



Credit Suisse Internet Corporate Day
Presentation Material

February 25, 2014
Livesense Inc.
(TSE : 6054)

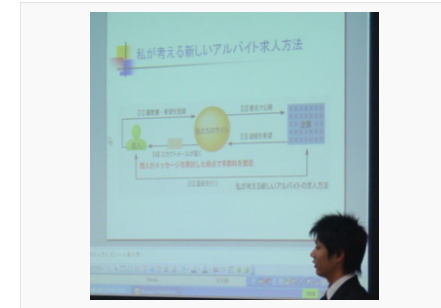
Company Profile (As of December 2013)

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	<table> <tr> <td>Managing Director</td> <td>Daisuke Katsura</td> </tr> <tr> <td></td> <td>Yuichi Iwasaki</td> </tr> <tr> <td>Statutory Auditors</td> <td>Junichi Ehara</td> </tr> <tr> <td></td> <td>Misao Akutsu</td> </tr> <tr> <td></td> <td>Mitsuru Ozaki</td> </tr> </table>	Managing Director	Daisuke Katsura		Yuichi Iwasaki	Statutory Auditors	Junichi Ehara		Misao Akutsu		Mitsuru Ozaki
Managing Director	Daisuke Katsura										
	Yuichi Iwasaki										
Statutory Auditors	Junichi Ehara										
	Misao Akutsu										
	Mitsuru Ozaki										
Capital	JPY221 million										
Business Results	FY2013 Sales : JPY 4,256 million, OP: JPY 1,584 million										
Number of Employees	Full-time : 87, Part-time & Temp. : 98										
Fiscal Term	December										
Date listed	October 1, 2012 (TSE 1st Section) December 7, 2011 (TSE Mothers)										
Auditing Firm	Deloitte Touche Tohmatsu LLC										

1. About Us — Background of Establishment

| 2005 (Taichi Murakami: Age 18/university freshman)

- Took the Entrepreneur Training Course at Waseda University.
- Winner of the Business Plan Contest.
- Internships at Daiwa Institute of Research and Internet-related ventures.



The Business Plan Contest

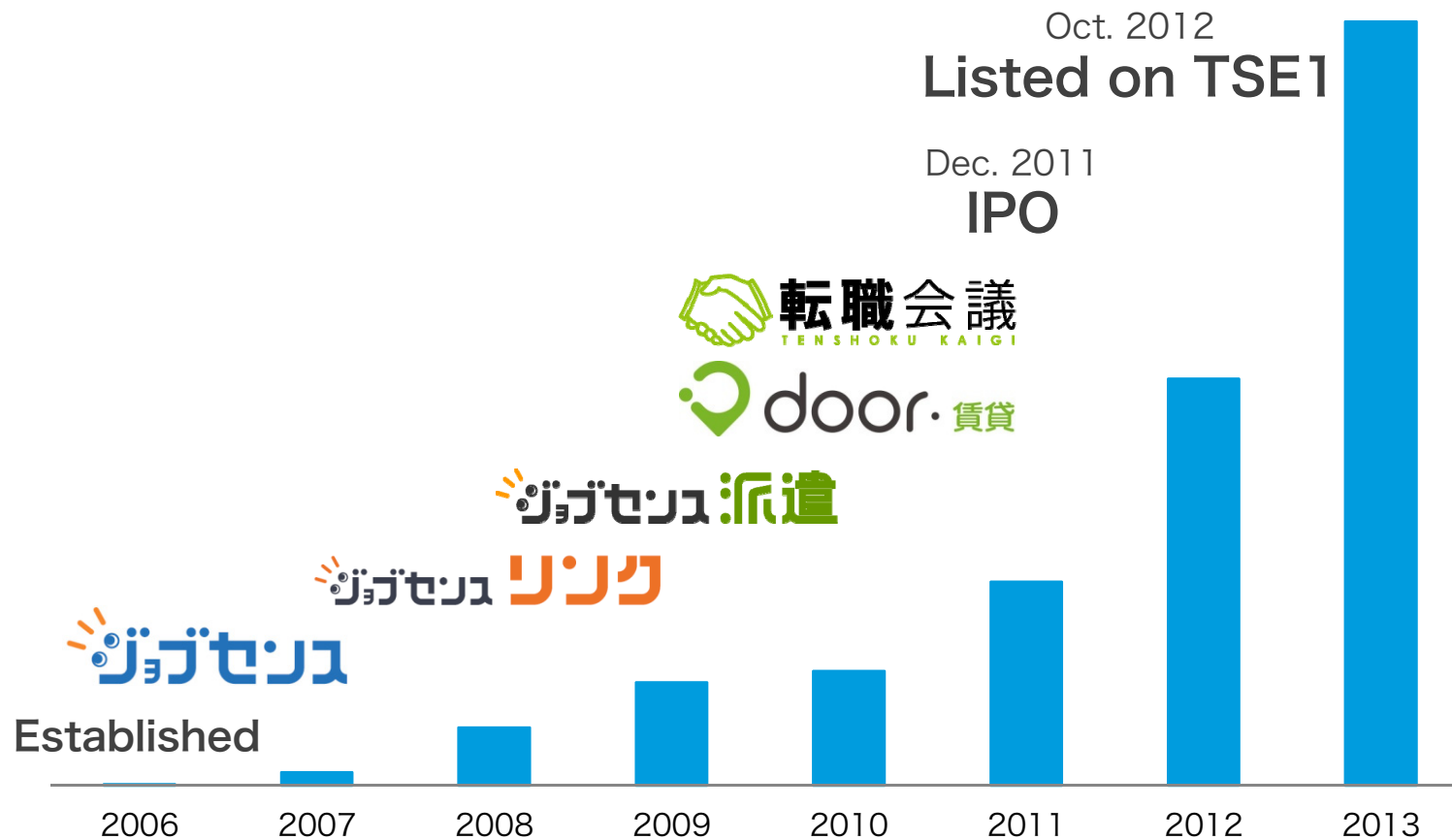
| 2006 Established Livesense Inc.



Livesense office at Waseda University

1. About Us — History

- Since its establishment, Livesense has steadily continued to develop services and expand the scale of its business.



2. Our Business

- We manage Internet media with an Affiliate System in the business areas of HR and real estate.



Business Model by
Affiliate System



Other New
Media



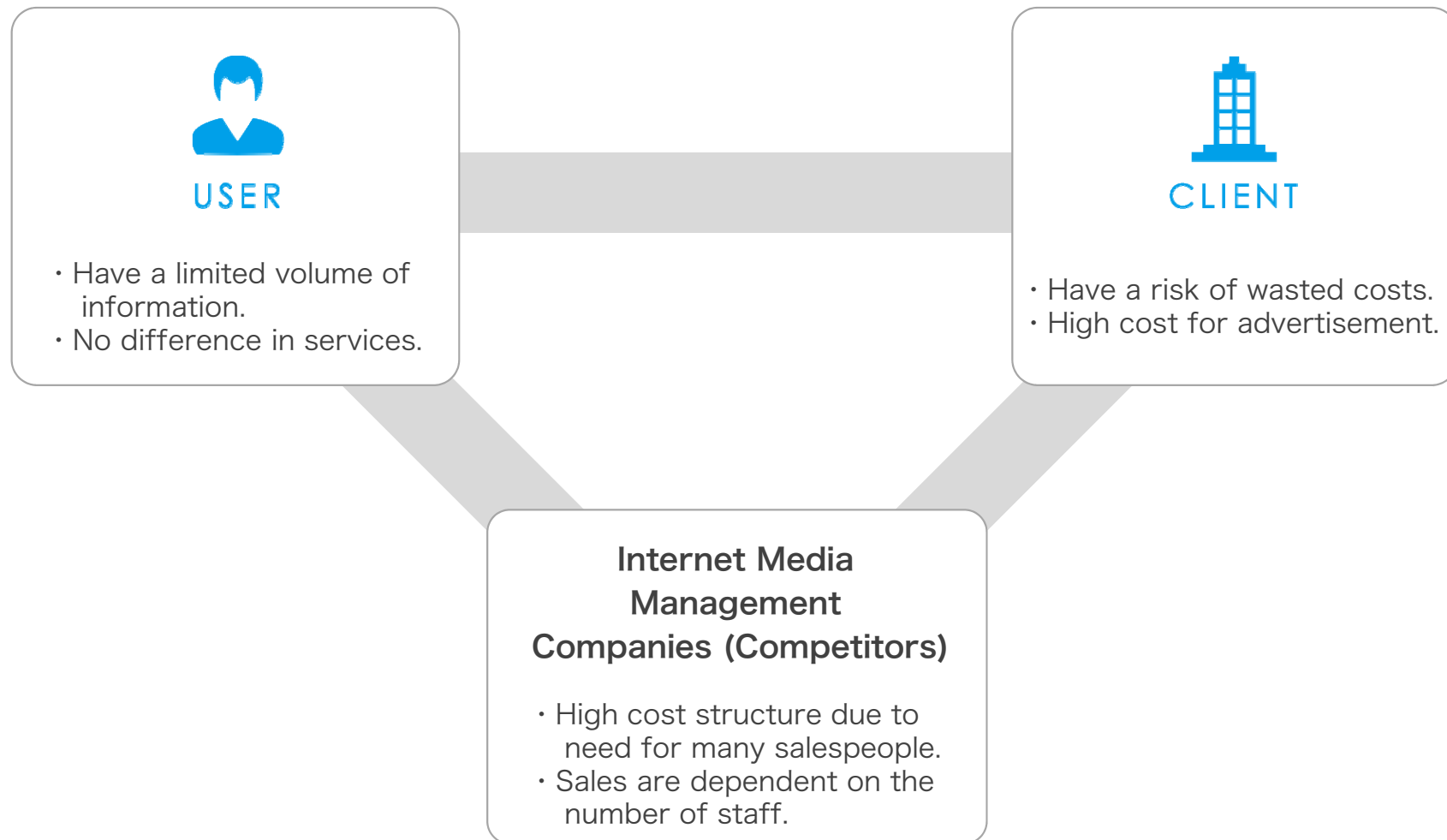
2. Our Business

| Business Model by Affiliate System

	Publishing charge system	Affiliate system
Information listing Fee (Upfront fees)	Cost occurs	Free (Success fee only)
Monetary gifts, Cash back	None	Receivable

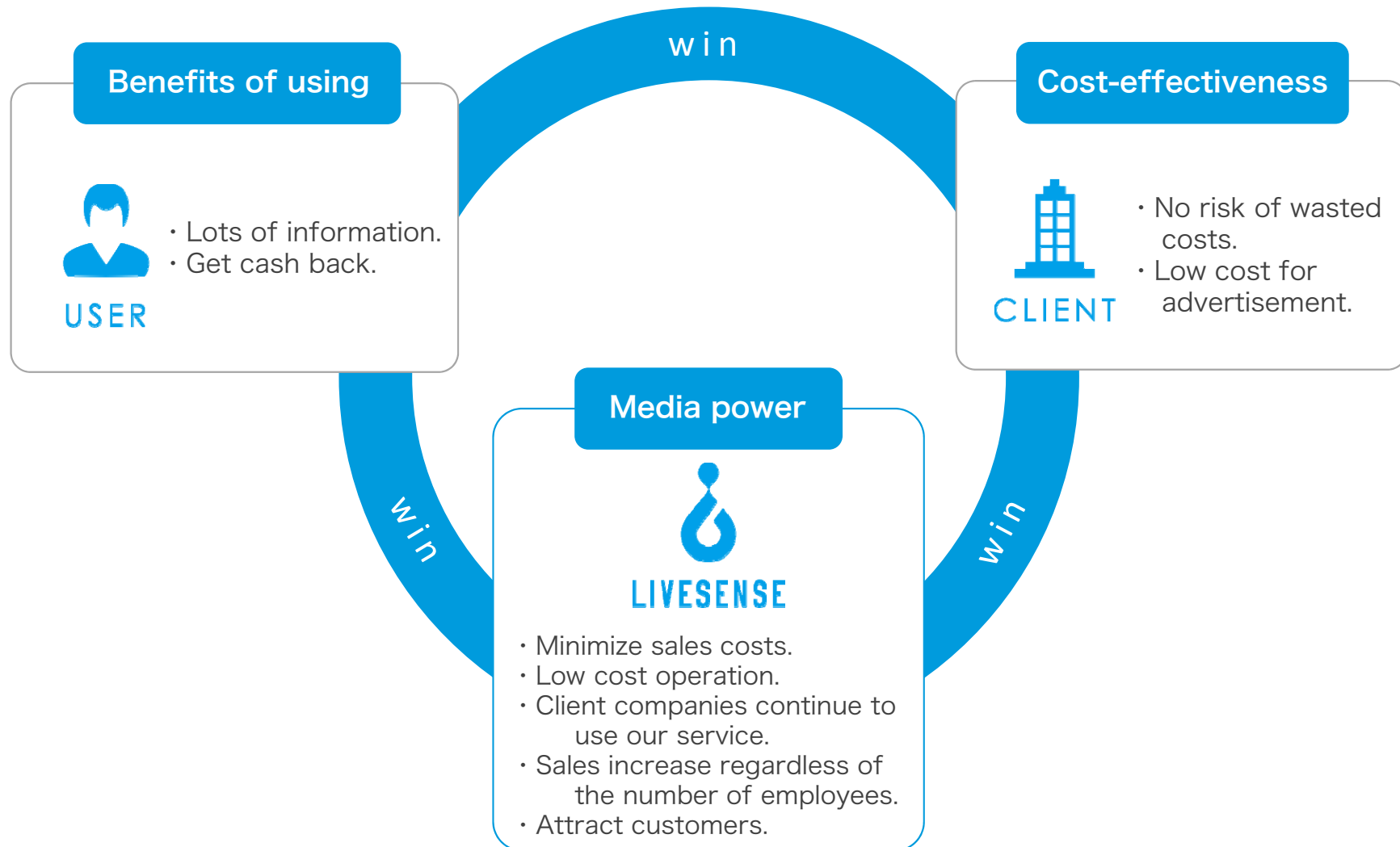
2. Our Business

I Disadvantages of the traditional business model (publishing charge system)



