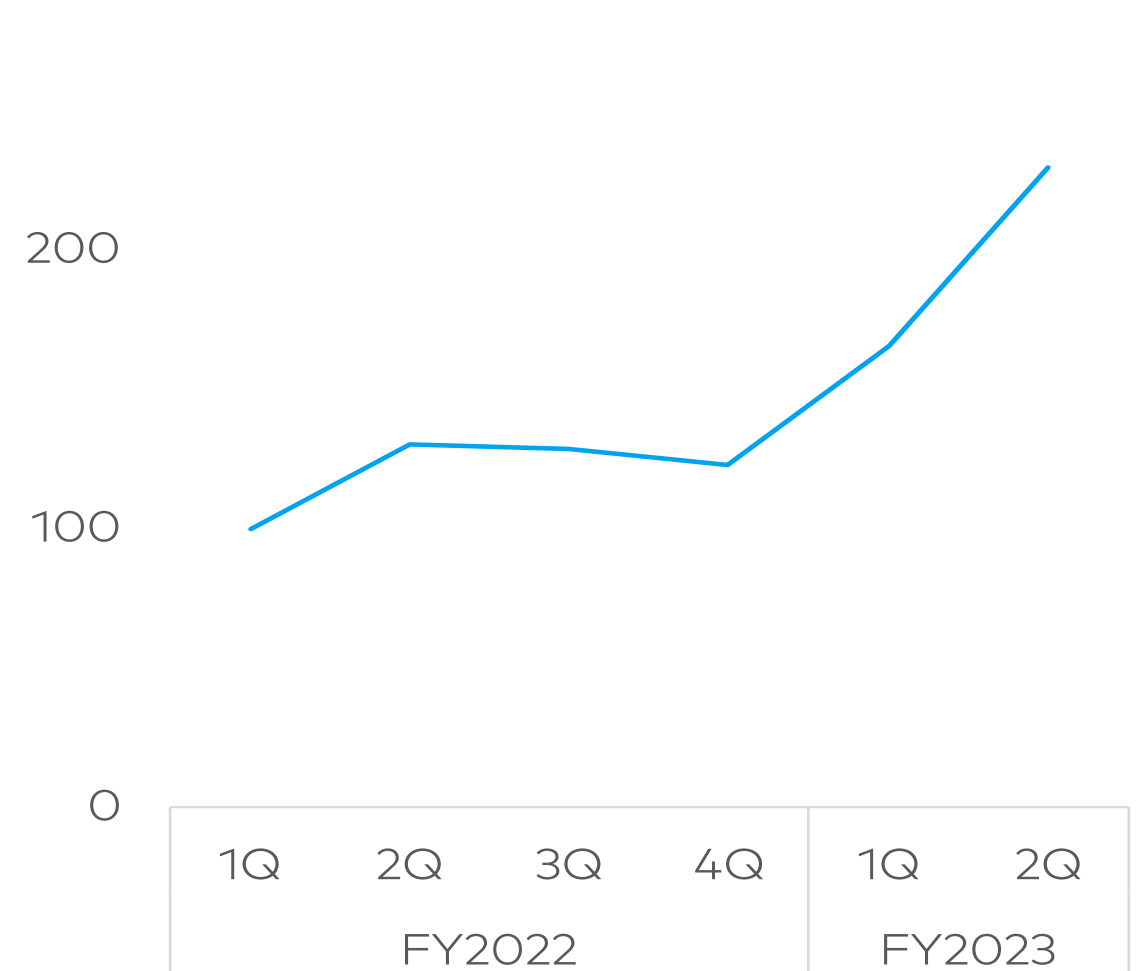
Number of applications up with enhanced customer attraction. Progress is being made on approach to new customers as well.

Net sales

(Millions of JPY)



Number of applications



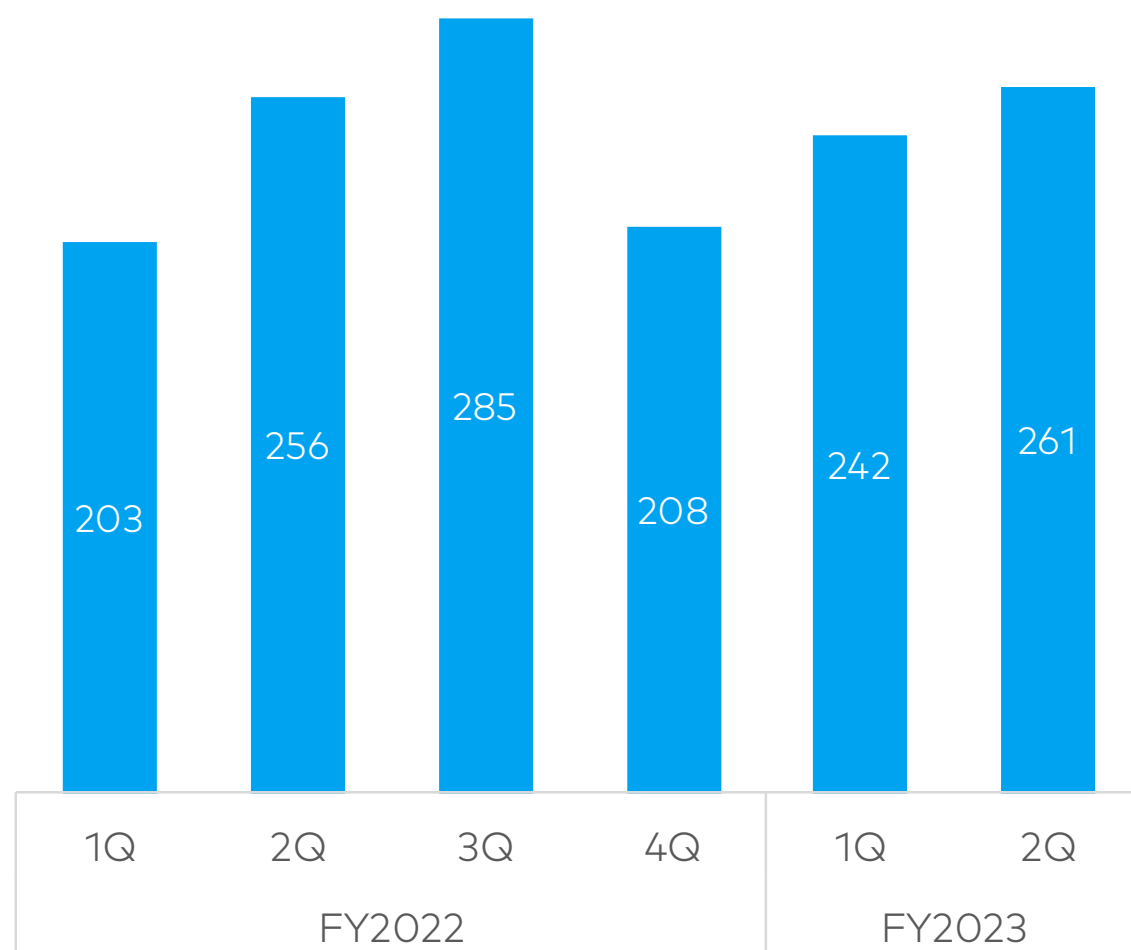
\*Relative values when number of applications from 1Q FY2022 is 100

