

FY2023 3rd Quarter Financial Results

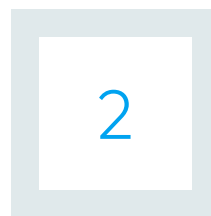
Livesense Inc. (TSE Standard Market: 6054)

November 14, 2023

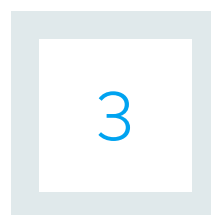
Agenda



Financial Results



Progress



Appendix

1. Financial Results

Executive Summary for the 3rd Quarter

Sales up 16.3% owing to business growth driven by Machbaito. Operating income down 11.5% YoY due mainly to human investment for medium- to long-term growth.

(Millions of JPY)

	FY2022 3Q	FY2023 3Q	YoY
Net Sales	1,278	1,487	+16.3%
Operating Income	187	166	-11.5%
Ordinary Income	226	203	-10.0%
Profit attributable to owners of parent	166	178	※ +6.7%

*Mainly due to tax effect

Progress made on expansion of transactions with major customers in Machbaito according to strategy. Tenshoku Draft sales policy adjusted in response to trend among some major customers.

Financial forecast revised in light of expected recording of extraordinary income and performance trends.

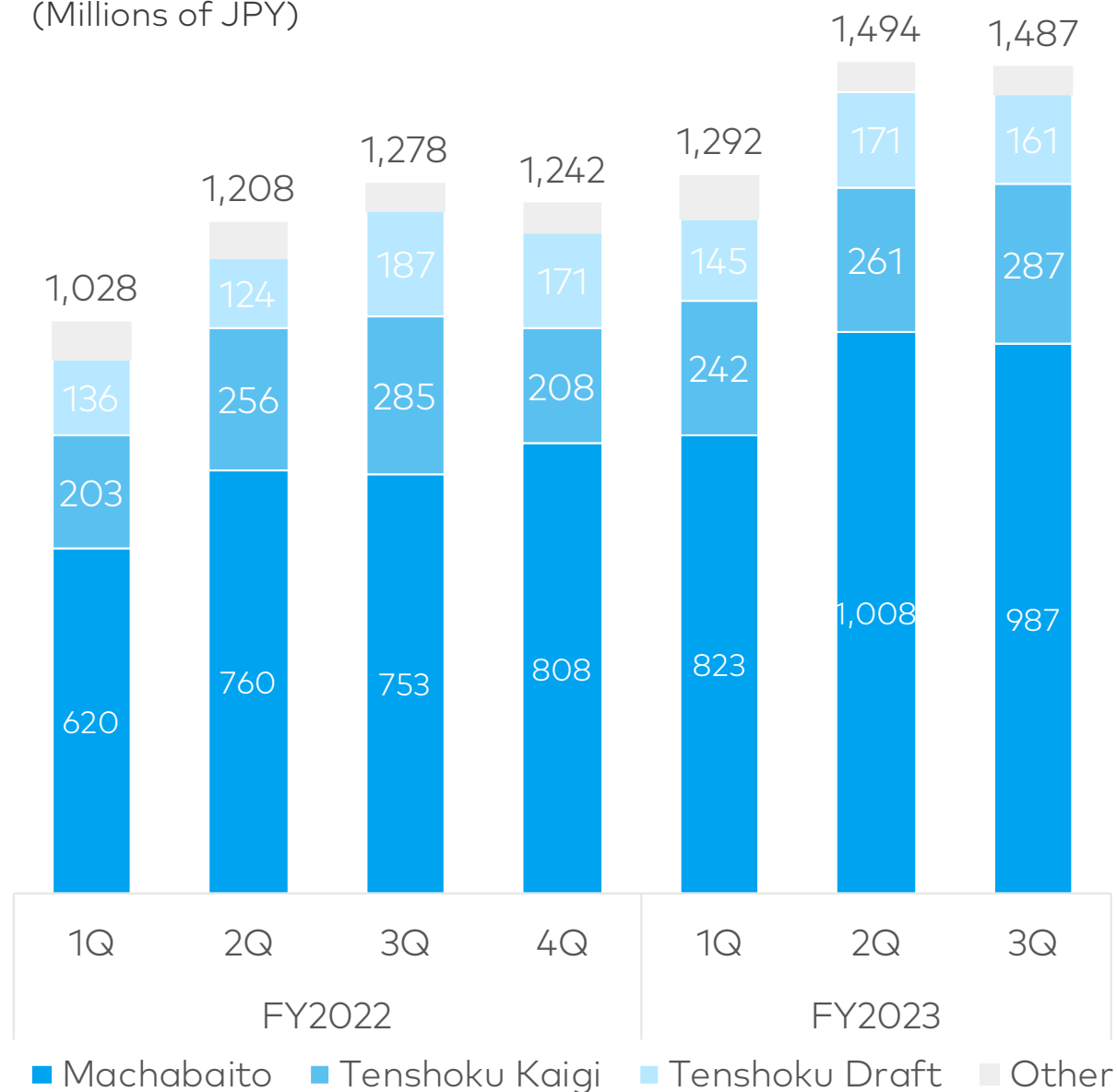
Quarterly Net Sales and Operating Income

Sales continuing to grow more than ¥200 million YoY since beginning of fiscal year.

Income down YoY due to increase in costs.

