



Daiwa Investment Conference New York 2014
Presentation Material

May 27-28, 2014
Livesense Inc.
(TSE : 6054)

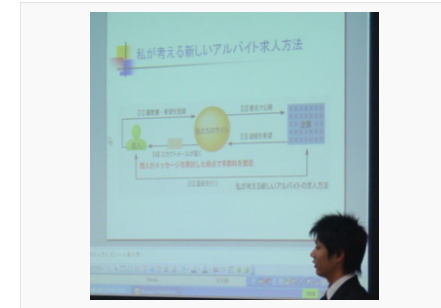
Company Profile (As of March 2014)

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	<p>Managing Director Daisuke Katsura Yuichi Iwasaki Tomoya Shibasaki Shin Nakajima Hiroyuki Honda (Outside Director)</p> <p>Statutory Auditors Junichi Ehara Misao Akutsu (Outside Statutory Auditor) Mitsuru Ozaki (Outside Statutory Auditor)</p>
Capital	JPY221 million
Business Results	FY2013 Sales : JPY 4,256 million, OP: JPY 1,584 million
Number of Employees	Full-time : 91, Part-time & Temp. : 139
Fiscal Term	December
Date listed	October 1, 2012 (TSE 1st Section) December 7, 2011 (TSE Mothers)
Auditing Firm	Deloitte Touche Tohmatsu LLC

1-1. 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

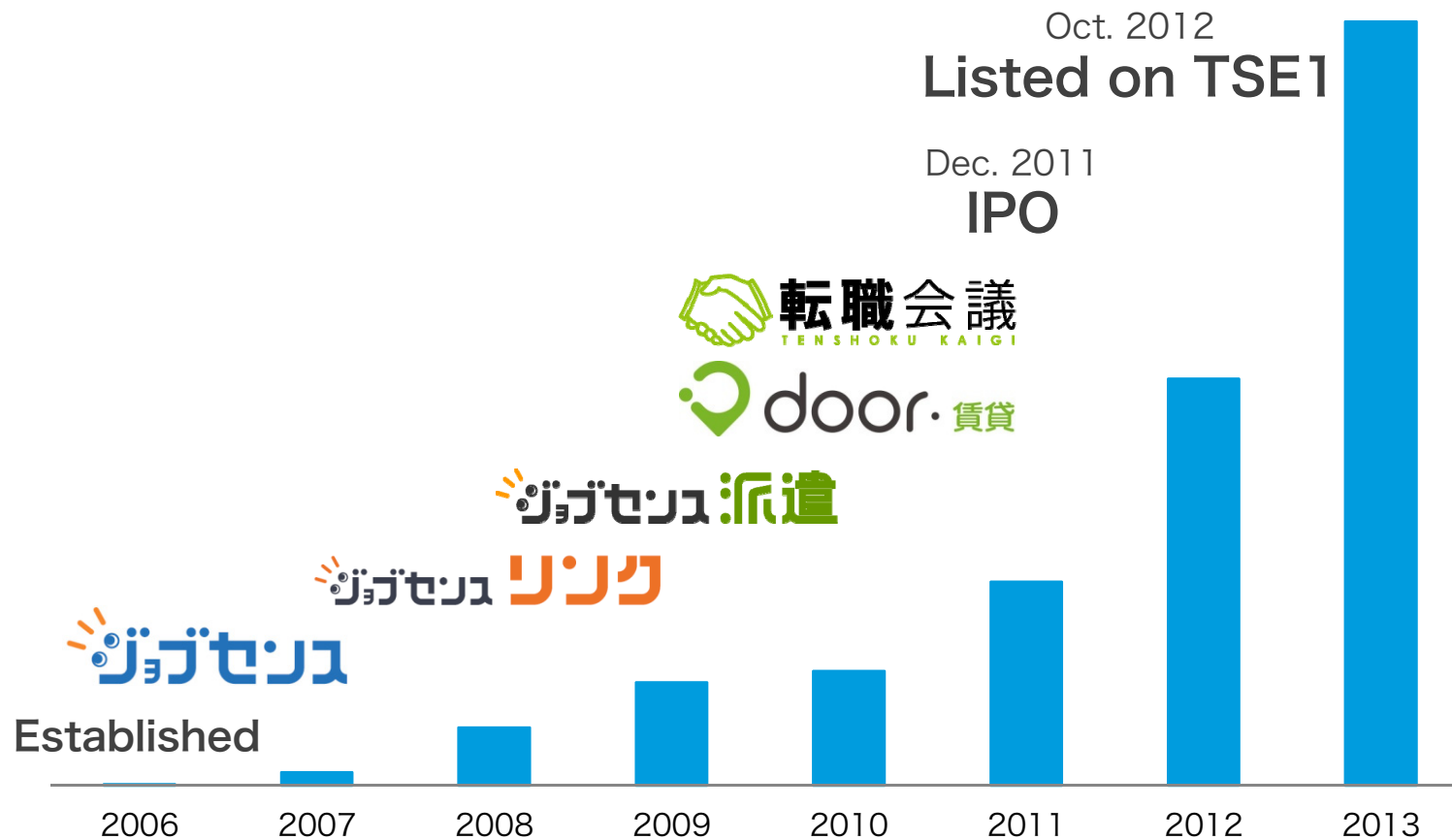
| 2006 Established Livesense Inc.