## Tenshoku Kaigi

Expansion of transactions with major partners.  
Sales via Review Pass up with increase in new members.

Sales up YoY owing to above initiatives, continuing to increase from end of previous year.

Net sales  
(Millions of JPY)



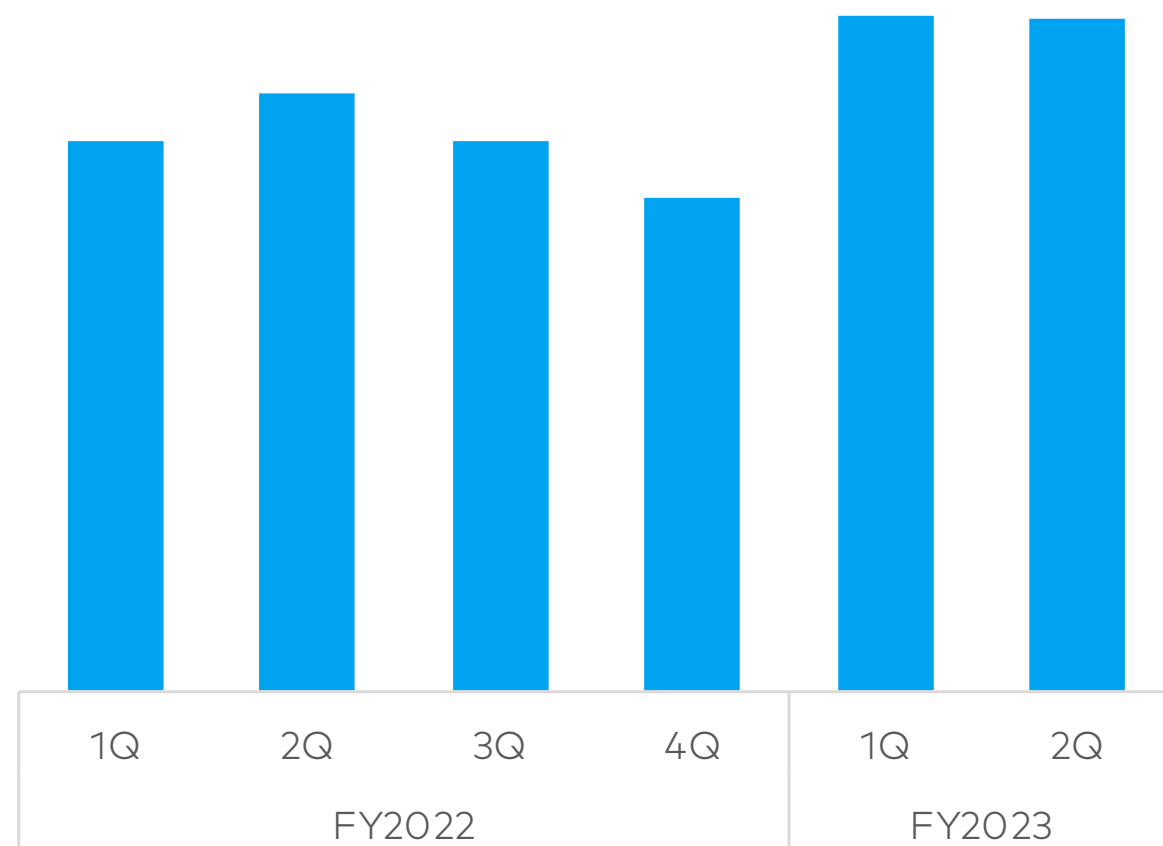
Tenshoku Kaigi Business Structure



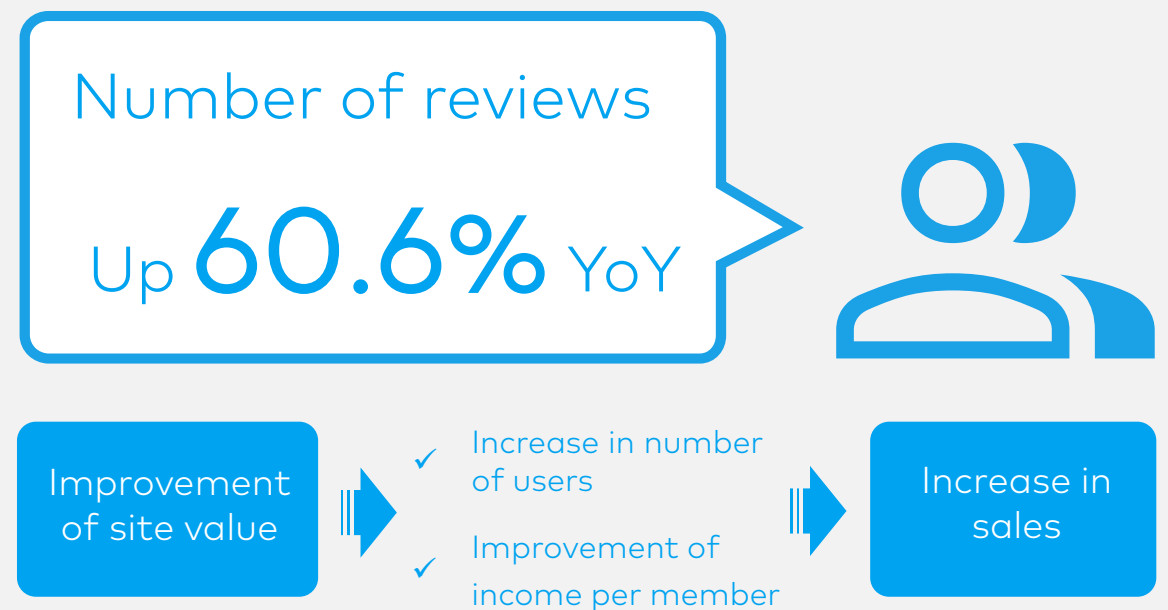
## Tenshoku Kaigi

- | Number of registered members and reviews up owing to ongoing UX improvements.
- | We will continue to work on enhancing website value and enhancing referrals to increase income per member.

