



LIVENSENSE

1Q FYE Dec. 2013 Financial Results

May. 15, 2013 Livesense Inc.(TSE:6054)

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- 2 FY2013 Plan (No change since Feb. 14 announcement)
- 3 Reference Materials

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| All divisions performed well to record a significant year-on-year increase in revenue and profit.

- Net sales JPY 856 million (up 101.5% year-on-year)
- Operating income JPY 417 million (up 88.9% year-on-year)

| Cumulative number of companies implementing service has grown sharply to 32,904

- 16,620 more than end of 1Q12 and 5,908 more than end of 4Q12
- 1Q13 recorded large increase due as the result of continued PR and web promotion efforts

| Web promotion initiative helped increase customers and expand share

- SEO measures, also work to improve ability to bring in customers and promote our medium-term share expansion initiative
- At the end of FY2011, we revised pricing for the part-time employment information site JOBSense and the career change employment information site JOBSense Link.
- With the increase in profitability, for FY2013 we are working to gain new users and customers through aggressive web promotions.

| Announced new service development policy (date May 15)

- Currently conducting trial runs of numerous new services

All divisions performed well to record a significant year-on-year increase in revenue and profit.

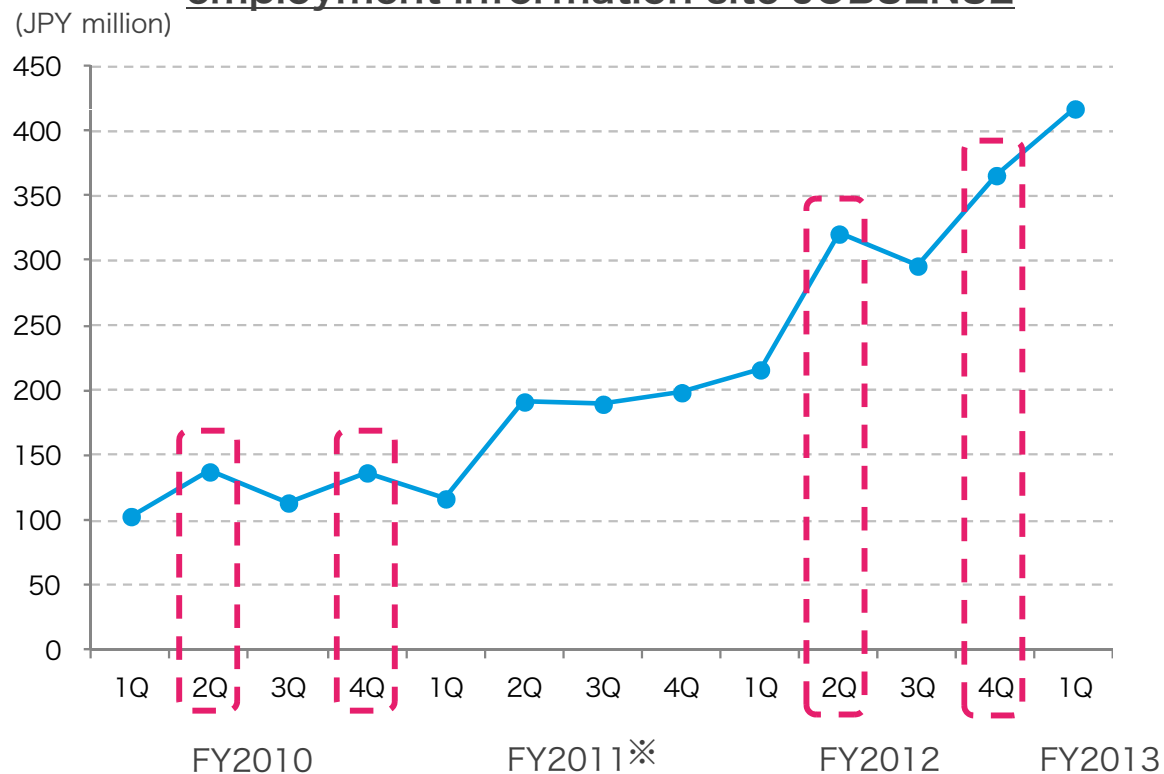
(Thousands of JPY)

| | 1Q12 | 1Q13 | YoY |
|---------------------------|---------|----------------|---------|
| Sales | 425,117 | 856,469 | +101.5% |
| Sales Cost | 48,698 | 71,642 | +47.1% |
| | 11.5% | 8.4% | (3.1%) |
| Gross Margin | 376,419 | 784,827 | +108.5% |
| | 88.5% | 91.6% | +3.1% |
| SG&A Expenses | 155,303 | 367,136 | +136.4% |
| | 36.5% | 42.9% | +6.3% |
| Operating Income | 221,115 | 417,690 | +88.9% |
| | 52.0% | 48.8% | (3.2%) |
| Ordinary Income | 221,214 | 418,450 | +89.2% |
| | 52.0% | 48.9% | (3.2%) |
| Current Net Pretax Profit | 221,214 | 414,650 | +87.4% |
| | 52.0% | 48.4% | (3.6%) |
| Current net profit | 121,937 | 234,736 | +92.5% |
| | 28.7% | 27.4% | (1.3%) |

- Sales Cost : The amount of “monetary gifts” and “cash back” that we pay grows as our scale of business expands (JPY 15 million)
- SG&A : Increases of advertising costs (99 million yen) resulting from web promotions and personnel expenses, etc. (47 million yen) due to business expansion.

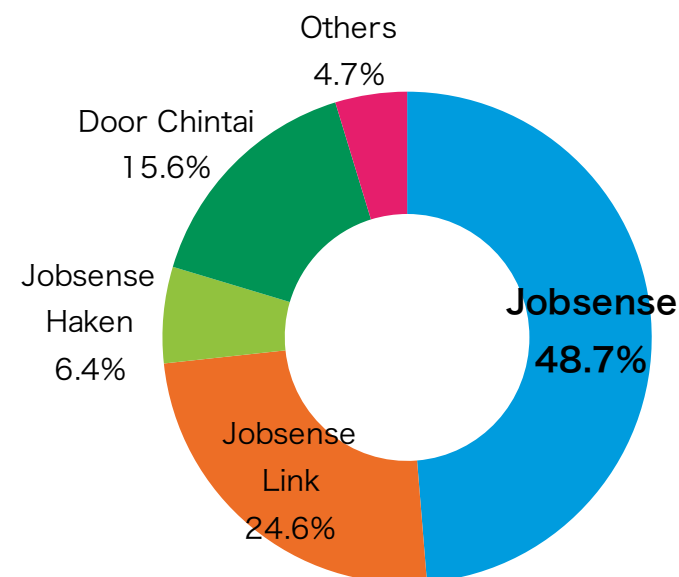
- Net sales tend to increase during 2Q (April - June) and 4Q (October - December), when the number of part-time employment applications typically increases

Seasonal nature of net sales for the part-time employment information site JOBSense



※ FY2011 demonstrated atypical trends due to the effects of the Great East Japan Earthquake.

