

# FY2023 Financial Results

Livesense Inc. (TSE Standard Market : 6054)

February 14, 2024

# Agenda

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Financial Results

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Appendix

# 1. Financial Results

# Full Year Executive Summary

| Sales up 18.8% YoY and operating income up 70.8% YoY owing to business growth

(Millions of JPY)

	FY2022 3Q	FY2023 3Q	YoY
Net Sales	4,757	5,654	+18.8%
Operating Income	284	485	70.8%
Ordinary Income	438	649	48.2%
Profit attributable to owners of parent	537	※ 716	+33.2%

※Influence of gain from sale of investment securities +91M

| Sales up ¥833 million (28.3%) YoY with steady progress on expansion of transactions with major customers in Machbaito.

| Progress made on creating new revenue streams in multiple businesses. Verification of 2 new businesses underway, but PMF\* not yet realized.

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

# Full Year Net Sales and Operating Income

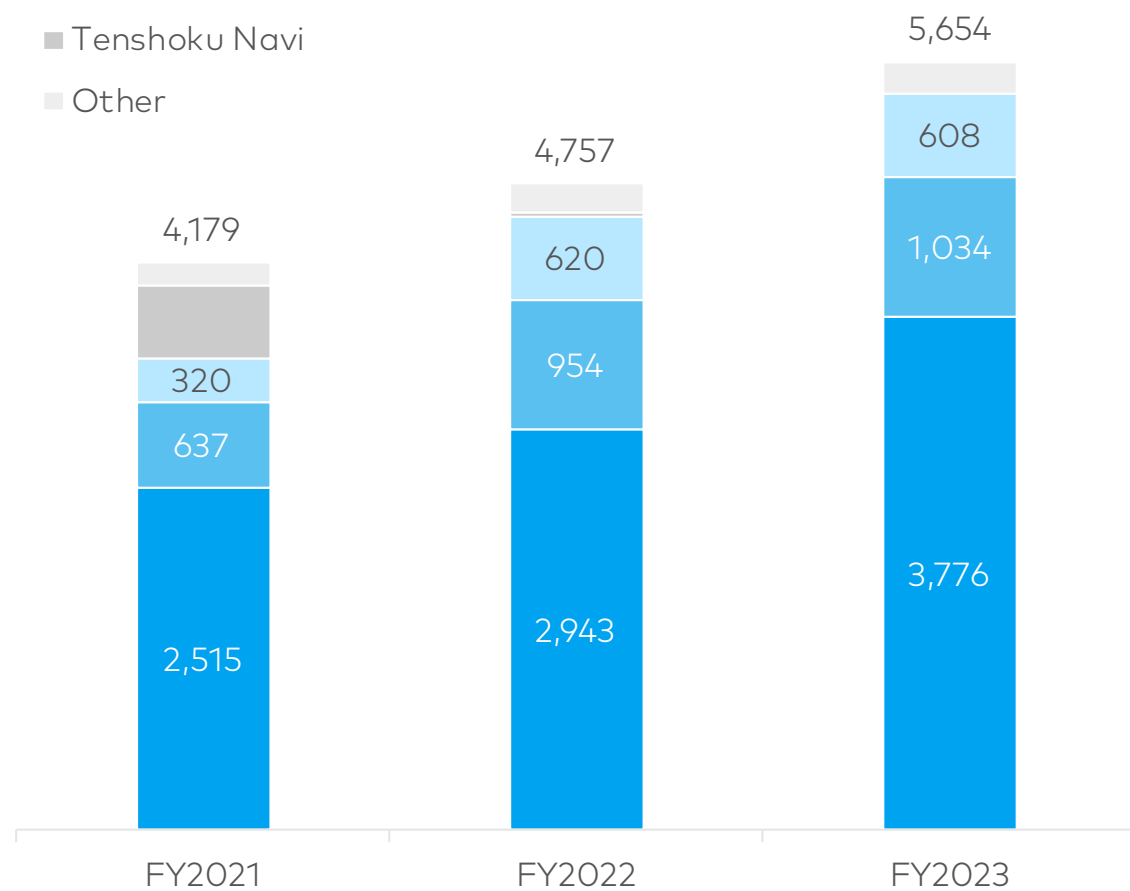
| Sales up significantly with growth of Machbaito

| Operating income also up significantly with sales growth

## Net sales

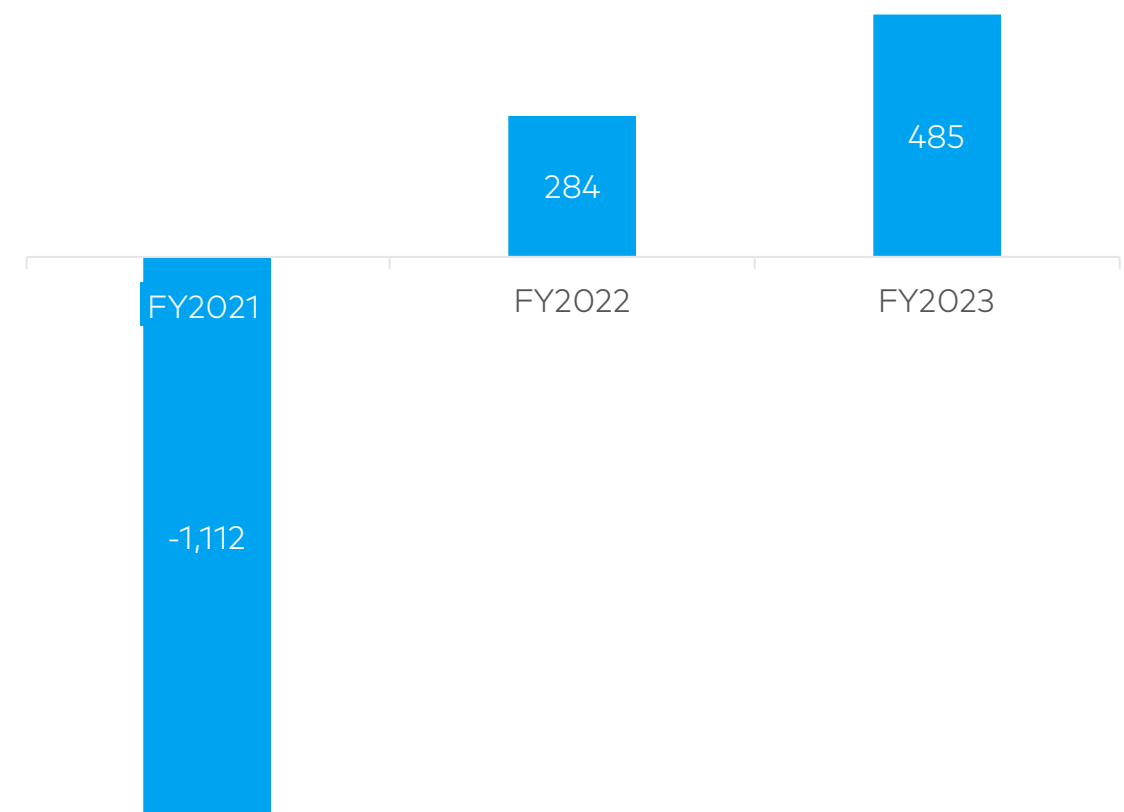
(Millions of JPY)

- Machabaito
- Tenshoku Kaigi
- Tenshoku Draft
- Tenshoku Navi
- Other



## Operating income

(Millions of JPY)



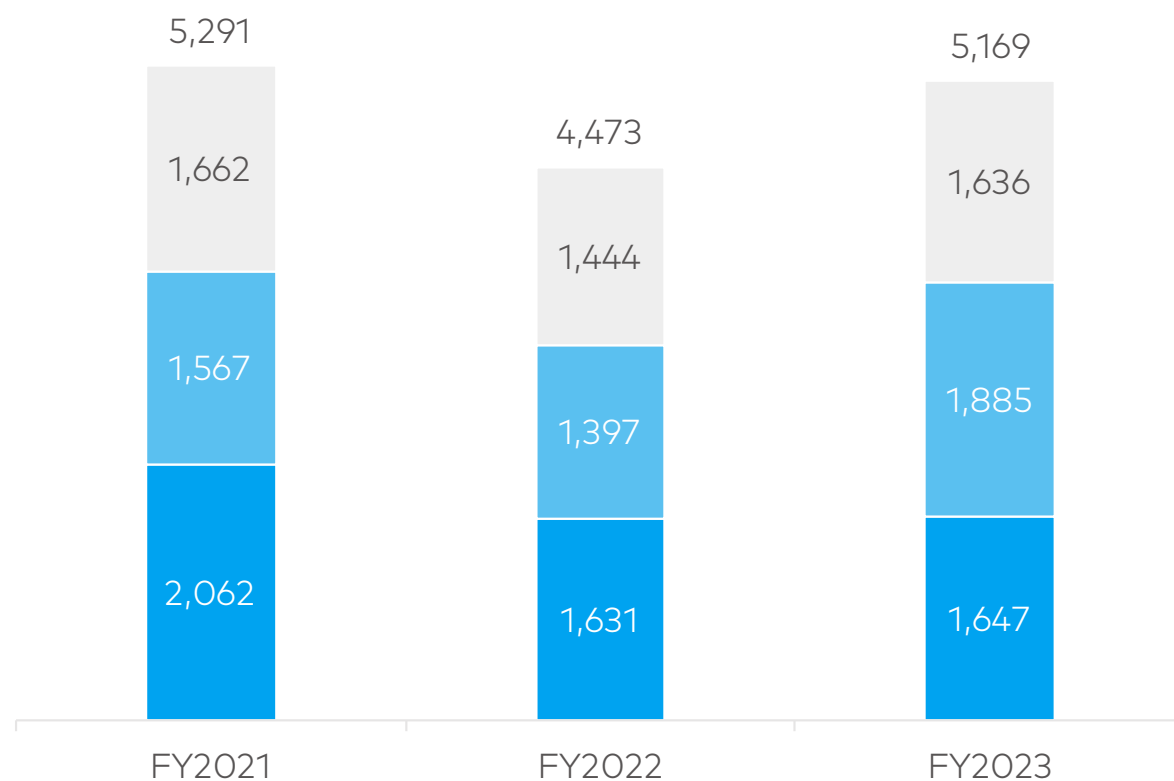
# Full Year Operating Expenses

Expenses up, mainly due to advertising and human capital investment

## Full-year trend in expenses

(Millions of JPY)

- Personnel expenses
- Advertising costs
- Others



## Factors behind increase in expenses

Personnel expenses: +¥15 million

- ✓ Increase in personnel with enhancement of organizational structure
- ✓ Increase in salaries with revision of compensation system

\* In FY2022, ¥79 million in special bonuses is included, so actual increase is ¥94 million

Advertising costs: +¥488 million

- ✓ Increase in advertising in conjunction with growth in net sales
- ✓ Enhancing customer attraction as forward-looking investment to expand transactions with customers