2. Our Business

| Our business model (affiliate system) creates a virtuous cycle



3. A Key Characteristic of Livesense

The virtuous circle model

| Business Model by Affiliate System

×

Our strengths

| Service Development Technology

(Full internalized production, from planning to web marketing)

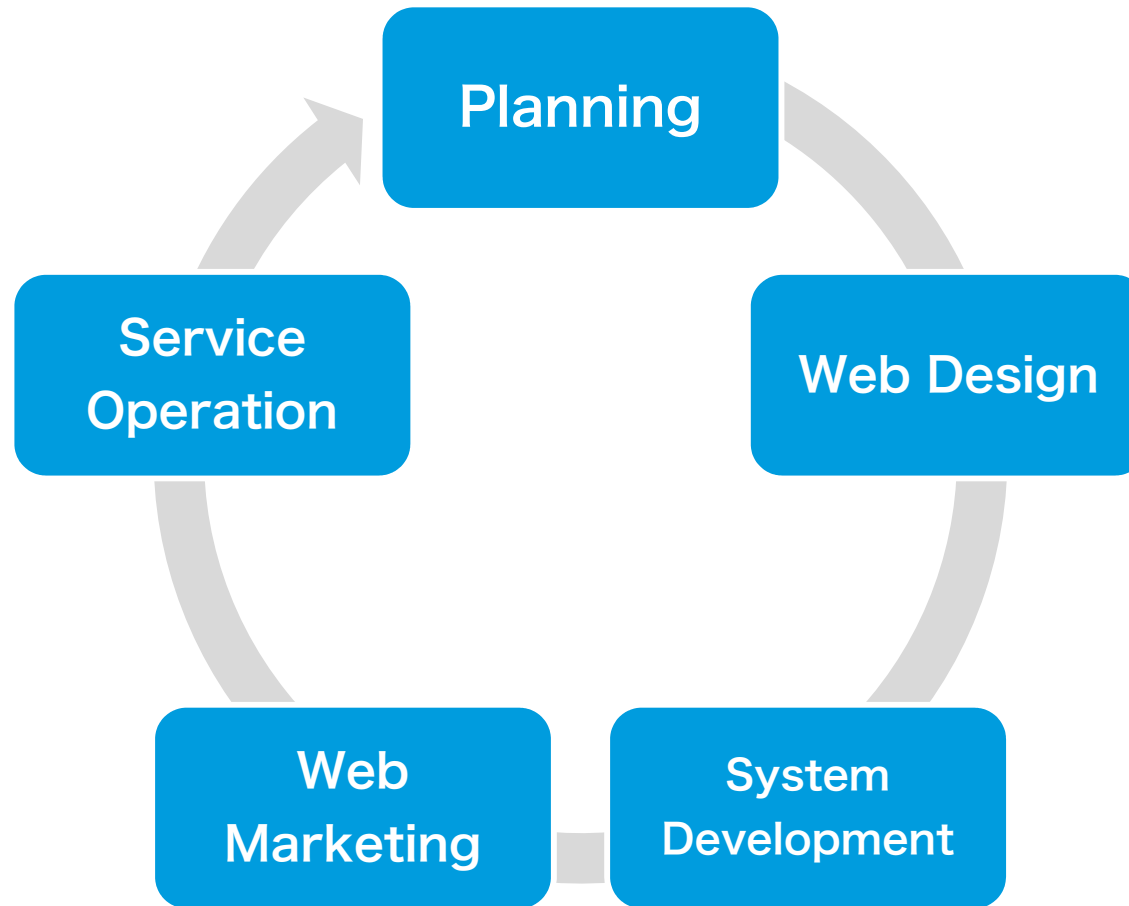
||

Our characteristic

| Efficient Business Management Structure

3. A Key Livesense Strength

- | In-house service development enables consistency and efficiency. Utilize accumulated know-how to focus on new business development.



3. A Key Livesense Strength — Web Marketing Technique

- Focused on web marketing since company establishment. Since 2013, we have strengthened our SEO and web promotions.

SEO (Search Engine Optimization)

渋谷バイト

ウェブ検索結果

まんだらな渋谷バイト カフェ渋谷バイト で検索

渋谷のアルバイト・バイト求人情報【最大2万円の祝い金】
【最大2万円の祝い金】渋谷のアルバイト・バイト求人情報。渋谷のアルバイトをお探しの方は「採用祝い金」がもらえるジョブセンスで決まり！アルバイト・バイト募集情報を随時更新して最新のバイト情報を提供中！あなたの能力を発揮できる職場で、思いっきり...
[j-sen.jp/kanto/station_1276.htm - キャッシュ](#)

渋谷でアルバイト・バイト探そう! アルバイト・バイト・パートを探すならan(アン)
渋谷でアルバイト・バイトを探そうならanエリア。あなたの都合に合わせて自宅近くや学校 周辺から渋谷のアルバイト・バイト・パートが探せます。anエリアなら希望のアルバイト・パート・パートがきっと見つかります。
[weban.jp/sat/tokyo_shibuya/ - キャッシュ](#)

渋谷のアルバイト・バイト特集 | アルバイト探そう!【マイナビバイト】バイト...
渋谷のアルバイト探しのための情報が満載【マイナビバイト】渋谷のアルバイト・バイト 特集ページ。エリア別や職種別、ランキングから人気のバイト探しができるのももちろん、お役立ち・お楽しみコンテンツも豊富です。アルバイト情報ならマイナビバイトにお任せ...
[baito.mynavi.jp/area/shibuya/ - キャッシュ](#)

Efficiently attracting users from search engines such as Google and Yahoo!



Web Promotions

希望のバイト 必ず見つかる

ジョブセンス

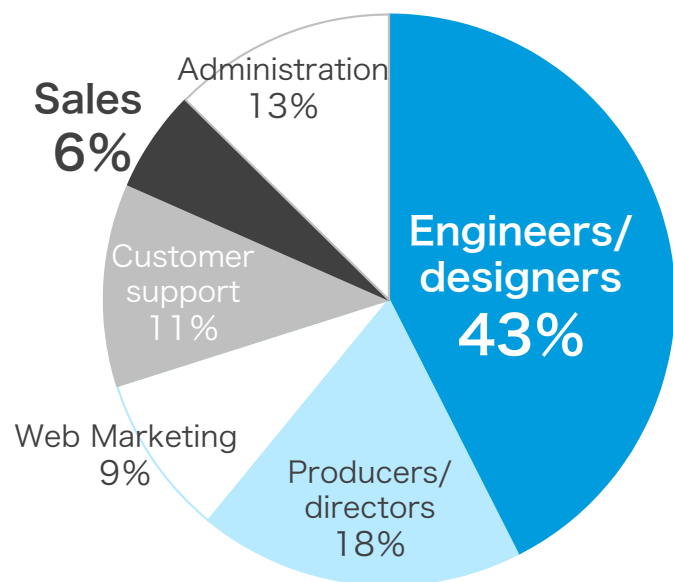
採用決定で
最大2万円

Attracting users from a wide range of sites through web advertising strategies including listings and retargeting.

3. Efficient Business Management Structure

High profitability due to our business model, high drawing power and in-house development style.

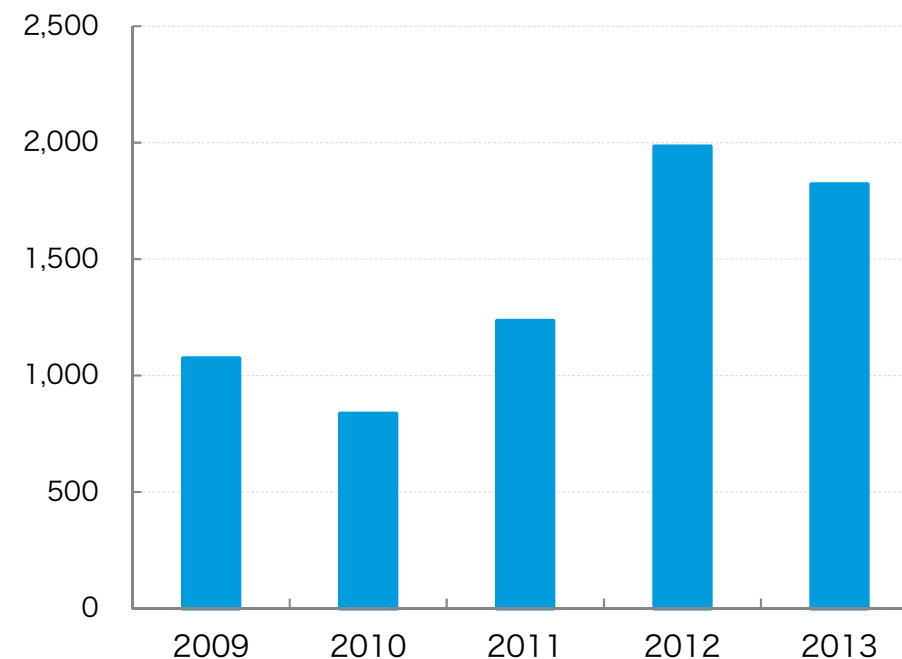
Breakdown of regular employees



(As of December, 2013)

Transitions in operating income per employee

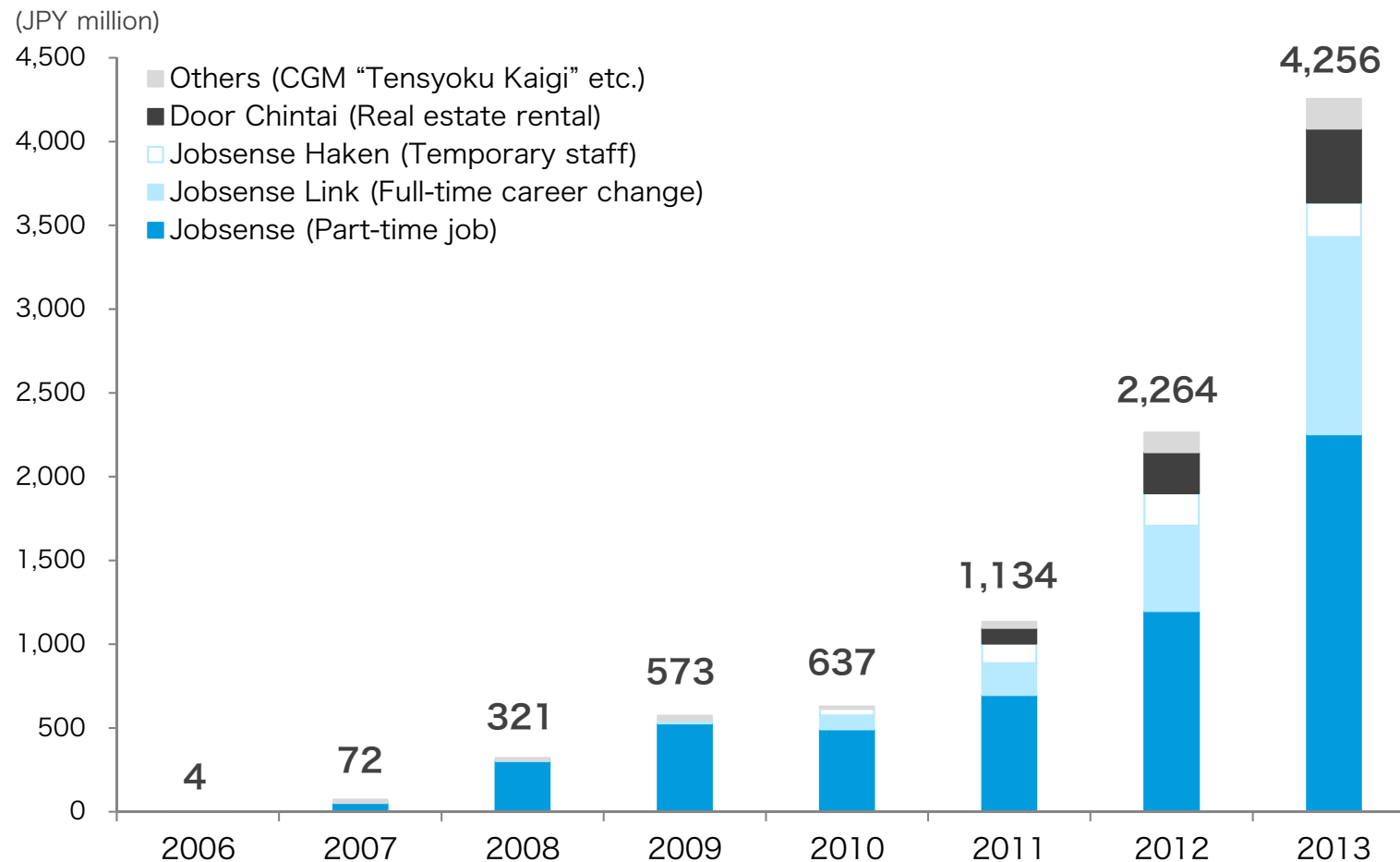
(Unit : JPY million)



Engineer-centric employee structure. Per capita operating income remains at high level, we will increase hiring with focus on new businesses in FY2014.