1Q13 Service-based component comparison of net sales



- | With the increase in profitability resulting from a price structure change, in addition to SEO we conduct web promotions to strive to improve ability to attract customers and medium-term share

Expand medium-term share (to become No. 1 by overwhelming margin)

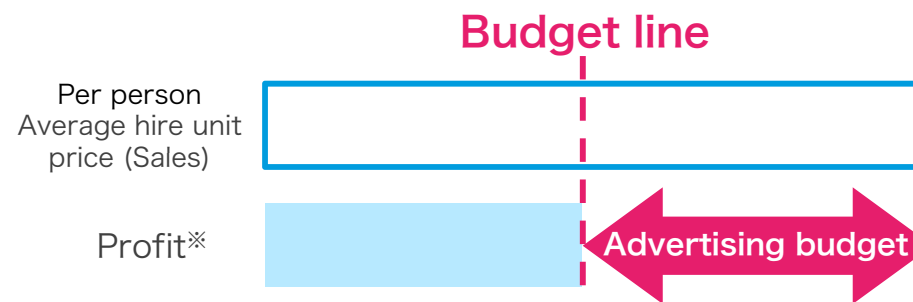
● Further ability to bring in more customers (2013 and beyond)
=SEO+Promotions

● Improved profitability
(since mid-2012)

● Price structure change
(late 2011 to 2012)
(gradually from mid-2013)

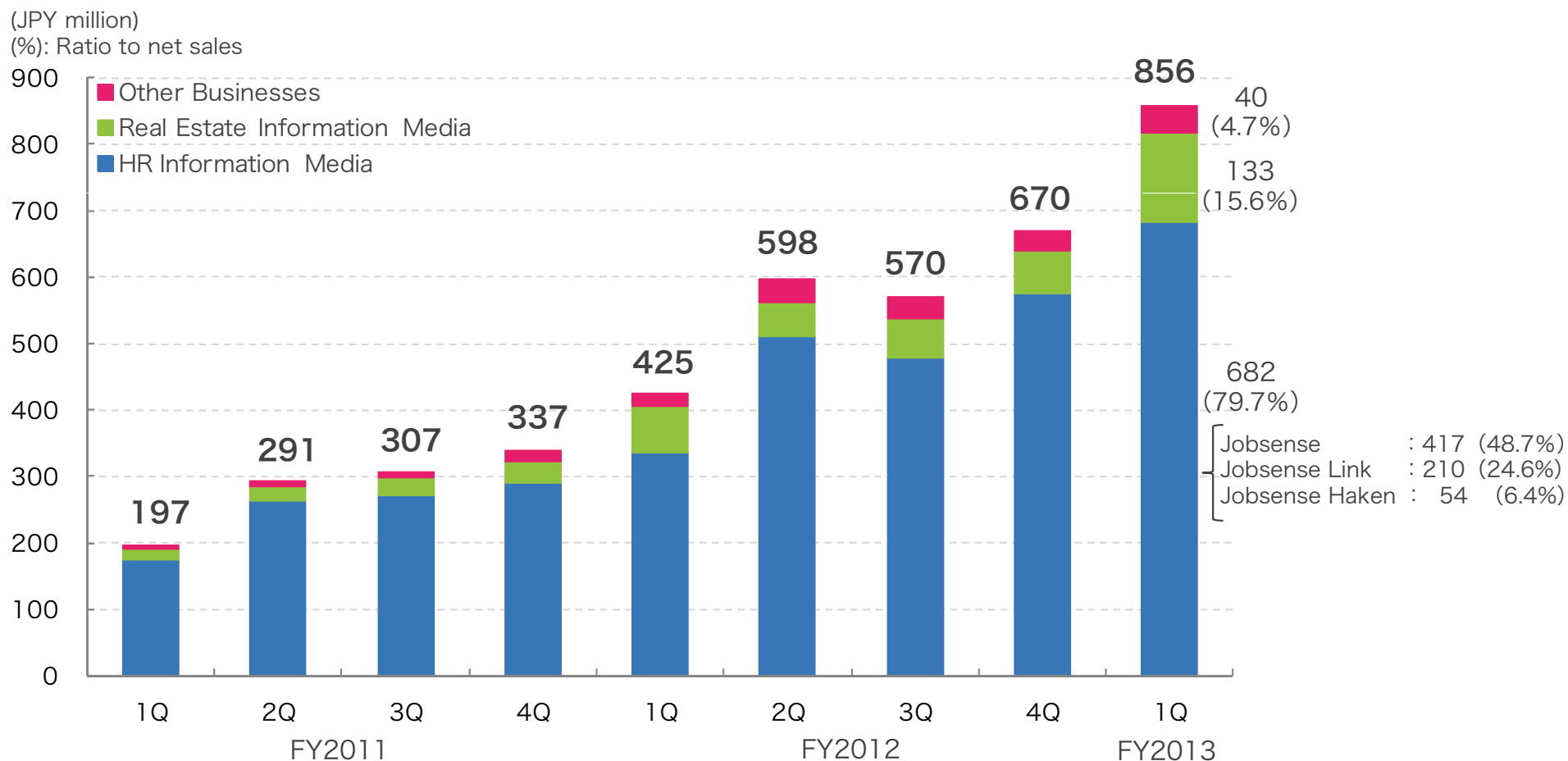


- Aggressively expand promotion activities through maximum use of advertising budget (mainly web for 2013)