Livesense office at Waseda University

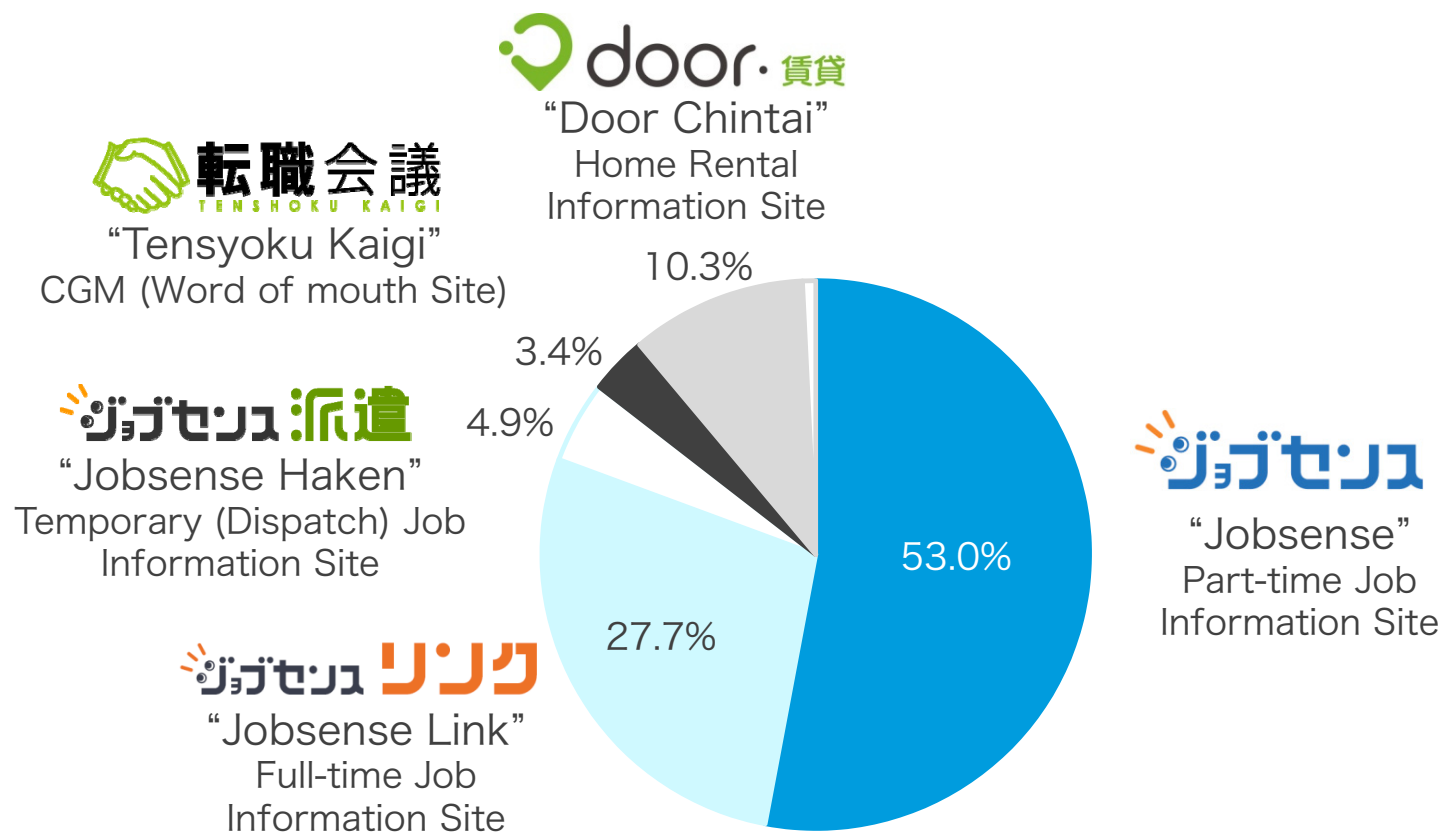
1-2. About Us (History)

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



2-1. Our Business (Sales Composition)

! We manage 5 internet services in the business areas of HR and real estate.