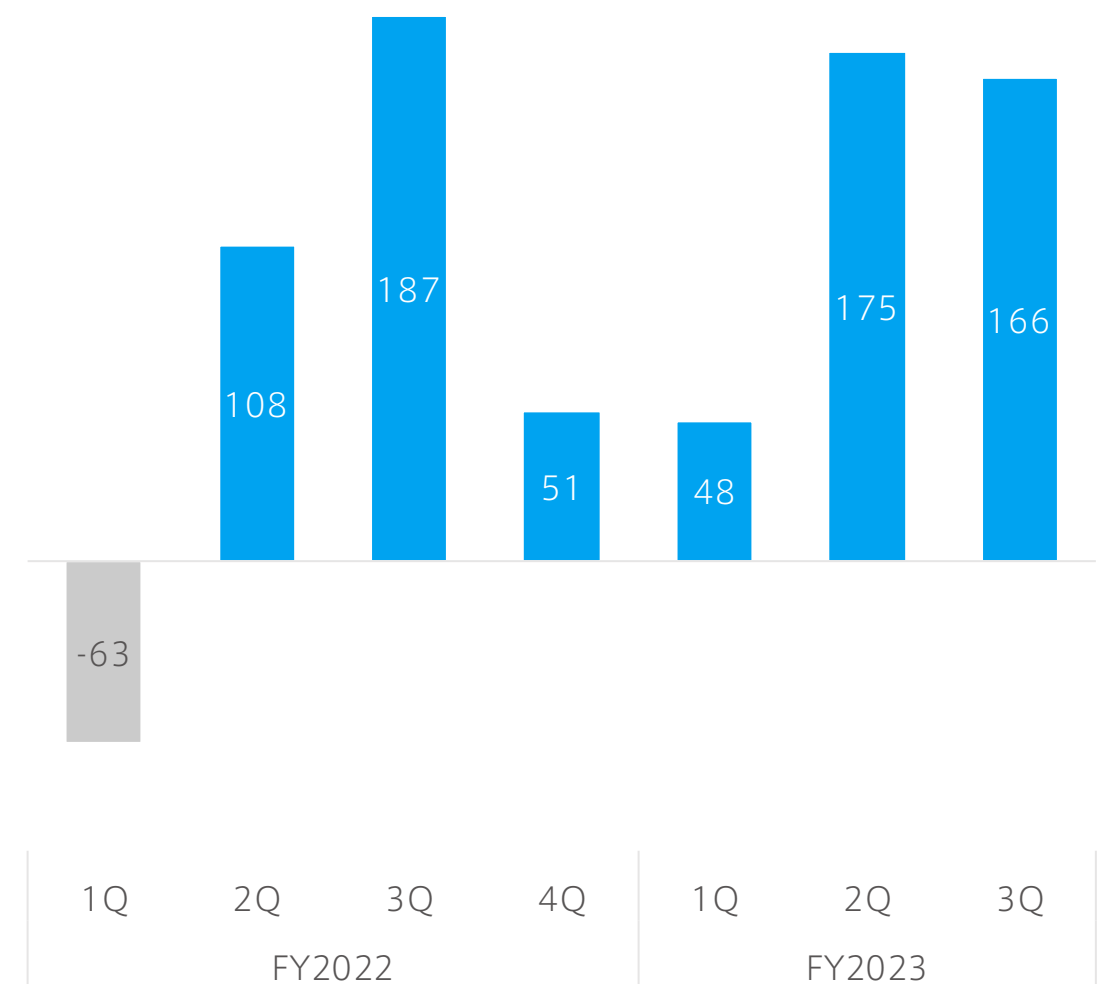
Net sales

(Millions of JPY)



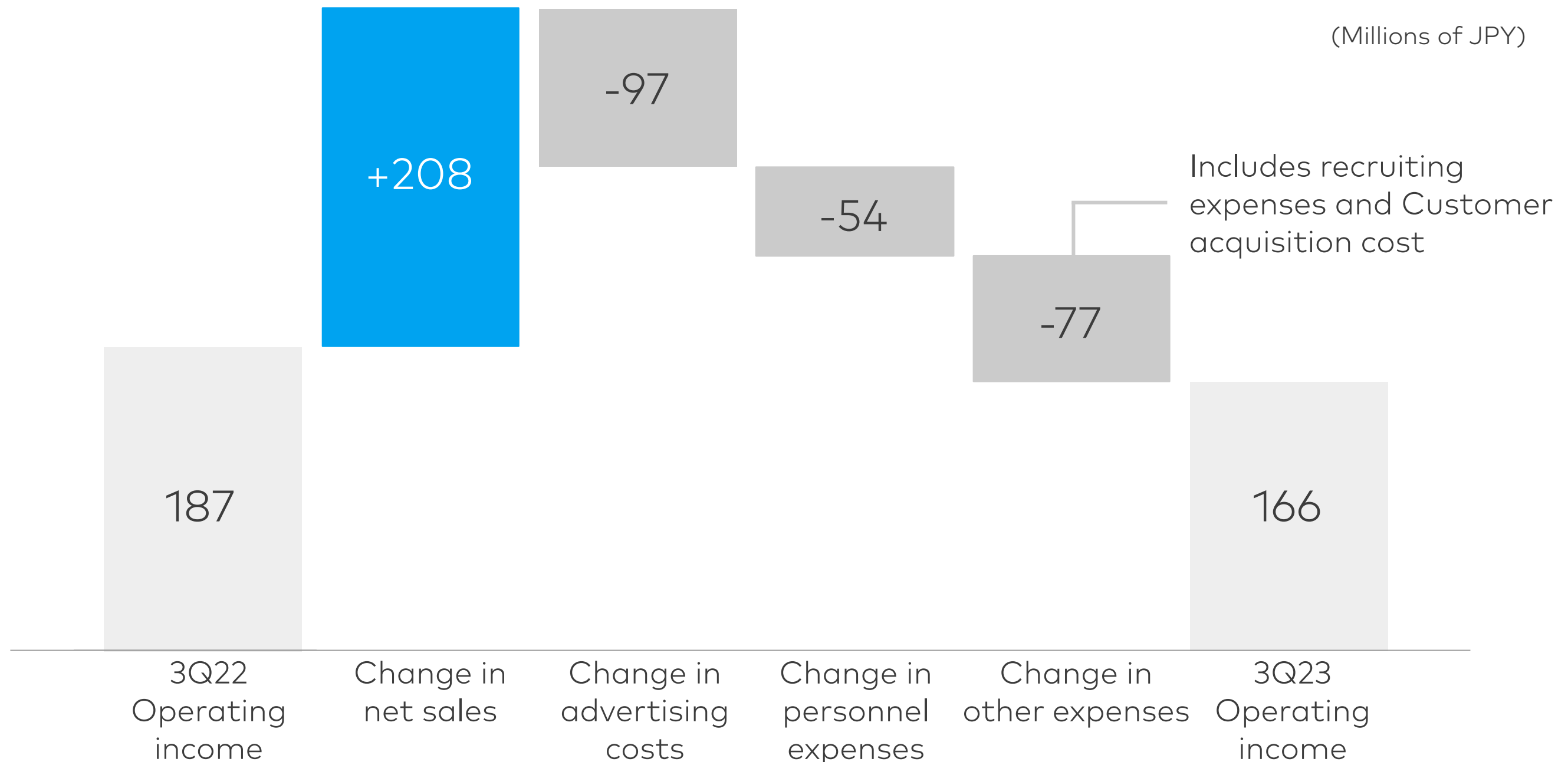
Operating income

(Millions of JPY)



Trends in Operating Income: Variance Analysis

- | Advertising costs and customer acquisition costs up with increase in net sales from business growth.
- | Income down YoY due to increase in personnel expenses with strengthened hiring and revision of compensation system.

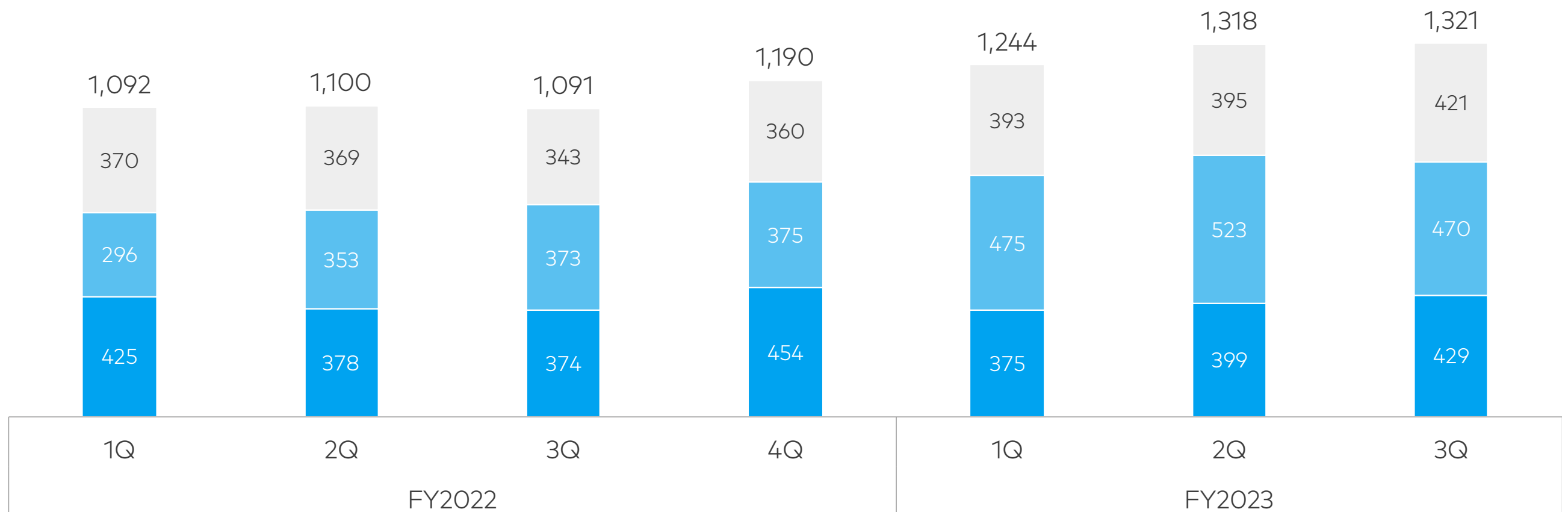


Operating Expenses

Personnel expenses up QoQ with revision of compensation system.
Advertising costs down QoQ with adjustment of ad spend according to customer trends.