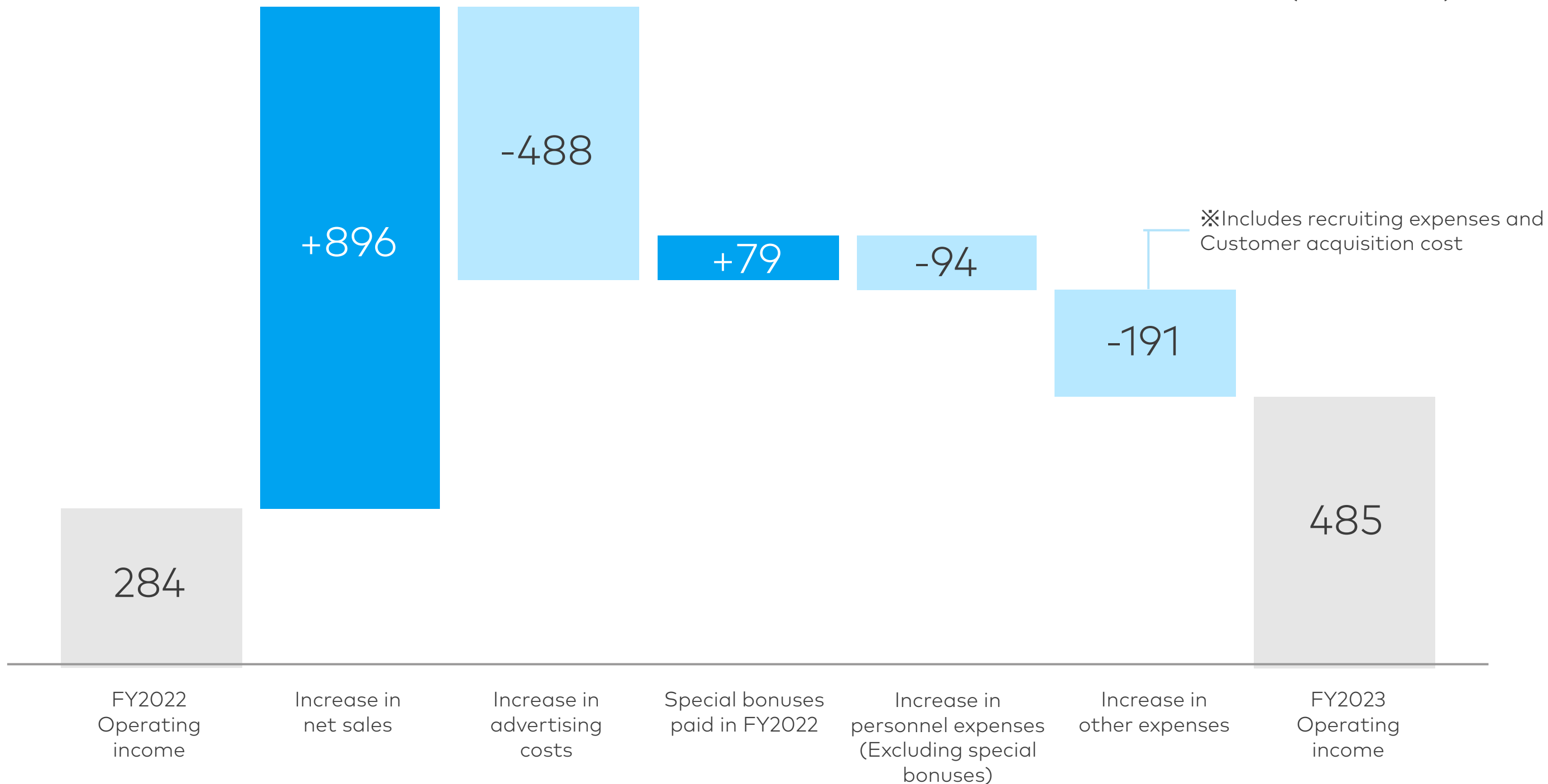
Others: +¥191 million

- ✓ Increase in customer acquisition costs and cloud expenses for business expansion
- ✓ Increase in recruiting expenses associated with enhancement of organizational structure

# Trends in Operating Income: Variance Analysis

Sales growth surpassed investment costs in customer attraction and human capital, resulting in increased profit

(Millions of JPY)



## **2. FY2023 Summary**



## | 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

### Achieved higher profitability driven by Machbaito

**Machbaito:** Achieved record-high net sales by expanding transactions with major customers

**Tenshoku Kaigi:** Progress made in expanding transactions with major partners and increasing Review Pass usage

**Tenshoku Draft:** Despite increase in number of participants, number of hires decreased due to changes in hiring policies of some major customers

**IESHIL:** Strengthened contact with users to increase the number of consultations on buying and selling condominiums

Create new revenue streams based on existing businesses

### Progress made on verifying/implementing services that will become new revenue streams in multiple businesses

**Tenshoku Kaigi:** Launched full-scale operation of Tenshoku Kaigi Concierge

**Tenshoku Draft:** Promoted use by different demographic through special agent support service for job applicants

**IESHIL:** In the purchase and resale business, progress is being made in purchasing expansion and sales contracts.

Realize PMF\* in new businesses

### Progress made on verifications in each business. PMF not yet realized

**knew:** Sales per member grew, but PMF not yet realized.

**batonn:** Made steady progress on increasing number of companies participating in trial and accumulating examples of use

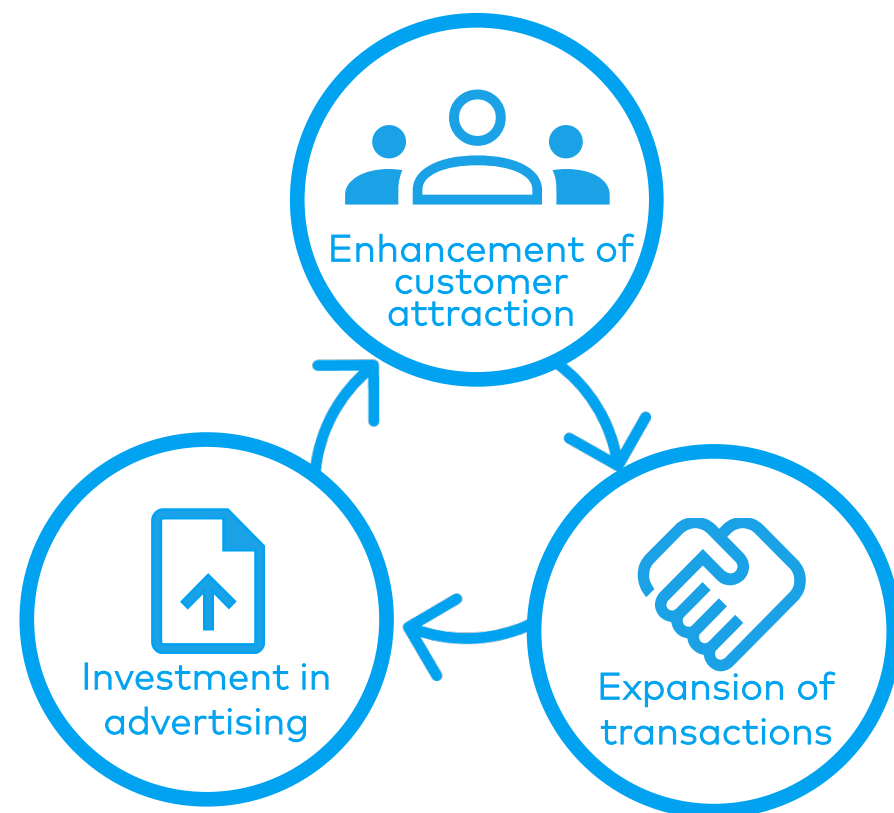
\*Product market fit: State where service is accepted by customers in particular market

## Machbaito Strategy

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

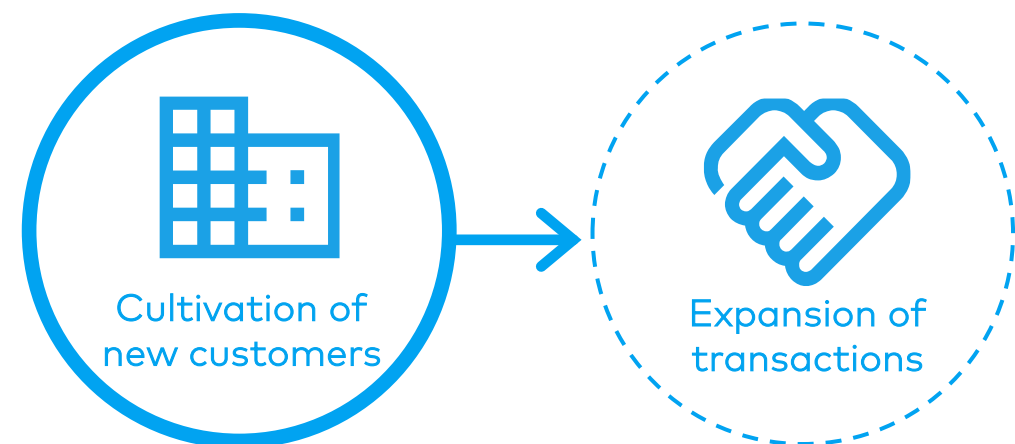
 ... FY2023 focus

### 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



\*FY2024 and beyond

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

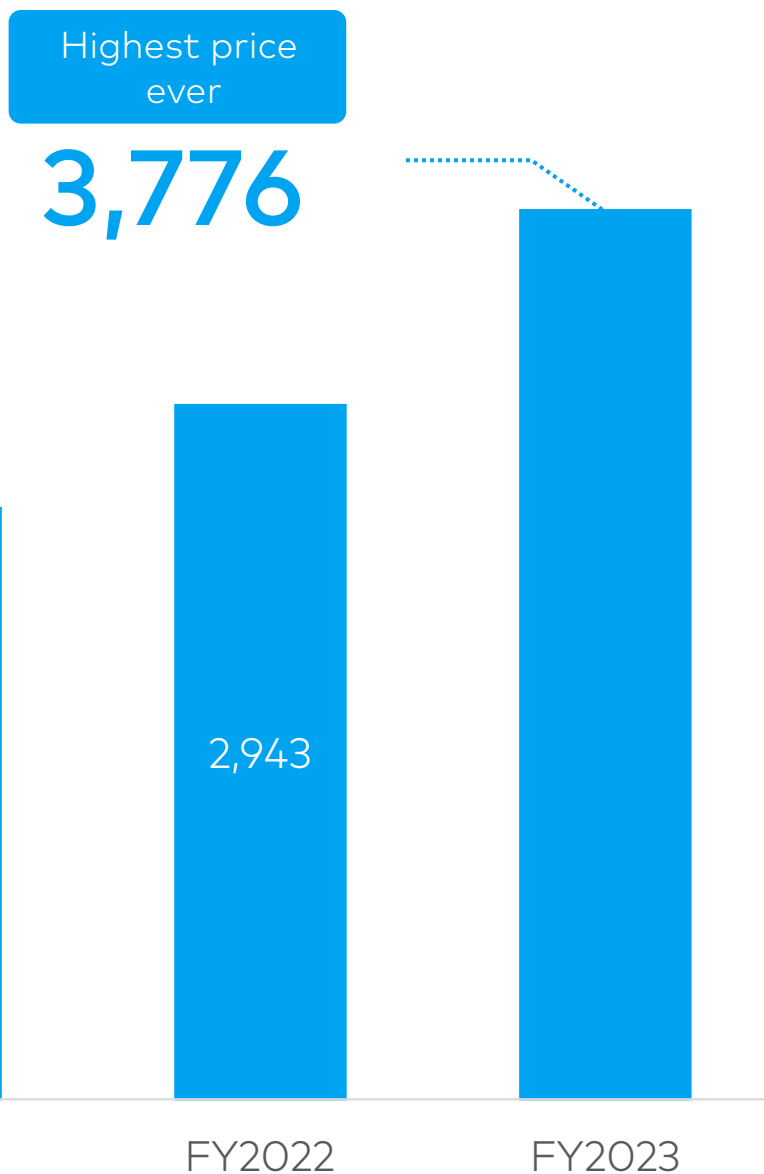
 Cultivated strengths ... Highly efficient customer attraction and optimized algorithms

