

Livesense Inc. (TSE Standard Market : 6054)

FY2024 3rd Quarter Financial Results

November 14, 2024



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1. Financial Results



Quarterly Performance

Net Sales | ¥1,496 million YoY +¥9 million (+0.6%)

- Despite temporary decline in sales from core businesses, overall sales increased due to sales from IESHIL purchase and resale business
- Achieved a progress rate of 69.8% against forecast, slightly lagging behind schedule. Full-year forecast left as-is based on Q4 forecast

Operating Income | ¥1 million YoY -¥164 million (-99.0%)

- Income down due to increased investment in hiring and business expansion
- Will continue investment in Q4 and beyond. Total investment for the current period is expected to be up to ¥600 million.

Progress on Business Policy

Strengthening investment to accelerate Machbaito growth

Sales temporarily declined due to reduced listings from top accounts, but recovery expected moving forward
Will promote customer cultivation and structural enhancement for growth in next fiscal year and beyond

Creating new revenue streams

Released new scouting service in Tenshoku Kaigi

Investment to accelerate organizational and business growth

Made investments across multiple businesses to expand brand recognition and service scale
Number of full-time employees steadily increasing due to strengthened hiring activities

Financial Results | Overview of Quarterly Performance



(Millions of JPY)

	2Q			2Q cumulative total			Progress towards financial forecasts
	FY2023	FY2024	YoY	FY2023	FY2024	YoY	
Net sales	1,494	1,678	+12.3%	2,787	3,246	+16.5%	47.7%
Cost of sales	230	439	+90.3%	446	793	+77.7%	-
SG&A Expenses	1,087	1,130	+4.0%	2,116	2,227	+5.3%	-
Operating income	175	108	-38.3%	223	225	+0.7%	112.7%
Ordinary income	217	143	-34.3%	306	298	-2.6%	83.0%
Quarterly net income attributable to owners of parent	218	143	-34.2%	291	277	-4.7%	79.3%

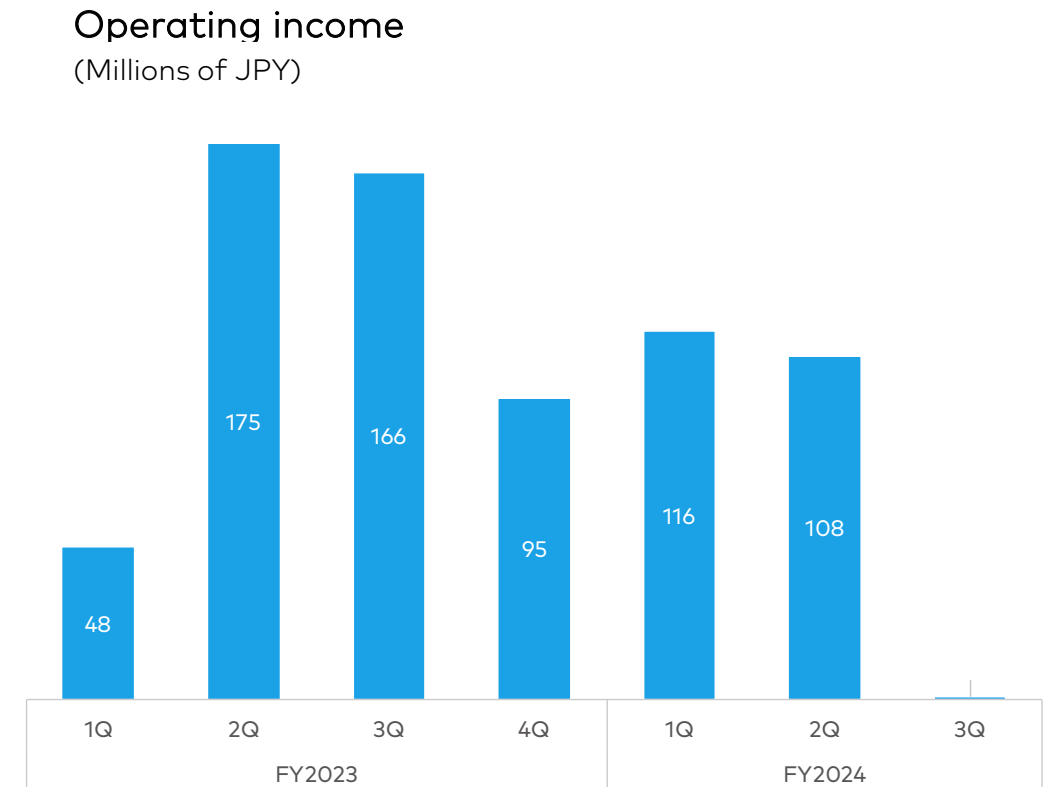
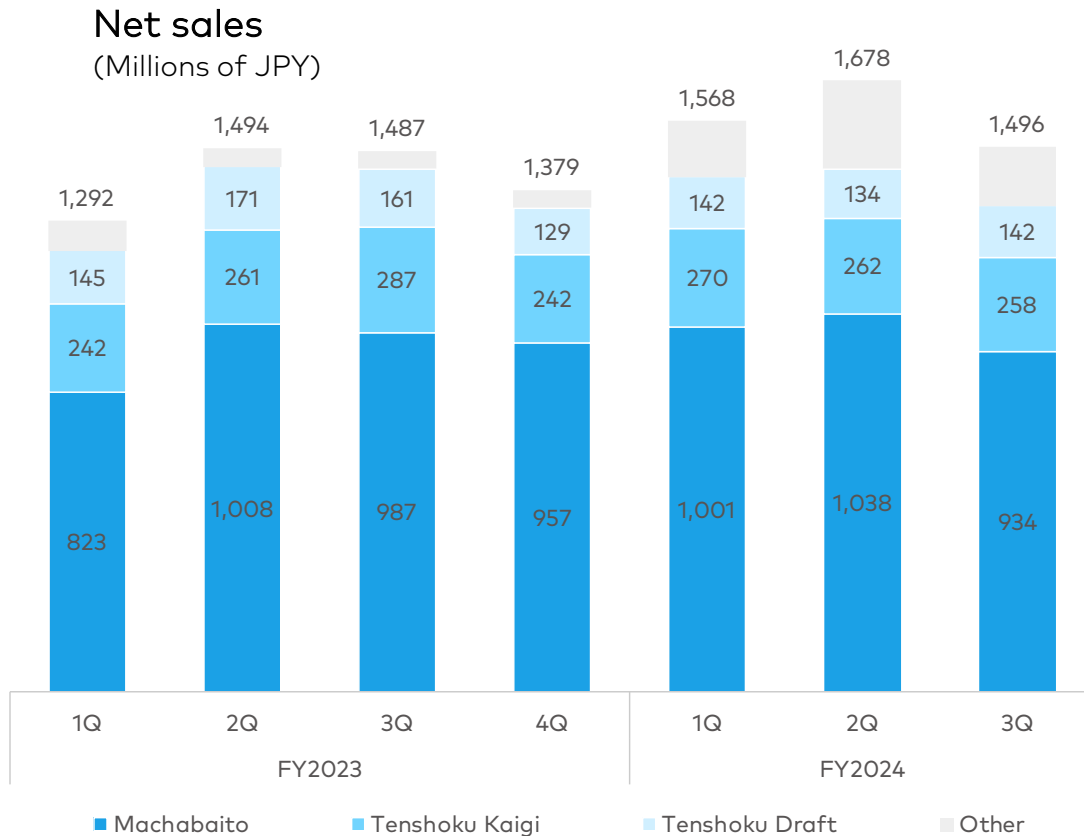
※Quarterly: Quarterly net income attributable to parent company shareholders
 Annual: Net income attributable to parent company shareholders