Number of registered members



Increase in number of reviews



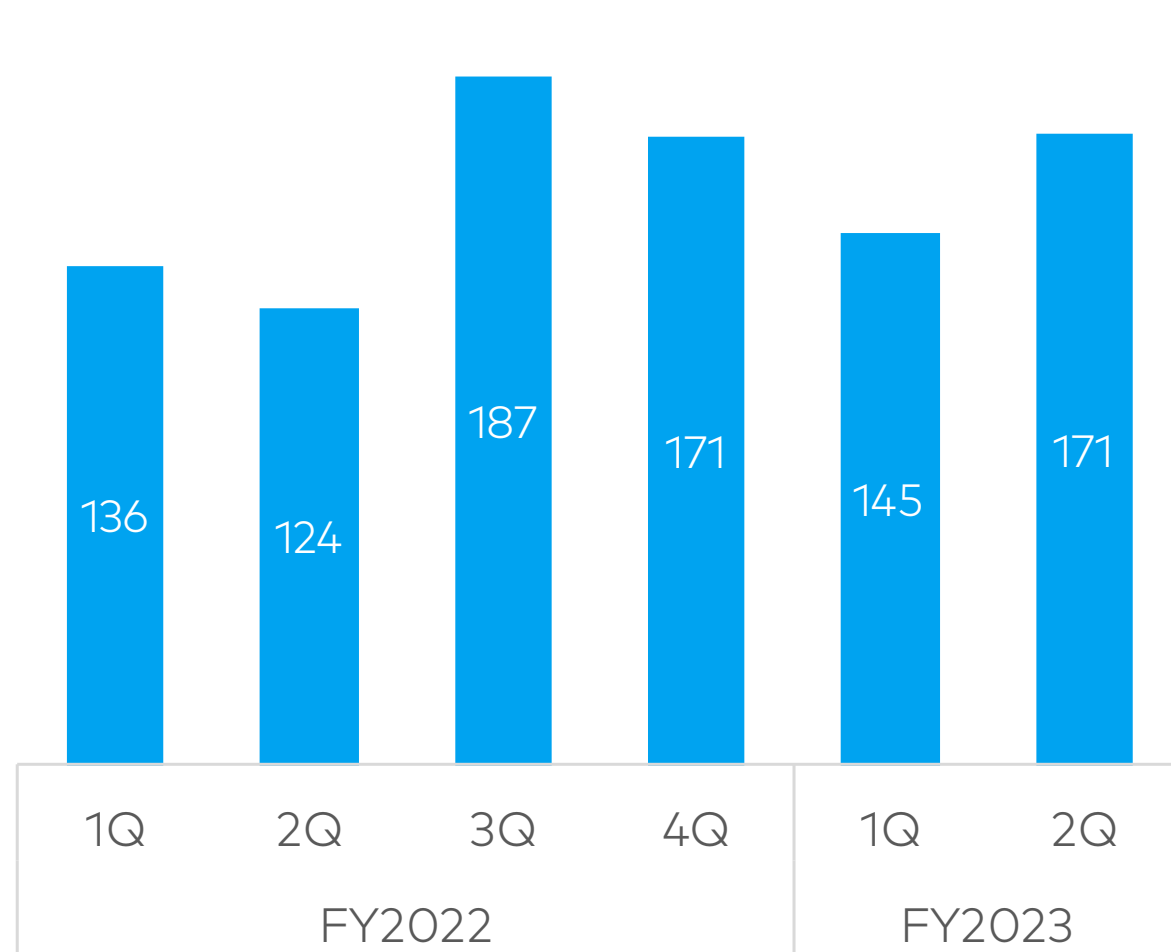
Implemented UX improvement measures, such as simplifying review submission form and providing instructions for filling it out. Number of new reviews up 60.6% YoY. Will continue to promote improvement of site value through enhancement of review content

## Tenshoku Draft

Success fees and usage fees up with increase in number of participants and participating companies. Sales up ¥47 million (+37.8%) YoY.