(Millions of JPY)

- Personnel expenses
- Advertising costs
- Others



Financial Forecasts for FY2023

- Revised forecast based on improved profitability due to adjustment of advertising investment policy and lower sales forecast in some businesses due to change in customer hiring policies.
- Upwardly revised net income attributable to owners of the parent due to gain on sales of investment securities

(Millions of JPY)

	FY22	FY23 Previously announced forecast (A)	FY23 Revised forecast (B)	Amount of change (B-A)
Net Sales	4,757	6,000	5,700	-300
Operating Income	284	350	440	90
Ordinary Income	438	500	600	100
Profit attributable to owners of parent	537	460	680	220

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

Tenshoku Draft policy adjusted. Other businesses making progress mostly according to initial plan

Machbaito: Expanding transactions with major customers and continuing sales growth of over 30% YoY
Tenshoku Kaigi: Progress made in expanding transactions with major partners and increasing Review Pass usage
Tenshoku Draft: Hiring down due to changes in hiring activities at some major customers. Sales policy adjusted.
IESHIL: Strengthening contact with users to increase number of consultations on buying and selling condominiums

Create new revenue streams based on existing businesses

Measures for creating new revenue streams under verification in several businesses

Tenshoku Kaigi: Launched full-scale operation of new product Tenshoku Kaigi Concierge
Tenshoku Draft : Special agent support service for job applicants under verification
IESHIL : Purchase and resale business for members under verification

Realize PMF* in new businesses


Measures for PMF* under verification for two products

knew: Profitability per member increased owing to measures to improve retention rate
batonn: Progress made on acquiring companies participating in trial and accumulating examples of use

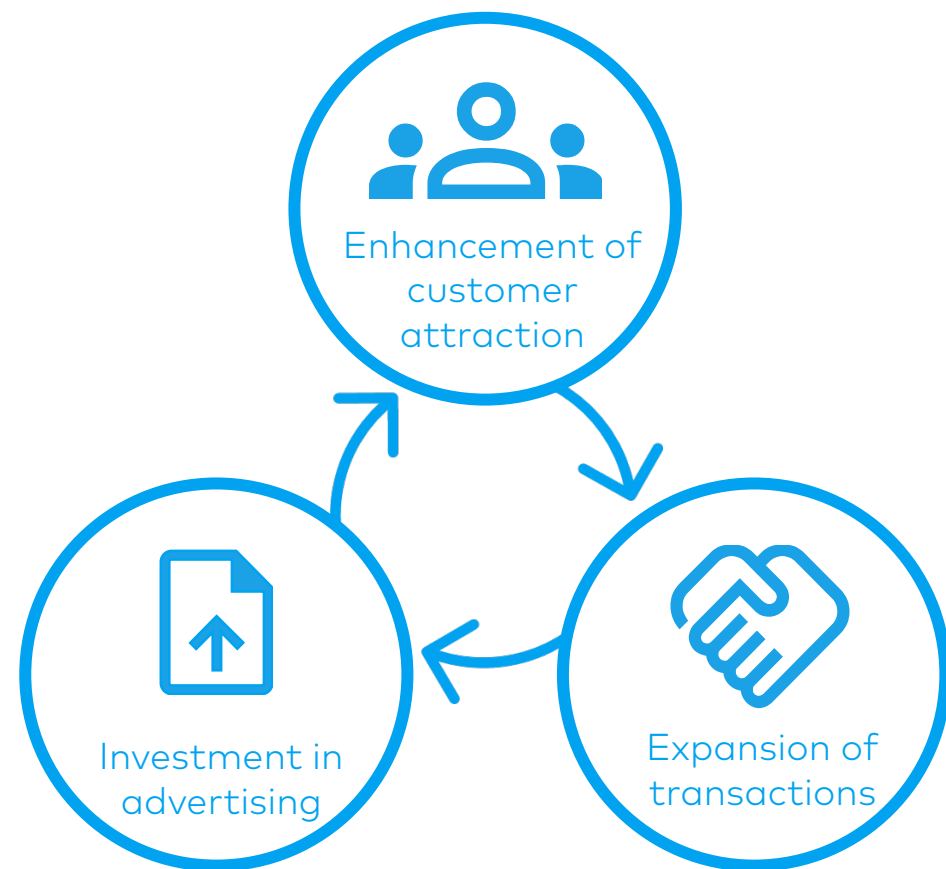
*Product market fit: State where service is accepted by customers in particular market

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

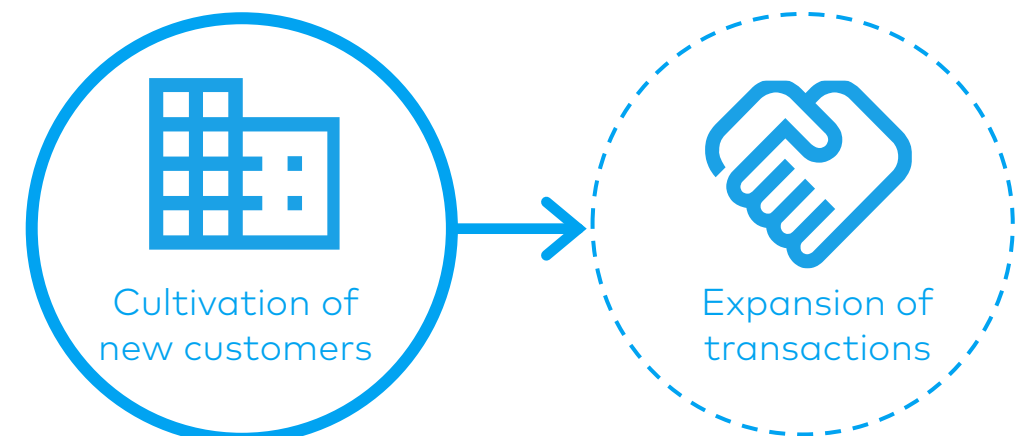
Expansion of transactions with major customers