Financial Results | Quarterly Net Sales and Operating Income



Despite decline in sales from core businesses, overall sales increased due to sales from IESHIL purchase and resale business.

Operating income down YoY due to increased investment in hiring and business expansion.



※Others include sales from real estate purchase and resale business.

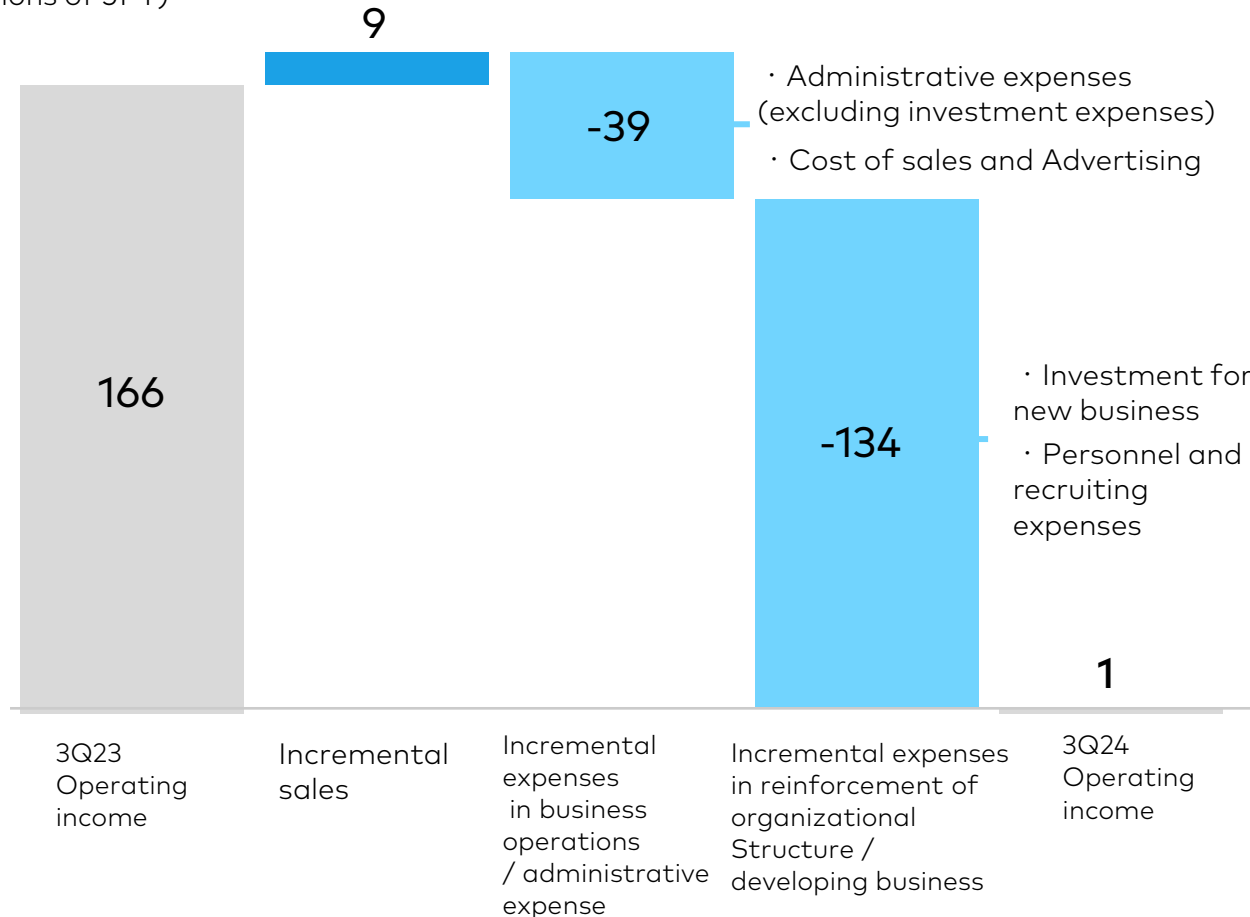
Financial Results | Trends in Operating Income: Variance Analysis



Organizational structure reinforcement and business investment costs up due to strengthened hiring efforts, Cost of real estate sales increased under business operational / administrative expenses. Advertising expenses increased slightly as a result of short-term restraint on advertising to attract customers and strengthening of business investment

Factors affecting operating income

(Millions of JPY)



Organizational structure reinforcement and business investment costs

-¥134 million

Strengthened investment in growth for next fiscal year and beyond. In addition to strengthening full-time hiring, investments made across multiple businesses for brand expansion and testing new customer attraction methods.