2-2. Our Business (Business Model)

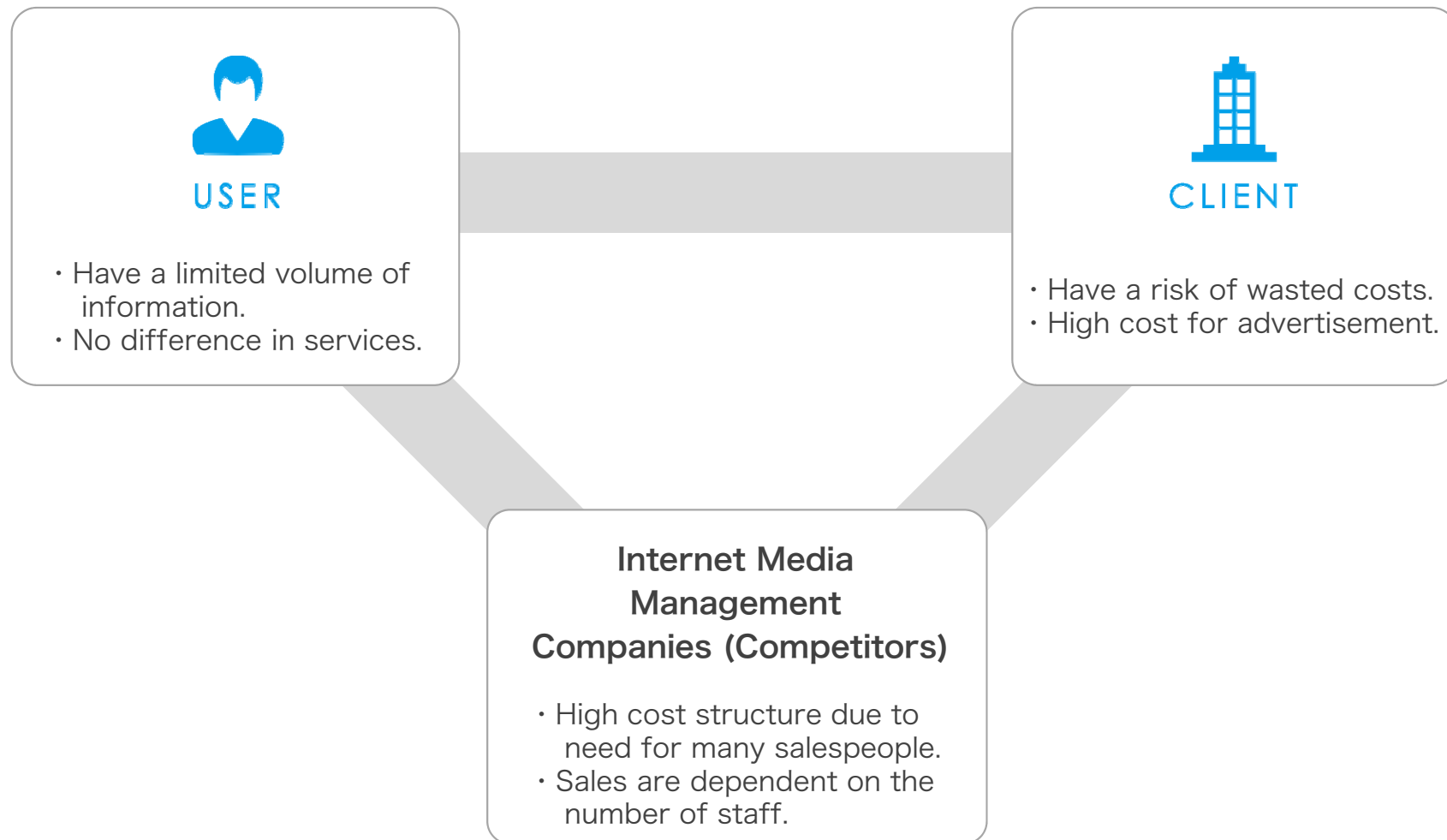
| Business Model by Affiliate (Success fee) System