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

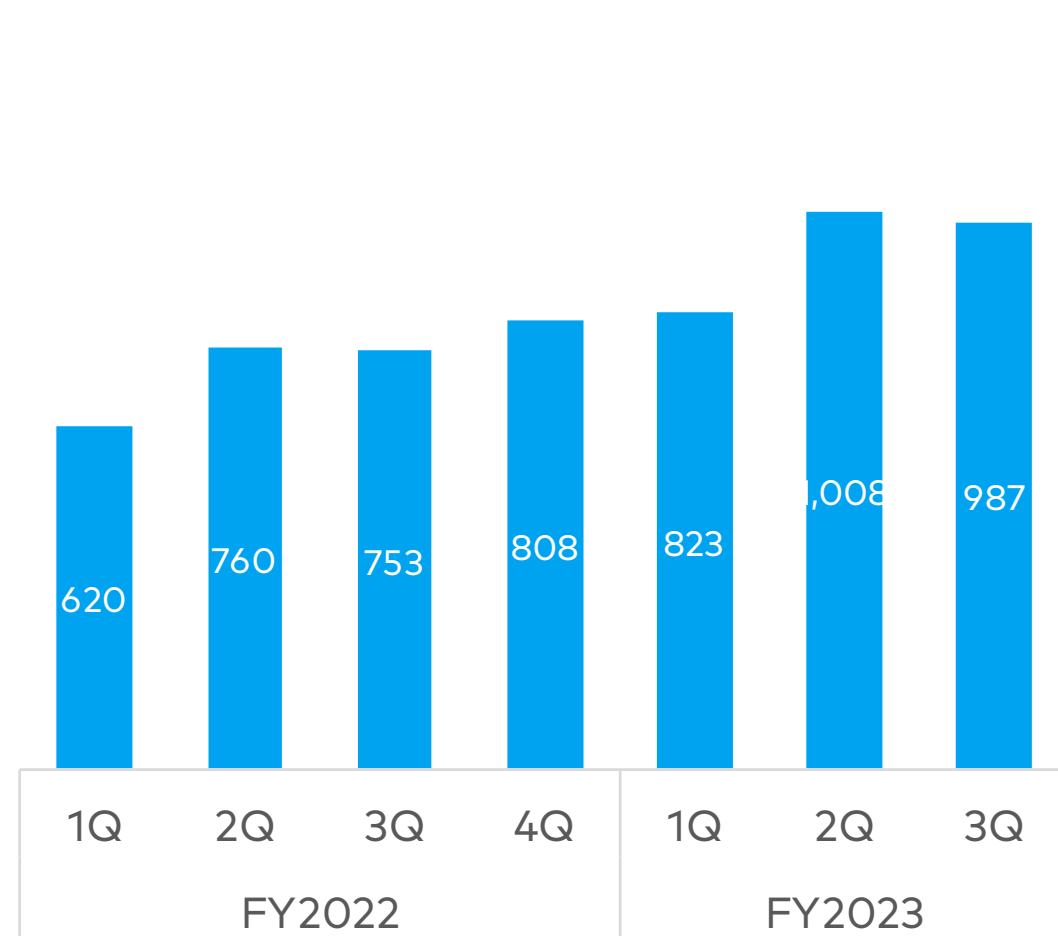
Strengthening of Existing Businesses

Machbaito

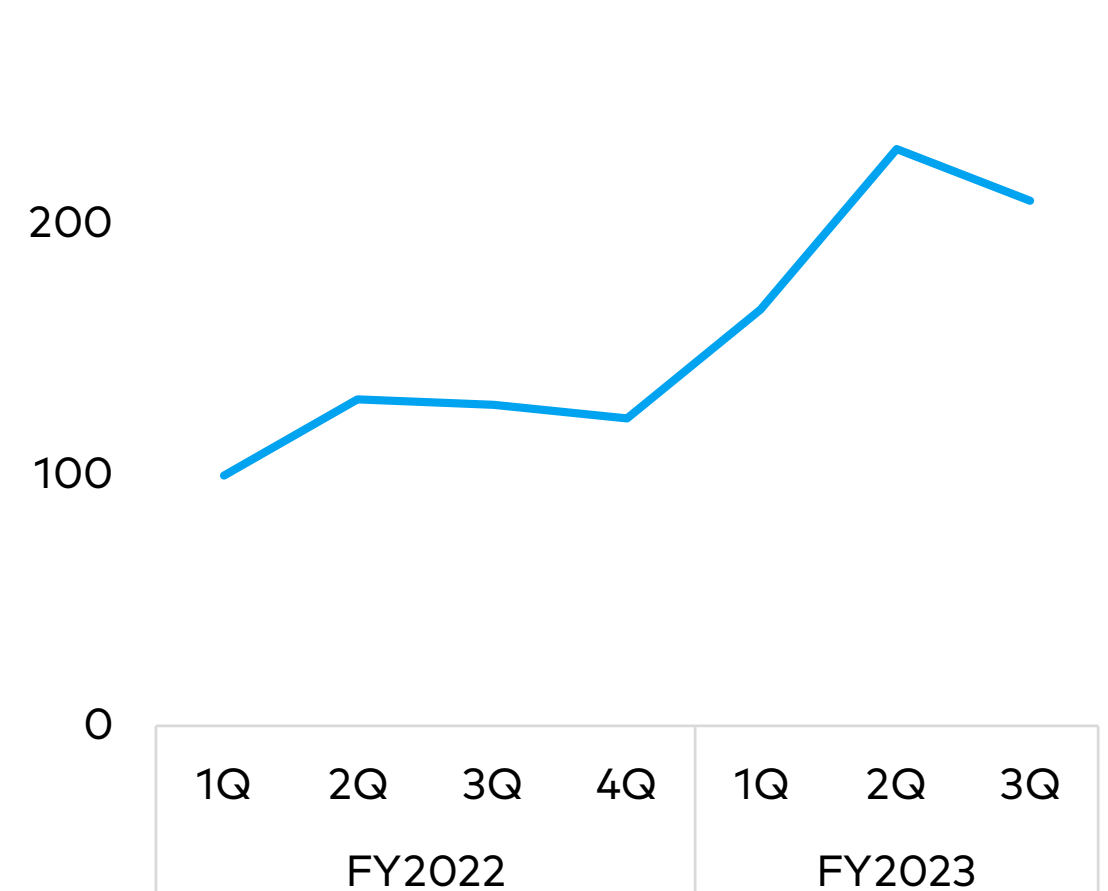
- | Progress made on expansion of transactions with major customers, continuing to increase sales by more than 30% YoY.
- | Number of applications also continuing to grow YoY. Progress also made in cultivation of customers for growth in next fiscal year and beyond.

Net sales

(Millions of JPY)