Business operational / administrative expenses

-¥39 million

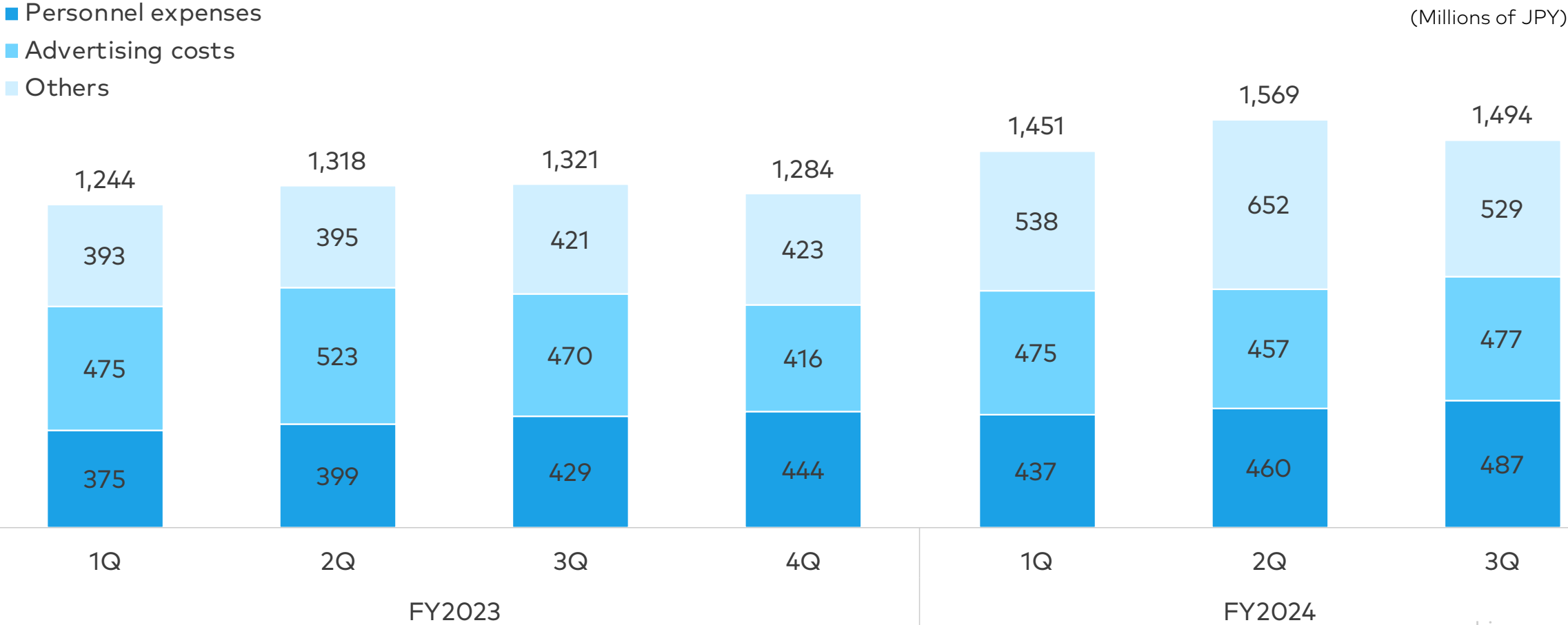
Cost of real estate sales up with increased purchase and resale business transactions.

Advertising costs other than business investments down.

Financial Results | Operating Expenses



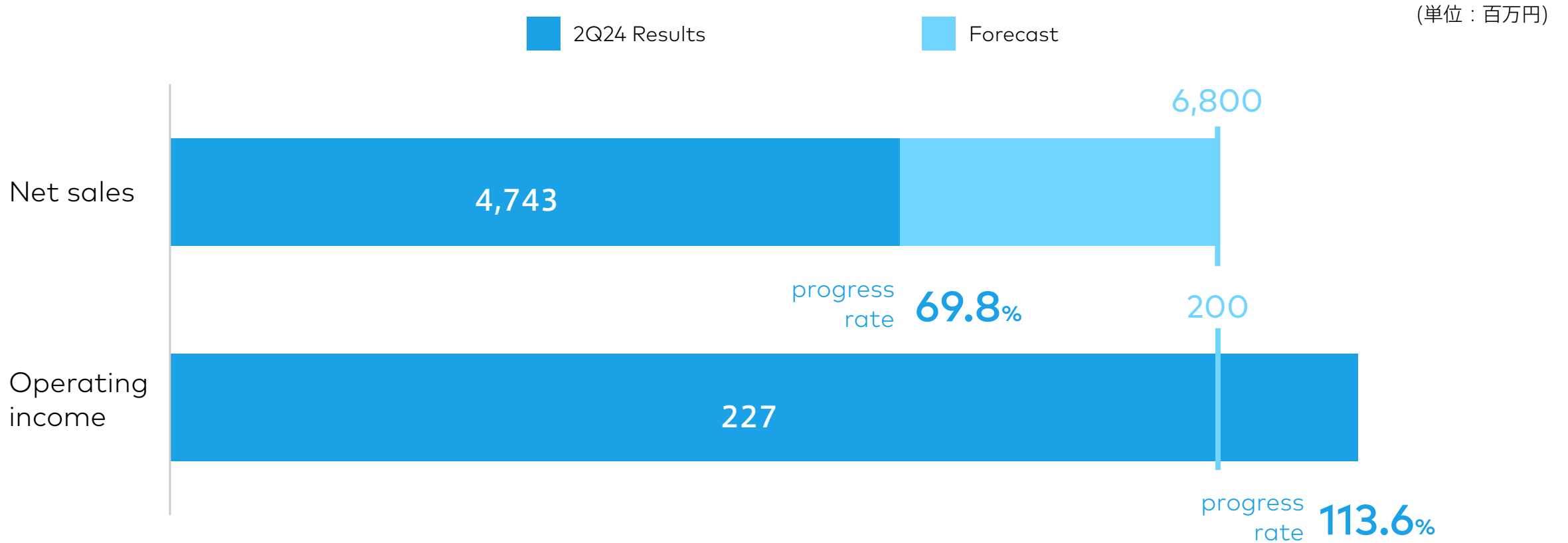
Personnel expenses up with strengthened hiring. Under other items, cost of real estate sales increased. Advertising expenses increased slightly as a result of short-term restraint on advertising to attract customers and strengthening of business investment.



Financial Results | Progress Towards Financial Forecasts



Full-year forecast left as-is based on Q4 forecast despite slight delay in progress on net sales. Continuing investment to strengthen hiring and expand business.