## Machbaito

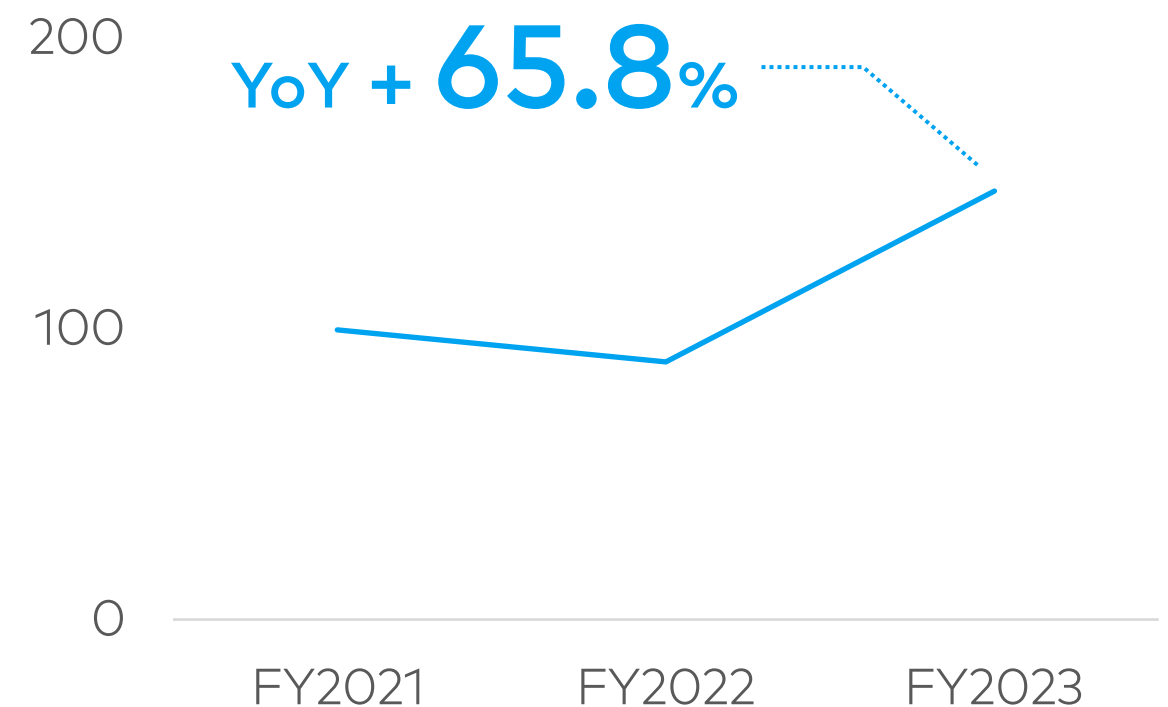
- | Sales up 28.3% with expansion of transactions with major customers. Achieved record-high full-year sales
- | Made steady progress on enhancing customer attraction with expanded transactions. Number of applications also up significantly YoY.

### Net sales

(Millions of JPY)



### Number of applications



※Relative value when the number of applications for FY2021 is 100

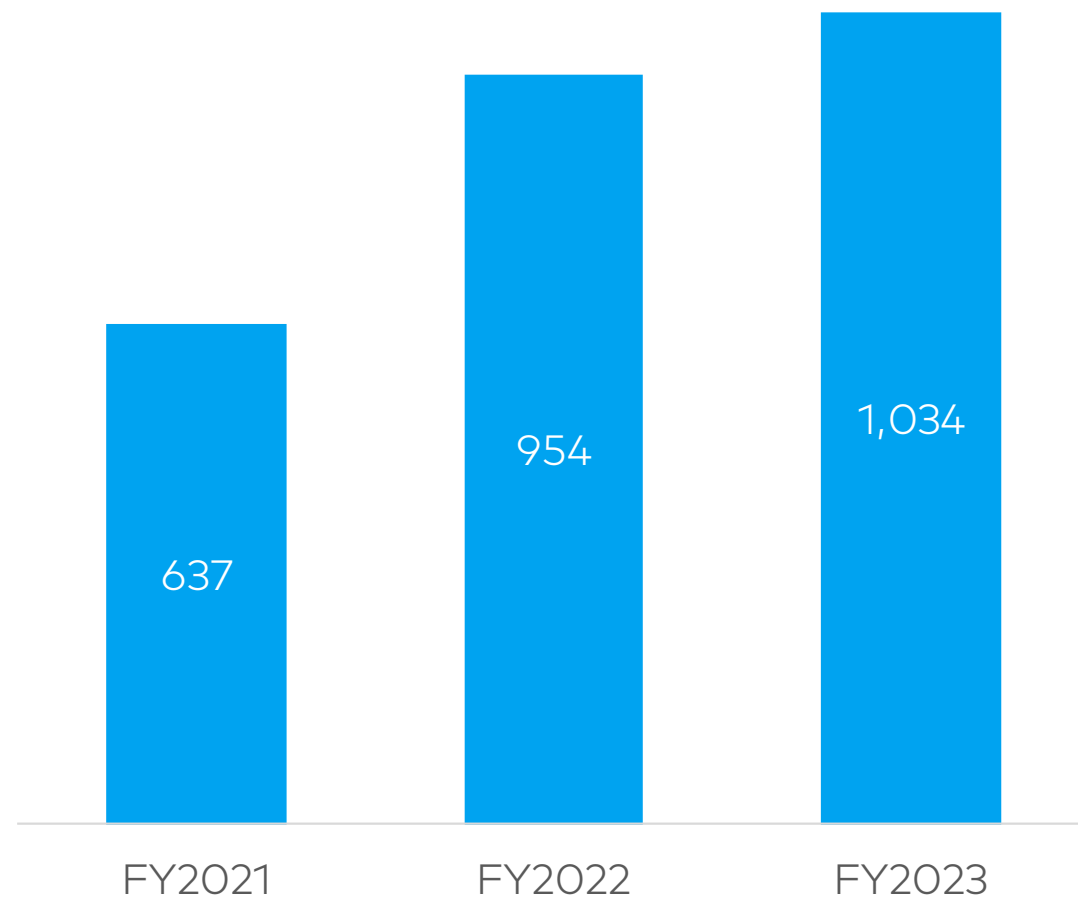
# Strengthening of Existing Businesses

## Tenshoku Kaigi

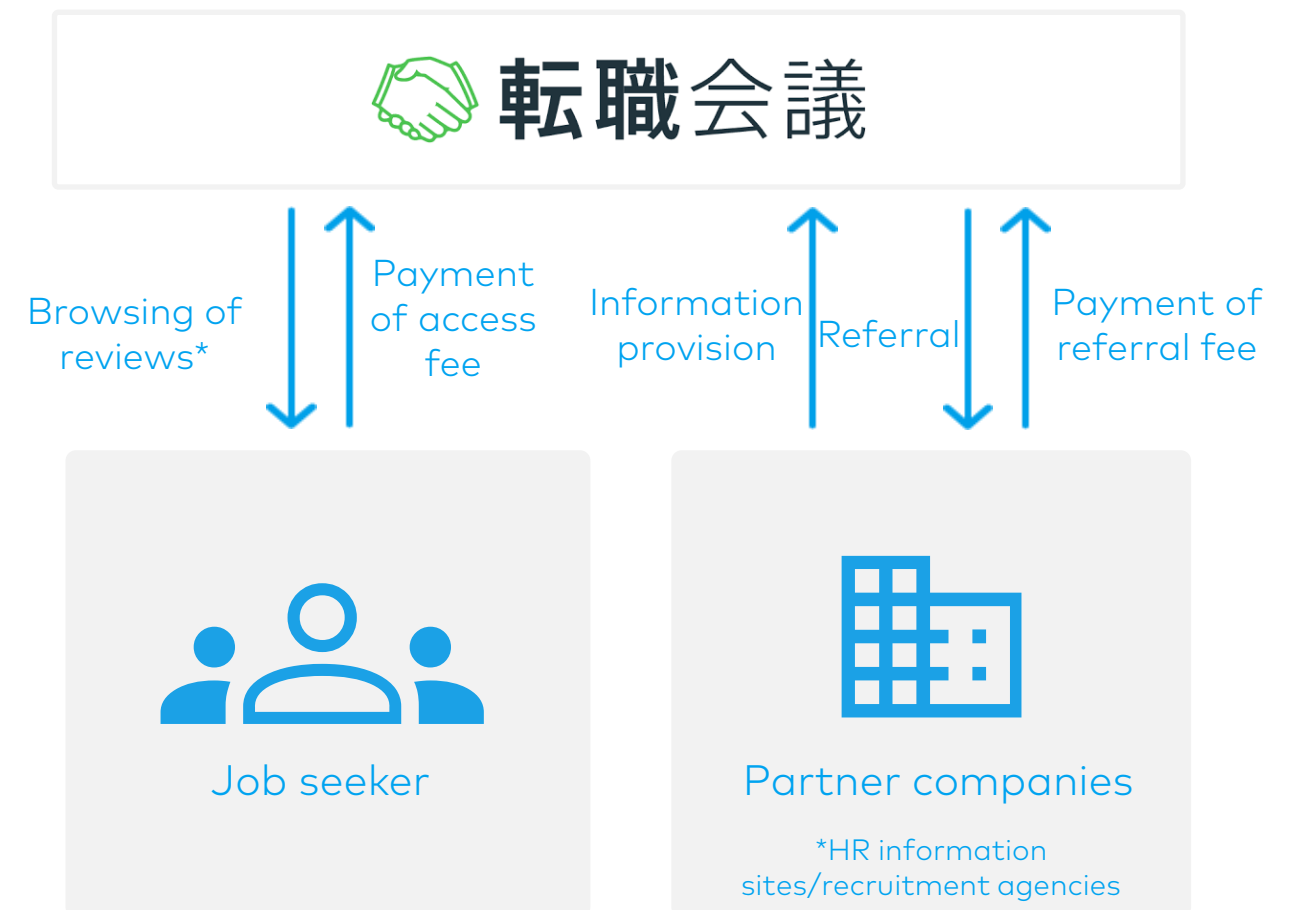
Sales up 8.3% YoY with expansion of transactions with major partners and growth of Review Pass sales