### Net sales

(Millions of JPY)



### Tenshoku Draft Profit structure

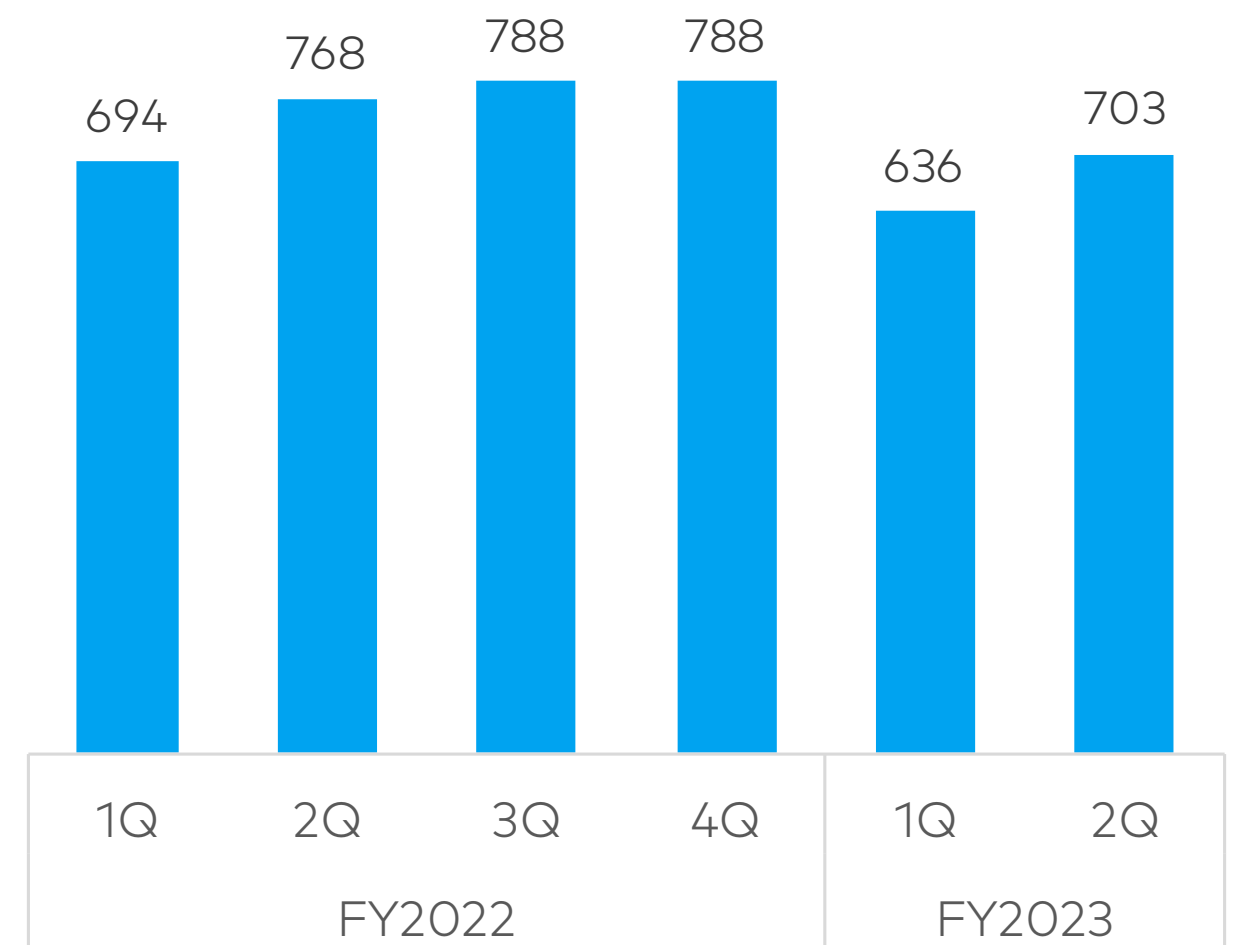
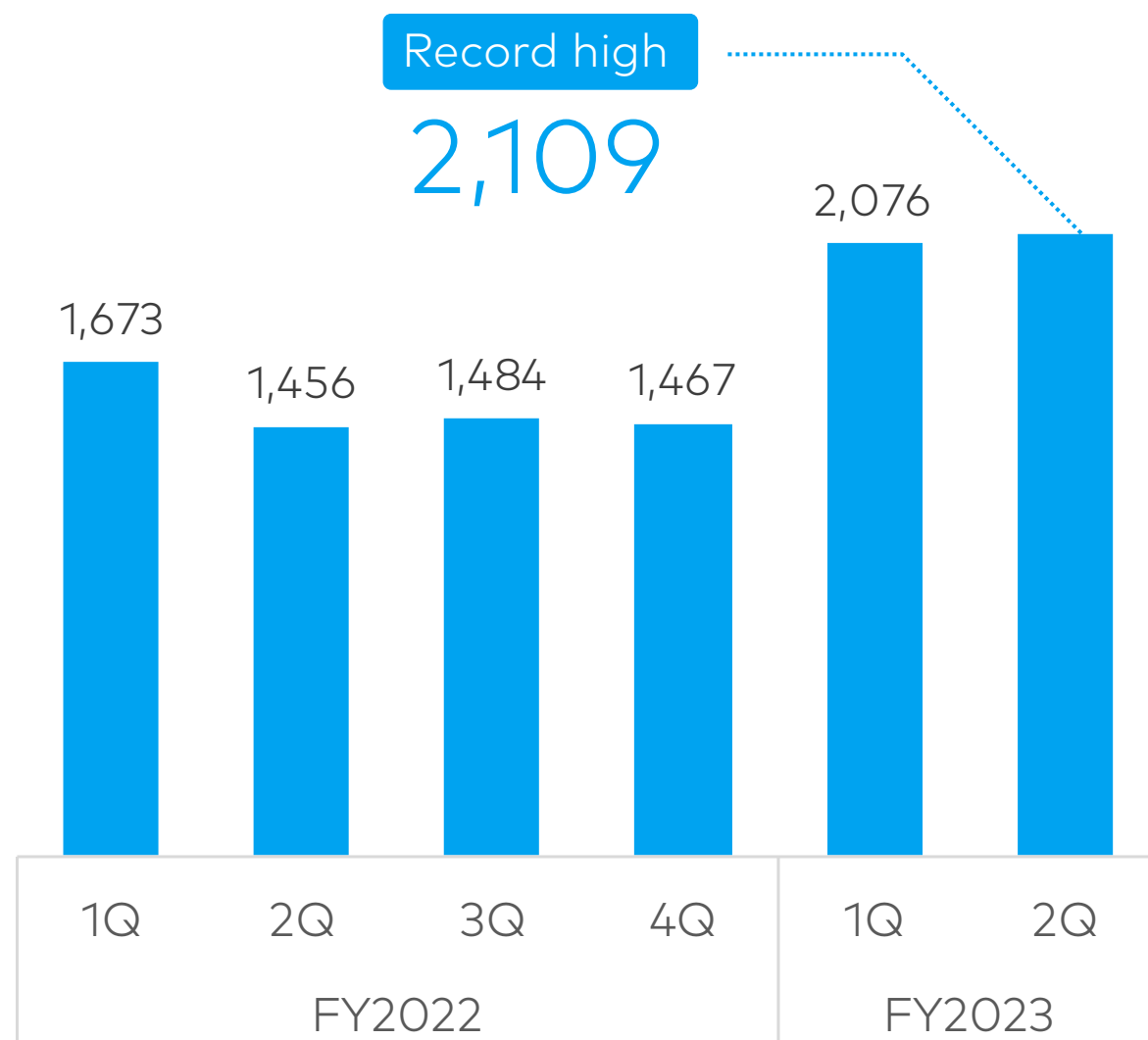