2. Progress



Strengthening Investment to Accelerate
Machbaito Growth

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Creating New Revenue Streams

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Investment to Accelerate
Organizational and Business Growth

P.16

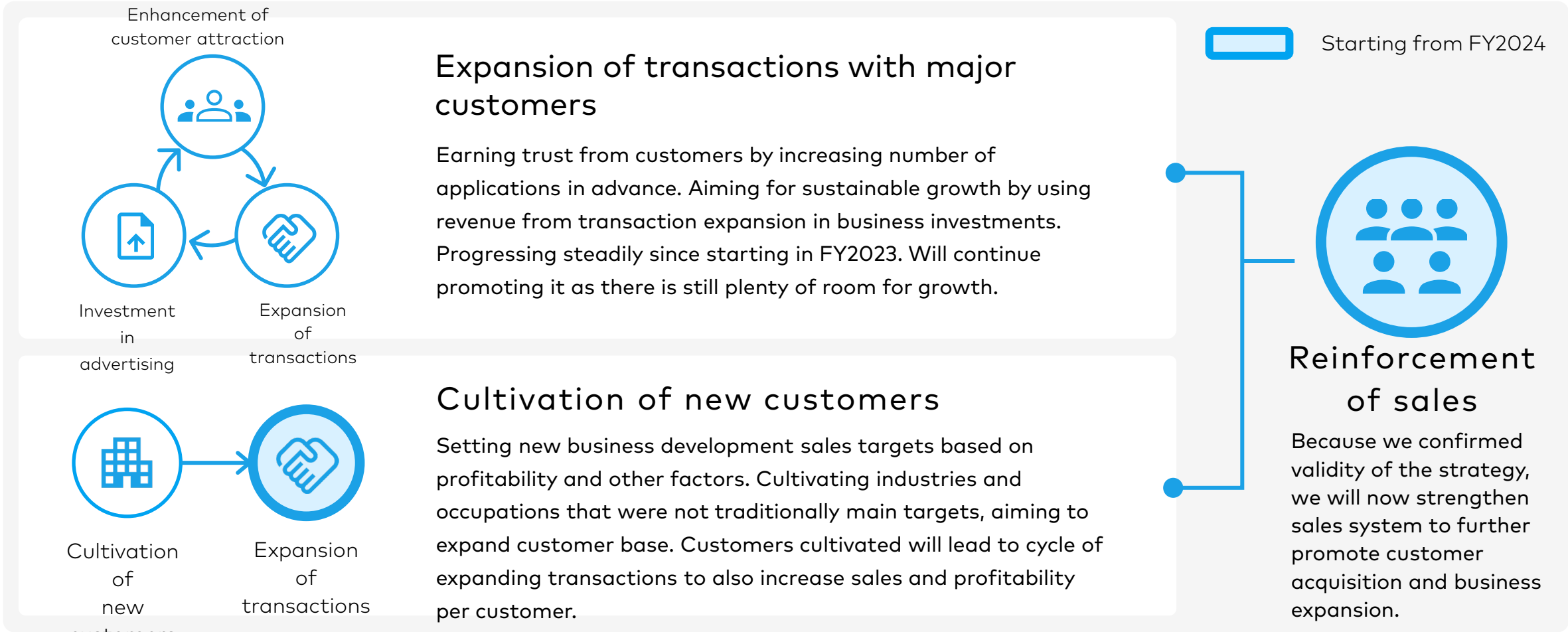
The Company's Policy for Addressing
Regulations Concerning Monetary
Gifts
Financial Forecasts

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Promote expansion of transactions with major customers and cultivation of new customer groups. To achieve this, Strengthen sales system to accelerate growth.

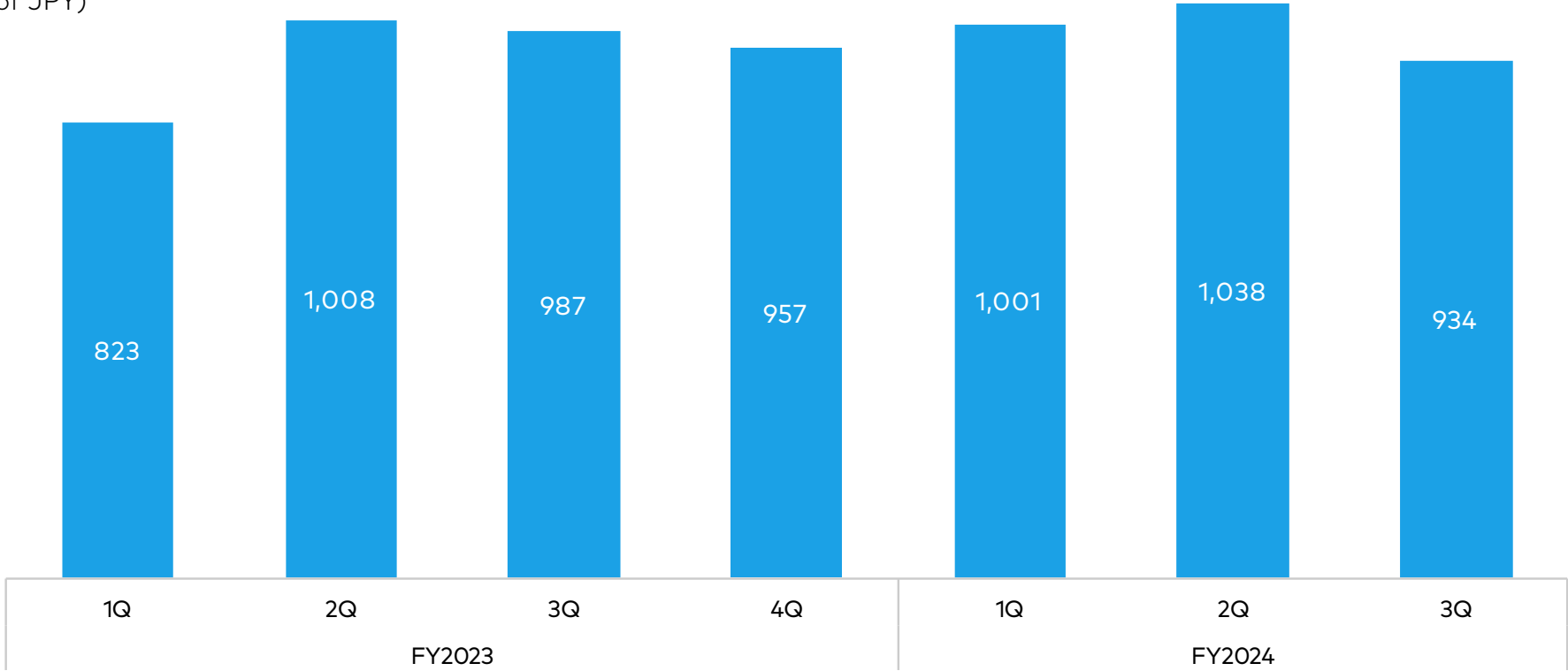


Progress on Business Policy | Strengthening Investment to Accelerate Machbaito Growth (2) Progress on Strategy



Net sales down YoY due to decreased listings by top accounts. Impact temporary with recovery expected. Progress being made on customer cultivation and structural enhancement for scale expansion in next fiscal year and beyond.