### Net sales

(Millions of JPY)



### Tenshoku Kaigi business structure



\*Users can also browse for free by posting reviews

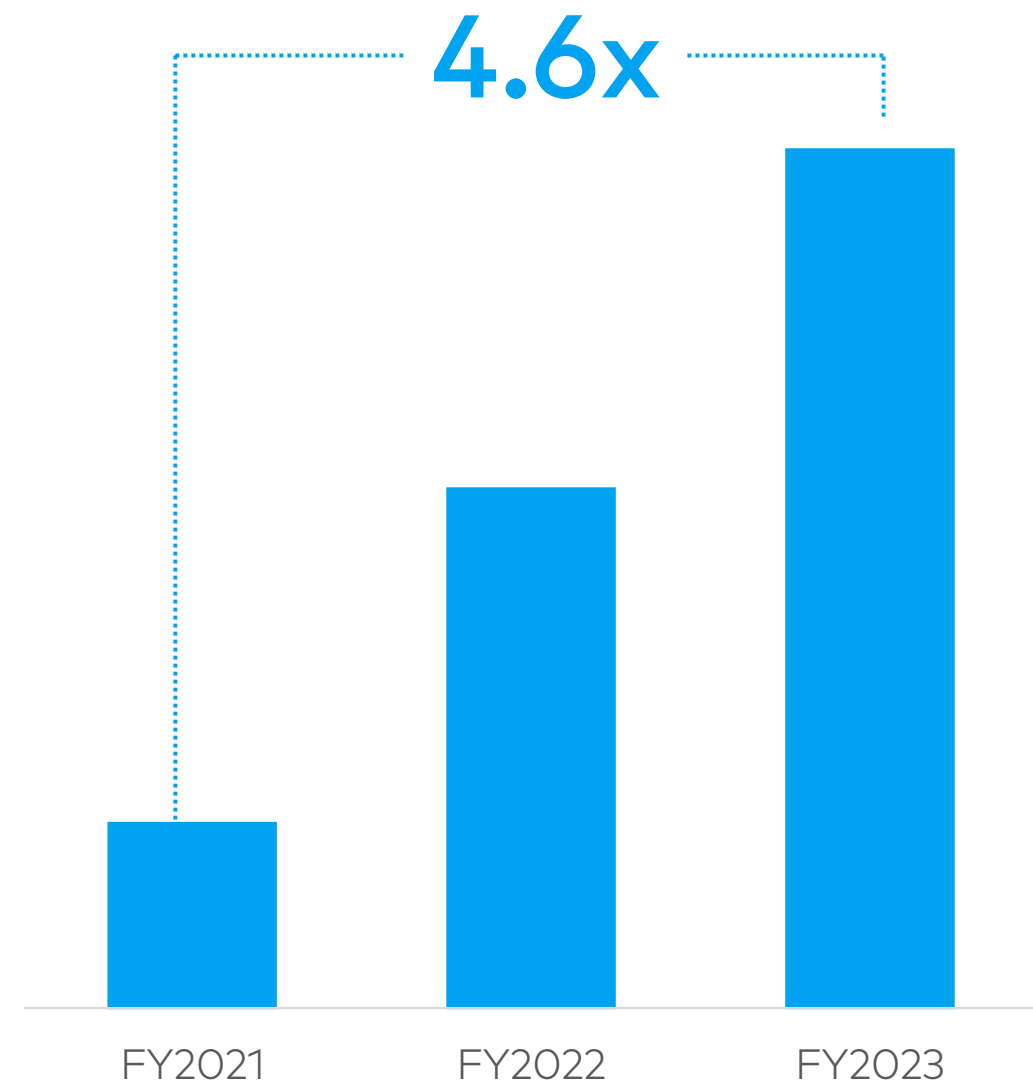
## Tenshoku Kaigi

- | Number of registered members and number of Review Pass users continue to grow
- | Number of Review Pass users grew by 4.6x in 2 years due to increase in number of members and shift to subscriptions

Number of registered members



Number of Review Pass users

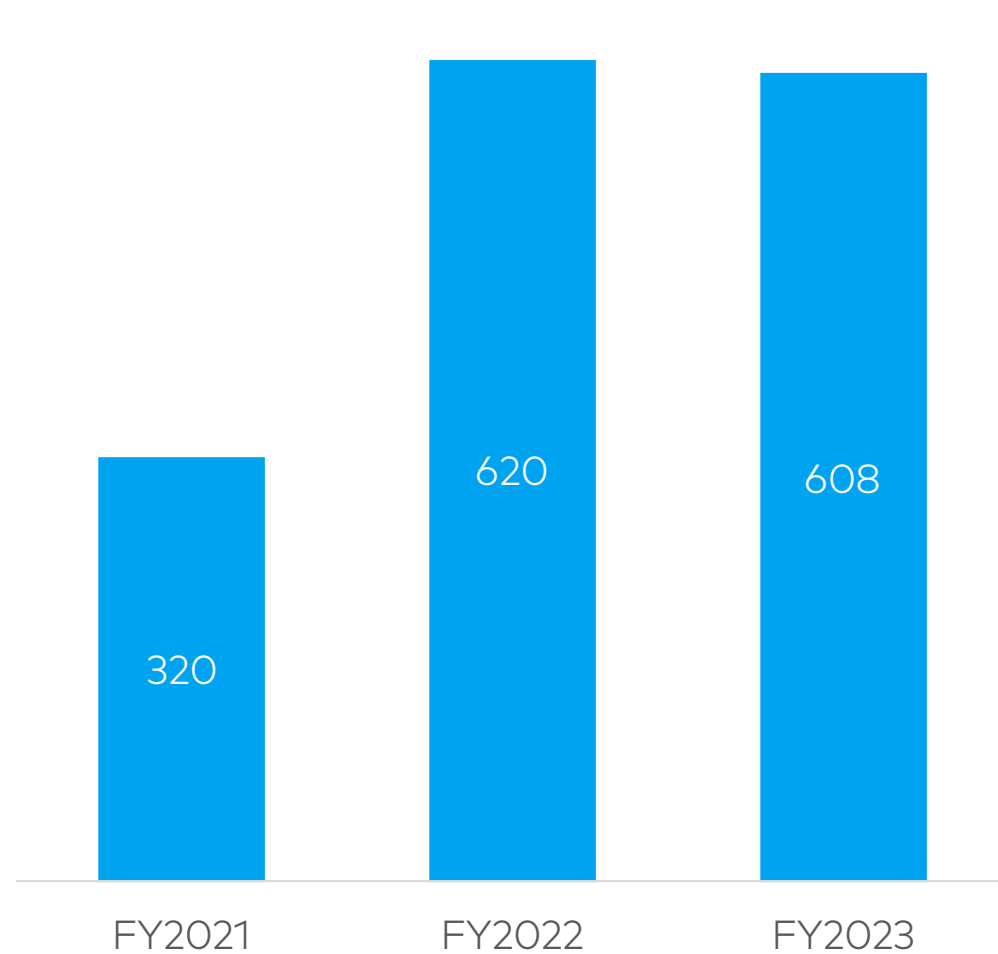


## Tenshoku Draft

Net sales down slightly due to decrease in number of hires resulting from changes in hiring policies at some major customers in second half

### Net sales

(Millions of JPY)