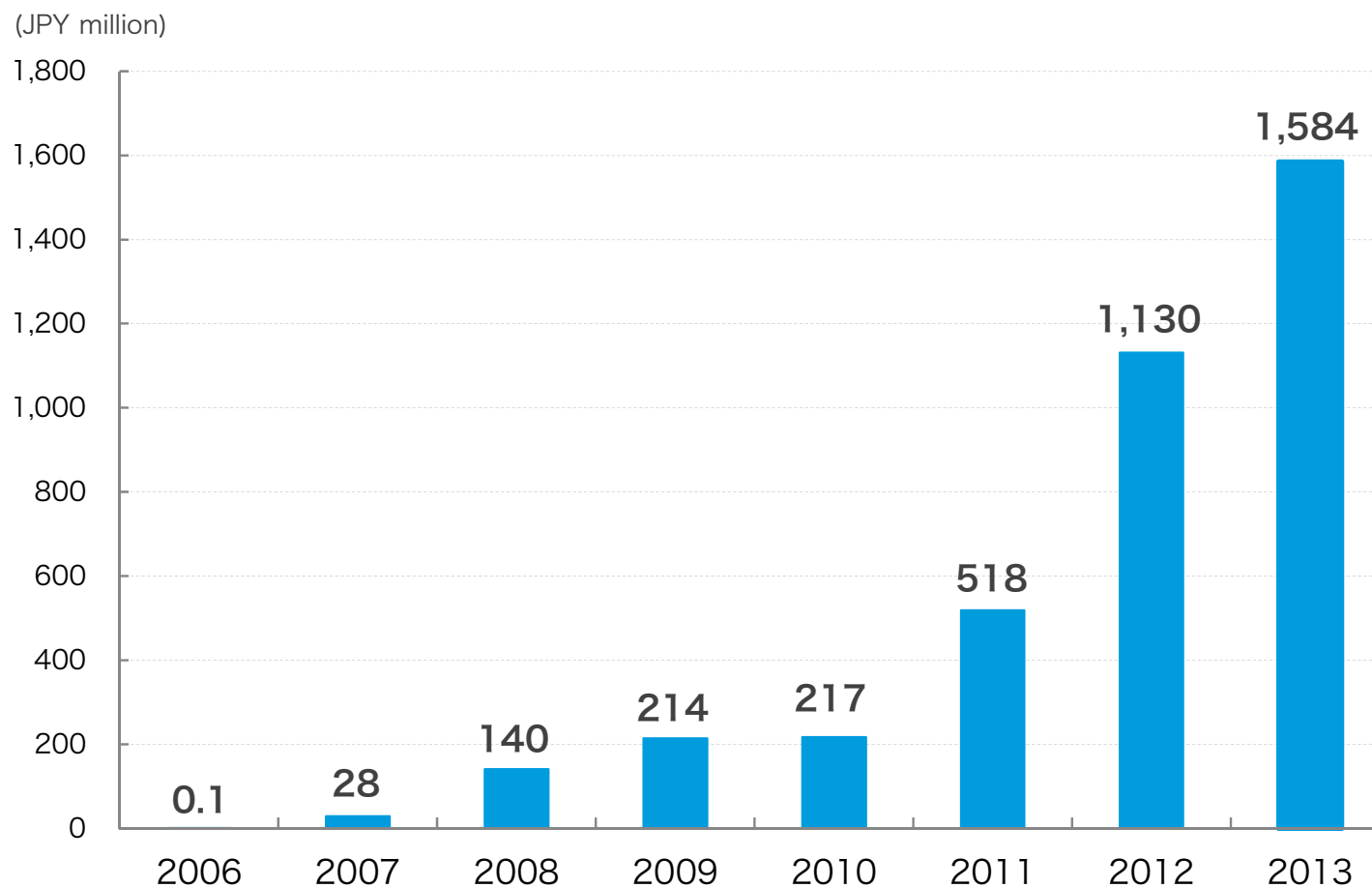
4. Sales

Services other than Jobsense are also enjoying strong sales growth. FY2013 Sales increased 88.0% (YoY) and achieve our forecast.



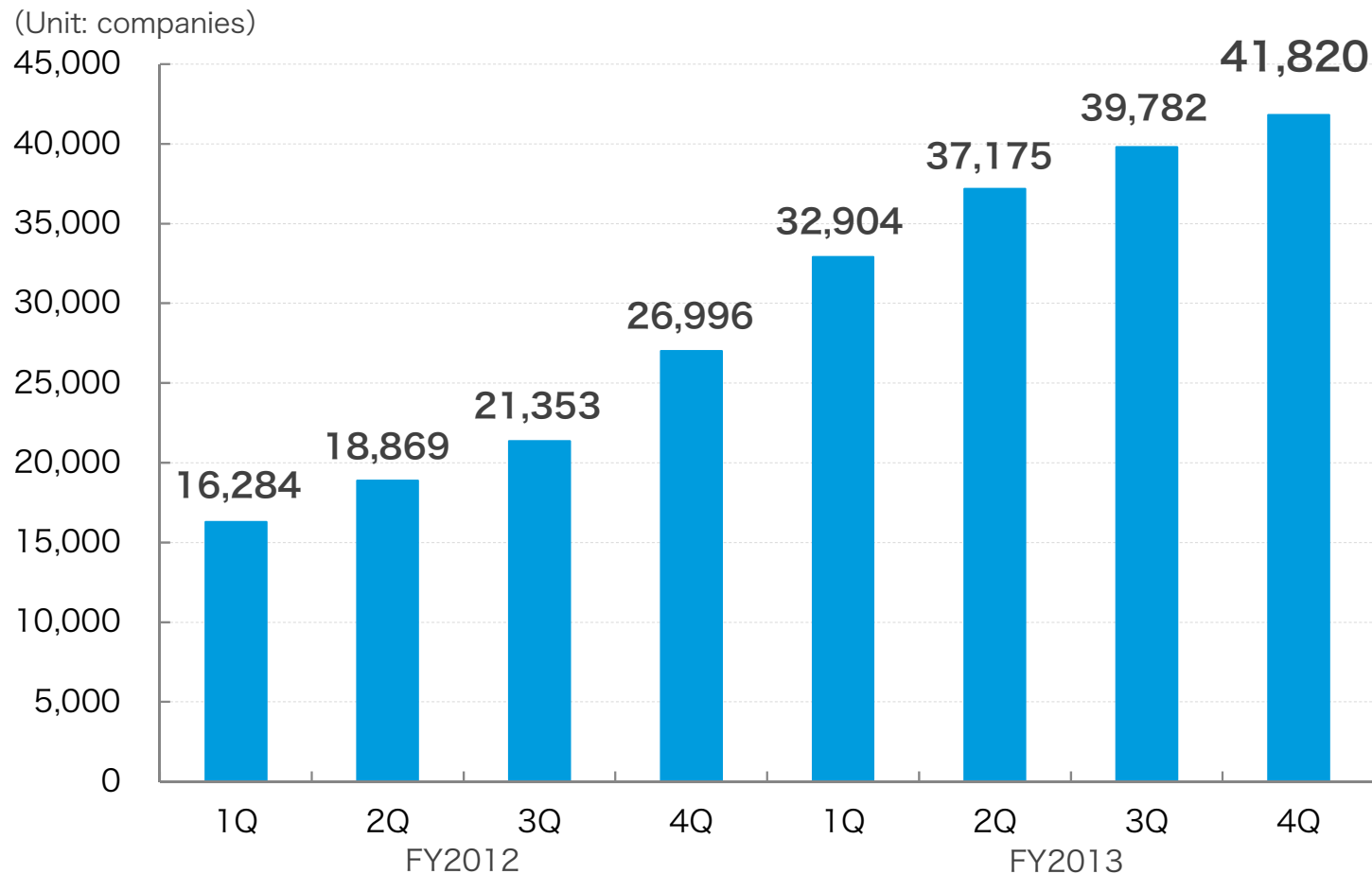
4. Operating Income

FY2013 Operating Income increased 40.1% (YoY) and achieve our forecast. While investing for mid-term and long-term growth, we expand our profits steadily.



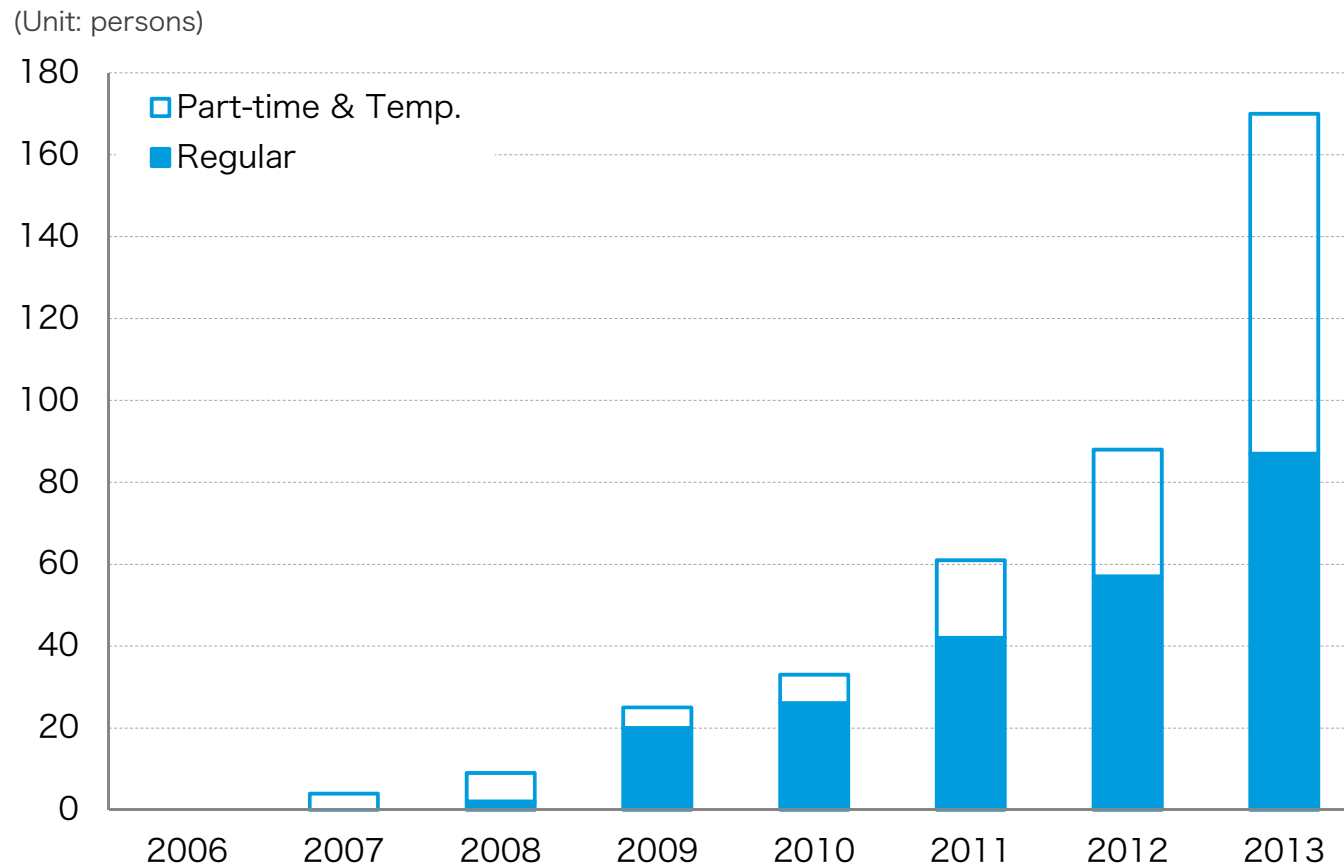
4. Cumulative number of companies implementing service

- The number of corporate customers continued to grow despite any negative effects of the change to prices for major services



4. Trends in number of employees

| We will maintain our focus on efficient business operations while continuing to hire in order to increase the speed of business development. We hired part-time and temporary employees for customer support.