## Tenshoku Draft

- Due to UX improvements and some campaigns, the number of participants increased. Furthermore, the number of participants increased with promotion of rejoining.
- Number of participating companies also is continuing to increase since beginning of year.

Total number of participants

Total number of participating companies



\*Total numbers of participating members and companies for each event

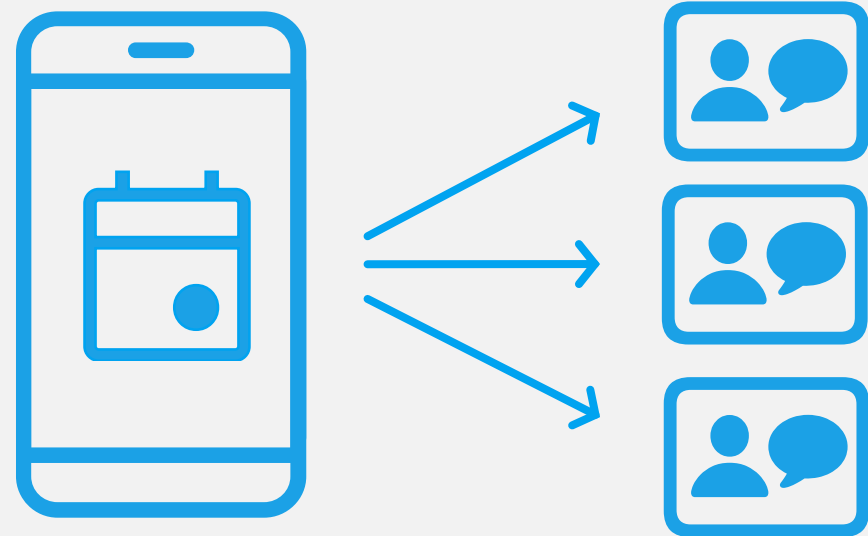


## Referral-type Matching Service "knew"

| We have added the ability to select video chat partners after viewing their profiles, etc. Makes wider range of desired matches possible.