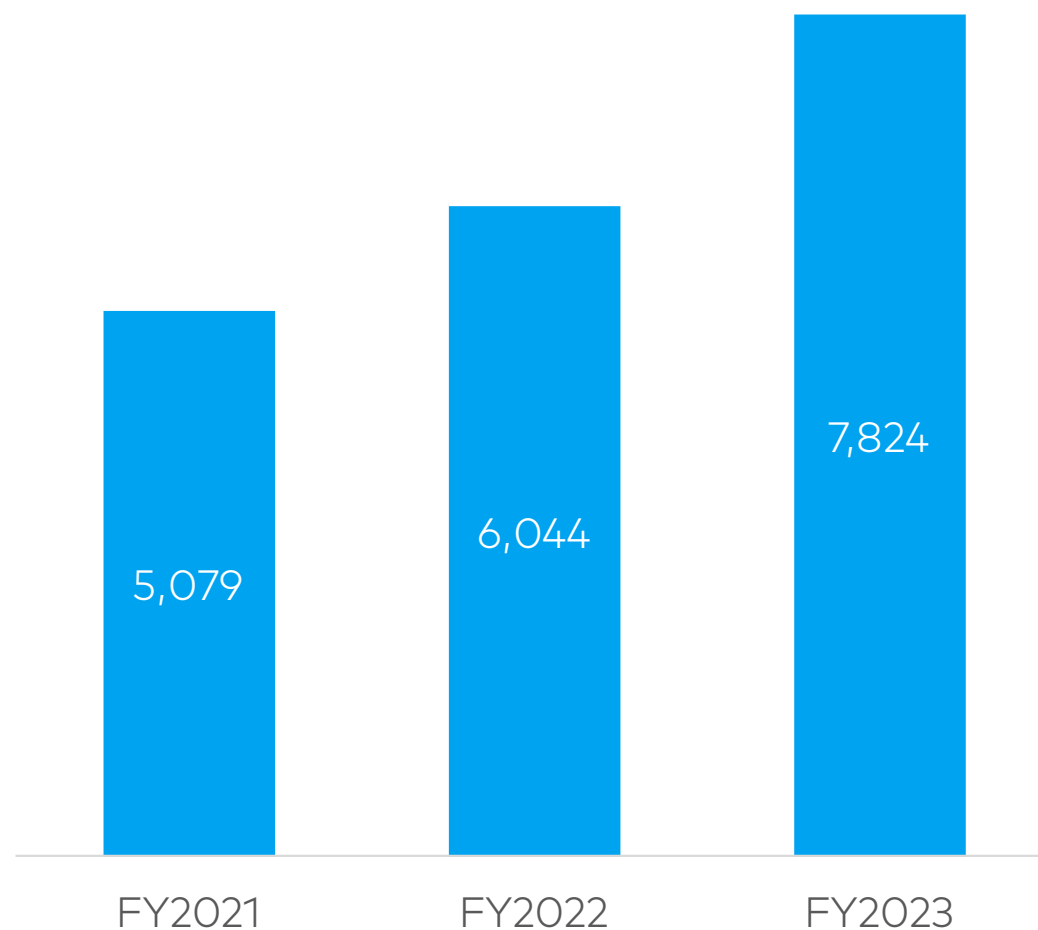
### Tenshoku Draft Profit structure



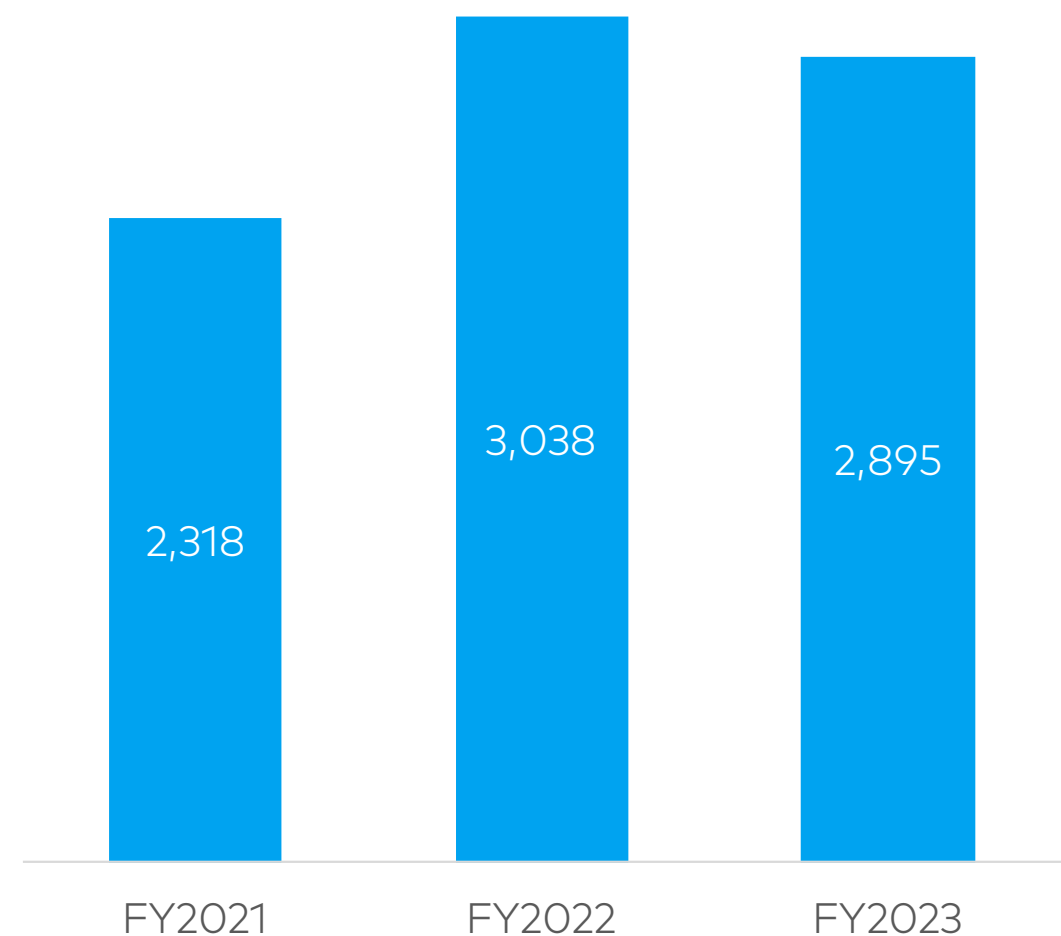
## Tenshoku Draft

- | Number of participants up with UX improvements and campaign.  
Number of participating companies down slightly due to revision of price structure
- | Working on customer development tailored to participant base to increase number of hires in FY2024

Cumulative number of participants



Cumulative number of participating companies



# Create New Revenue Streams Based on Existing Businesses

Progress made on verifying/implementing services that will become new revenue streams in multiple businesses



Service	Tenshoku Kaigi Concierge	Tenshoku Draft Agent	IESHIL Purchase and Resale
Overview	<p>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.</p>	<p>An agent service to optimize job postings and hiring flow for engineers by utilizing know-how accumulated through Tenshoku Draft. Its distinctive characteristics are how it provides the technology used and the development culture in job postings and presents the expected salary and post-hiring mission after the first interview.</p>	<p>Purchase and resale of existing condominiums for IESHIL members and external customers. Aims to realize secure and highly satisfactory transactions by disclosing purchase and renovation amounts, normally not provided in market, as well as custom renovations, etc.</p>
Status	<p>Launched full-scale operation in 3Q of FY2023</p>	<p>Progress made on expanding number of users and customers. Promoting use by different demographic than Tenshoku Draft</p>	<p>In the purchase and resale business, progress is being made in purchasing expansion and sales contracts.</p>



# Realize PMF in New Businesses

- | Progress made on verifications in each business. PMF not yet realized.
- | In batonn, targets for acquiring companies participating in trial and accumulating examples of use were met.

*knew*

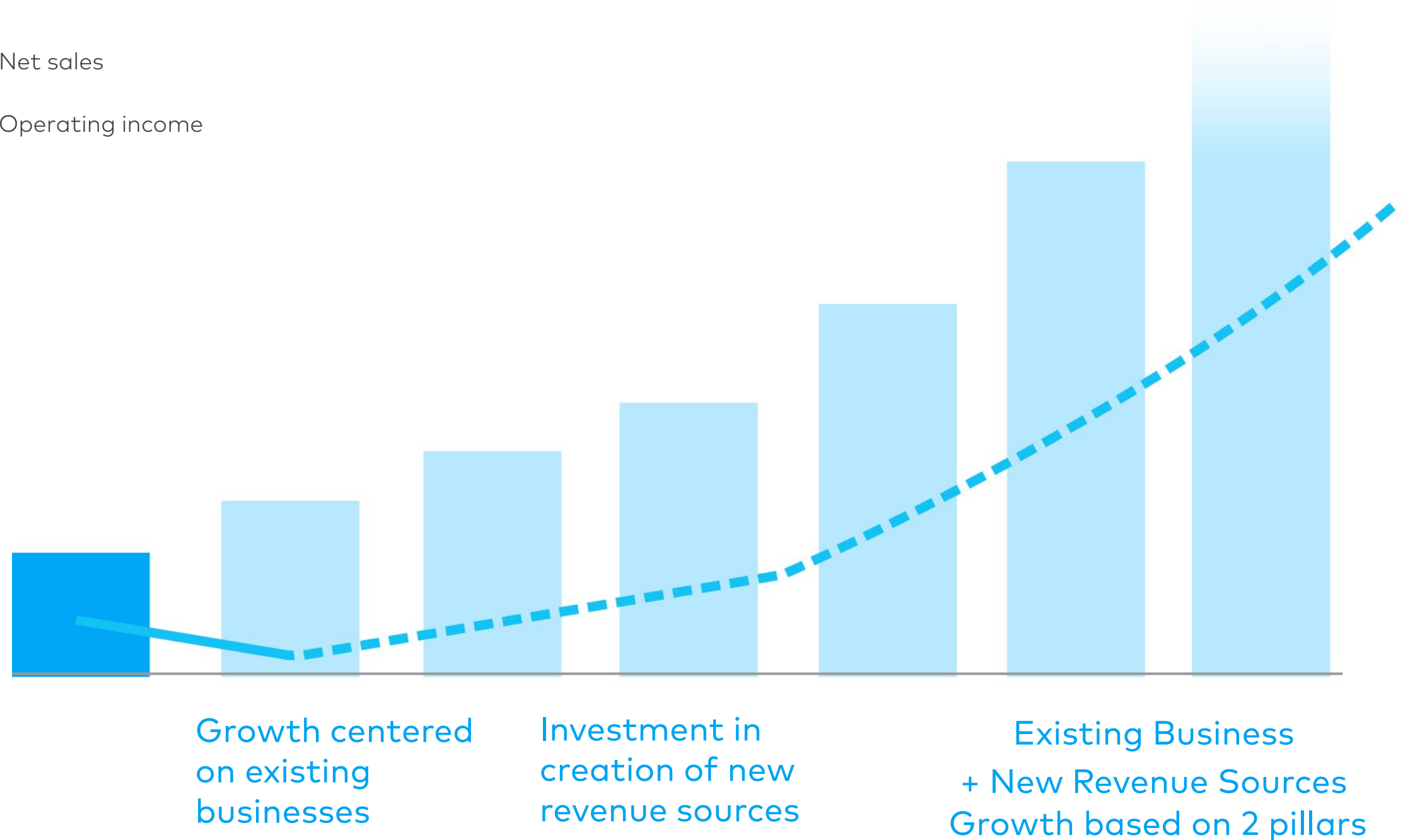
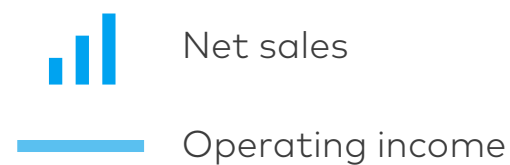
**batonn**

Overview of service	Referral-type matching service	Interview Optimization Cloud
FY2023 policy	<ul style="list-style-type: none"><li>• Increase sales per member through UX improvements</li><li>• Strengthen branding</li></ul>	<ul style="list-style-type: none"><li>• Accumulating examples of use by increasing number of companies participating in trial</li></ul>
Progress on verification	Sales per member grew, but PMF not yet realized.	Made steady progress on increasing number of companies participating in trial and accumulating examples of use

## **3. FY2024 Policy**

# Medium-to Long-term Vision

- | Achieve growth centered on existing businesses in short term. Actively invest in creating new revenue streams at same time
- | Expand both sales and profit in medium term by adding growth from new revenue streams



## | Company-wide Policy

Investment in strengthening the foundation and creating new revenue streams to achieve sustainable growth

### Focus ①

Strengthening investment to accelerate Machbaito growth

- Expand sales system to promote growth strategy
- Promote system infrastructure development and UX improvements to accelerate growth next fiscal year and beyond

### Focus ②

Creating new revenue streams

- Develop new products and services utilizing existing assets
- Realize PMF quickly in knew and batonn

## Growth Strategy

Promoting expansion of transactions with new customer groups in addition to initiatives from FY2023