Our business model

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

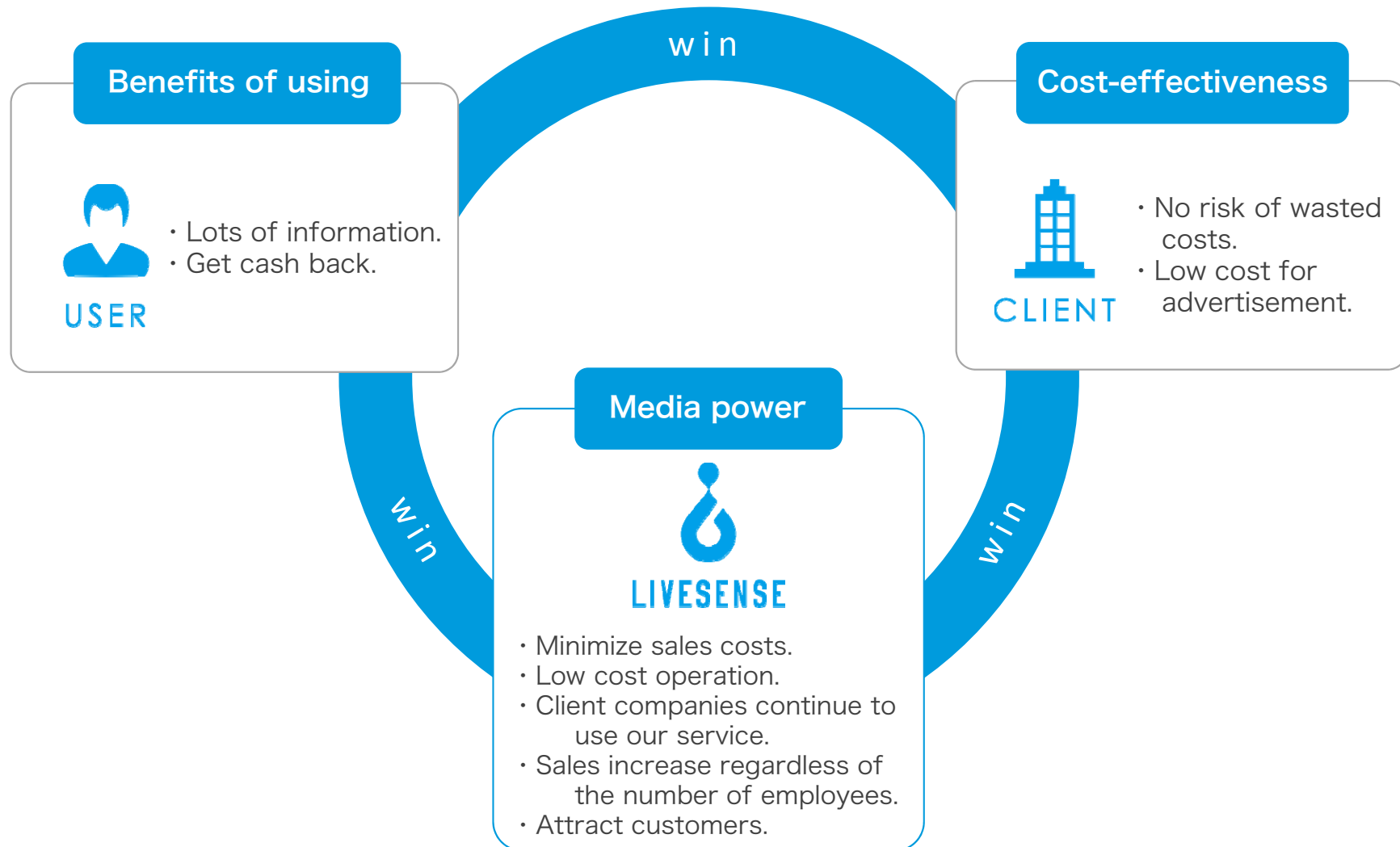
2-3. Our Business (Business Model)

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



2-4. Our Business (Business Model)

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



3-1. A Key Characteristic of Livesense

The virtuous circle model

| Business Model by Affiliate model

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Our strengths

| Service Development Technology

(Full internalized production, from planning to web marketing)