Net sales
(Millions of JPY)





Released scouting service in Tenshoku Kaigi. Can now directly approach users who meet specific criteria from partner companies. Will strengthen monetization across all services, including scouting.





batonn making progress toward PMF within the year, developing patterns for introduction and support, along with enhancing user experience.

knew to be discontinued in light of limited potential for future expansion.

Interview Optimization Tool

batonn

Testing progressing for PMF within the year

- Change marketing messages based on usage results and promote new introductions
- Enhanced functions to promote communication between interviewers
- Improved communication quality

Referral-type matching service

knew

Decision made to discontinue service

Service discontinued at end of October 2024

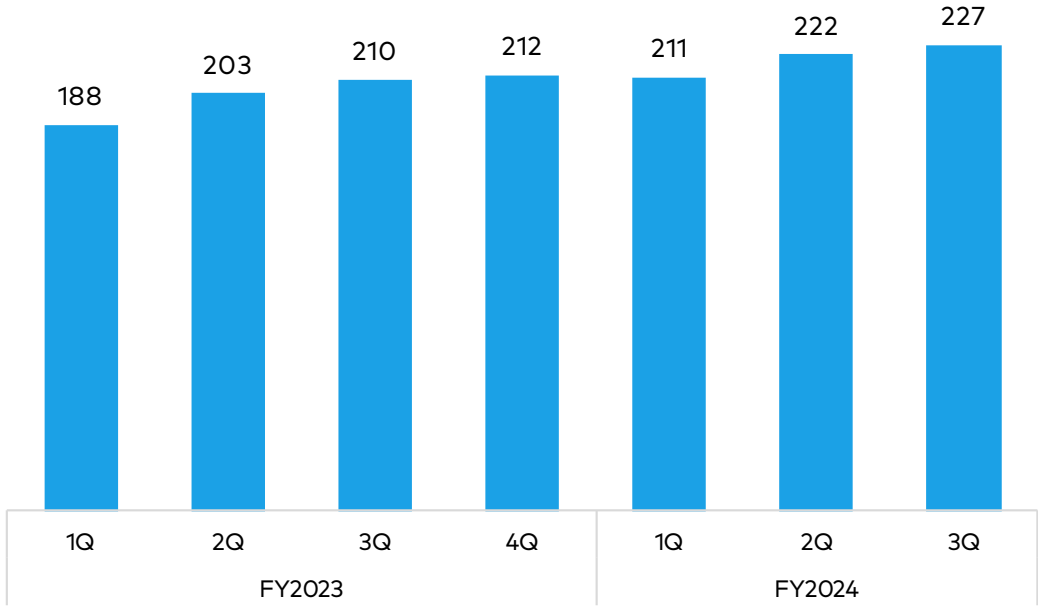
*PMF: Product market fit. State where service is accepted by customers in particular market

Progress on Business Policy | Investment in Accelerating Organizational and Business Growth

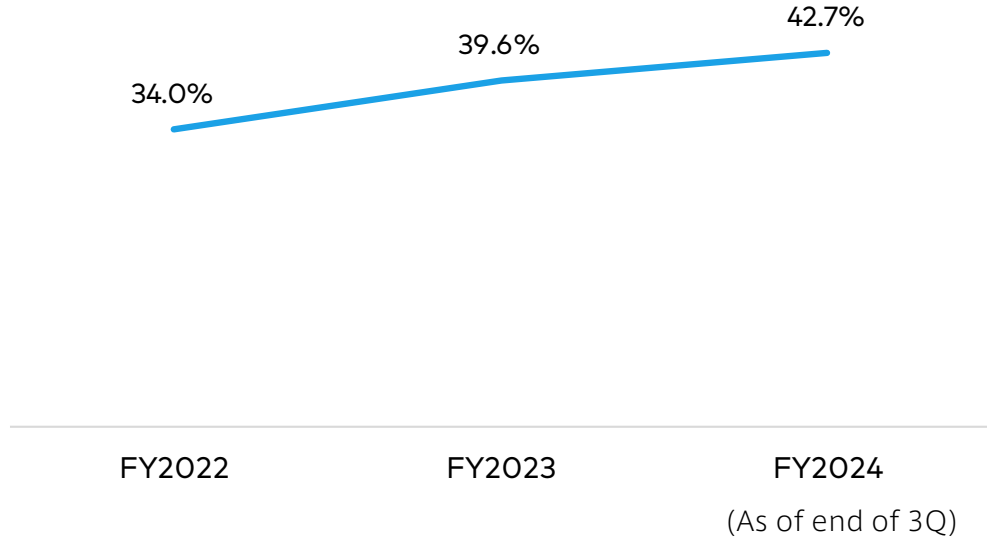


Strengthened recruitment of core personnel to plan and promote business strategy, steadily increasing number of full-time employees. Increased percentage of mid- and high-level personnel*.

Number of full-time employees



Ratio of middle- and high-layer personnel*



*Defined by the Company as human resources meeting certain requirements.

Progress on Business Policy | Addressing Regulations Concerning Monetary Gifts



Considering adjustments to Mach bonus distribution in response to the upcoming principle ban on monetary gifts for successful applicants starting in April next year.

Background
behind
regulations

Currently, in the paid employment placement business, the provision of high-value monetary gifts is prohibited to prevent excessive encouragement of job changes. However, due to numerous violations and a few cases of dishonest practices involving monetary gifts in job information services, the scope of regulation has been expanded.