Traditional format of choosing referral date

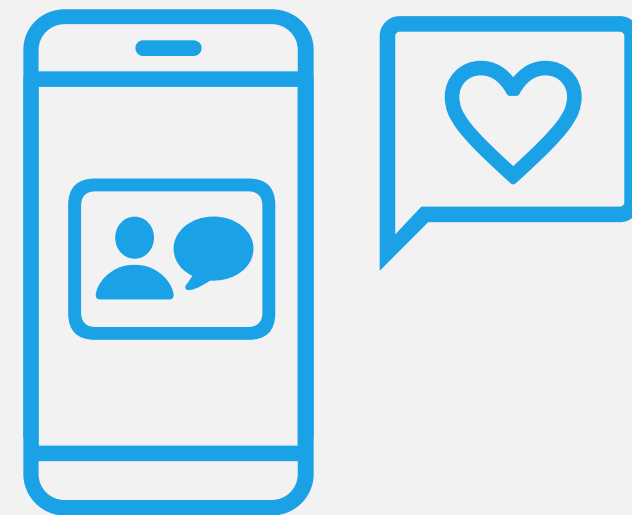
For those who want to  
have matches referred to them



+

New feature Today's Featured User

For those who want to  
search for matches themselves



## Interview Optimization Cloud Service "batonn"

- Released function to summarize interview content using ChatGPT. Quick review of key points from interview means fewer man-hours for hiring.
- Number of user companies increased in response to this release. Will focus on accumulating examples of use going forward.

Function for summarizing interview content

Transcript

The transcript shows a conversation between a user and a demo user. The user asks for a summary of the interview content. The demo user responds with a detailed summary of the interview content, including the user's role, the company's goals, and the user's experience. The transcript is displayed in a chat-like format with timestamps and speaker indicators.

Summary of key points

The summary interface features a video player with a duration of 1分24秒, 2 likes, and 2 dislikes. Below the video is a text summary of the key points from the transcript. The summary text is: "候補者は、営業職の中でも事業成長を目指すために、ユーザー行動のデータ取得などの苦労を経験した。6月までに目標を達成するというプレッシャーを感じつつ、チームと共に進捗を共有しながら取り組んだ。" There is also a button labeled "ピックアップ理由を追加".

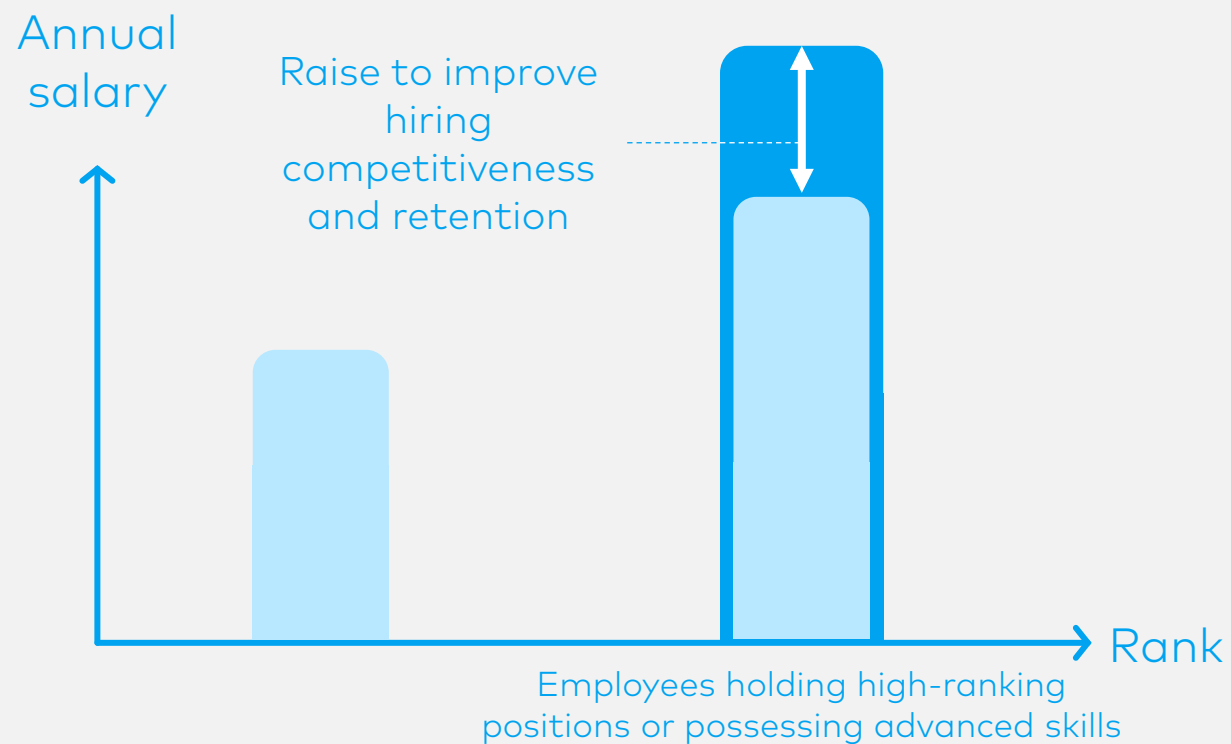
System automatically picks up areas marked as important during interview and creates summary afterward. Facilitates smooth interview reflection and seamless handover to subsequent team members, enabling further reduction in man-hours

# Investing to Human Capital

| Investing in human capital to achieve sustainable growth.

| Revised compensation system and improved system for childcare employees to strengthen recruitment and retention.

## Revision of compensation system



Raise annual salary of full-time employees of a certain rank and above. Enhance competitiveness in securing human resources. Aiming to establish standards and systems that consider not only internal environment but also labor market and will continue to update them as needed

## Expansion and packaging of Child Care Employee Programs

### New or Expanded Systems

Childcare support

Babysitter support

Exchange between employees that are mothers and fathers

Expansion of reduced working hours system

Adding new benefits such as subsidies for using non-accredited childcare facilities and discounts for babysitting services in addition to existing systems. Will continue to establish systems that can be used regardless of personal attributes or stage of life

# Selection of TSE Standard Market

- | Opted to shift to Standard Market to develop an environment for holding and trading Livesense shares without anxiety, allowing us to focus on business growth.
- | Will continue to improve corporate value and aim for listing on Prime Market.