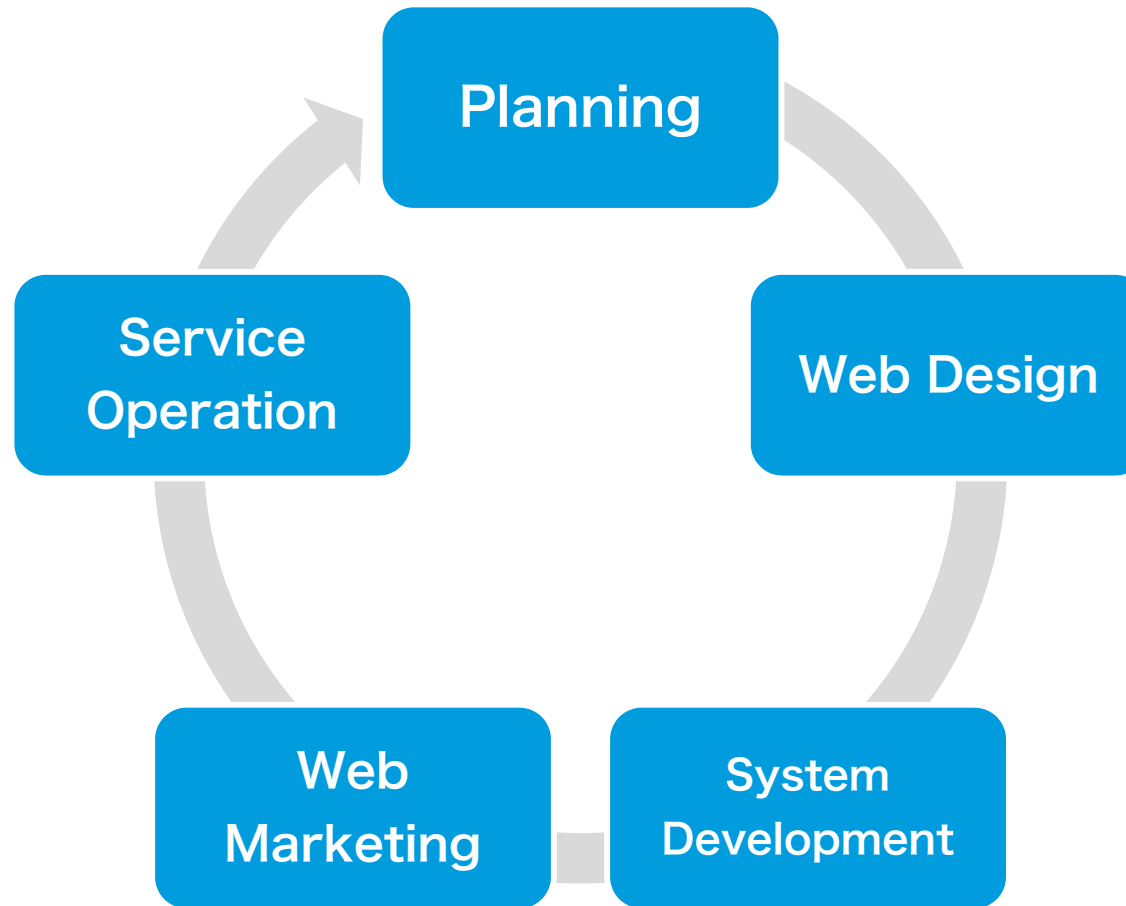
||

Our characteristic

| Efficient Business Management Structure

3-2. A Key Livesense Strength

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



3-3. 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・バイト探し | 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・バイトを探すなら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 | アルバイト探なら【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