4. FY2014 Plan

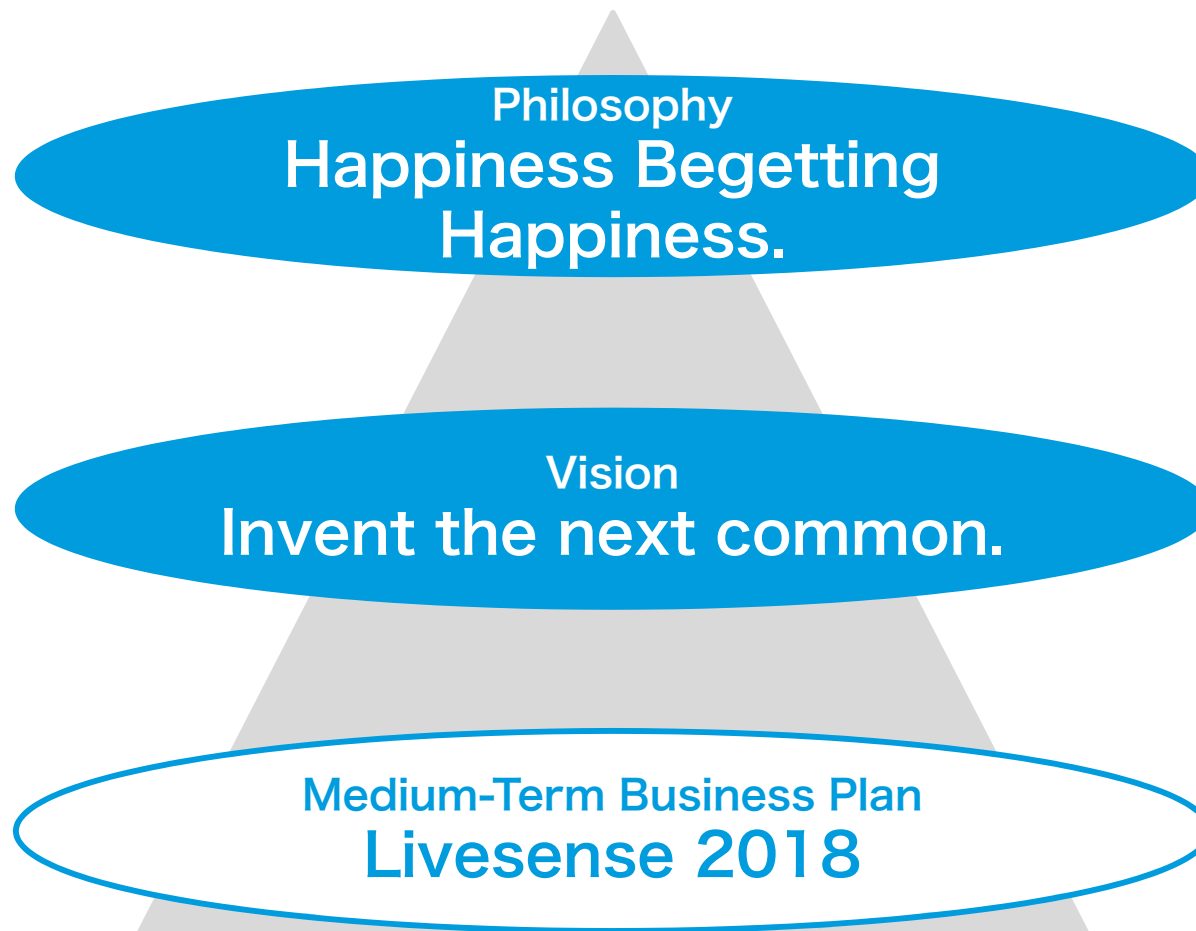
- FY2014 will be a year during which we solidify our foundation for medium-term growth (forward-looking investments)**
- We will enhance promotions (TV CM, Web Ads, etc.) aimed at increasing share in our existing HR and real estate businesses while also using site functionality improvements and service quality improvements to increase matching efficiency**
- We are planning to make approximately 70 new hires, mainly engineers, as we place our medium-term focus on the aggressive development of new businesses.**

(Thousands of JPY)

	FY2013	FY2014	
	Results	Forecast	(YoY)
Sales	4,256,153	6,649,679	56.2%
Operating Income	1,584,478	1,950,301	23.1%
	37.2%	29.3%	-
Ordinary Income	1,585,828	1,950,735	23.0%
	37.3%	29.3%	-
Net Profit	983,830	1,219,514	24.0%
	23.1%	18.3%	-
EPS (JPY)	35.58	43.95	23.5%

5. Medium-Term Business Plan

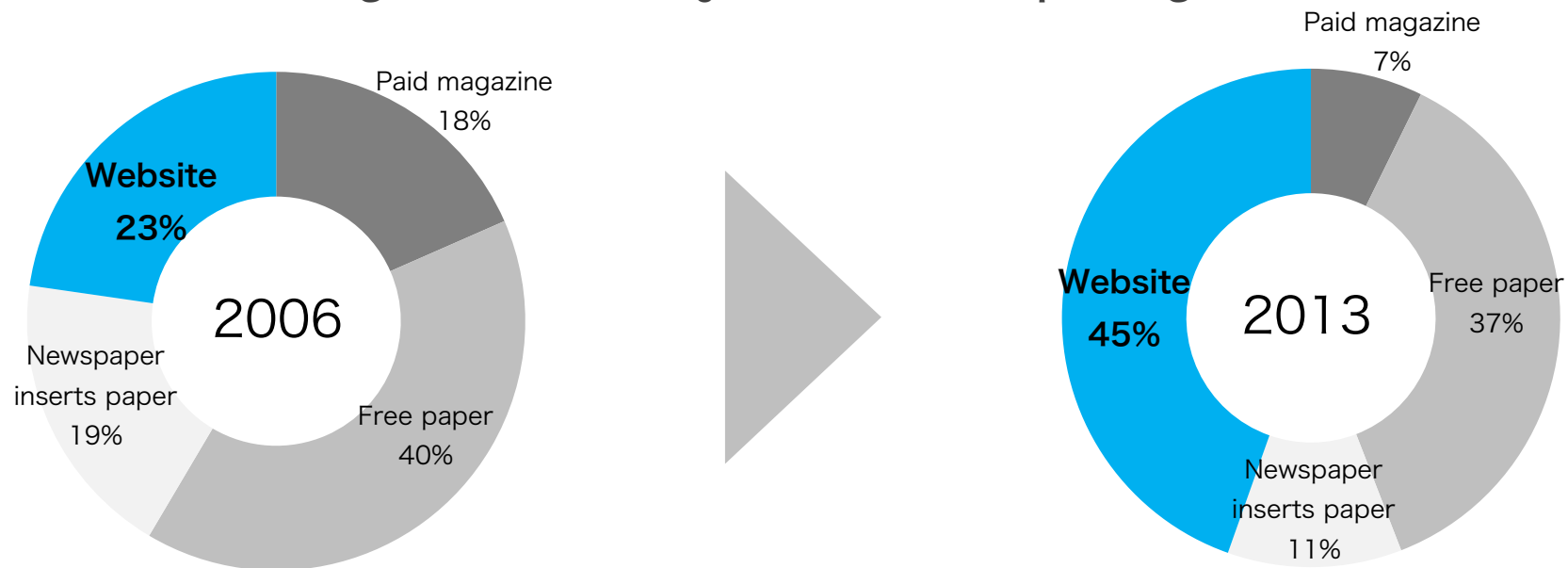
- | The medium-term business plan outlines clear objectives toward achieving our management philosophy and our corporate vision



5. Market environment (existing business)

- | The job information postings medium shifted from the paper-based medium to websites
- | In the eight years from our founding, Livesense has established and normalized the affiliate marketing model for internet employment information services

< Changes in ratios for job information postings media >



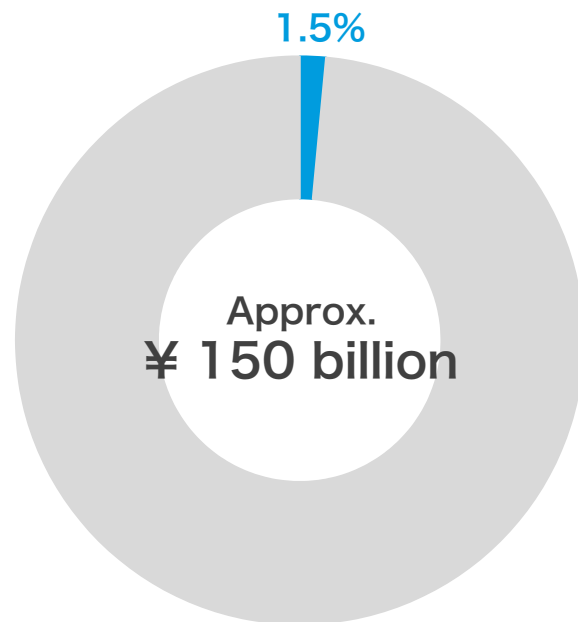
In 2006, the year of our founding, the primary medium of the job information postings market was paper and the fee-based listing business model was standard practice

In 2013, the primary medium of the job information postings market had shifted to a point where websites represented nearly half of all postings and the affiliate marketing model gradually had become more commonplace.

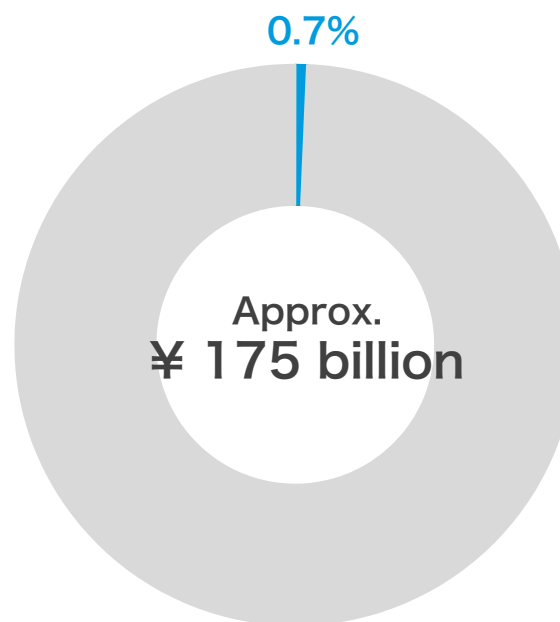
5. Market environment (existing business)

Despite the existence of various business models, based on the sheer scale of the market in terms of net sales, we believe our share of the market is relatively small and that there is still significant room for growth

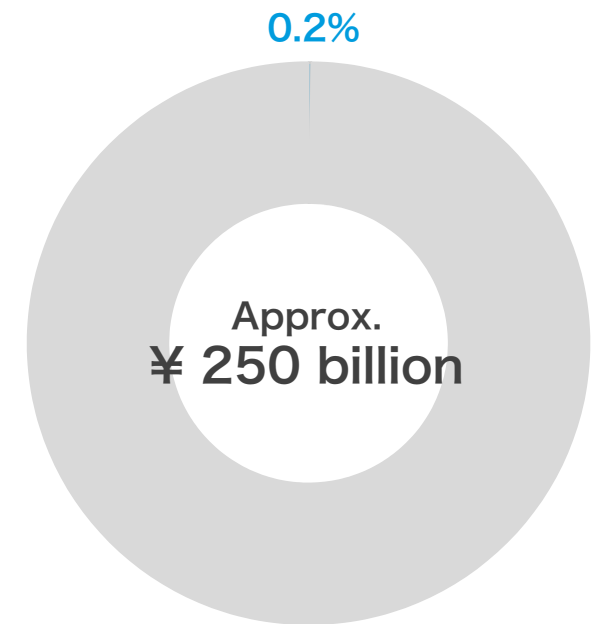
Part-time job information advertising market



Full-time employee career change market



Rental real estate market



(Note) Market scale data figures are estimated based on our research.

5. Market environment (new business)

- | While carefully evaluating trends in the internet service market we will progress aggressively to develop new market segments

Trends in internet service markets (our perspective)

- | Existing industry structure / rebuilding operations
- | Realization of user-oriented services
- | Optimization of services to adapt to spread of smartphones, etc.
- | Progression of globalization

5. Our approach to business

| About "the next common" envisioned by Livesense

Business able to contribute to social development and problem resolution

Business loved by many people for all time

Business in which Livesense can become No. 1

Business able to achieve sales of 50 billion yen in a 10-year span

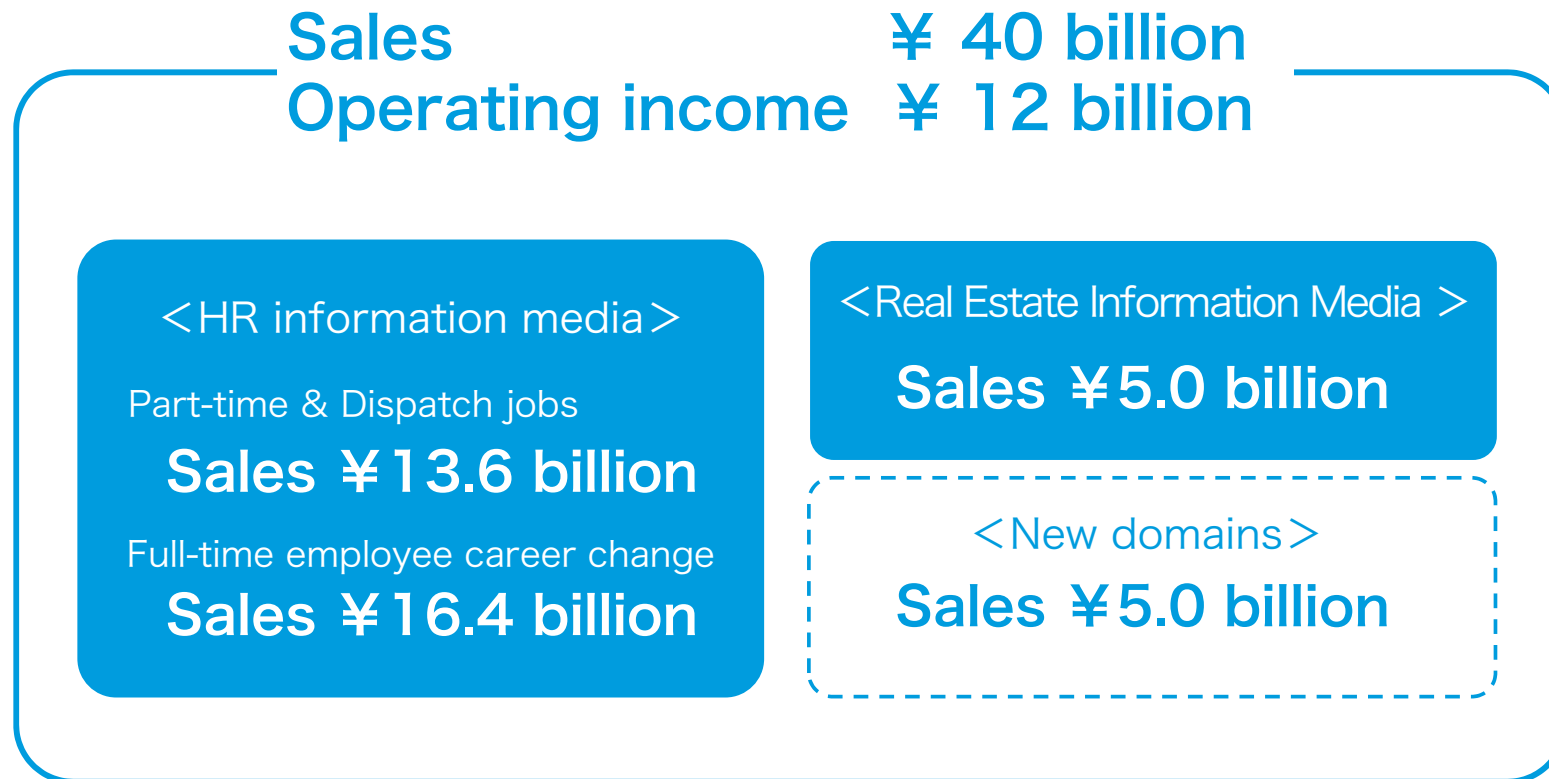
5. Medium-Term Business Plan - schedule

Continue with infrastructure enhancements and aggressive investments need to achieve long-term growth