Status of our
monetary gift
distribution

In Machbaito, we provide a monetary gift called "Mach bonus" upon hiring for the following purposes:

- Responding to users' financial needs from hiring decision to start of salary payment
- To prevent fraud in the success fee-based model by matching users' monetary gift applications with companies' hiring reports

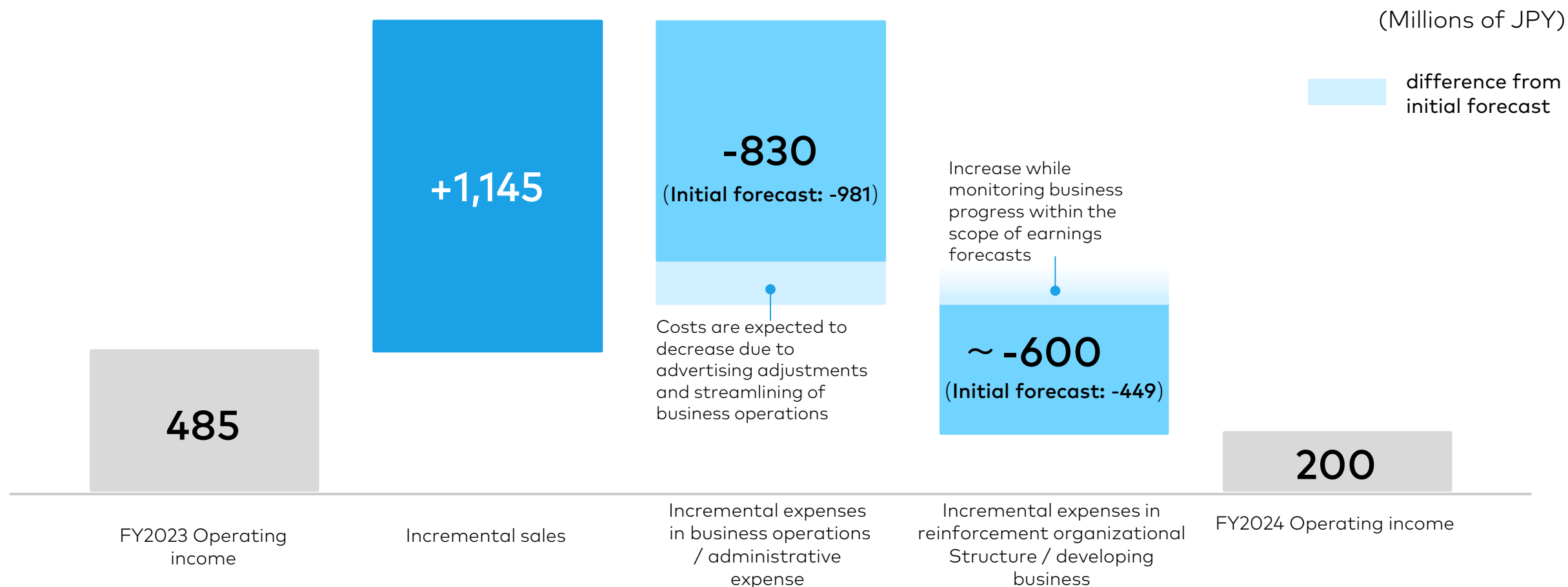
Impact on our
company and
Future actions

This matter will have no impact on our performance for the current fiscal year. Furthermore, since Mach Byte already offers payment methods other than recruitment fees and the cost of congratulatory money will decrease, we do not expect this to have a significant impact on our group's profits in the short term.

On the other hand, we believe there may be an opportunity to adjust the business model and reorganize the business portfolio over the long term. If any matters requiring disclosure arise in the future, we will promptly provide the necessary information.



Operational / administrative expenses are expected to decrease compared to initial forecasts due to advertising adjustments and streamlining business operations. Plan to strengthen organizational structure and increase business investment within the range of performance forecasts.



Progress on Business Policy | Full-Year Forecast



No revision to financial forecast, based on Q4 sales forecast and investment plan.

(Millions of JPY)

	FY2023 Results	FY2024 Financial forecasts	YoY	Amount of change	2Q24 Cumulative results	2Q24 Progress rate
Net Sales	5,654	6,800	+20.3%	+1,145	3,246	47.7%
Operating Income	485	200	-58.8%	- 285	225	112.7%
Ordinary Income	649	360	-44.6%	- 289	298	83.0%
Profit attributable to owners of parent	716	350	-51.1%	- 366	277	79.3%

3. Appendix



Origin of the company name

LIVE + SENSE

Business Philosophy

Happiness Begetting
Happiness.

Corporate Vision

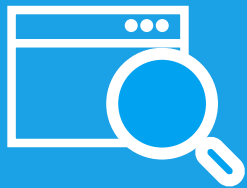
Invent the next common.



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



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.

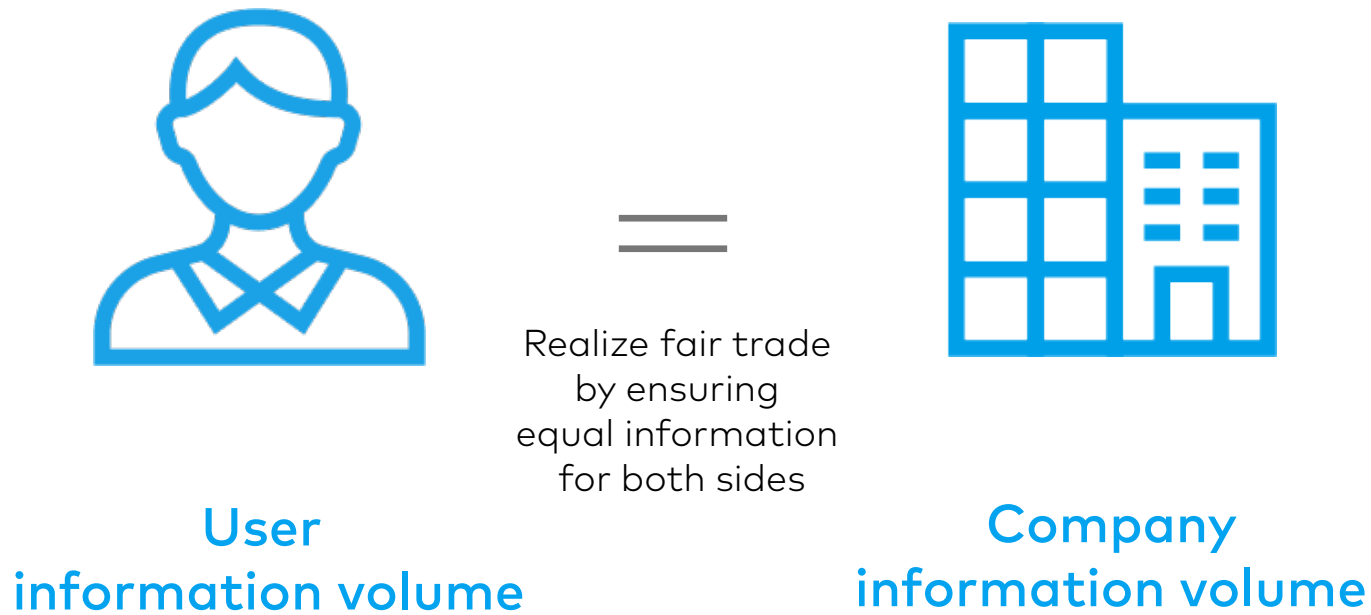
Made it easier to find part-time jobs.