	No. of Tradable Shares	Tradable Share Market Cap	Tradable Share Ratio
Status of Compliance as of December 31, 2022	108,538 units	¥3.11 billion	38.5%
Listing maintenance criteria for the Standard Market	At least 2,000 units	At least ¥1.0 billion	At least 25%

# Issuance of Integrated Report

- | Purpose is to enhance understanding of the Company among stakeholders and earn trust from society at large. A first for Livesense.
- | In addition to financial information, disclose non-financial information such as business models and strategies.



Please see the integrated report on the Livesense IR website. <https://www.livesense.co.jp/ir/>

## **3. Appendix**

# 3. Appendix

Corporate Philosophy

# Origin of the company name /Business Philosophy

24

| Origin of the company name

LIVE + SENSE

| Business Philosophy

Happiness Begetting  
Happiness.

| Corporate Vision

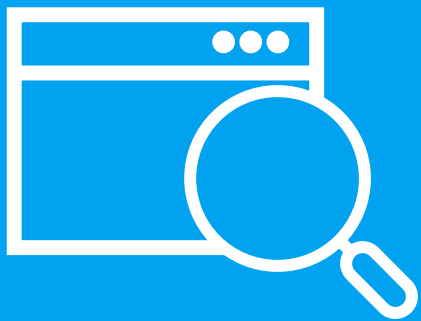
Invent the next common.