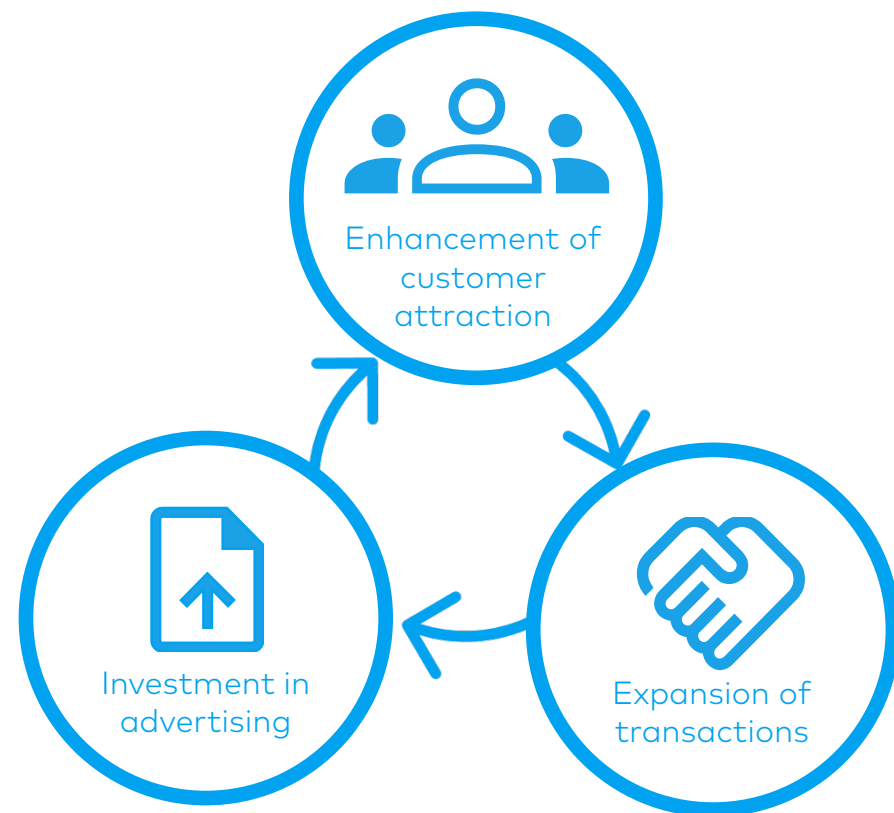
Strengthen sales system and work on accelerating growth

 ... New Initiatives for FY2024



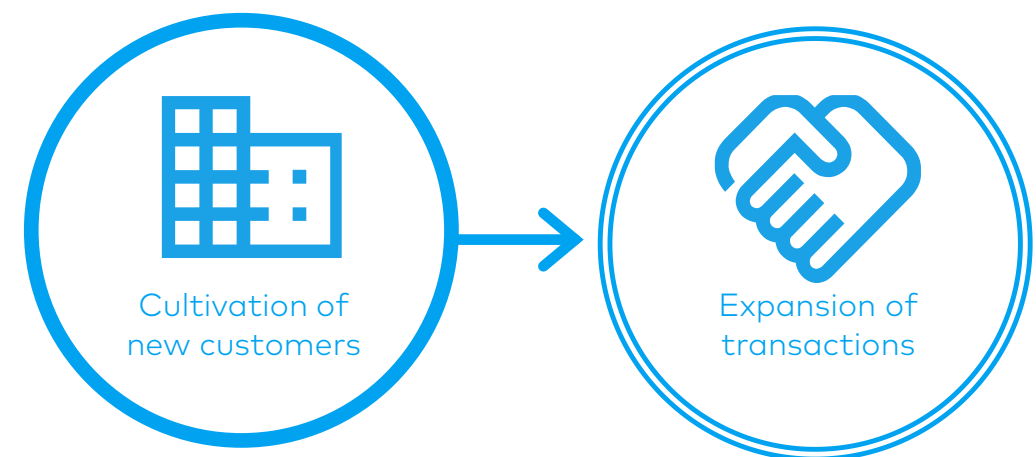
Accelerating Growth by Strengthening Sales Structure

### Expansion of transactions with major customers



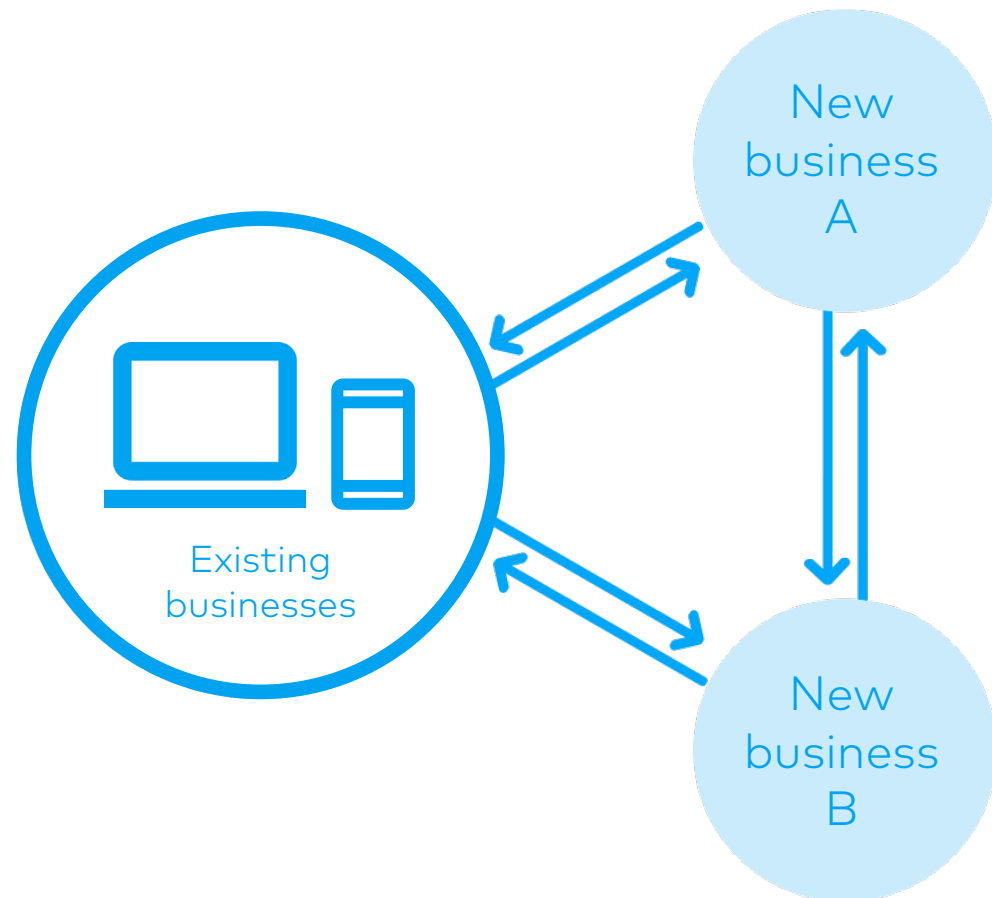
Earning trust from customers by increasing number of applications in advance. Aiming for sustainable growth by using revenue from transaction expansion in business investments

### Cultivation of new customers



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

| Create products and businesses that will become new revenue streams based on two perspectives



## Create revenue streams linked to existing businesses

Develop new products and services utilizing strengths and assets of existing businesses. Generate new revenue and strengthen business foundation through synergy such as expanded customer contact and higher barriers to entry

*knew* batonn

## Create new businesses

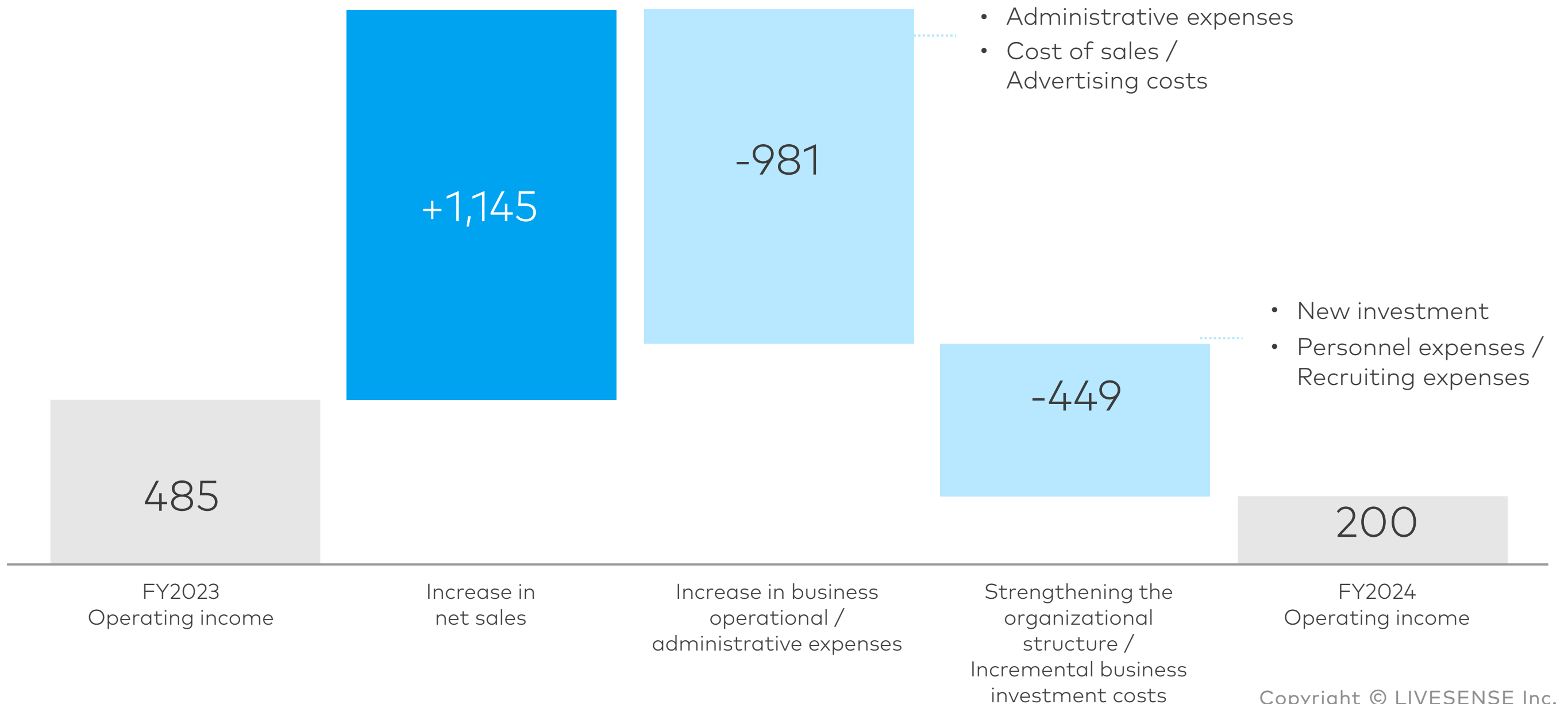
Create new businesses not confined to existing business domains. Recent focus is on achieving PMF quickly in *knew* and *batonn*, which are under verification

# Operating Income Forecast

| Cost of sales and advertising costs increase in tandem with sales growth

| Expect to increase spending by approximately 450 million yen due to strengthening organizational structure and business investment

(Millions of JPY)



# Financial Forecasts for FY2024

- | Increase in sales to be driven by Machbaito. Operating income to drop with increase in expenses and new investment
- | Scale of investment may vary depending on business opportunities, progress on verification, etc.