	FY2014	FY2015	FY2016~2018
Policies	Business infrastructure enhancements	Business portfolio enhancements	Higher profitability
Vital measures	<p><Business topics> Existing business: enhance user traffic development capabilities</p> <p><Organization topics> Increased hiring, organizational development, personnel development</p>	<p><Business topics> Existing business: expanding business domains</p> <p>New domains: development of multiple businesses, test runs, begin overseas expansion</p>	<p><Business topics> Existing business: expanding business scope</p> <p>New domains: full-scale expansion of business, profit stabilization</p>
Investments	<p>Existing business: M&A in related domains</p> <p>New domains: market research, planting seeds</p>	<p>New domains: internal development, investments, partnerships, M&A, overseas expansion</p>	<p>Recovery through profit stabilization</p>

5. Earnings goals for FY2018

| In 5-year period, aim "add another zero" to profit scale



→ Issue commercial stock options that can be executed with achievement of earnings goals

5. Growth strategy for goal achievement (existing business)

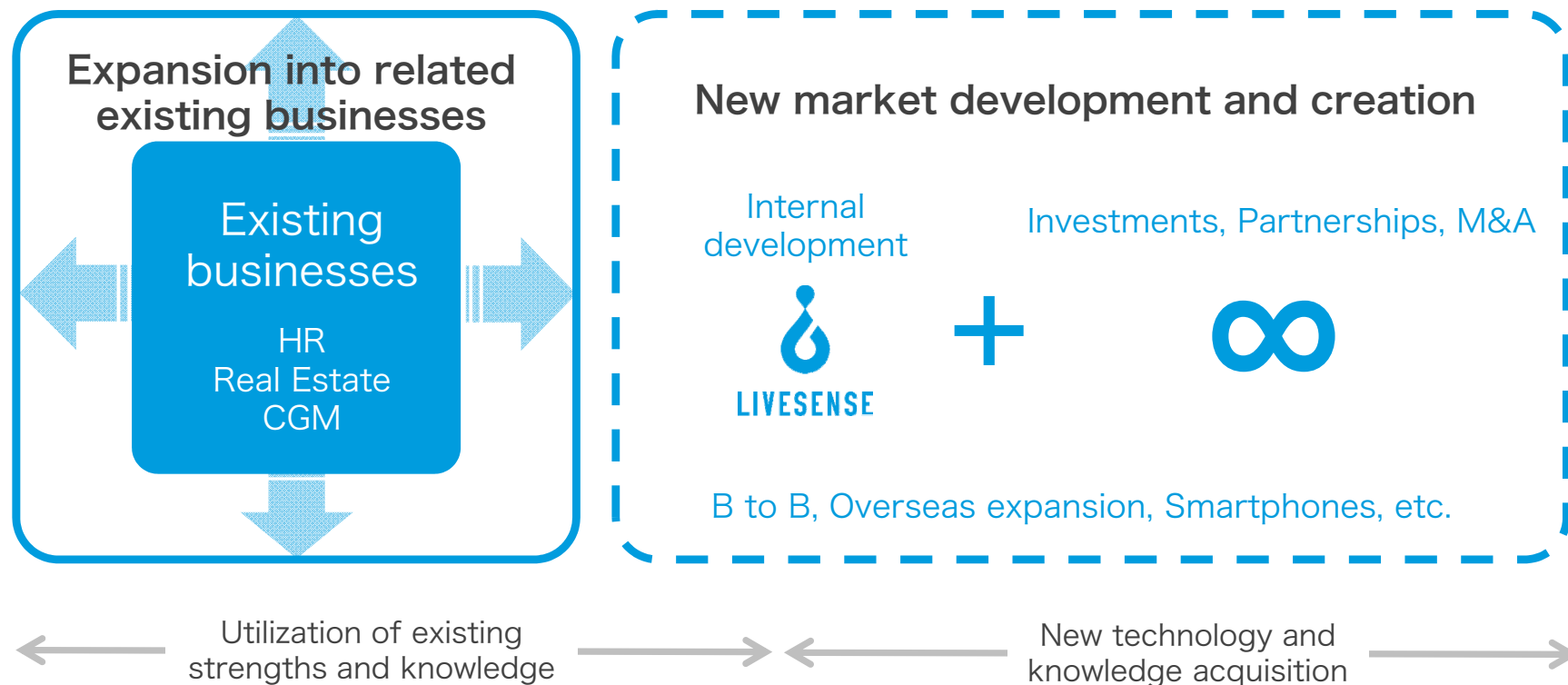
Reinforcement of major measures and distinction in our services to expand share and expand business segments by breaking into related domains in order to become "the next common" in the HR and real estate markets



5. Growth strategy for goal achievement (new domains)

- In addition to internal development, we will use aggressive business investments, including capitalization, business partnerships, and M&A to create "the next common" and enhance our profit infrastructure

Our business domains



Reference - Income statement

(Thousands of JPY)

	FY2012	FY2013	YoY
Sales	2,264,042	4,256,153	+88.0%
Sales Cost	244,382	359,940	+47.3%
	10.8%	8.5%	(2.3%)
Gross Margin	2,019,660	3,896,213	+92.9%
	89.2%	91.5%	+2.3%
SG&A Expenses	888,816	2,311,734	+160.1%
	39.3%	54.3%	+15.1%
Operating Income	1,130,844	1,584,478	+40.1%
	49.9%	37.2%	(12.7%)
Ordinary Income	1,113,611	1,585,828	+42.4%
	49.2%	37.3%	(11.9%)
Net Pretax Profit	1,109,582	1,572,898	+41.8%
	49.0%	37.0%	(12.1%)
Net profit	597,846	983,830	+64.6%
	26.4%	23.1%	(3.3%)

Sales Cost : The amount of “monetary gifts” that we pay grows as our scale of business expands. (+ JPY 75 million)

SG&A : Increases of advertising costs (+ JPY 831 million) resulting from web promotions and personnel expenses, etc. (+ JPY 313 million) due to business expansion.

Reference - Balance Sheet Statement

(Thousands of JPY)

	FY2012	FY2013	YoY
Current assets	2,002,084	3,035,601	+51.6%
Cash and deposits	1,685,906	2,541,453	+50.7%
Accounts receivable	272,761	437,560	+60.4%
Fixed assets	216,457	347,595	+60.6%
Tangible fixed assets	25,741	116,787	+353.7%
Intangible fixed assets	12,803	32,504	+153.9%
Investments and other assets	177,912	198,303	+11.5%
Total assets	2,218,541	3,383,196	+52.5%
Current liabilities	558,598	726,115	+30.0%
Accounts payable	46,395	201,225	+333.7%
Income taxes payable	425,000	385,611	(9.3%)
Fixed liabilities	-	-	-
Total liabilities	558,598	726,115	+30.0%
Shareholders' equity	1,651,507	2,638,521	+59.8%
Capital	219,930	221,901	+0.9%
Capital reserve	204,930	206,901	+1.0%
Accumulated earnings	1,226,647	2,210,478	+80.2%
Stock warrants	8,436	18,559	+120.0%
Total net assets	1,659,943	2,657,081	+60.1%

Reference - Cash Flow Statement

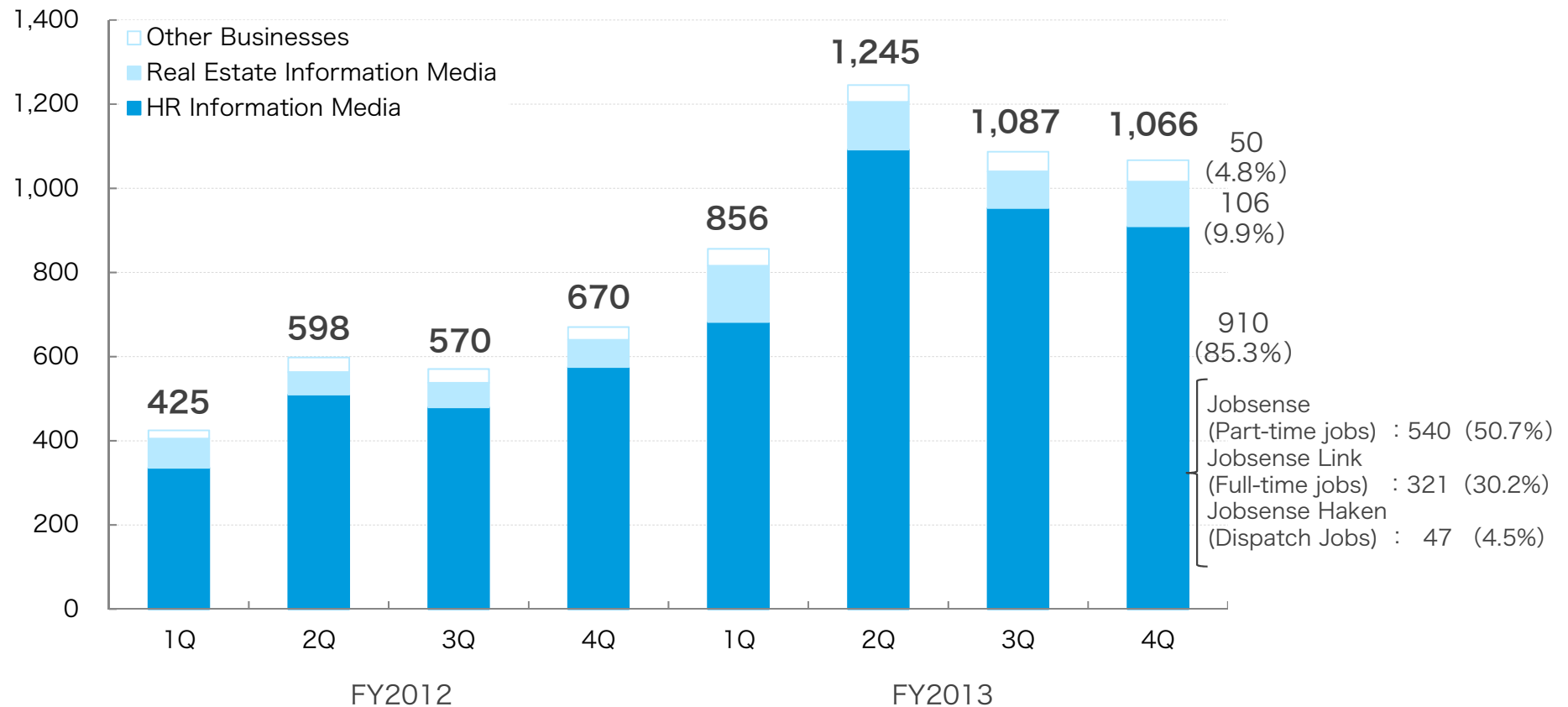
(Thousands of JPY)

	FY2012	FY2013	YoY
Cash flows from operating activities	791,379	1,018,990	+28.8%
Depreciation and amortization	33,212	46,073	+38.7%
Impairment losses	-	9,872	-
Increase (decrease) in allowance for doubtful accounts	2,261	3,827	+69.3%
Stock compensation expenses	8,436	10,123	+20.0%
Head office relocation expenses	4,028	3,056	(24.1%)
Decrease (increase) in notes and accounts receivable	(128,048)	(171,550)	+34.0%
Increase (decrease) in accounts payable	15,805	152,866	+867.2%
Increase (decrease) in accrued consumption taxes	28,003	14,763	(47.3%)
Income taxes paid	(324,667)	(646,415)	+99.1%
Relocation expenses paid	-	(2,501)	-
Cash flows from investing activities	(143,168)	(166,626)	+16.4%
Payments for purchase of tangible fixed assets	(11,292)	(123,657)	+995.1%
Payments for purchase of investment securities	-	(21,100)	-
Payments for purchase of intangible fixed assets	(8,696)	(37,413)	+330.2%
Payments for lease and guarantee deposits	(126,139)	(19,468)	(84.6%)
Income from collection of lease and guarantor deposits	-	42,300	-
Cash flows from financing activities	(21,929)	3,183	(114.5%)