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.



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



Business Examples



転職会議

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



転職DRAFT

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.



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



- Matching via one-sided information
- Boilerplate scouting

Overly mechanical matching

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



- Matching that also considers personality and values
- Individualized scouting

Personalized matching

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

Business Examples

二> 転職DRAFT

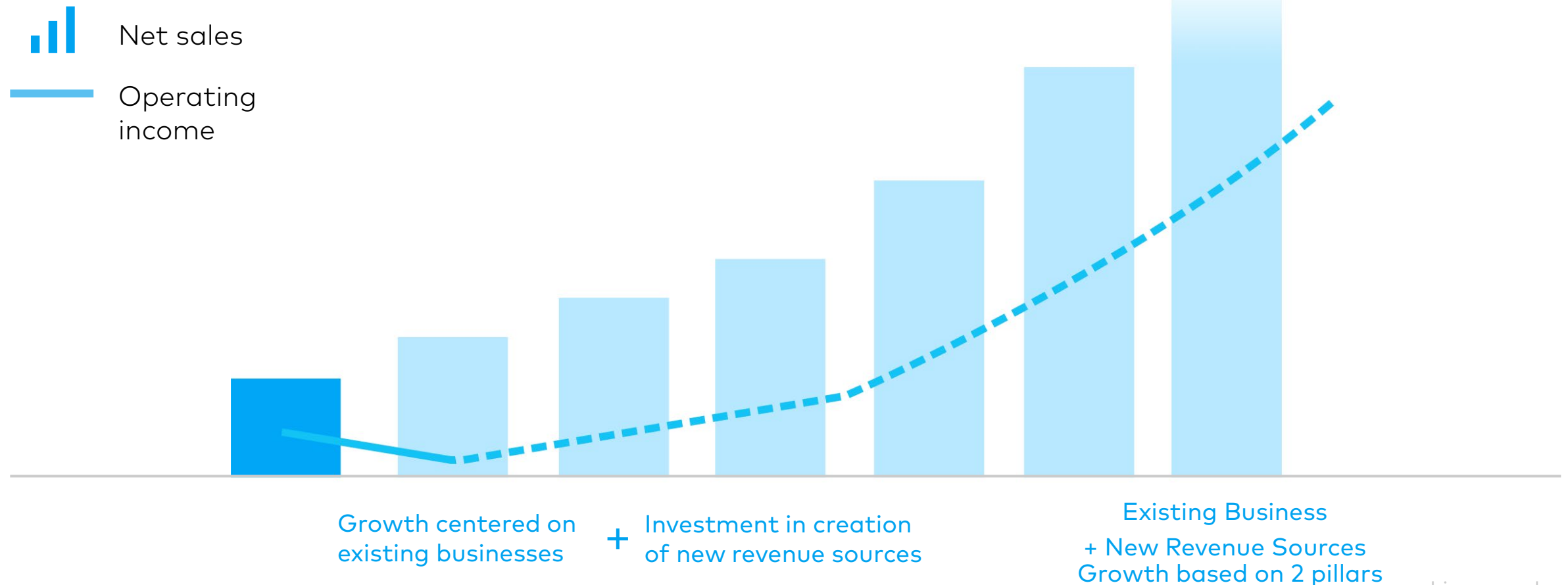
Individualized scouting by companies based on resume content made it easier for job applicants to find a job matching their preferences.