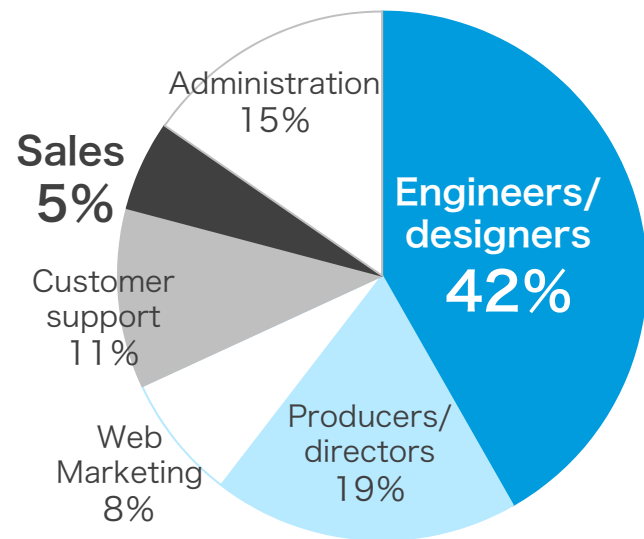
最大2万円

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

3-4. Efficient Business Management Structure

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

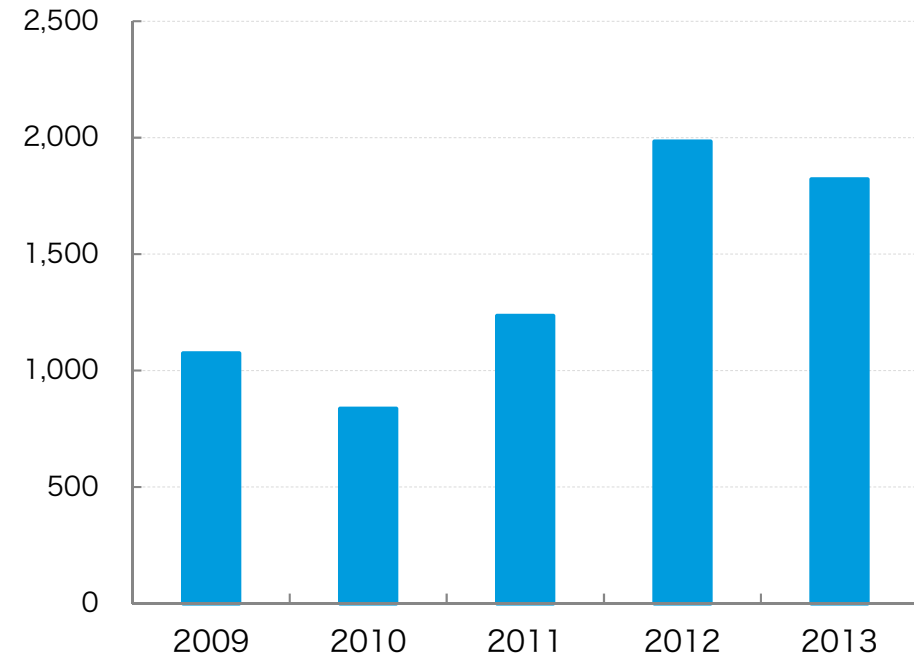
Breakdown of regular employees



(As of March 2014)

Transitions in operating income per employee

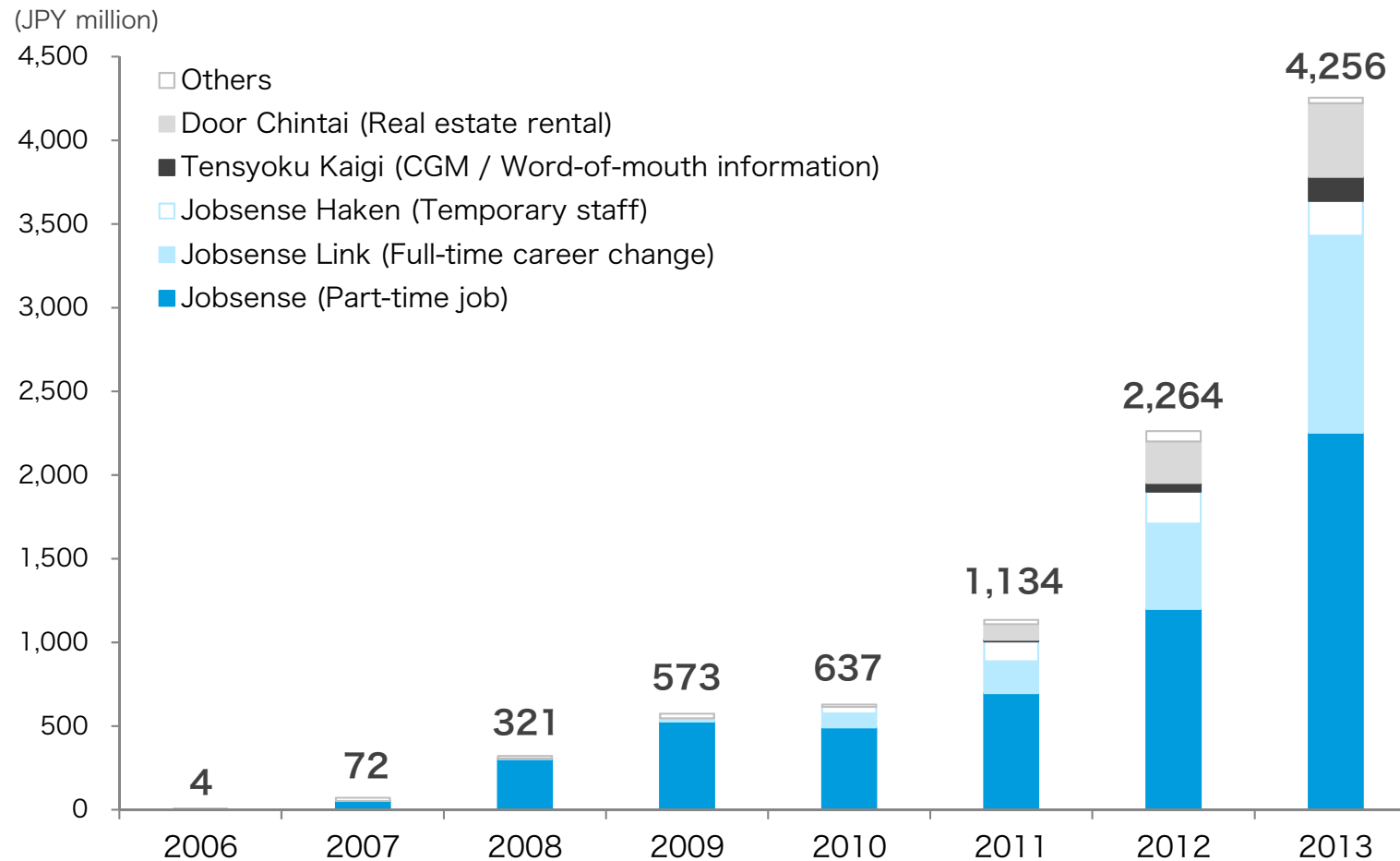
(Unit : JPY million)