Reference - Trends in Net Sales (Quarter)

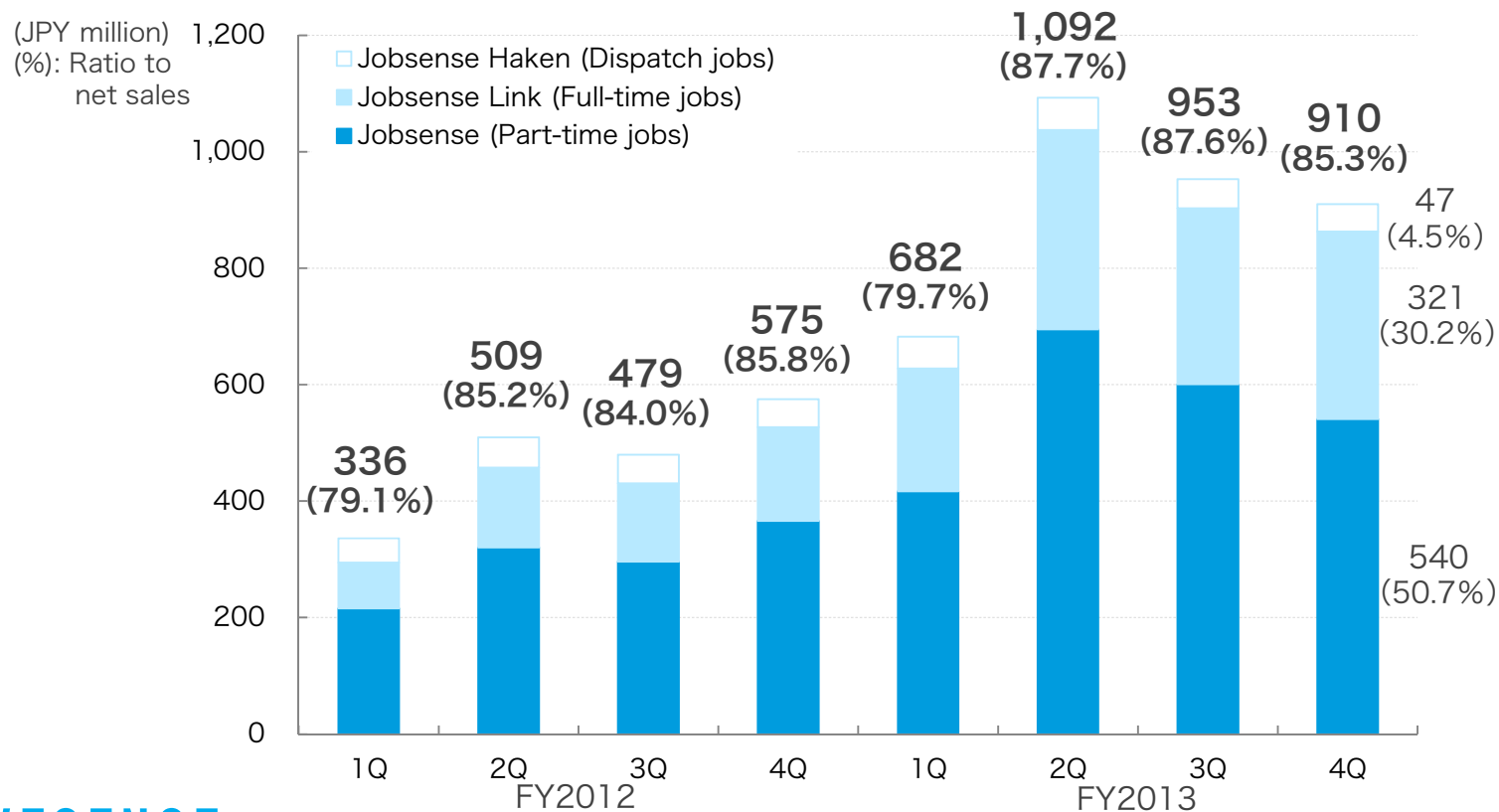
Although revenue from HR sales increased 58.3% year on year, in a comparison of the third quarter, earnings fell slightly below expectations to result in a minor decline

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



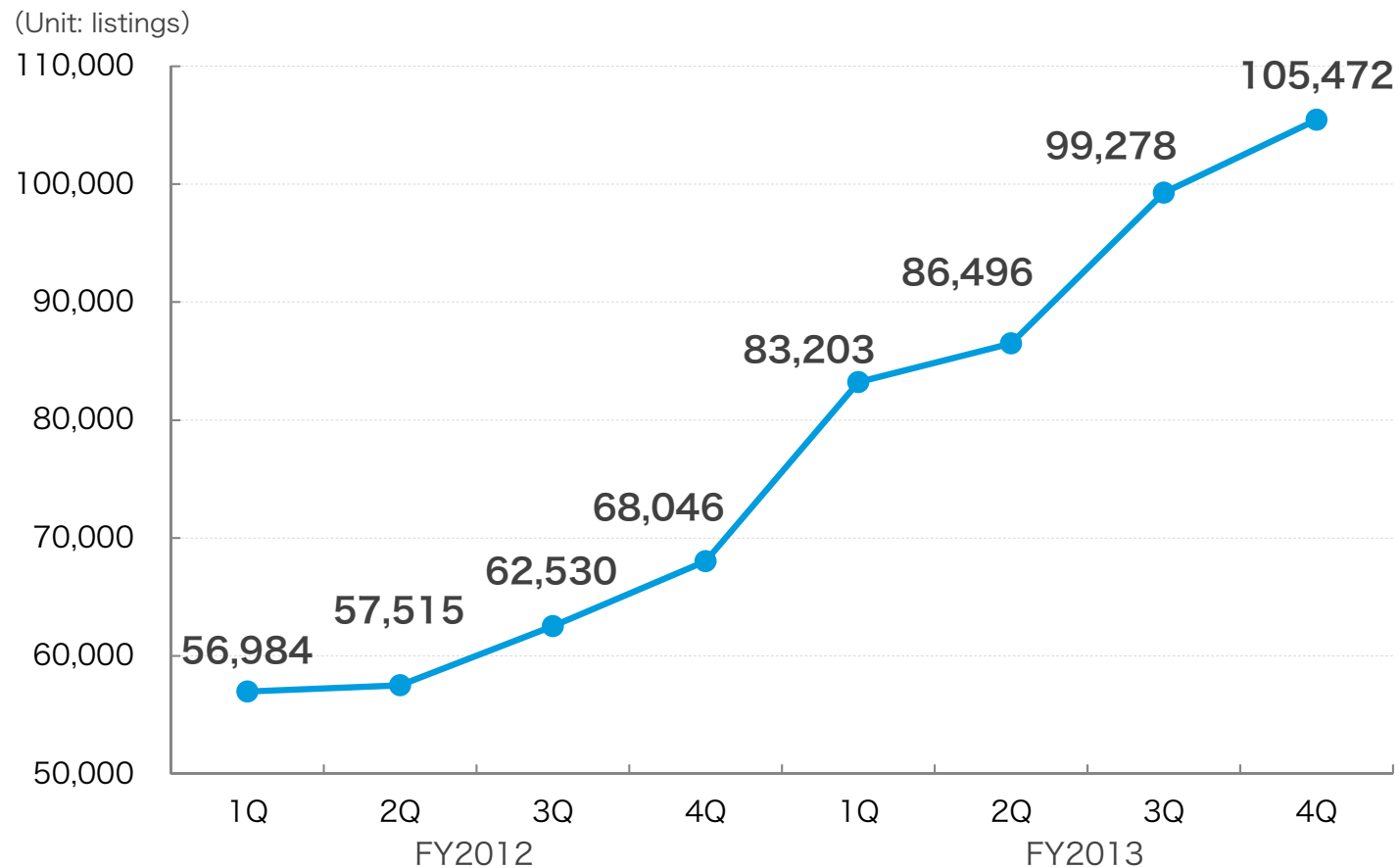
Reference - HR Information Media Business (Sales)

- During the second half of 4Q, despite an increase in job offerings from corporations, there was a latent lack of job applicants (users), which resulted in net sales falling below expectations
- Distribution of information concerning changes in prices for service provision is mostly complete and largely progressing according to plan



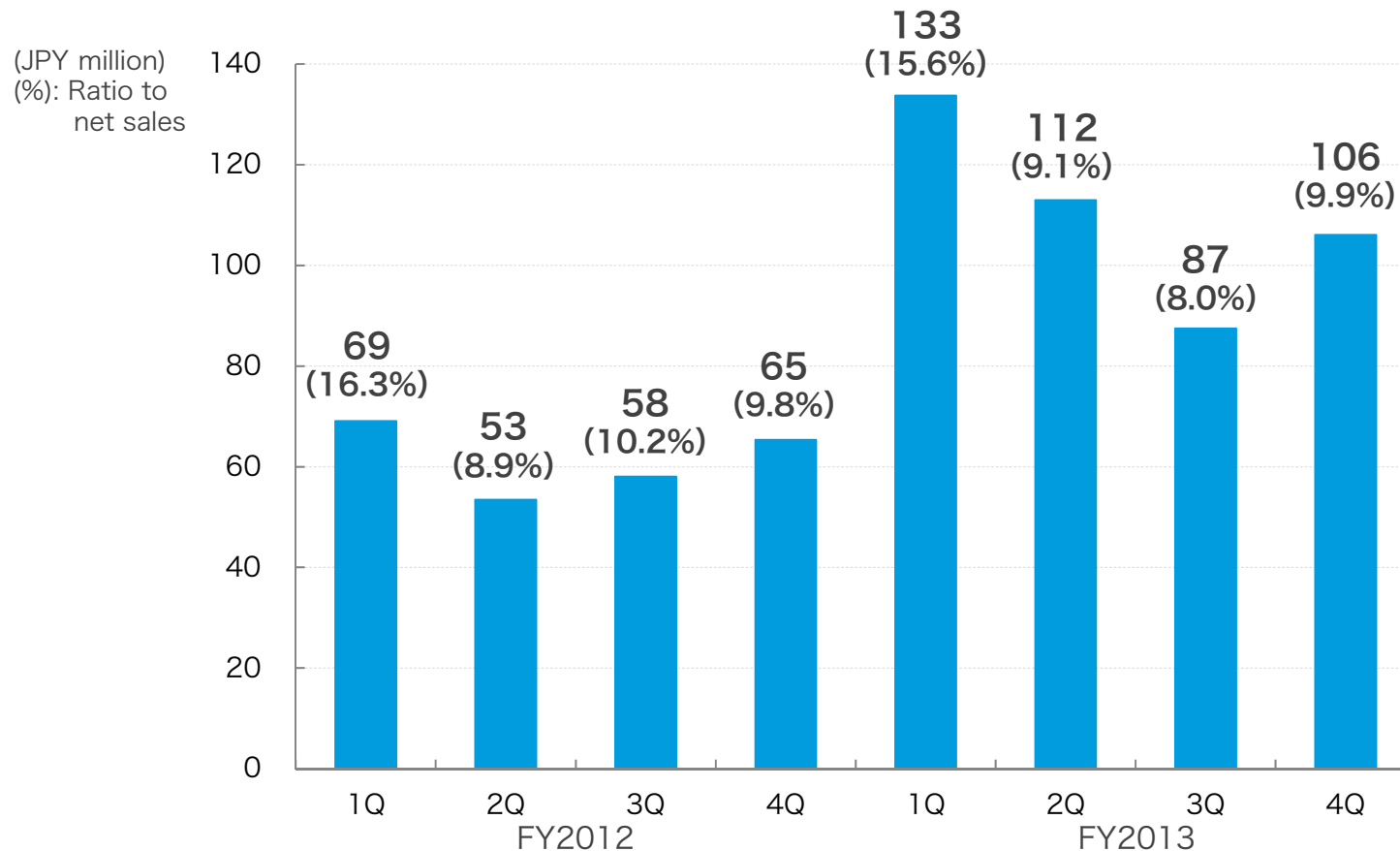
Reference - HR Information Media Business (No. of information)

- The number of listings grew steadily due to marketing in regions with low usage levels and promotion of use among existing corporate customers