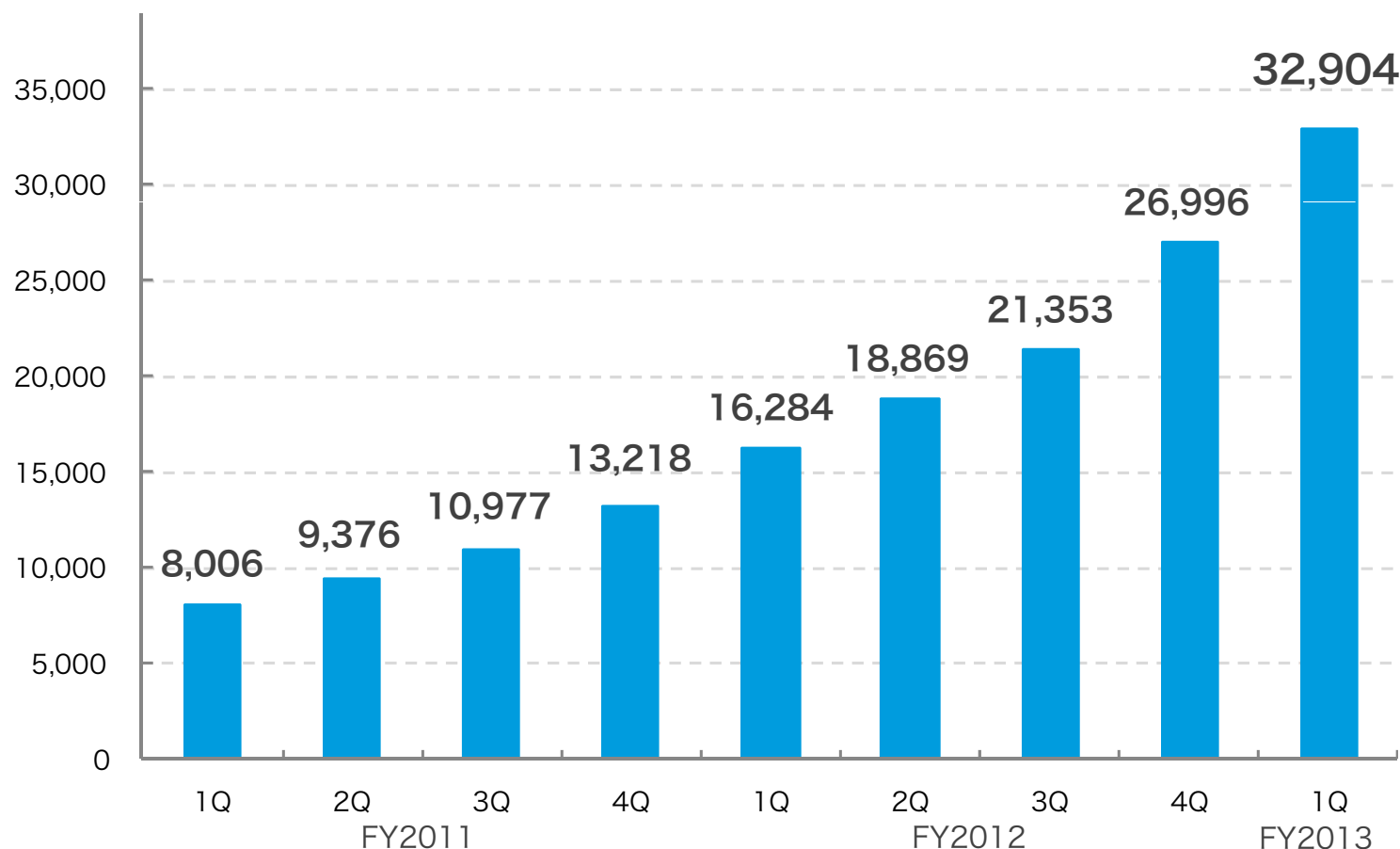
※ To simplify graphics, expenses other than advertising costs have been omitted.

Despite it being 1Q, as a result of benefits seen from service pricing changes and web promotions, employment information sales increased favorably and real estate sales doubled.



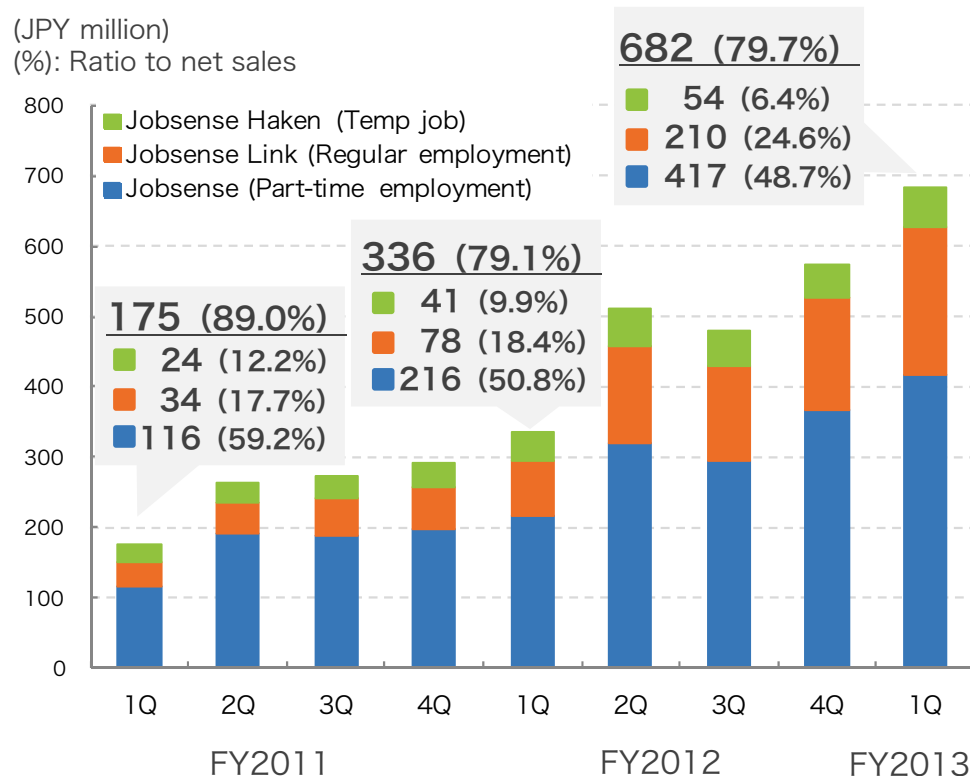
Through continued PR and web promotions, the number of companies deploying our services increased significantly

(Unit: companies)

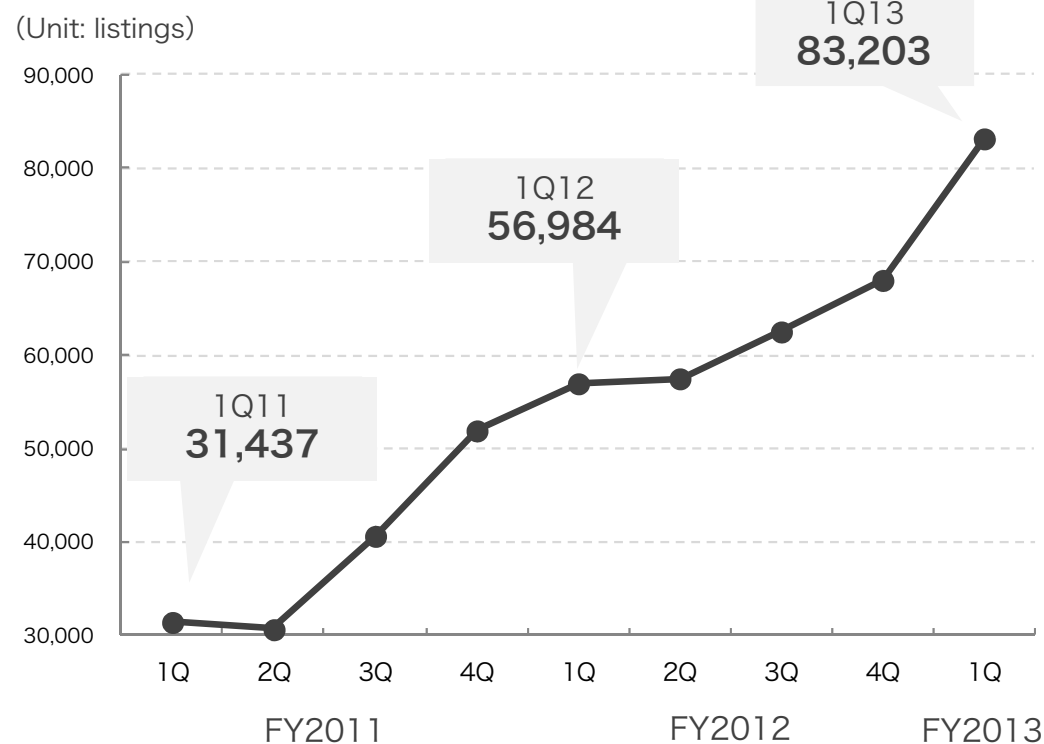


Despite it being 1Q, as a result of benefits seen from service pricing changes and web promotions, net sales increased favorably and the number of listings increased significantly due to the increase in the number of companies