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

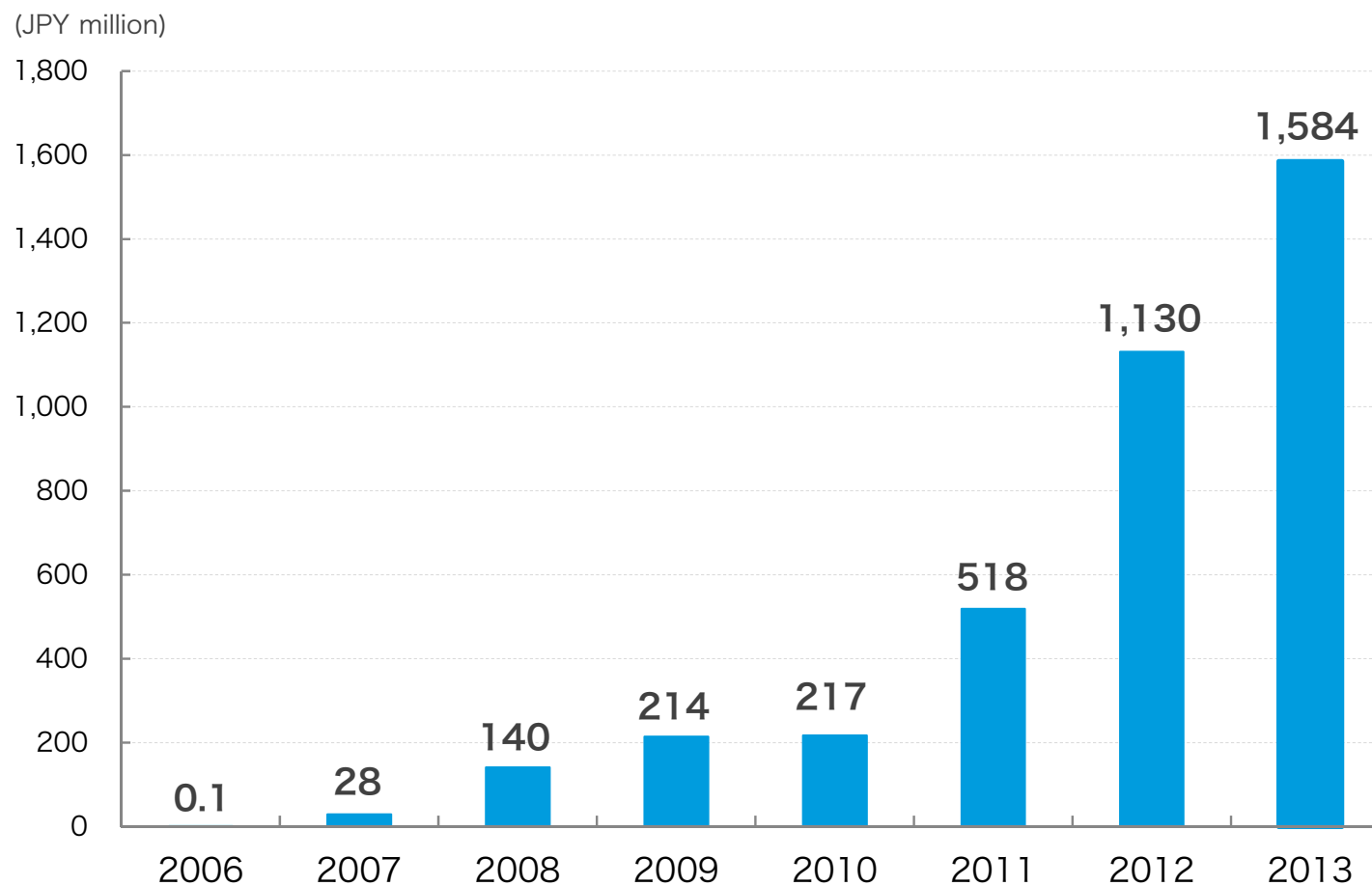
4-1. Sales

Services other than Jobsense are also enjoying strong sales growth.