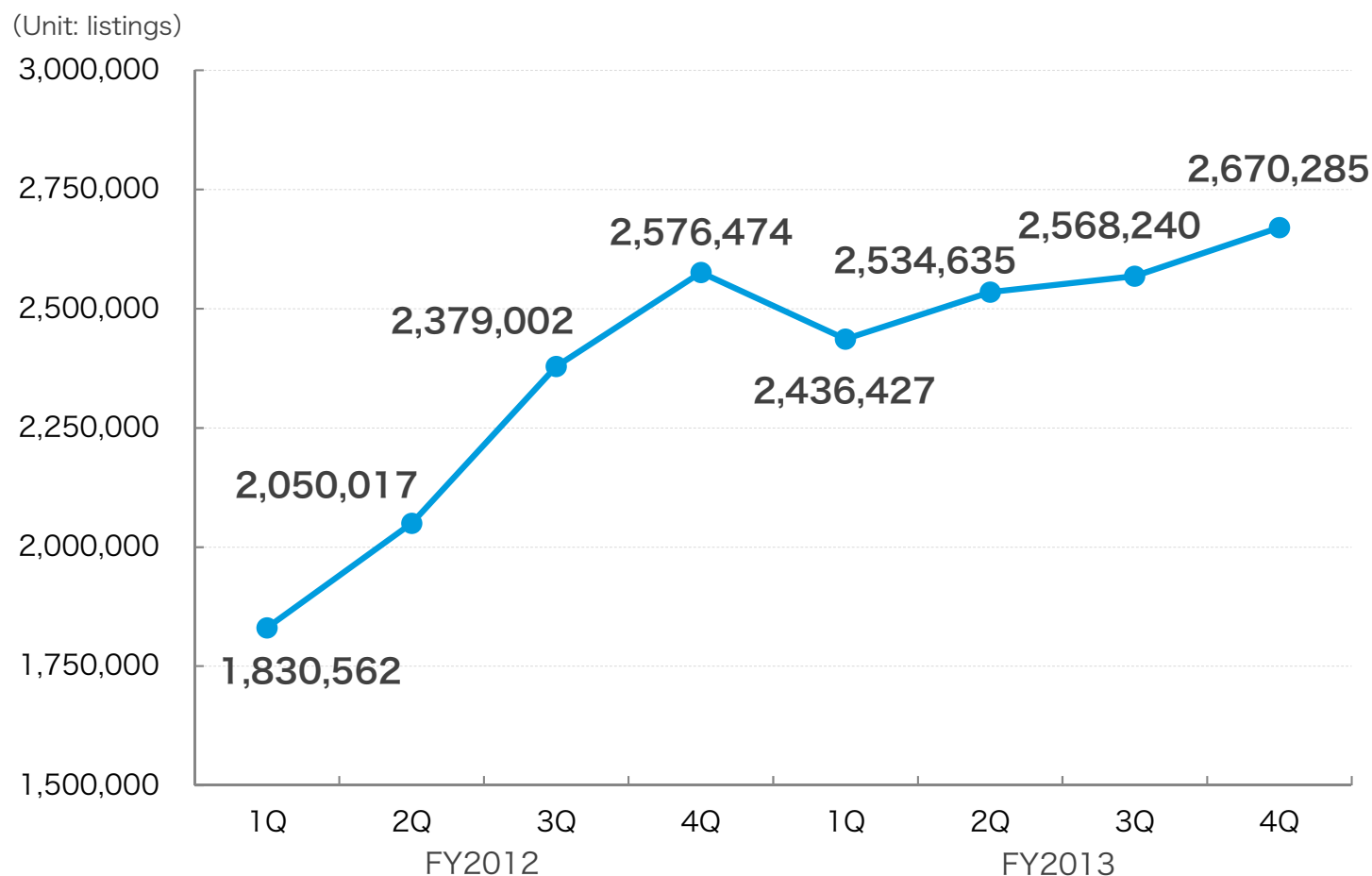
Reference - Real Estate Information Media Business (Sales)

- User traffic development measures such as the complete renovation of our smartphone website (completed in October 1) gradually have begun to produce results and resulted in an increase in net sales compared to 3Q. However, net sales were still slightly below expectations



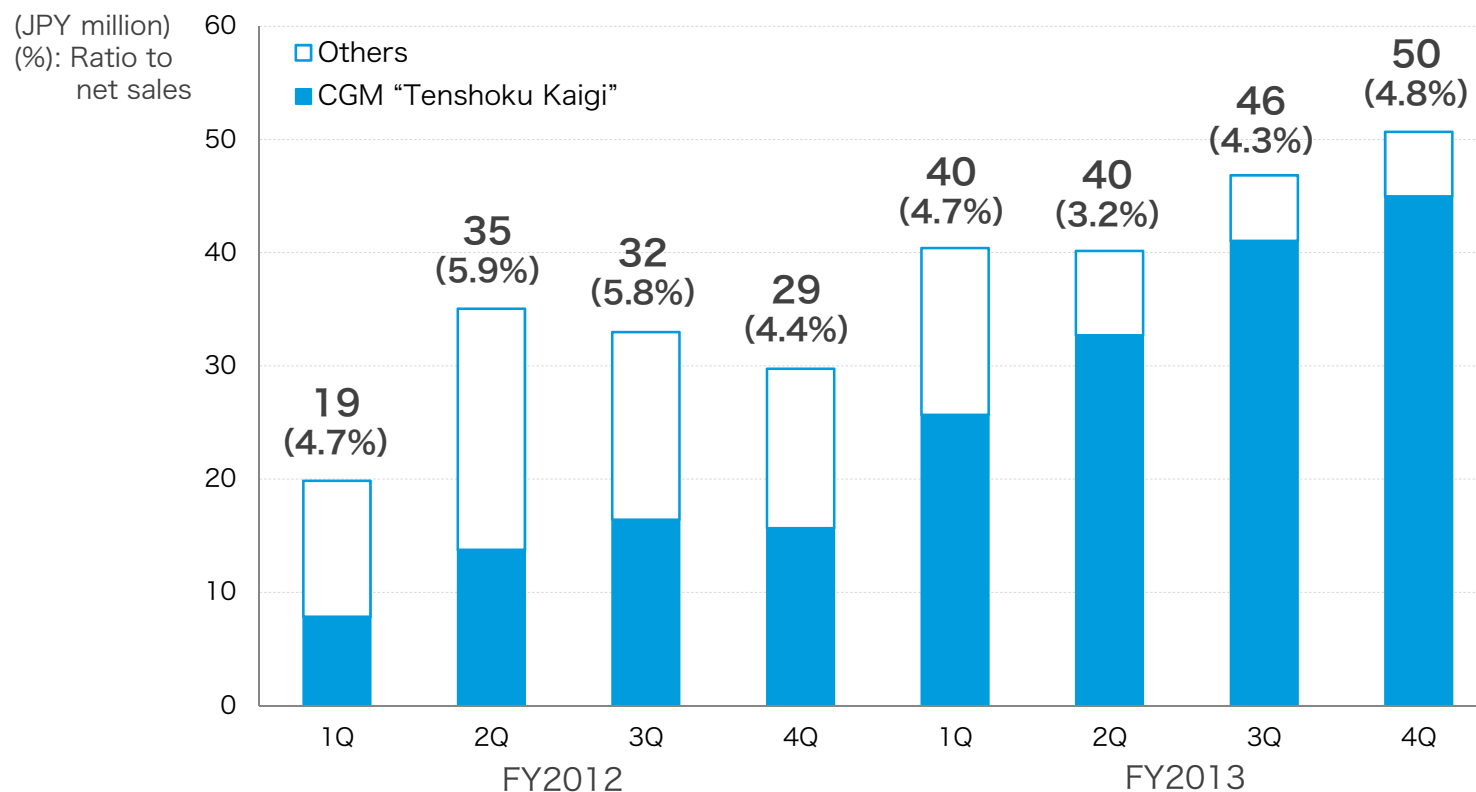
Reference - Real Estate Information Media Business (No. of information)

- During 4Q, we began listing properties from Pitat House and are continuing with other preparations ahead of 1Q next fiscal year, which is a particularly busy season



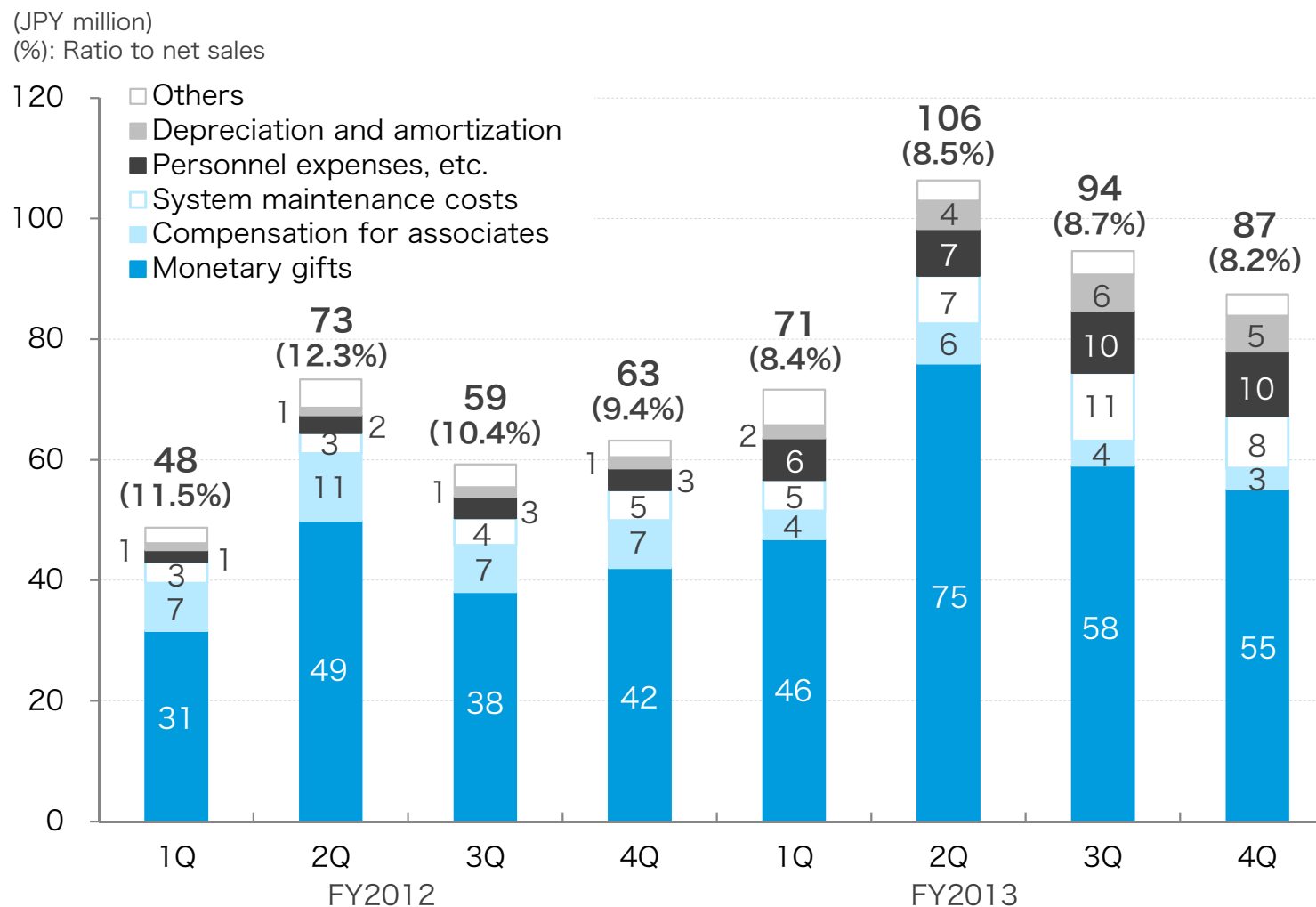
Reference - Other Businesses (Sales)

- Tenshoku Kaigi has seen continued growth in member numbers and the number of discussion threads
- Net sales are increasing steadily due to increases in the number of member referrals to major employment information services, enhanced profitability measures, and continuous site functionality improvements.