Trends in net sales

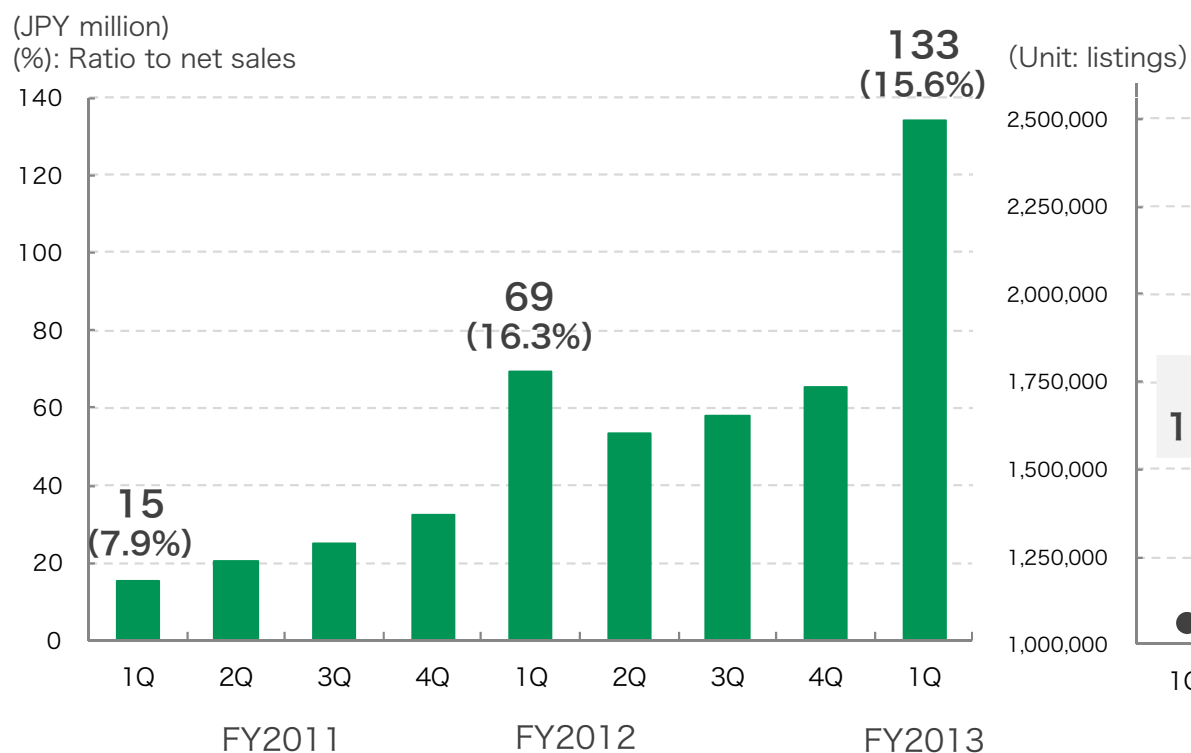


Trends in number of job information

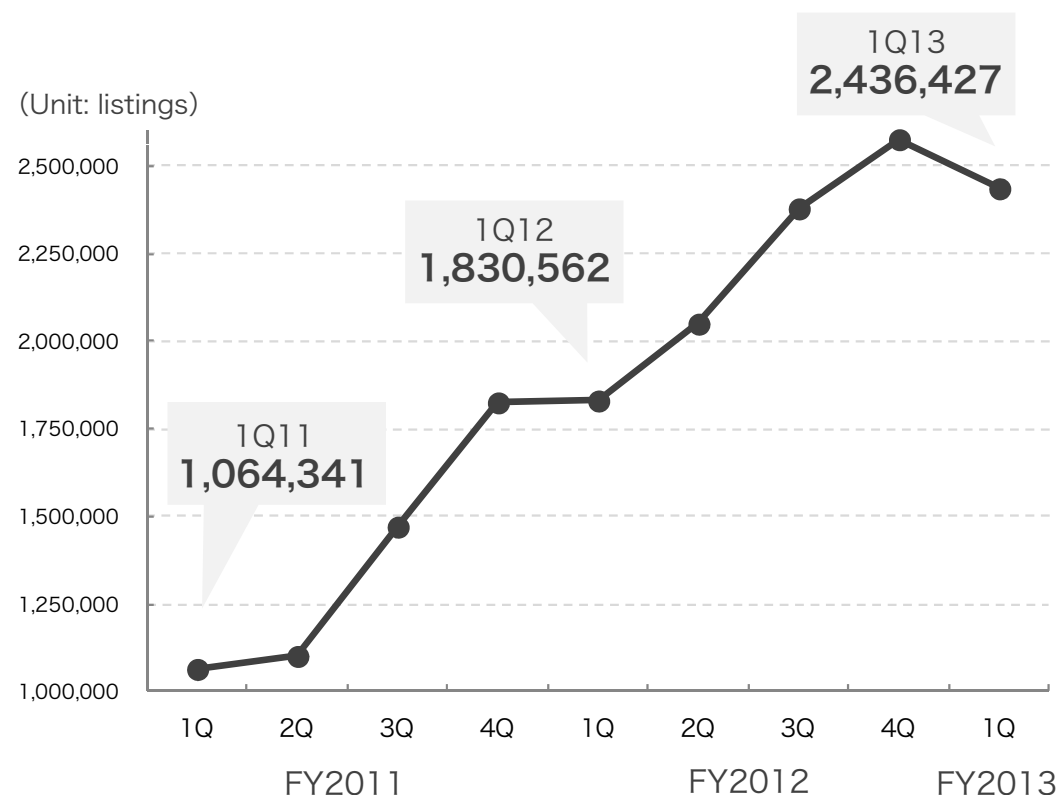


Continuous site improvements, a partnership with SUUMO, and 1Q seasonality (January to March is moving season) resulted in net sales being doubled