(Millions of JPY)

	FY23 (A)	FY24 forecast (B)	YoY	Amount of change (B-A)
Net Sales	5,654	6,800	+20.3%	+1,145
Operating Income	485	200	-58.8%	- 285
Ordinary Income	649	360	-44.6%	- 289
Profit attributable to owners of parent	716	350	-51.1%	- 366





**LIVESENSE**

あたりまえを、発明しよう。

## **4. Appendix**

## 4. Appendix

Corporate Philosophy

# Origin of the company name / Business Philosophy

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| Origin of the company name

LIVE + SENSE

| Business Philosophy

Happiness Begetting  
Happiness.

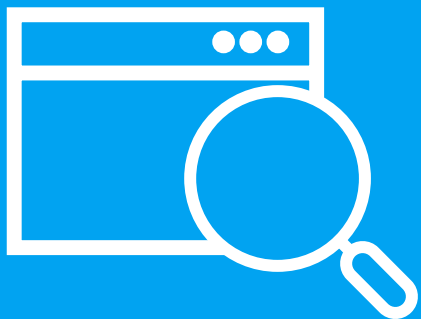
| Corporate Vision

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



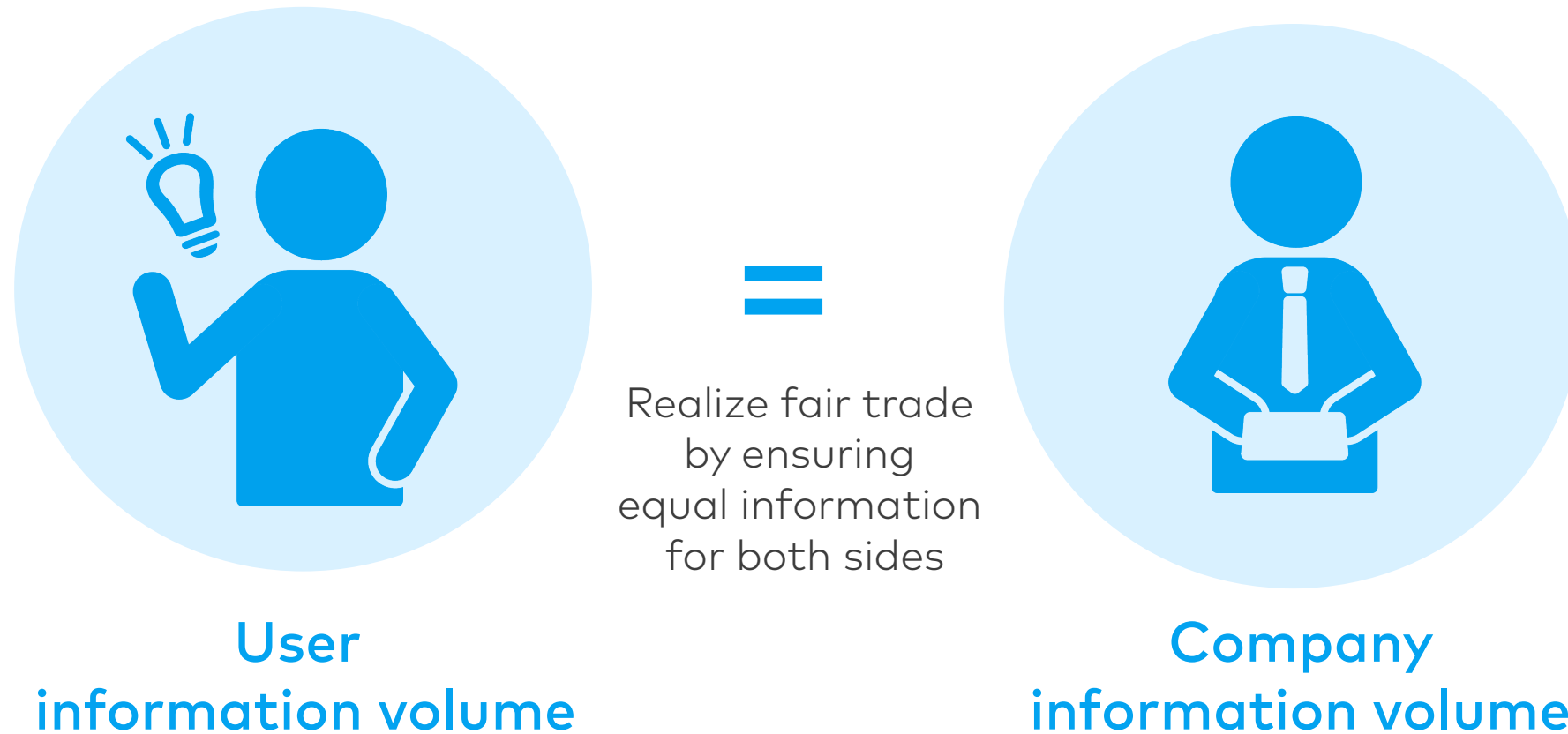
Promoted digitalization in the part-time job industry in which paper-based job listings were the norm. Made it easier to find part-time jobs.



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.



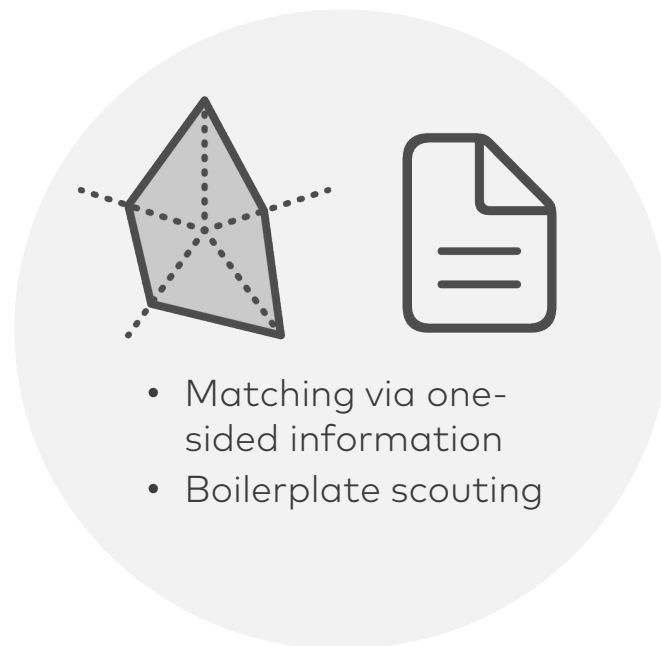
Promotes fairness in job changes through a system that shows annual income and position before selection.



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

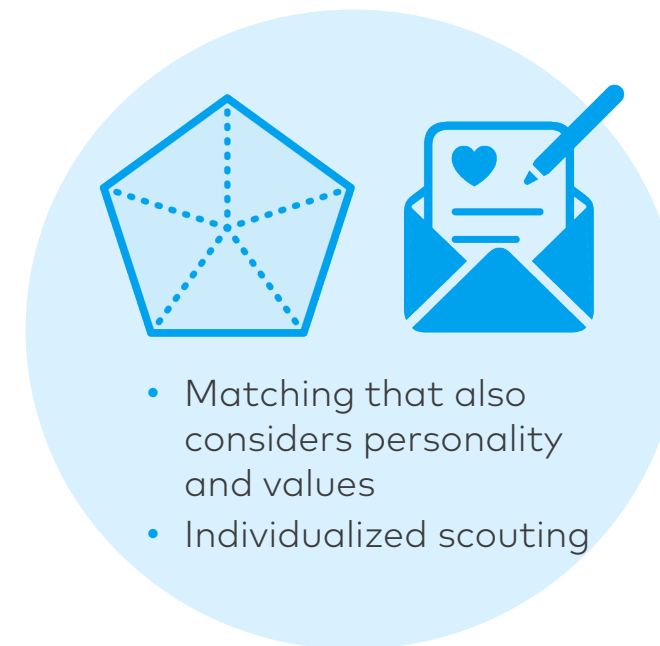
## Respect for People

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.