Number of applications

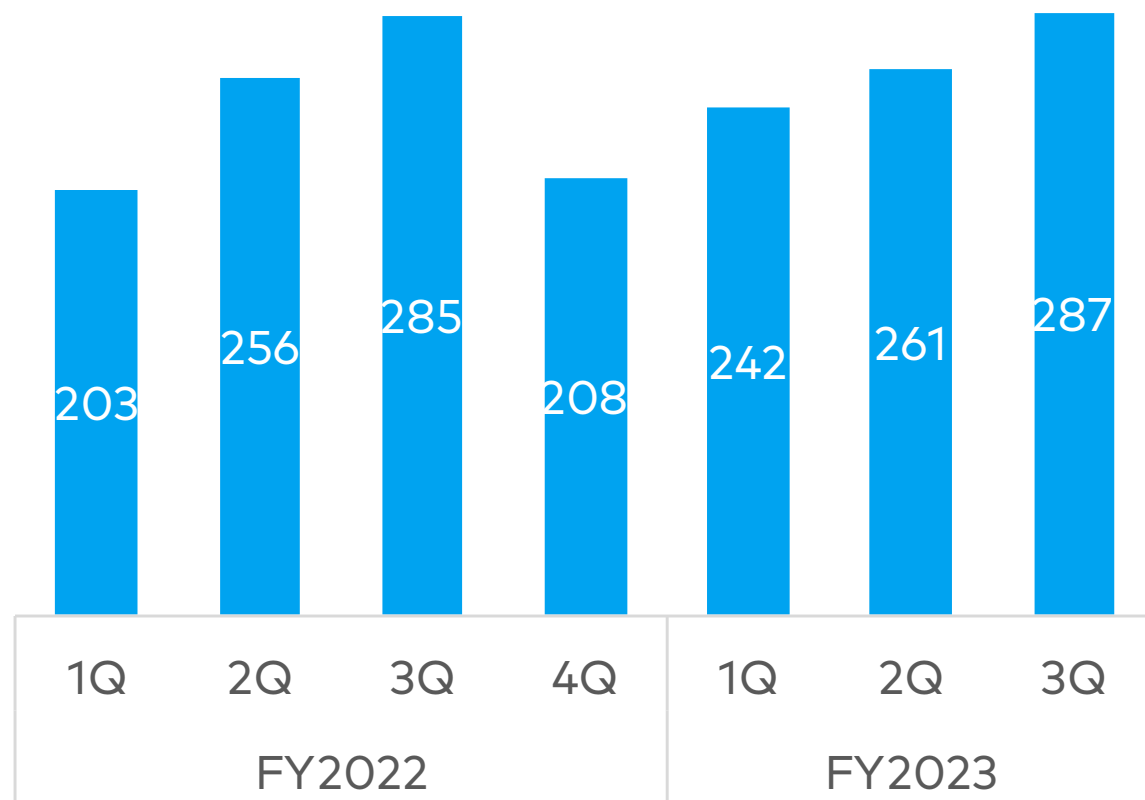


*Relative values when number of applications from 1Q FY2022 is 100

Tenshoku Kaigi

- | Sales up QoQ with progress made in expanding transactions with major partners and increasing Review Pass sales.
- | YoY growth in number of registered members with ongoing UX improvements.

Net sales
(Millions of JPY)



Number of registered members

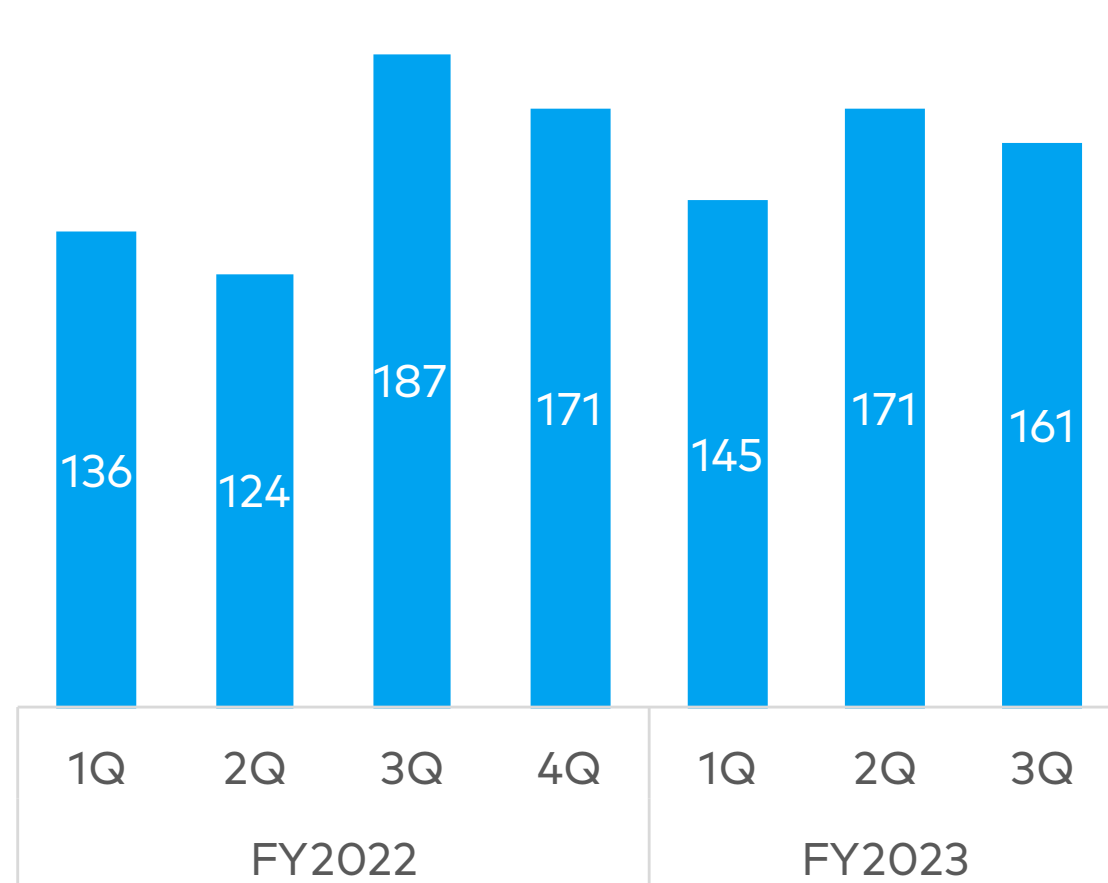


Tenshoku Draft

Hiring down due to changes in hiring policies at some major customers.
Sales down 13.7% YoY.

Net sales

(Millions of JPY)