Trends in net sales

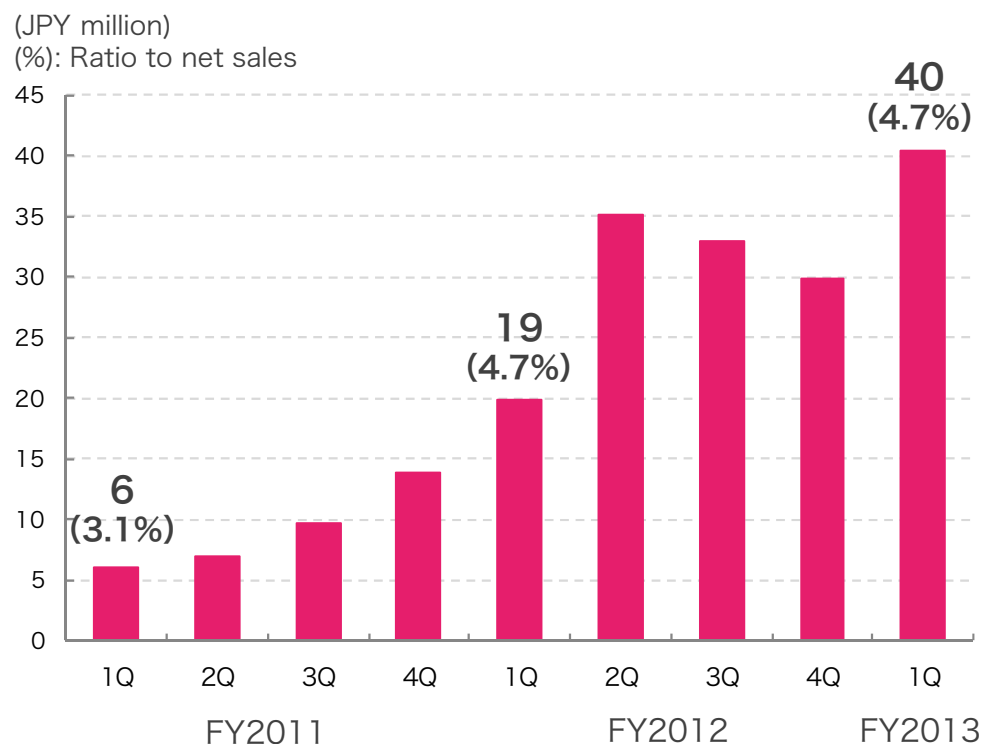


Trends in number of home rental information



- Career change discussion site Tenshoku Kaigi saw a favorable increase in net sales due to continued increases in the number of members and number of review postings as well as customer referrals to partner job information media.

Trends in net sales



Career change discussion site “Tenshoku Kaigi”

Site opened in July 2010 as Livesense’s first CGM (consumer generated media)

<Data as of Mar.. 2013>

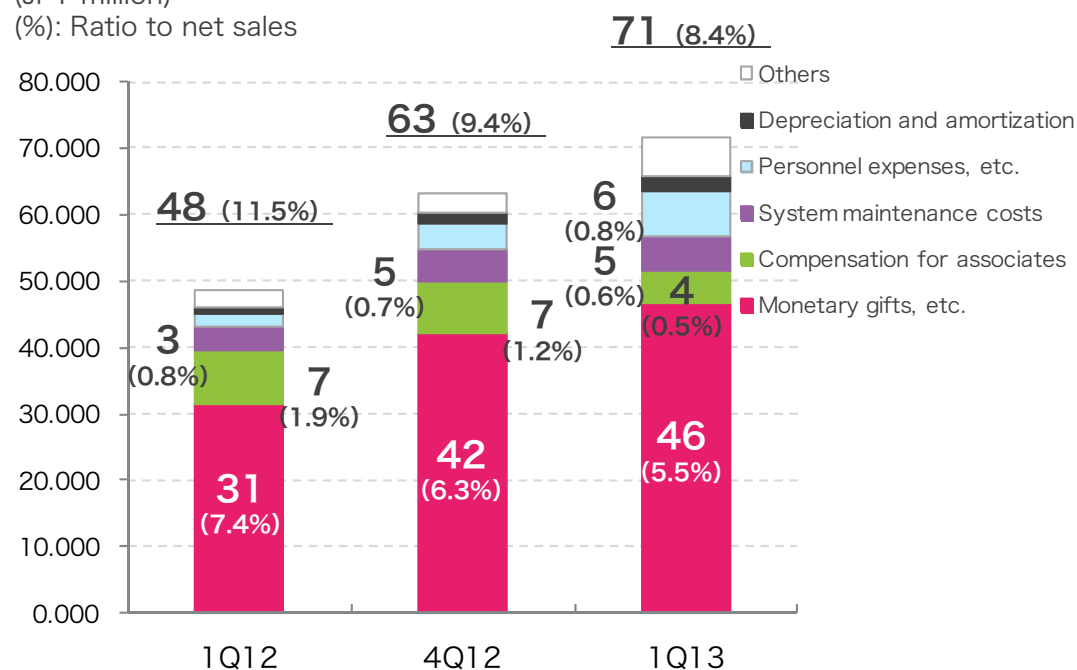
Number of messages posted: about 2,050,000

Number of monthly users: about 2,500,000

With the expansion of business we saw a continued increase in monetary gifts (cost of sales) and personnel expense, etc. (SG&A) amounts. Advertising costs (SG&A) increased due to implementation of web promotions.