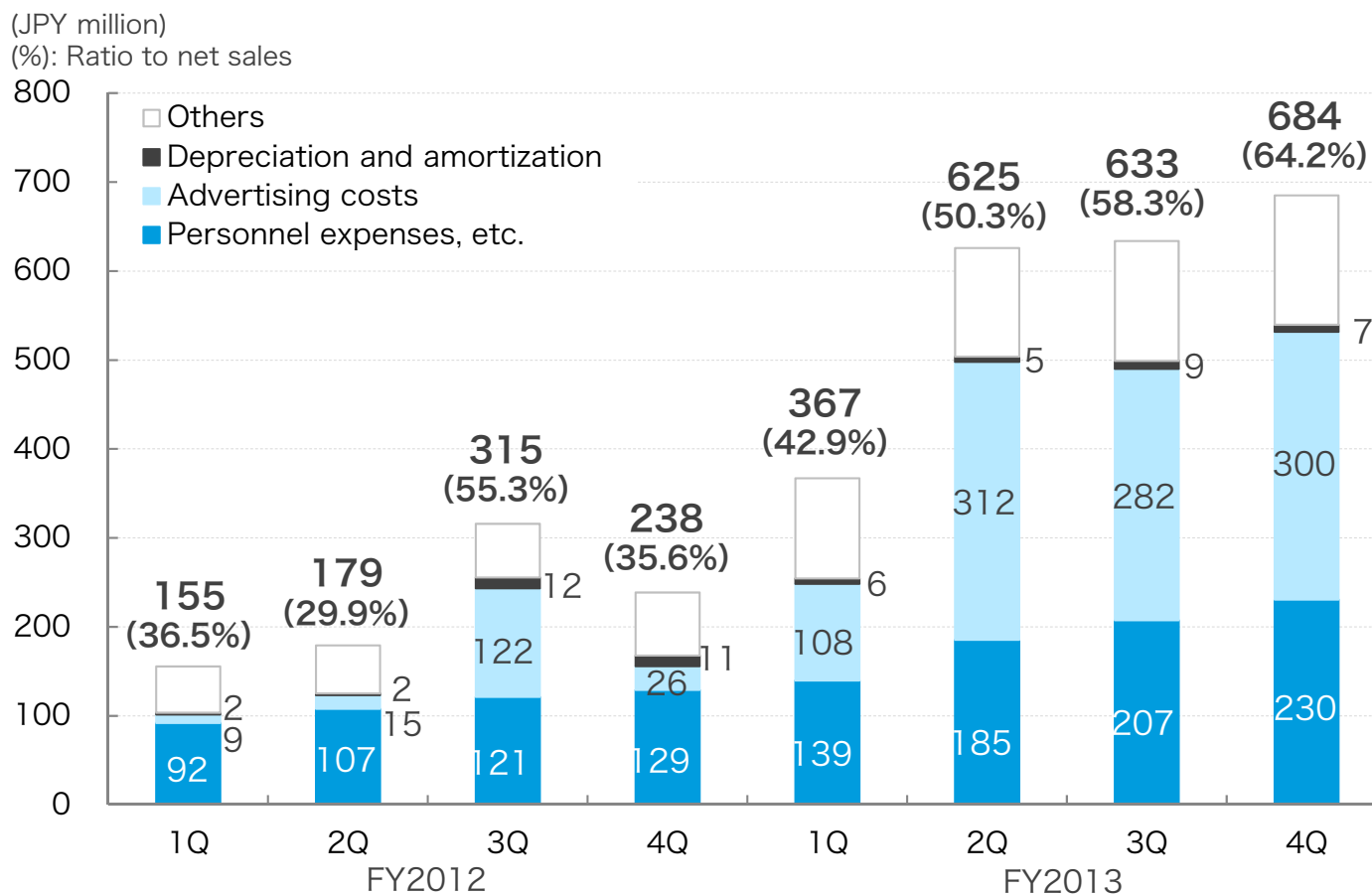
Reference - Trends in Sales Costs

Hiring monetary gifts decreased compared to 3Q due to HR sales scale link



Reference - Trends in SG&A Expenses

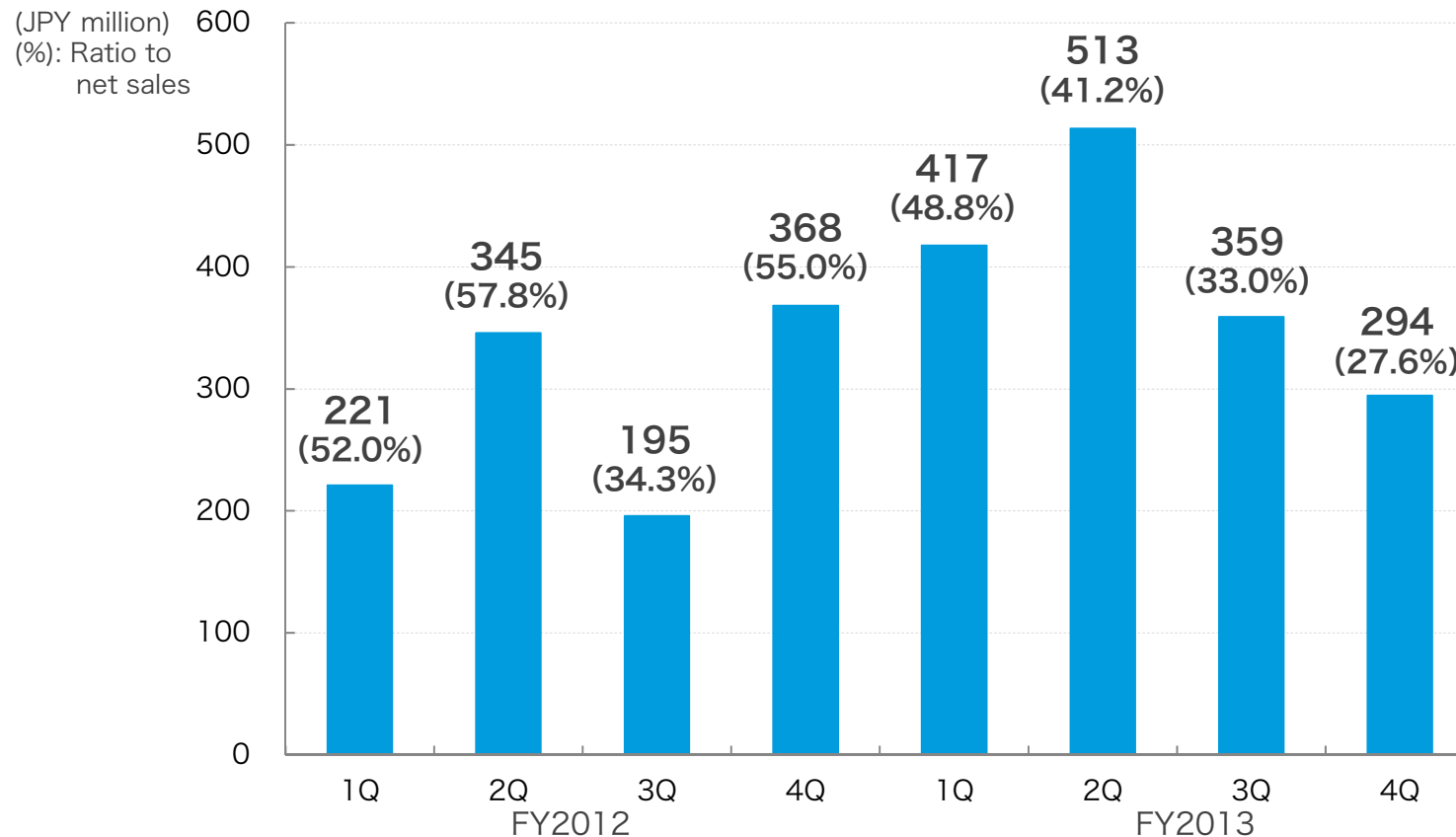
- Personnel expenses continued to grow in line with the increase in the number of employees
- Advertising costs increased slightly compared to 3Q due to continued Web promotion aimed at increasing job applicants and user traffic



Reference - Trends in Operating Income

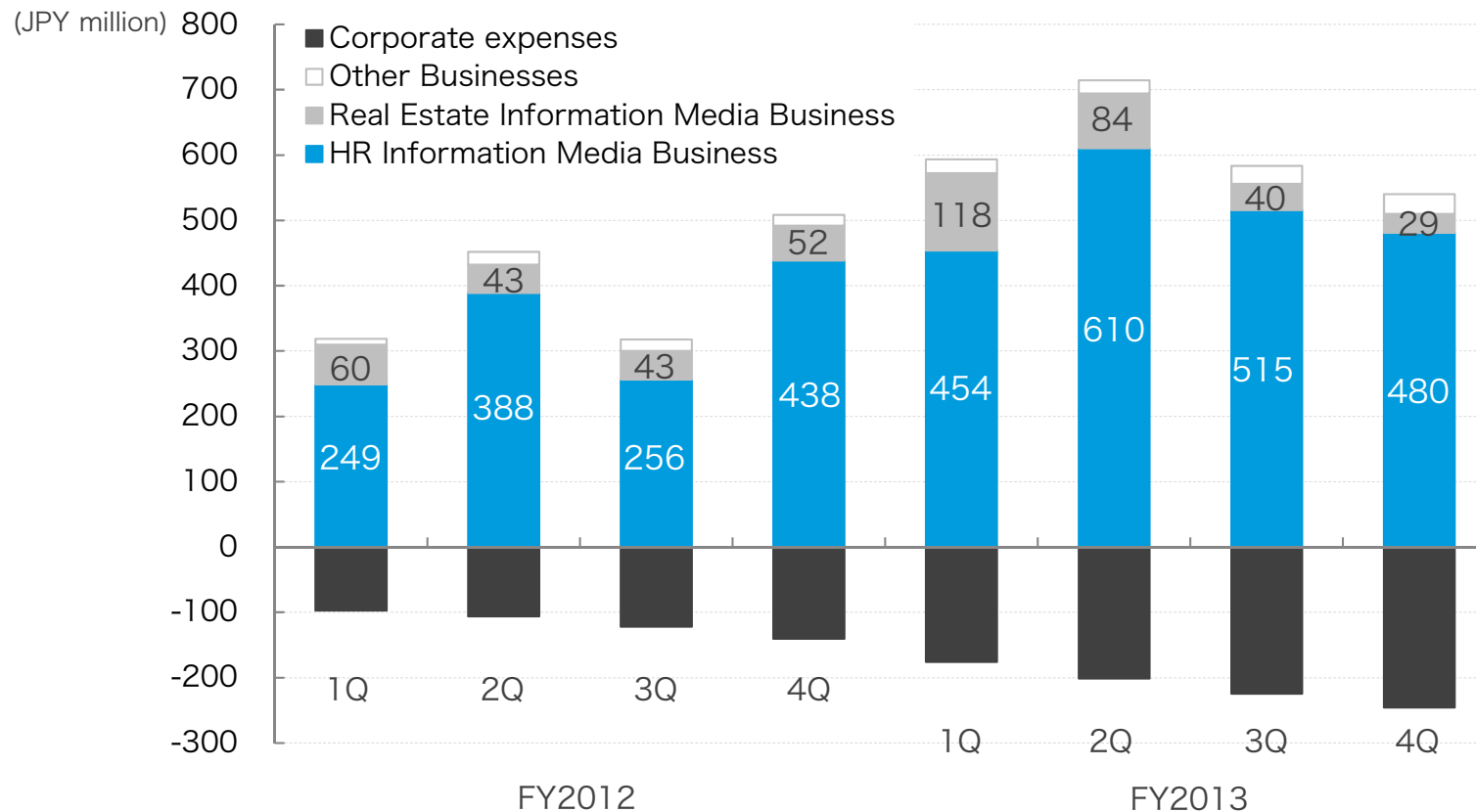
4Q saw net sales fall below expectations while advertising costs and personnel expenses increased, which resulted in a decline in 4Q operating income

Per employee operating income during FY2013 was maintained at a very high level, exceeding 18 million yen.



Reference - Trends in Segment profits

- In line with the decrease in net sales, 4Q HR profit decreased compared to 3Q
- 4Q real estate profit decreased compared to 3Q due to Web promotion initiatives and structural changes implemented in preparation for the particularly busy season expected beginning 1Q next fiscal year



Reference - Stock Information (As of December 2013)

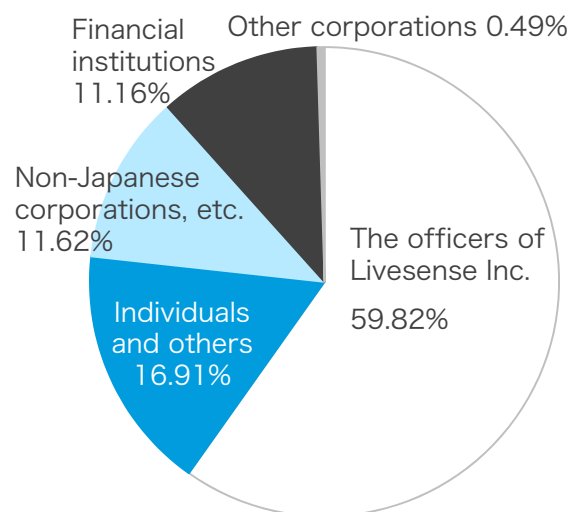
- Trends in our stock price

- Lowest listed price : JPY 223 (Dec. 7, 2011)
- Highest listed price : JPY 3,255 (Jul. 2, 2013)
- Average volume : 143,209 stock/day (Jul. – Dec. 2013)

- Issued shares : 13,874,400 (27,748,800 / as of Jan. 2014)

- Shareholders : 5,520

- % of Shares by category



- Major Shareholders

Name	Shares owned	%
Taichi Murakami (CEO)	6,886,200	49.63
Daisuke Katsura (Director)	1,349,000	9.72
The Master Trust Bank of Japan, Ltd. (Trust Account)	416,000	2.99
Japan Trustee Services Bank, Ltd. (Trust Account)	328,600	2.36
MSCO CUSTOMER SECURITIES	252,140	1.81
Kentaro Yoshida (Employee)	220,000	1.58
The Chase Manhattan Bank 385036	185,600	1.33
JAPAN SECURITIES FINANCE CO., LTD.	162,800	1.17
BBH for FSP Technology	118,400	0.85
Bank of New York GCM Client Accounts E ILM	113,800	0.82

Reference - Record of Recent Major Publicity Events

2014.01.30	Tokyo Mayokara (TV Tokyo)
2014.01.27	Nihon Keizai Shimbun morning edition
2014.01.27	Magazine PRESIDENT (on sale Dec. 27)
2014.01.20	Shukan Jutaku Shimbun
2014.01.13	Zenkoku Chintai Jutaku Shimbun
2014.01.03	SANKEI Shimbun
2013.12.29	Gacchiri Monday (TBS)
2013.12.26	Nikkei top leaders (on sale Dec. 26)
2013.12.11	TV Future heritage (TBS)
2013.12.03	SANKEI Shimbun
2013.11.25	AERA Nov. 25 edition
2013.11.22	Magazine Ascii cloud Jan. issue
2013.11.01	AERA Nov. 1 edition
2013.11.01	Monthly magazine business concept Dec. issue
2013.10.10	Nikkei Business Associé Nov. edition
2013.10.07	Magazine Shukan Economist (on sale Oct. 7)
2013.08.16	Magazine DIME Oct. edition
2013.08.15	Nihon Keizai Shimbun morning edition
2013.07.27	Tokyo Shimbun
2013.07.22	Shukan Toyo Keizai July 22 issue
2013.07.22	Magazine PRESIDENT (on sale July 22)
2013.07.15	Zenkoku Chintai Jutaku Shimbun
2013.07.02	Shukan Jutaku Shimbun
2013.07.01	Zenkoku Chintai Jutaku Shimbun
2013.06.24	Magazine PRESIDENT (on sale June 24)
2013.05.24	SANKEI Shimbun
2013.05.13	SANKEI Shimbun
2013.05.10	Magazine MEN'S NON-NO June issue (on sale May 10)
2013.05.10	Magazine THE21 June issue (on sale May 10)
2013.05.01	NIKKEI plus 10 (BS-Japan)



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