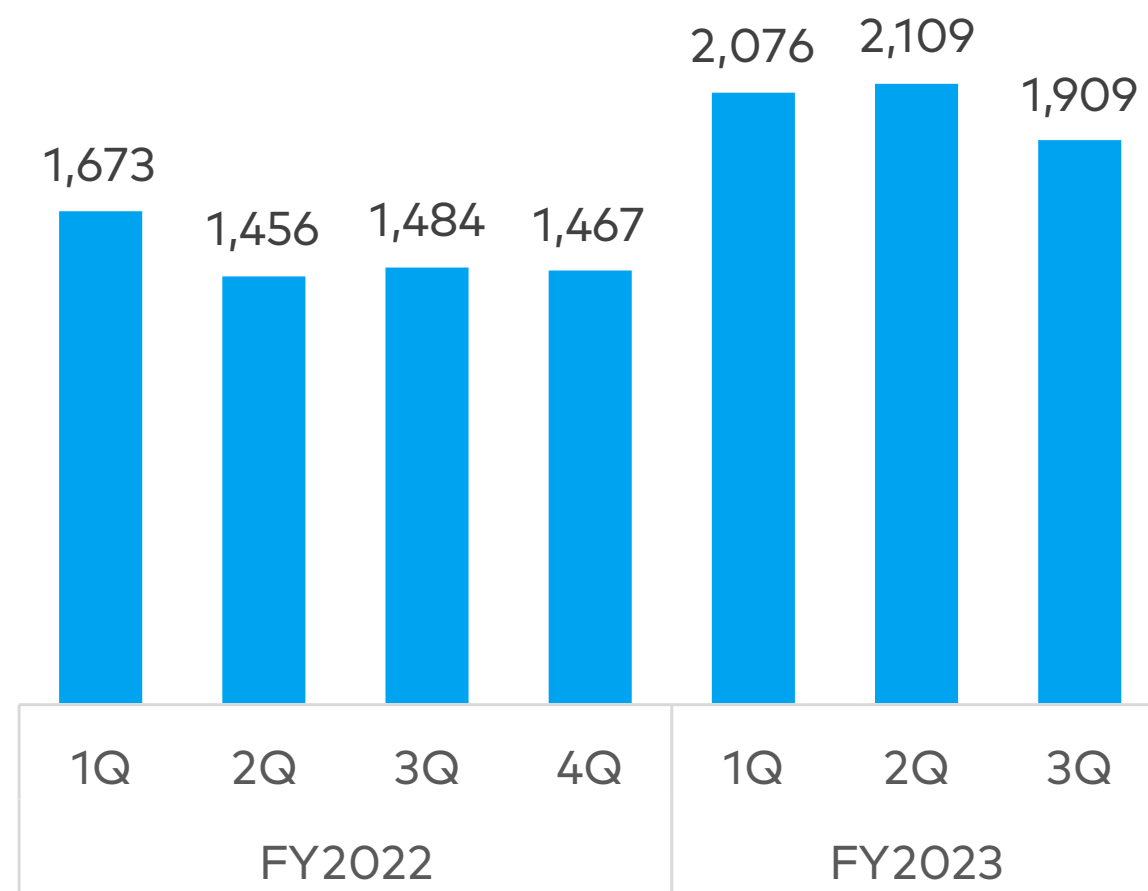
Tenshoku Draft Profit structure



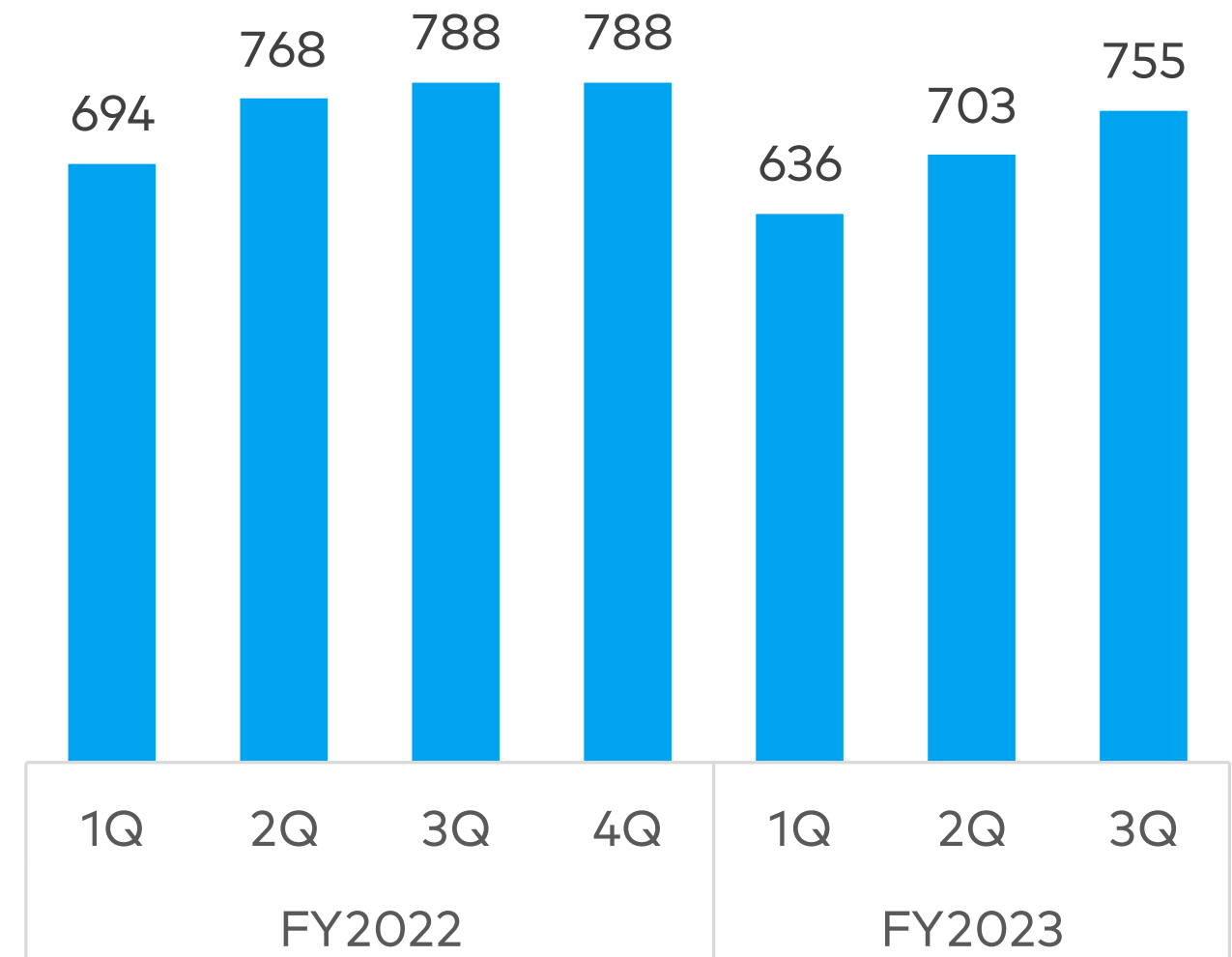
Tenshoku Draft

- | Number of participants and participating companies remained steady. Number of participants down QoQ due mainly to seasonal factors.
- | Adjusted sales policy in response to changes in customer trends and participant base. Aiming to increase number of participants by promoting customer cultivation tailored to participant base.

Total number of participants



Total number of participating companies



*Total numbers of participating members and companies for each event

Create new revenue streams based on existing businesses

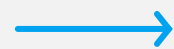
Launched full-scale operation of Tenshoku Kaigi Concierge, which was tested at Tenshoku Kaigi. Working to expand sales so it will become new revenue stream in future.

Tenshoku Kaigi Concierge

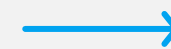


Enter required items

- Current salary and job history
- Desired job type, work location, etc.



Concierge sets up meetings with partner companies



Referral to partner companies

Tenshoku Kaigi registrants are introduced to partner companies after customer support conducts interviews and adjustments. Reduce partner company man-hours for setting up interviews and refer job applicants who match job openings.

Realize PMF in New Businesses

Continued verification and acquisition of customers to realize PMF in two businesses of knew and batonn.