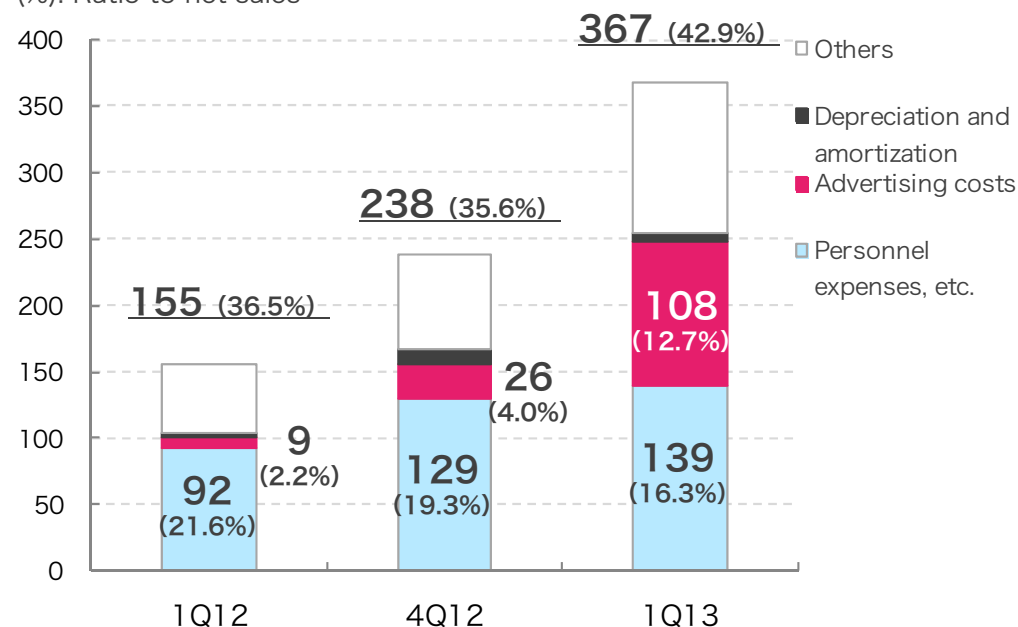
Trends in sales costs

(JPY million)
(%): Ratio to net sales



Trends in SG&A expenses

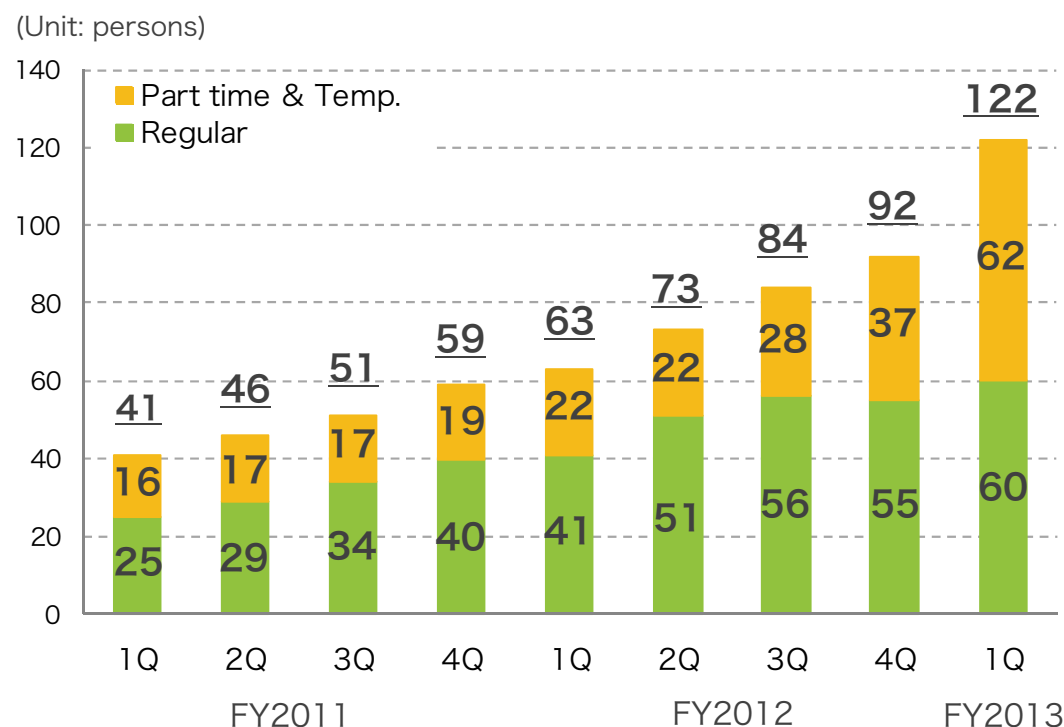
(JPY million)
(%): Ratio to net sales



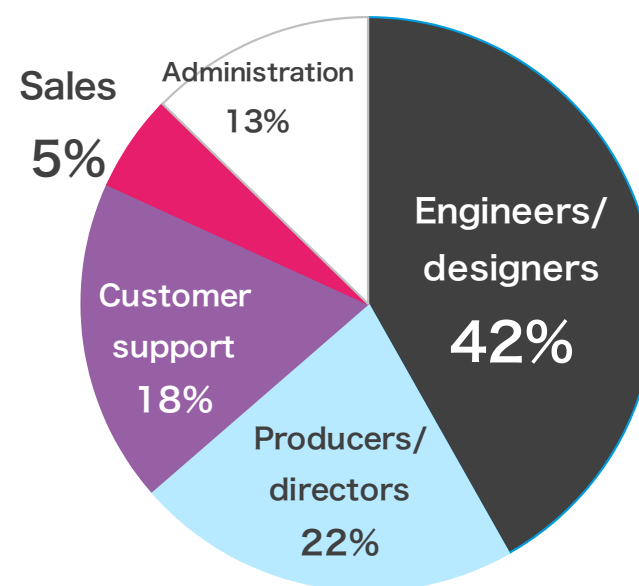
*Compensation for associates: Costs for outsourcing client introductions

While maintaining efficient operations, we are conducting hiring of personnel to match the scale of our businesses. During 1Q13, we added 5 full-time employees and 25 part-time and contract employees to handle customer telephone calls, etc.

Trends in number of employees



Breakdown of regular employees

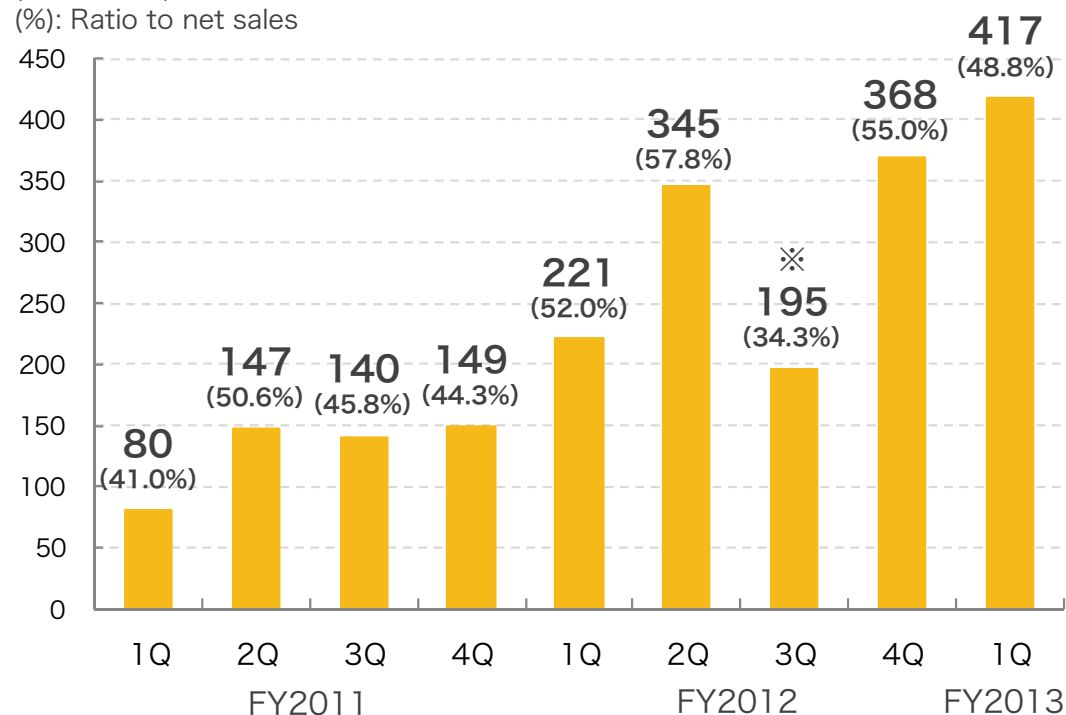


(As of March. 2013)

Increased net sales absorbed the increased expenses associated with expansion of business scale, enabling operating income margin to progress at a high level.

