

August 13, 2014

Company Name Livesense Inc.
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President and Representative Director
(Code number : 6054 TSE)
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Notice of Revision of Earnings Forecasts

Livesense Inc. today announced that it has revised its full-year earnings forecasts for the Fiscal Year Ending December 31, 2014 from its original forecasts announced on February 14, 2014, in light of its recent business performance.

1. Revision of FY2014 full-year (Jan. 1, 2014 - Dec. 31, 2014) earnings forecast

(JPY millions)

	Sales	Operating Income	Ordinary Income	Net Profit	EPS (JPY)
Original Forecast (A)	6,649	1,950	1,950	1,219	43.95
Revised Forecast (B)	4,280	517	517	330	11.91
Difference (B-A)	(2,369)	(1,432)	(1,432)	(889)	
Difference (%)	(35.6)	(73.4)	(73.4)	(72.9)	
(For Reference) Results for FY2013	4,256	1,584	1,585	983	35.58

(Note)

The above “earnings per share” is the amount that reflects the stock split (two-for-one split) conducted on January 1, 2014.

2. Reasons for Revision

Our main business is operated based on a success fee based model. We do not charge our corporate customers to place listings on our job information site. Our fees (= sales for Livesense) are charged only after a successful hire is made.

The job information industry has seen increased hiring by corporations invigorated by economic recovery. However, the strain on the labor market (lack of job seekers), particularly with part-time positions, continuing since the second half of last year and delays in the implementation of web marketing measures resulted in job applicant numbers that were lower than expected. As a result, both the number of responses to job listings and the number of hires failed to reach planned figures and net sales for the first half of the fiscal year were below targets.

Currently, the implementation of provisional measures for web marketing has been completed and we are working continuously to improve our websites. We also have incorporated various recovery measures in all our business divisions, including providing job applicants with telephone support as a way to improve application and employment rates as well as promotions targeting corporate customers. However, with no clear recovery of the external business environment in sight, we have revised our sales targets for the full year.

Although we reevaluated initial plans for hiring and advertising expenses to reduce expense expenditure plans, increases in personnel and other factors resulted in the need to revise our full year profit plan.

We sincerely apologize for the concern we have caused our shareholders.

We also take this opportunity to announce the following reduction in executive officer compensation. This decision was made in light of this significant downward revision to our earnings forecast in order to ensure progress management for our earnings and measures as well as to clarify management responsibility.

<Details of executive officer compensation reduction>

President and Representative Director, Managing Director:
50% of executive officers monthly compensation

<Applicable period>

From August 2014 to January 2015 (6 months)

(Note)

The above forecasts in this release are based on information currently available at the time of announcement and the actual results may differ from the forecasts due to various factors.