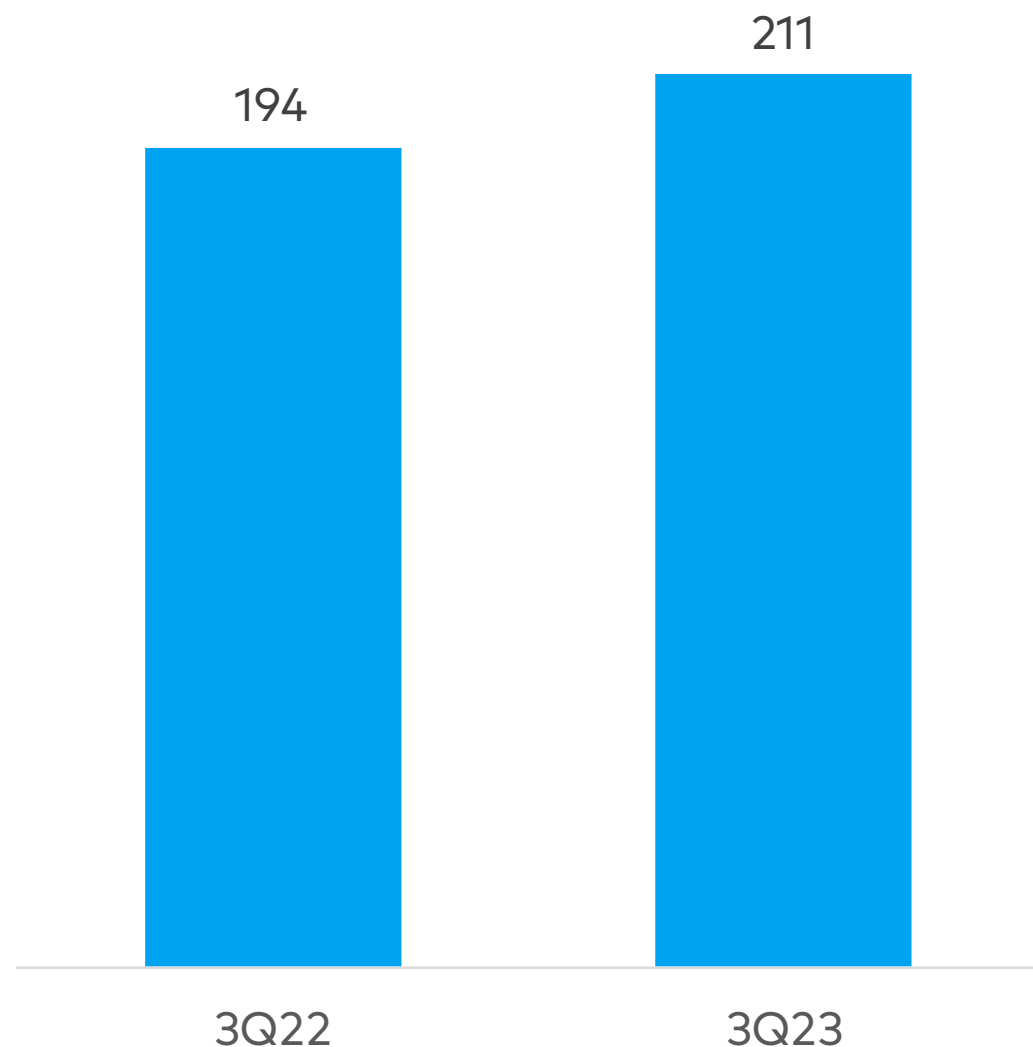


Overview of service	Referral-type matching service	Interview Optimization Cloud
FY2023 policy	<ul style="list-style-type: none">• Increase sales per member through UX improvements• Strengthen branding	<ul style="list-style-type: none">• Accumulating examples of use by increasing number of companies participating in trial
Progress on verification	2Q release of "Today's Featured User" function and measures to improve retention rate increased profitability per member	Progress made on acquiring companies participating in trial and accumulating examples of use. Also continuing to develop functions to improve customer experience

Investing in Human Capital

- | Promoting strengthening of organizational structure to realize sustainable growth.
- | Securing and retaining talented personnel by strengthening hiring and raising salary level of mid- and high-level personnel.

Number of full-time employees



Average salary of mid- and high-level personnel

+ ¥840,000

※ Comparison of average projected salaries before and after revision of compensation system



LIVESENSE

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3. Appendix

3. Appendix

Corporate Philosophy

Origin of the company name /Business Philosophy

22

| Origin of the company name

LIVE + SENSE

| Business Philosophy

Happiness Begetting
Happiness.

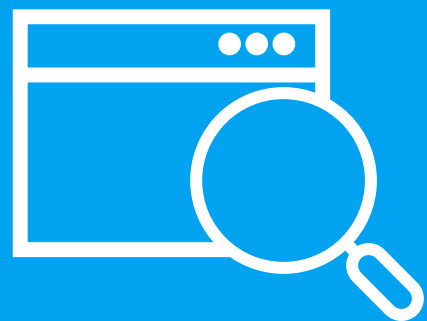
| Corporate Vision

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.



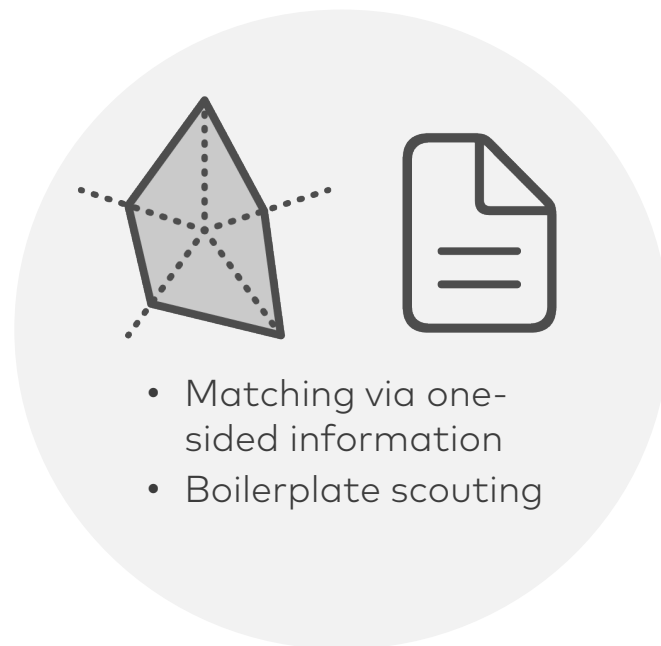
Promotes fairness in job changes through a system that shows annual income and position before selection.