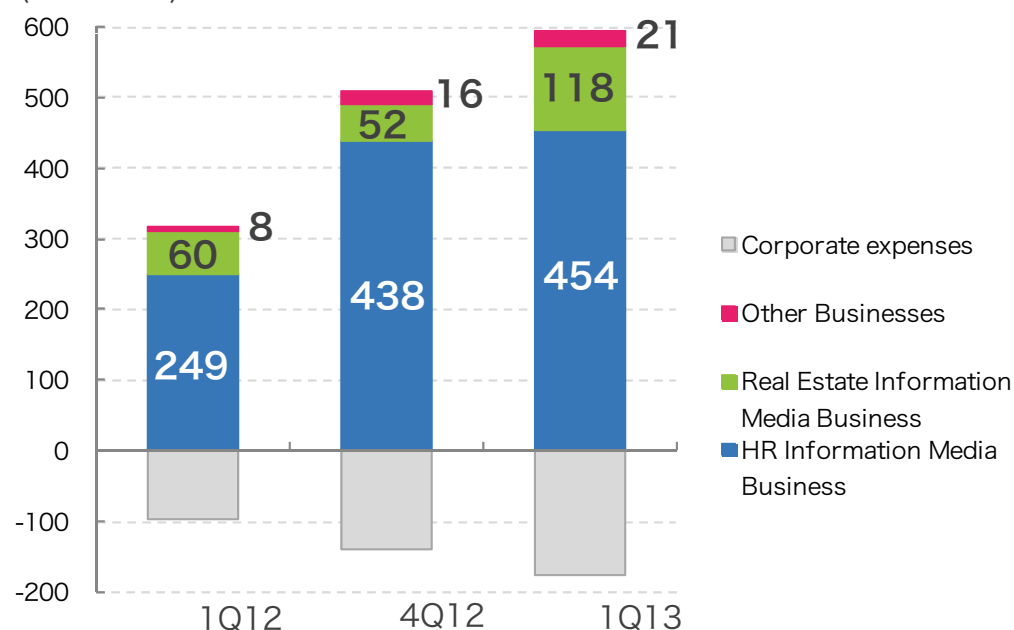
Trends in operating income

(JPY million)
(%): Ratio to net sales



Segment income

(JPY million)



- 1 FY2013 Plan (No change since Feb. 14 announcement)
- 2 Key Points Focus Efforts on in FY2013 (ongoing)
- 3 Growth Strategy
- 4 About trial starts of new sites

- | We continue to plan share expansion in our existing business areas of HR and real estate.
- | Following on our CGM (Tenshoku Kaigi) venture, we are focusing on the development of new businesses and cultivating them as the next “earning pillars” in the medium to long term.
- | Commensurate with expansion of our business scale, we are hiring staff and strengthening our organization.
In FY 2013 we are forecasting operating income per employee to be about ¥17 million.

(Thousands of JPY)

| | FY2012 | FY2013 | | | |
|------------------|-----------|------------------|--------|----------------|---------------|
| | Results | Forecast | YoY | 1Q Results | Progress rate |
| Sales | 2,264,042 | 3,307,333 | +46.1% | 856,469 | +25.9% |
| Operating Income | 1,130,844 | 1,509,804 | +33.5% | 417,690 | +27.7% |
| | 49.9% | 45.7% | (4.3%) | 48.8% | - |
| Ordinary Income | 1,113,611 | 1,510,004 | +35.6% | 418,450 | +27.7% |
| | 49.2% | 45.7% | (3.5%) | 48.9% | - |
| Net Profit | 597,846 | 834,907 | +39.7% | 234,736 | +28.1% |
| | 26.4% | 25.2% | (1.2%) | 27.4% | - |
| EPS (JPY) | 86.64 | 121.00 | +39.7% | 34.02 | +28.1% |

| HR Information Media Business

- Take thorough basic measures: Increase usability and matching rate by strengthening site functions and SEO and expanding services
- Revise service pricing system for better profitability
- We are improving our ability to attract customers through pro-active Web marketing (promotions).

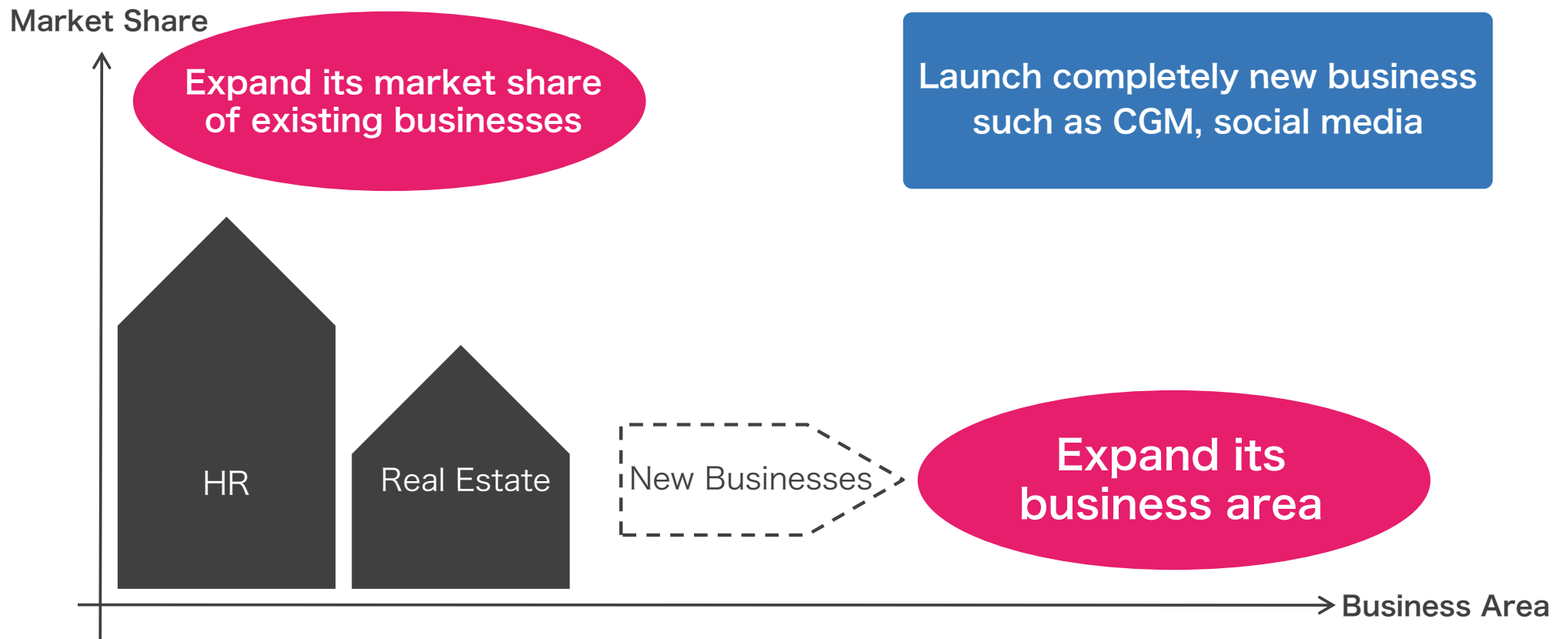
| Real Estate Information Media Business