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



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

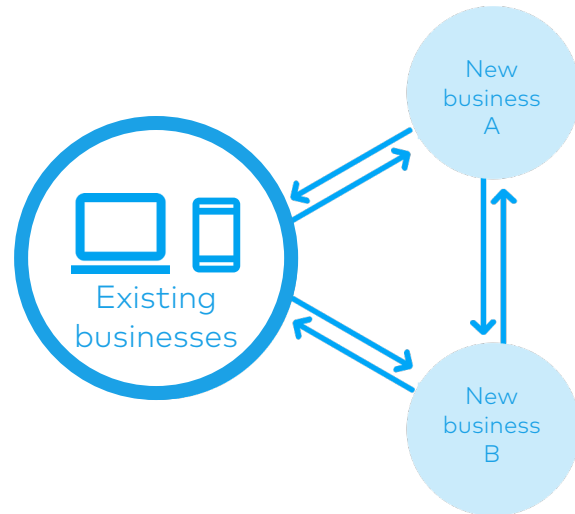
Focus ②

Creating new revenue streams

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



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



knew batonn

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

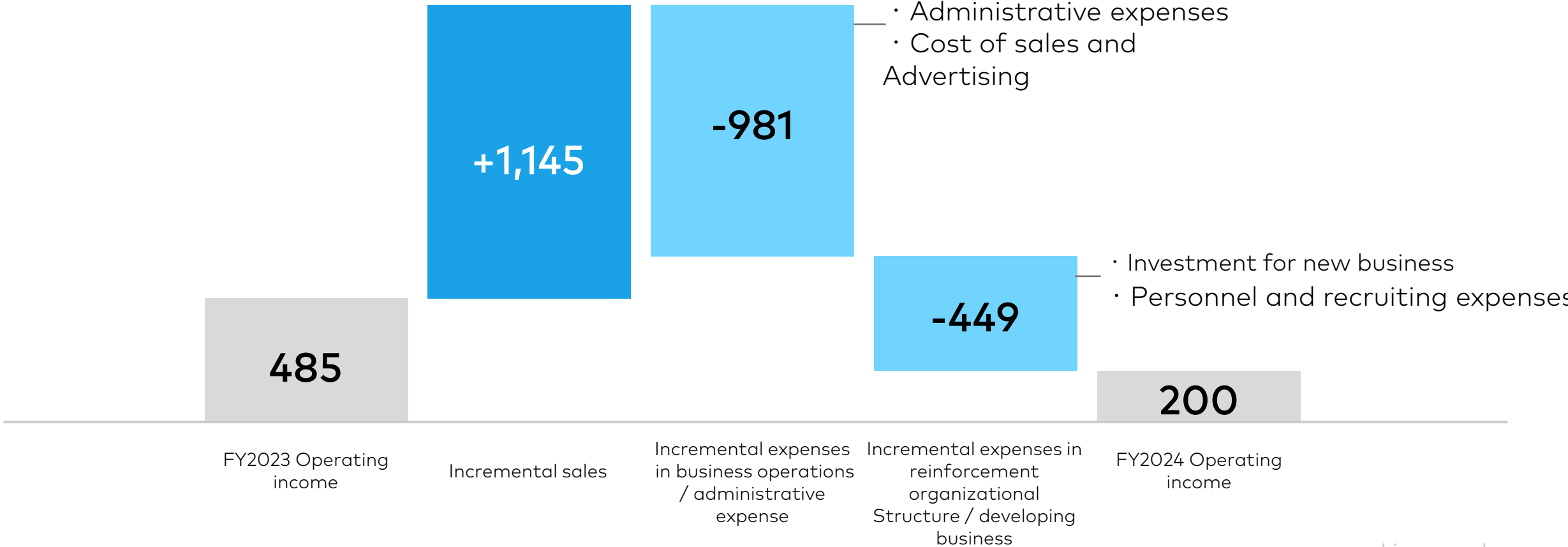
Create new businesses

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



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)



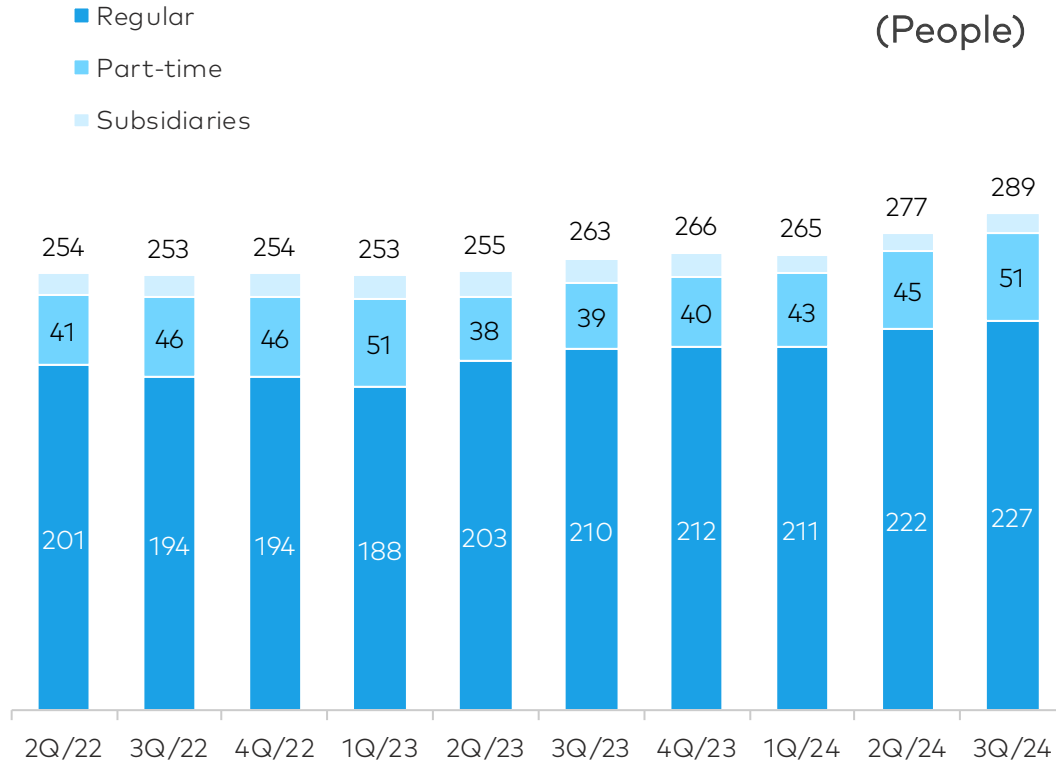


Company name	Livesense Inc.
CEO/Founder	Taichi Murakami
Business Philosophy	Happiness Begetting Happiness.
Corporate Vision	Invent the next common.
Established	February 8, 2006
Listing Market	Tokyo Stock Exchange Prime Market (Securities code: 6054)
Number of Employees (Non-Consolidated)	Full-Time: 227 (as of September 30, 2024) *Aggregation criteria changed from the first quarter of FY2024.
Consolidated Subsidiaries	PHIL LIFE Inc.



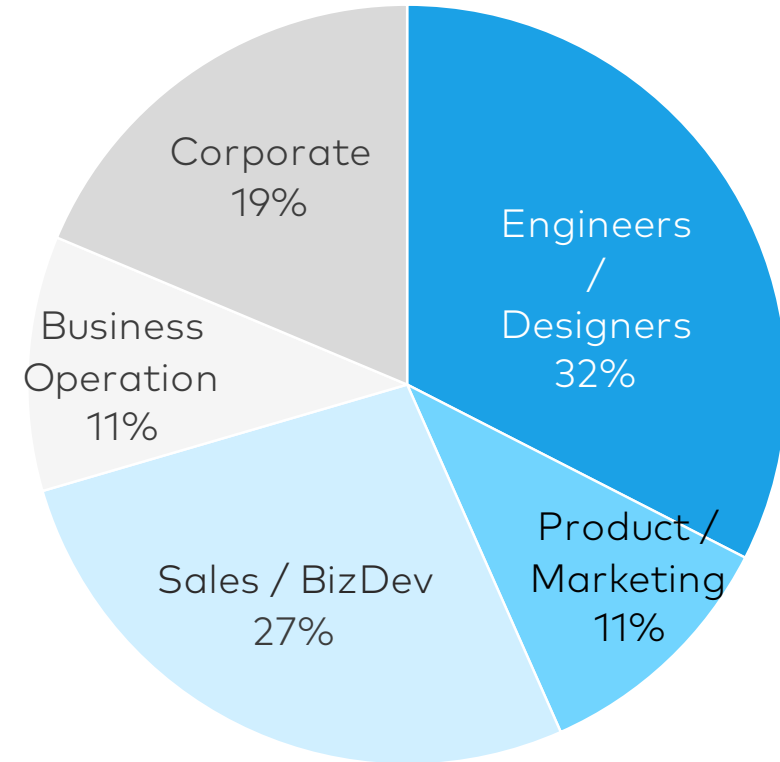


No. of Employees (Consolidated)



*Aggregation standards have been changed from the first quarter of FY2024. The number of employees in the past has been retroactively adjusted.

Breakdown of Full-time Employees



*Change in job classification from the first quarter of FY2024
 *Only for non-consolidated and head office regular employees
 Full-time regular employees are mainly responsible for customer support and sales.



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.



LIVESENSE