## 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



User  
information volume



Realize fair trade  
by ensuring  
equal information  
for both sides



Company  
information volume

### 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.

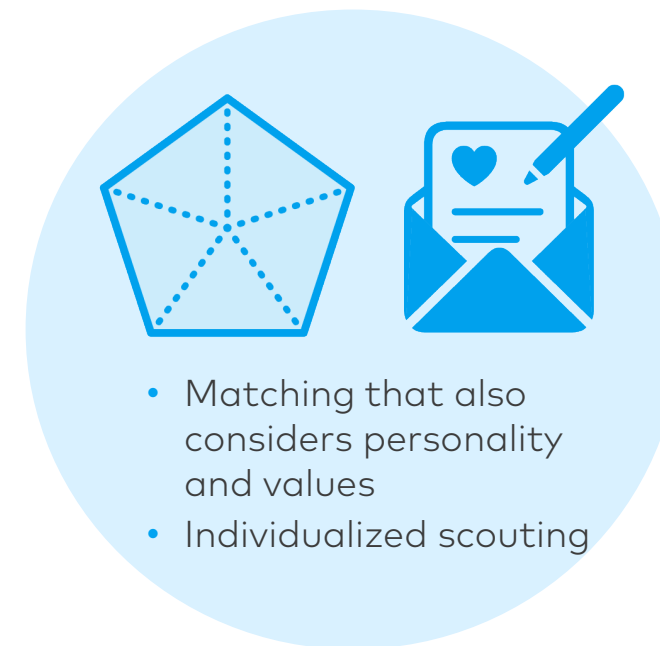
## Respect for People

| 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

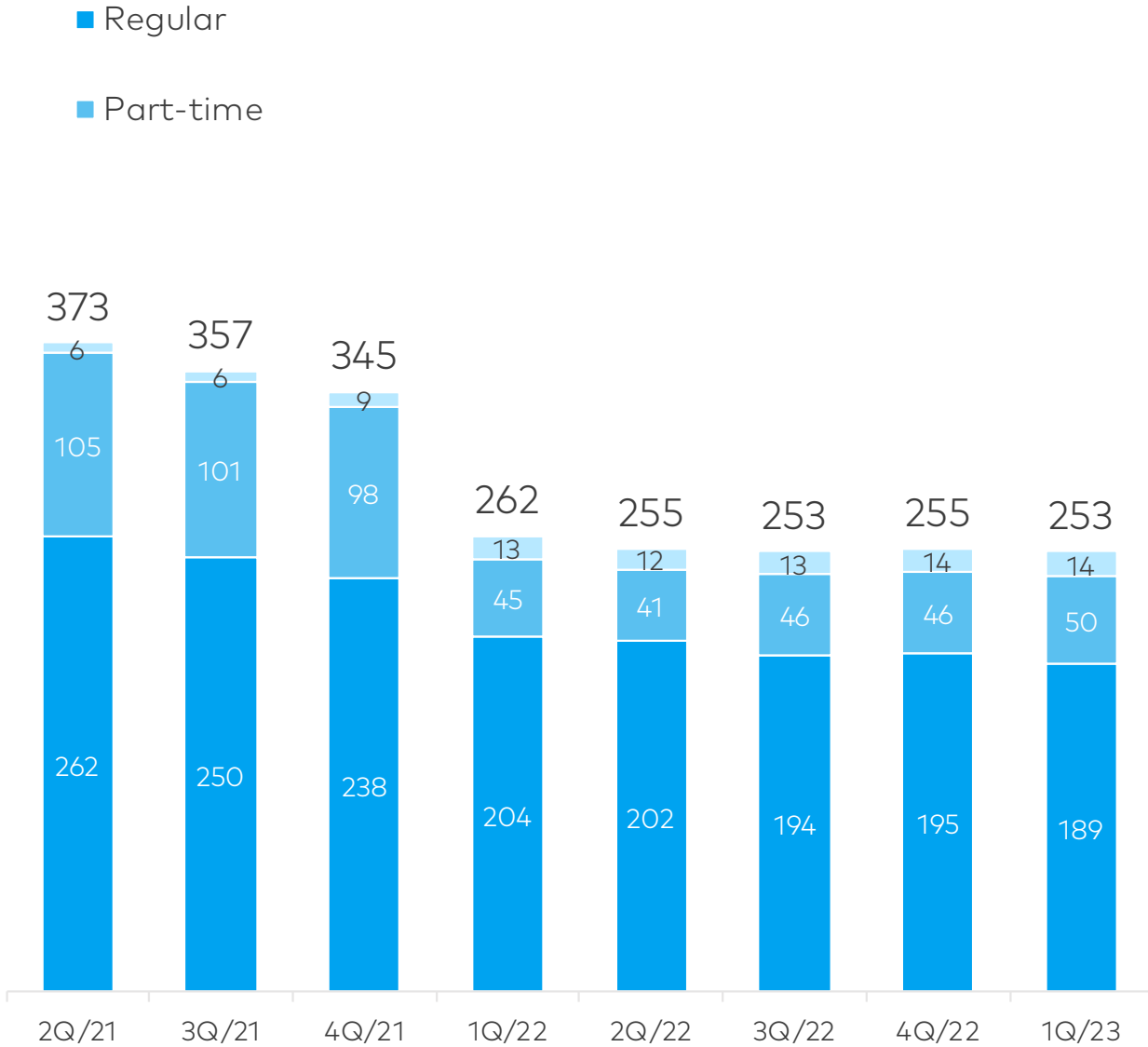
Corporate Profile

# Corporate Profile

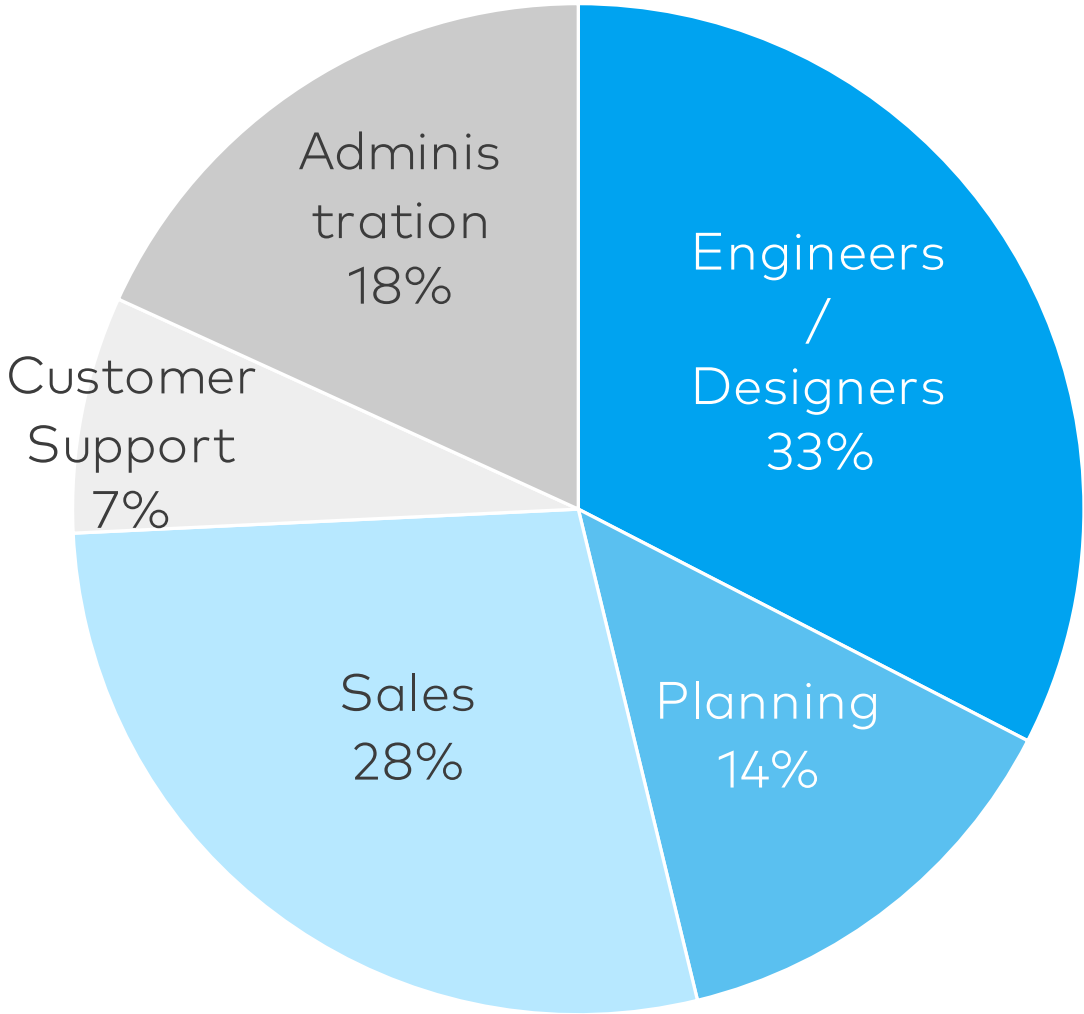
Company name	Livesense Inc.
CEO/Founder	Taichi Murakami
Business Philosophy	Happiness Begetting Happiness.
Corporate Vision	Invent the next common.
Established	February 8, 2006
Listing Market	Tokyo Stock Exchange Prime Market (Securities code: 6054)
Number of Employees (Non-Consolidated)	Full-Time: 214 (as of June 30, 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.