- Take thorough basic measures: Increase usability and matching rate by strengthening site functions and SEO and expanding services
- Increase the number of information postings by getting new corporate customers posting them and by forming business partnerships

| Other Businesses

- Take thorough basic measures: Increase usability by strengthening site functions and SEO and expanding services
- Expand of the profit opportunity by expanding service and forming business partnerships

- | Expand its market share of existing businesses with Affiliate System
- | Expand its business area with Affiliate System
- | Launch completely new business



| Announced new service development policy (date May 15)

Initial development phase

Small number of personnel (director and 1-3 engineers), small-scale startup

Site opened based on trial run (beta version)

→Prioritize expanded user utilization while continuing trial and error to improve and enhance site functions



Service secured to a certain level of quality and scale

→Announce release as an official service, continue improvements to develop service

or

Judged that expanded user utilization not likely

→Careful consideration of cost benefit led to site closure at appropriate timing

Introduction of new trial run (beta version) sites

- The projected impact on performance for the term ending December 2013 is expected to be extremely minor and any revenue from these services will not be included in projections.

Job search community “carimo”



(URL <http://carimo.jp/>)

Price comparison site “cospa”



(URL <http://cospa.me/>)

- 1 Balance Sheet Statement
- 2 Record of Recent Major Publicity Events
- 3 Company Profile

3-1. Balance Sheet Statement

(Thousands of JPY)

| | 4Q12 | 1Q13 | YoY |
|------------------------------|-----------|------------------|---------|
| Current assets | 2,002,084 | 1,953,874 | (2.4%) |
| Cash and deposits | 1,685,906 | 1,503,307 | (10.8%) |
| Accounts receivable | 272,761 | 429,359 | +57.4% |
| Fixed assets | 216,457 | 283,086 | +30.8% |
| Tangible fixed assets | 25,741 | 98,380 | +282.2% |
| Intangible fixed assets | 12,803 | 36,858 | +187.9% |
| Investments and other assets | 177,912 | 147,847 | (16.9%) |
| Total assets | 2,218,541 | 2,236,960 | +0.8% |
| Current liabilities | 558,598 | 339,749 | (39.2%) |
| Accounts payable | 46,395 | 82,222 | +77.2% |
| Income taxes payable | 425,000 | 169,955 | (60.0%) |
| Fixed liabilities | - | - | - |
| Total liabilities | 558,598 | 339,749 | (39.2%) |
| Shareholders' equity | 1,651,507 | 1,886,244 | +14.2% |
| Capital | 219,930 | 219,930 | - |
| Capital reserve | 204,930 | 204,930 | - |
| Accumulated earnings | 1,226,647 | 1,461,384 | +19.1% |
| Stock warrants | 8,436 | 10,967 | +30.0% |
| Total net assets | 1,659,943 | 1,897,211 | +14.3% |

3-2. Record of Recent Major Publicity Events

| | |
|------------|---|
| 2013.05.01 | NIKKEI plus 10 (BS-Japan) |
| 2013.04.27 | Magazin Entrepreneur club June issue (on sale April 27) |
| 2013.04.24 | It opens today ! (TBS) |
| 2013.04.22 | News Morning Satellite (TV Tokyo) |
| 2013.04.22 | Fuji Sankei Business Eye |
| 2013.04.22 | Nikkei Sangyo Shimbun |
| 2013.04.15 | Zenkoku Chintai Jutaku Shimbun |
| 2013.03.27 | Prime News (BS-Fuji) |
| 2013.03.12 | NIKKEI×BS LIVE 7PM (BS-Japan) |
| 2013.03.09 | THE21 April issue (on sale Mar. 9) |
| 2013.02.15 | Nihon Keizai Shimbun morning edition |
| 2013.02.12 | ZIP ! (Nippon Television) |
| 2013.02.05 | Nihon Keizai Shimbun morning edition |
| 2013.02.01 | NIKKEI×BS LIVE 7PM (BS-Japan) |
| 2013.01.11 | Yomiuri Shimbun morning edition |
| 2013.01.10 | Shigotogaku no susume (NHK) |
| 2013.01.10 | NIKKEI Premium PLUS (vol.4) |
| 2013.01.10 | Nikkei Business Associé Feb. edition |
| 2013.01.06 | Gacchiri Monday (TBS) |
| 2012.12.24 | Magazine PRESIDENT (Jan. 14, 2013 issue) |
| 2012.12.20 | Nihon Keizai Shimbun morning edition |
| 2012.12.18 | AERA Dec. 24 edition |
| 2012.12.13 | Cambria palace (TV Tokyo) |
| 2012.12.08 | Nihon Keizai Shimbun morning edition |
| 2012.12.05 | Depth of News (Asahi Newster) |
| 2012.11.29 | Nikkei Top Leader Dec. edition |
| 2012.11.28 | Markets sunset (Radio NIKKEI) |
| 2012.11.27 | NEWS ZERO (Nippon Television) |
| 2012.11.25 | Gacchiri Monday (TBS) |

3-3. Company Profile (As of March 31, 2013)

| | |
|---------------------|--|
| Company Name | Livesense Inc. |
| Business Objective | Internet Media Management Business |
| Address | 5th Floor, Shin-meguro Tokyu Building, 2-25-2 Kamiosaki, Shinagawa-ku, Tokyo |
| Established | February 8, 2006 |
| President | Taichi Murakami |
| Management Team | <div>Managing Director Daisuke Katsura</div> <div>Statutory Auditors Yuichi Iwasaki</div> <div> Junichi Ehara</div> <div> Misao Akutsu</div> <div> Mitsuru Ozaki</div> |
| Capital | JPY219 million |
| Business Results | FY2011 Sales : JPY 1,134 million, OP: JPY 518 million (OPM : 45.7%) FY2012 Sales : JPY 2,264 million, OP: JPY 1,130 million (OPM : 49.9%) |
| Number of Employees | Full-time : 60, Part-time & Temp. : 62 |
| Fiscal Term | December |
| Date listed | October 1, 2012 (TSE 1st Section) December 7, 2011 (TSE Mothers) |
| Auditing Firm | Deloitte Touche Tohmatsu LLC |



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.