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

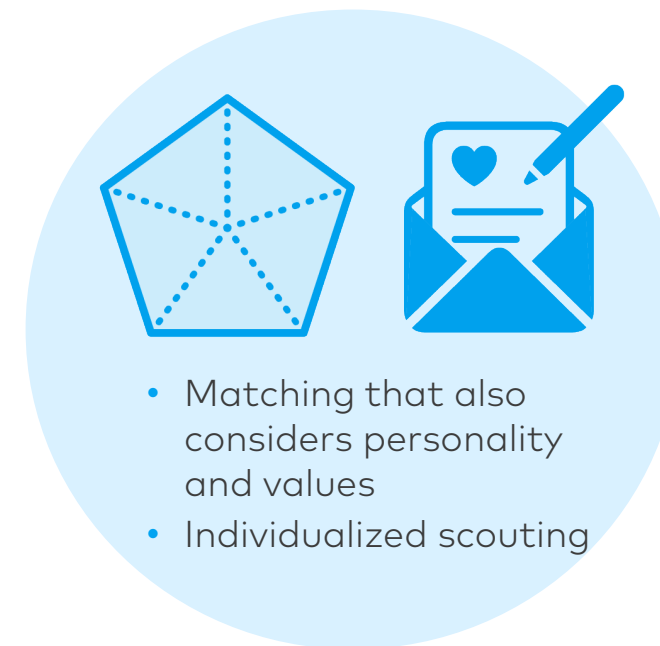
Respect for People

| 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

3. Appendix

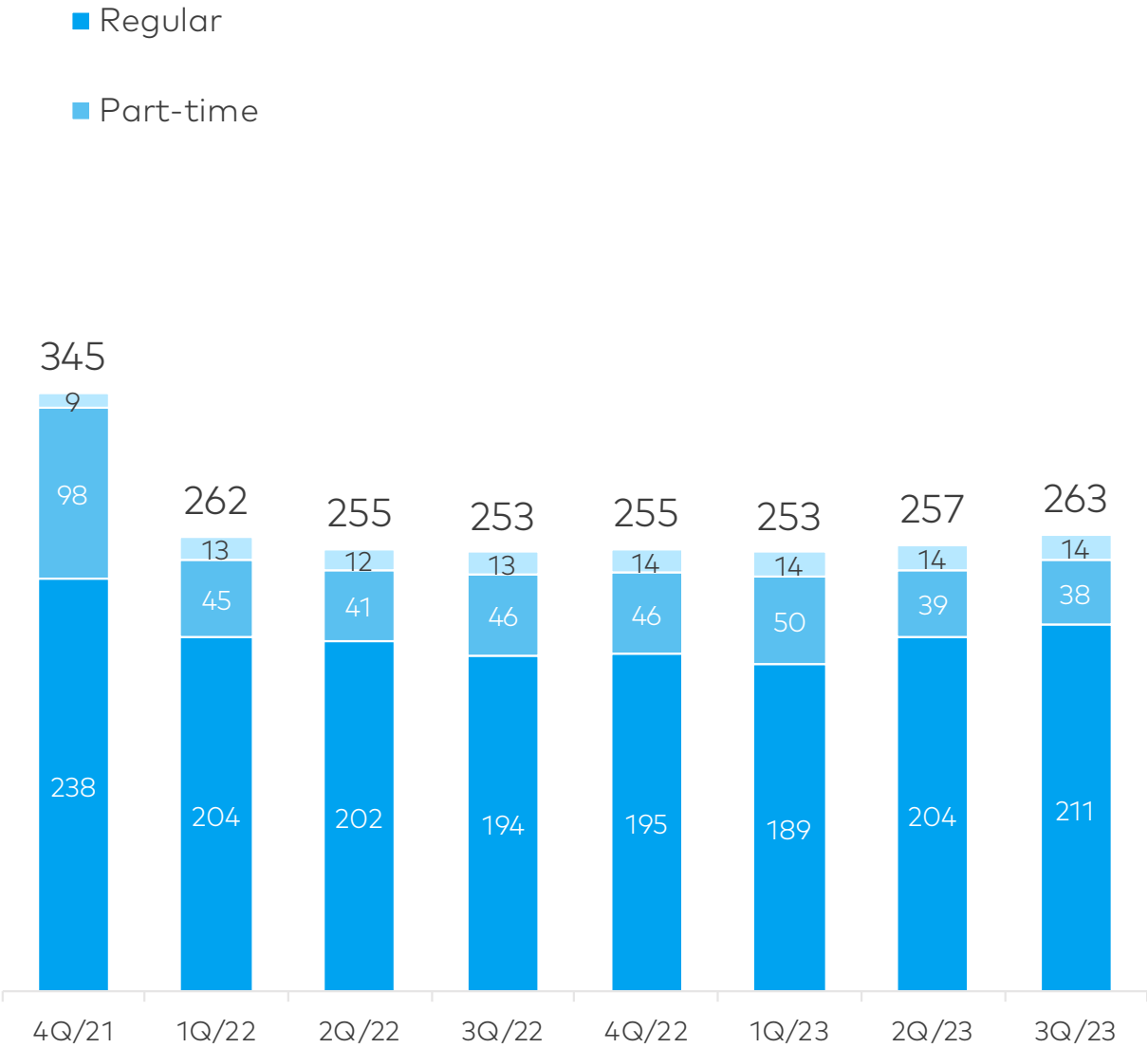
Corporate Profile

Corporate Profile

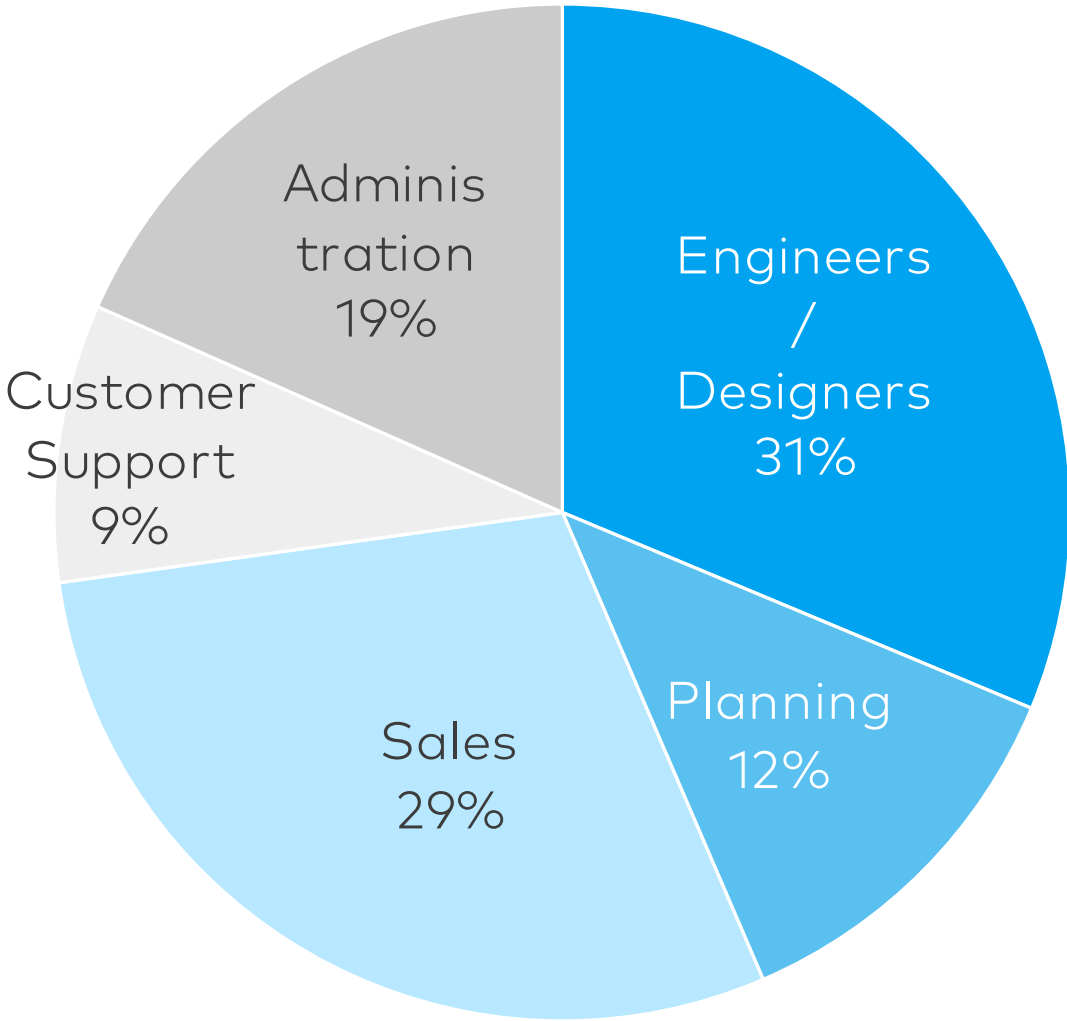
Company name	Livesense Inc.
CEO/Founder	Taichi Murakami
Business Philosophy	Happiness Begetting Happiness.
Corporate Vision	Invent the next common.
Established	February 8, 2006
Listing Market	Tokyo Stock Exchange Prime Market (Securities code: 6054)
Number of Employees (Non-Consolidated)	Full-Time: 221 (as of September 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.