December 13, 2024

For Immediate Release

Company name Livesense Inc.
Representative Taichi Murakami,
President, Representative Director and Executive Officer
(Code number: 6054; TSE Standard Market)
Contact Daisuke Katsura,
Director and Executive Officer
Phone: (81)-3-6683-0082

Notice of Revision to Consolidated Earnings Forecast

The earnings forecast announced on February 14, 2024 has been revised as detailed below in response to recent performance trends.

1. Revision of Consolidated Earnings Forecast for Year Ending December 31, 2024
(January 1, 2024 - December 31, 2024)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	millions of yen	millions of yen	millions of yen	millions of yen	yen
Previously announced forecast (A)	6,800	200	360	350	12.75
Revised forecast (B)	6,300	110	270	200	7.28
Amount of change (B-A)	(500)	(90)	(90)	(150)	—
Percentage change (%)	(7.4)	(45.0)	(25.0)	(42.9)	—
(Reference) Previous year (FYE 12/2021)	5,654	485	649	716	26.12

2. Reasons for Revision

(1) Policy for the current fiscal year

For the fiscal year ending December 31, 2024, we adopted the policy of investing in strengthening the foundation and creating new revenue streams to achieve sustainable growth. This includes increasing investments to accelerate the growth of our part-time employment information site Machbaito and advancing initiatives to create new revenue streams. Additionally, as operational and administrative expenses in the second half of the year are expected to decrease compared to initial forecasts, we have increased investments while remaining within the range of our operating income projections.

(2) Progress on the policy and reasons for the revision of the consolidated earnings forecast

In the fourth quarter, we revised our net sales and operating income forecasts downward due to significant changes in the business environment for Machbaito.

There have been no significant changes in either the progress or future direction of the core growth strategy for this business, which focuses on expanding transactions with major customers and cultivating new customers.

However, due to the two factors outlined below, fourth-quarter sales and operating income have decreased and are expected to fall below our forecasts.

- A major customer changed its hiring policy, causing a significant drop in sales to that customer. Additionally, adjustments to advertising placements in response led to decreased sales to other customers.
- Competitors significantly increased their advertising spending, driving up overall market ad costs and reducing the profitability of our customer acquisition ads.

In response, we implemented measures such as halting or postponing certain investments to maintain profitability. However, since the majority of investments had already been made, we had to revise our forecasts.

(3) Impact on performance in the fiscal year ending December 31, 2025

The changes in the business environment outlined above are expected to continue, and their full-year impact is anticipated in the next fiscal year. As a result, operating income for the fiscal year ending December 31, 2025 is projected to remain flat or decline.

In addition to the factors mentioned above, we plan to discontinue monetary gifts (Mach Bonus) in Machbaito by March 2025 in response to tighter regulations introduced by the Ministry of Health, Labour and Welfare. The discontinuation is expected to result in a decrease in sales, while a reduction in SG&A expenses is expected due to the elimination of monetary gift payments. Overall, the impact of this change on operating income for the fiscal year ending December 31, 2025 is anticipated to be minimal.

The consolidated earnings forecast for the fiscal year ending December 31, 2025 will be announced with the financial results summary for the fiscal year ending December 31, 2024, scheduled for release on February 12, 2025.

(Note) The earnings forecasts and other forward-looking statements in this release are based on currently available information and assumptions considered by the Company to be reasonable and do not represent a commitment from the Company that they will be achieved. Actual results may differ substantially due to various factors