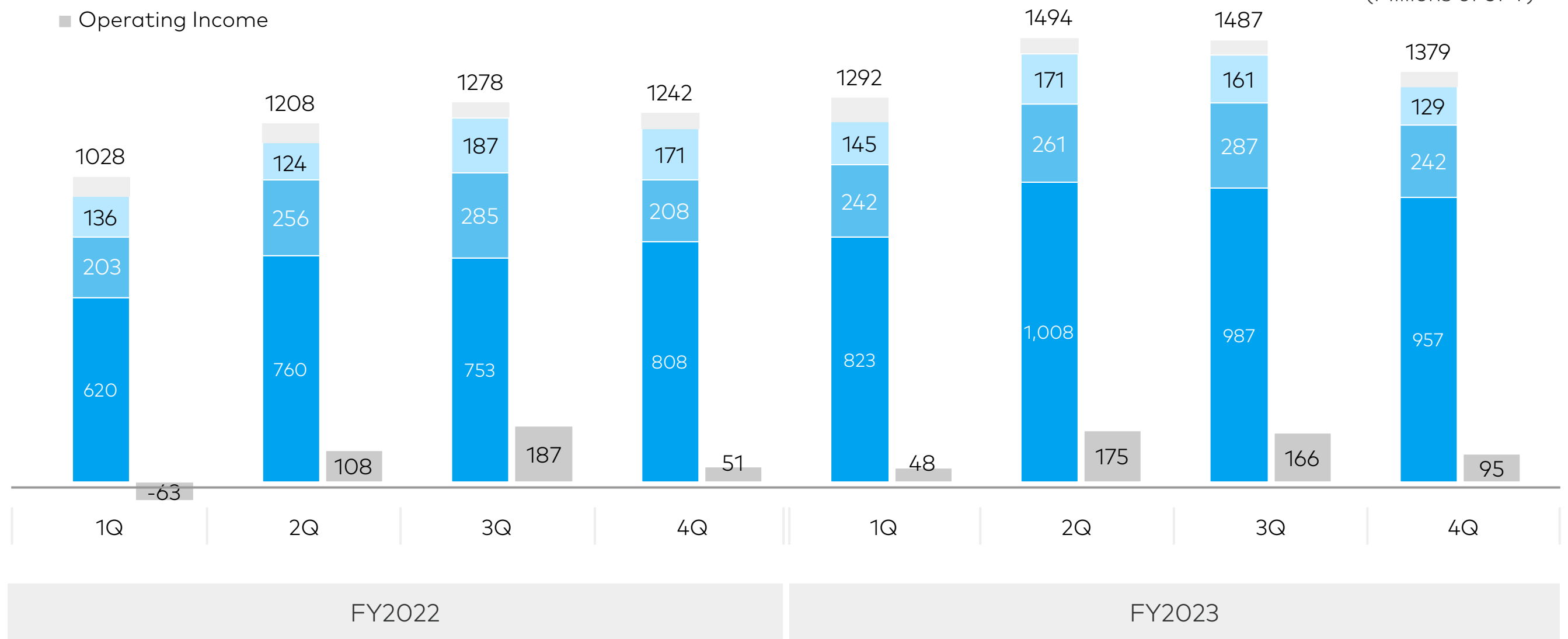
## 4. Appendix

Quarterly results

# Quarterly Net Sales and Operating Income

- Machabaito
- Tenshoku Kaigi
- Tenshoku Draft
- Other
- Operating Income

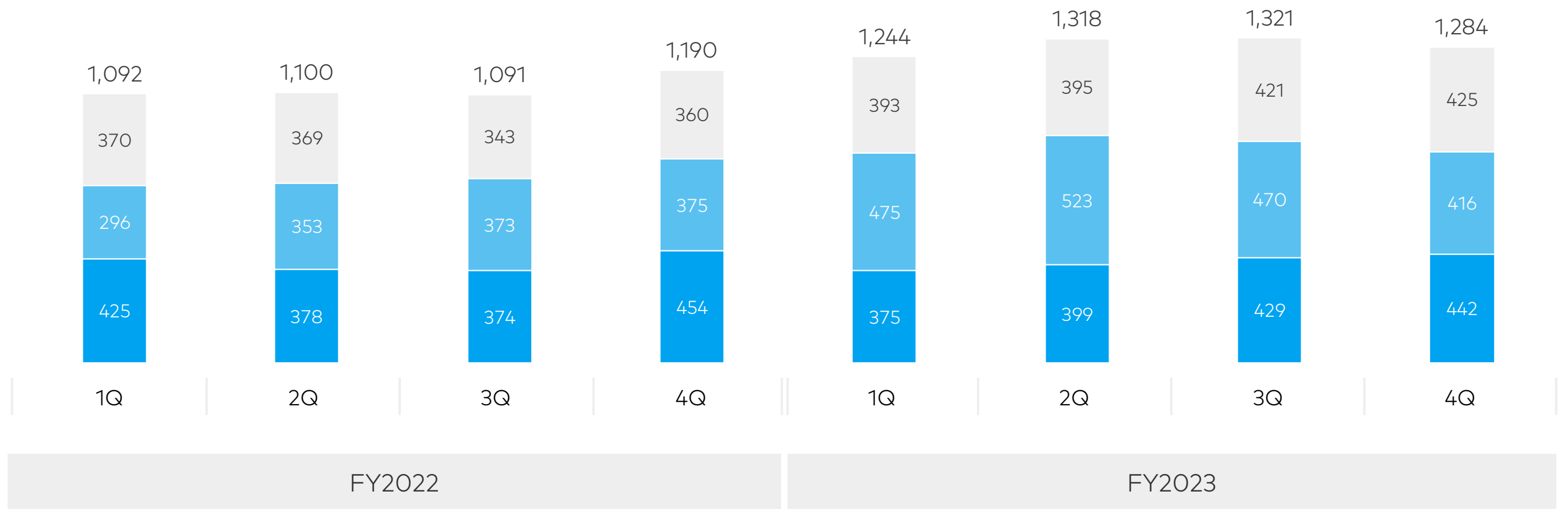
(Millions of JPY)



# Quarterly Operating Expenses

(Millions of JPY)

- Personnel expenses
- Advertising costs
- Others



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

# 4. Appendix

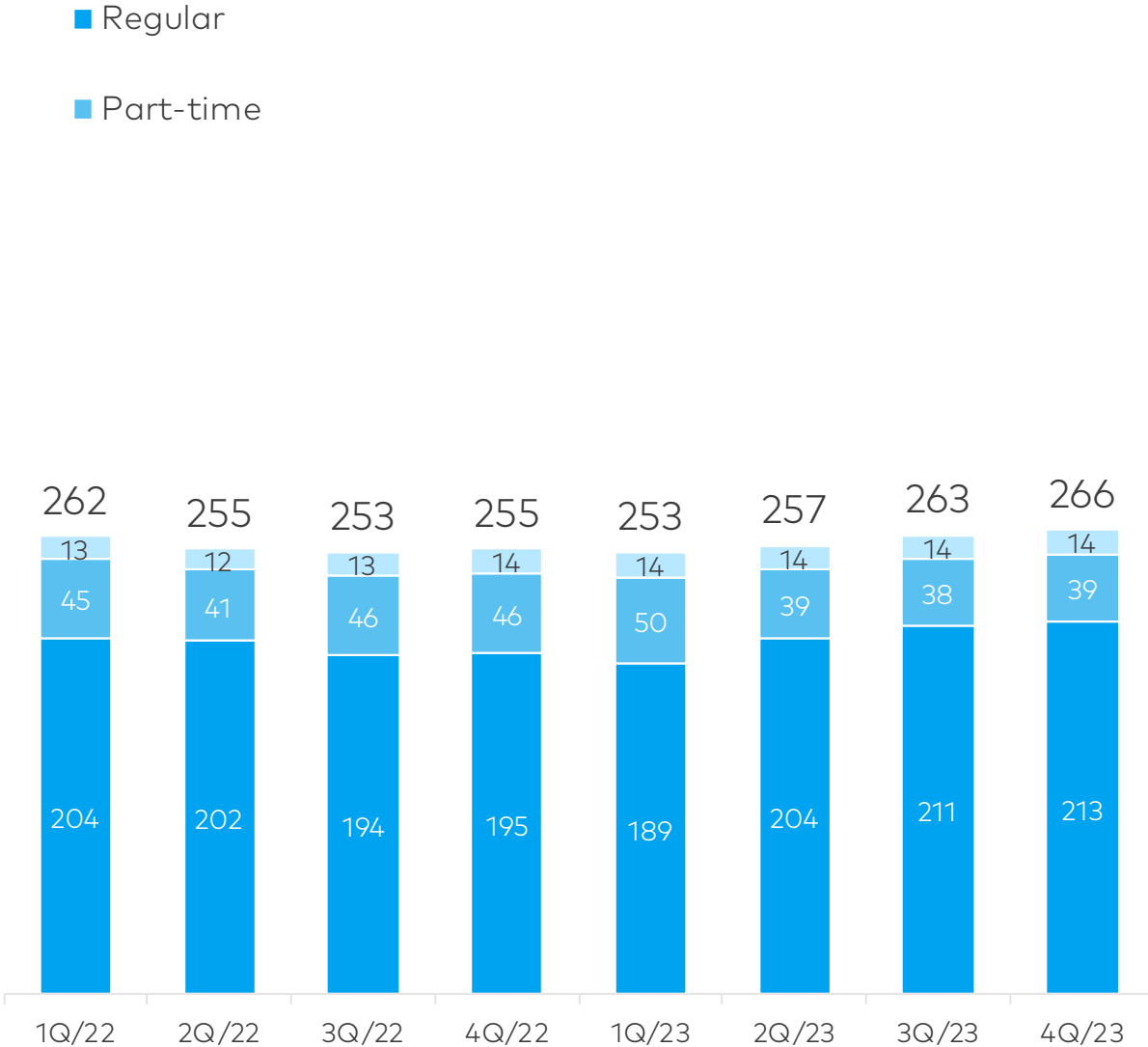
Corporate Profile

# Corporate Profile

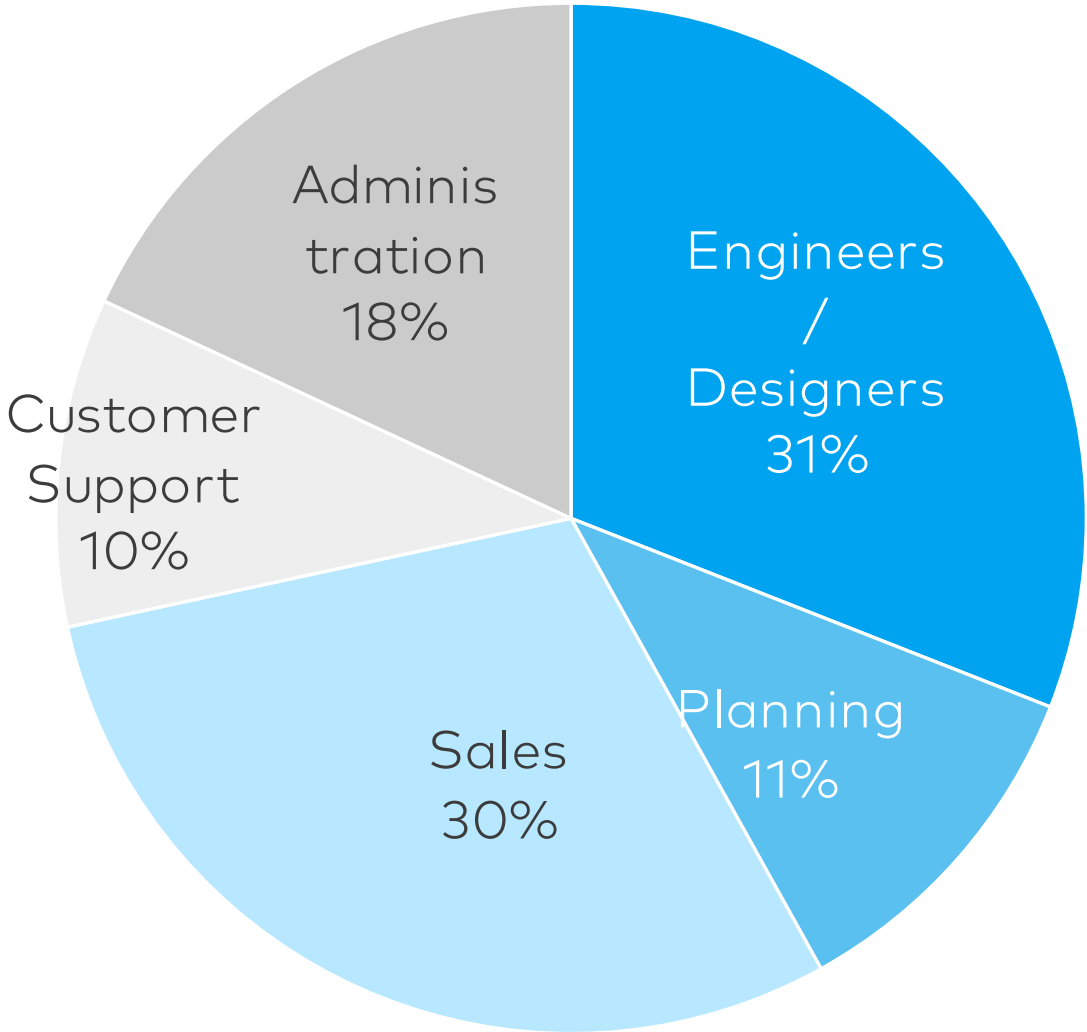
Company name	Livesense Inc.
CEO/Founder	Taichi Murakami
Business Philosophy	Happiness Begetting Happiness.
Corporate Vision	Invent the next common.
Established	February 8, 2006
Listing Market	Tokyo Stock Exchange Prime Market (Securities code: 6054)
Number of Employees (Non-Consolidated)	Full-Time: 223 (as of December 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



# 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.