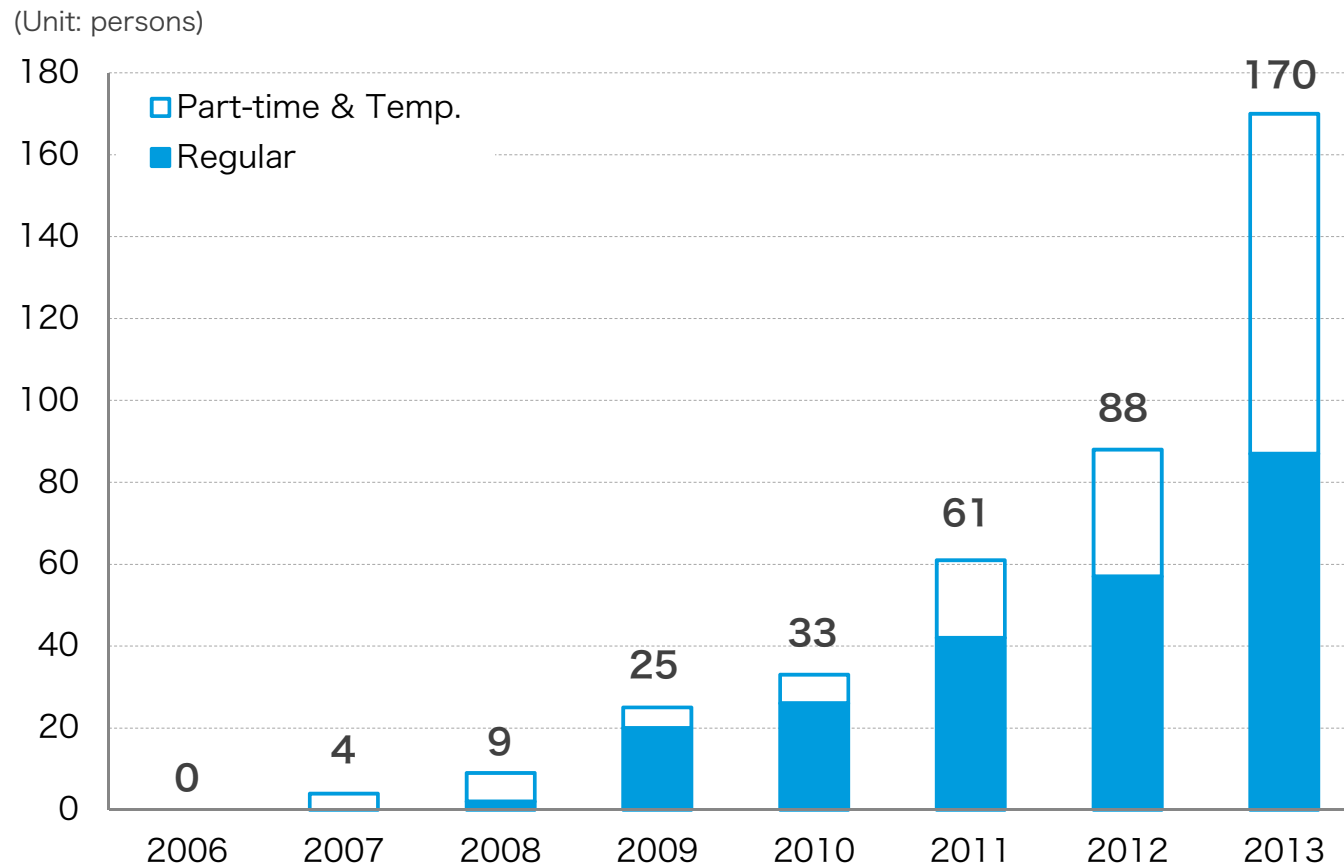
4-2. Operating Income

While investing for mid-term and long-term growth, we expand our profits steadily.



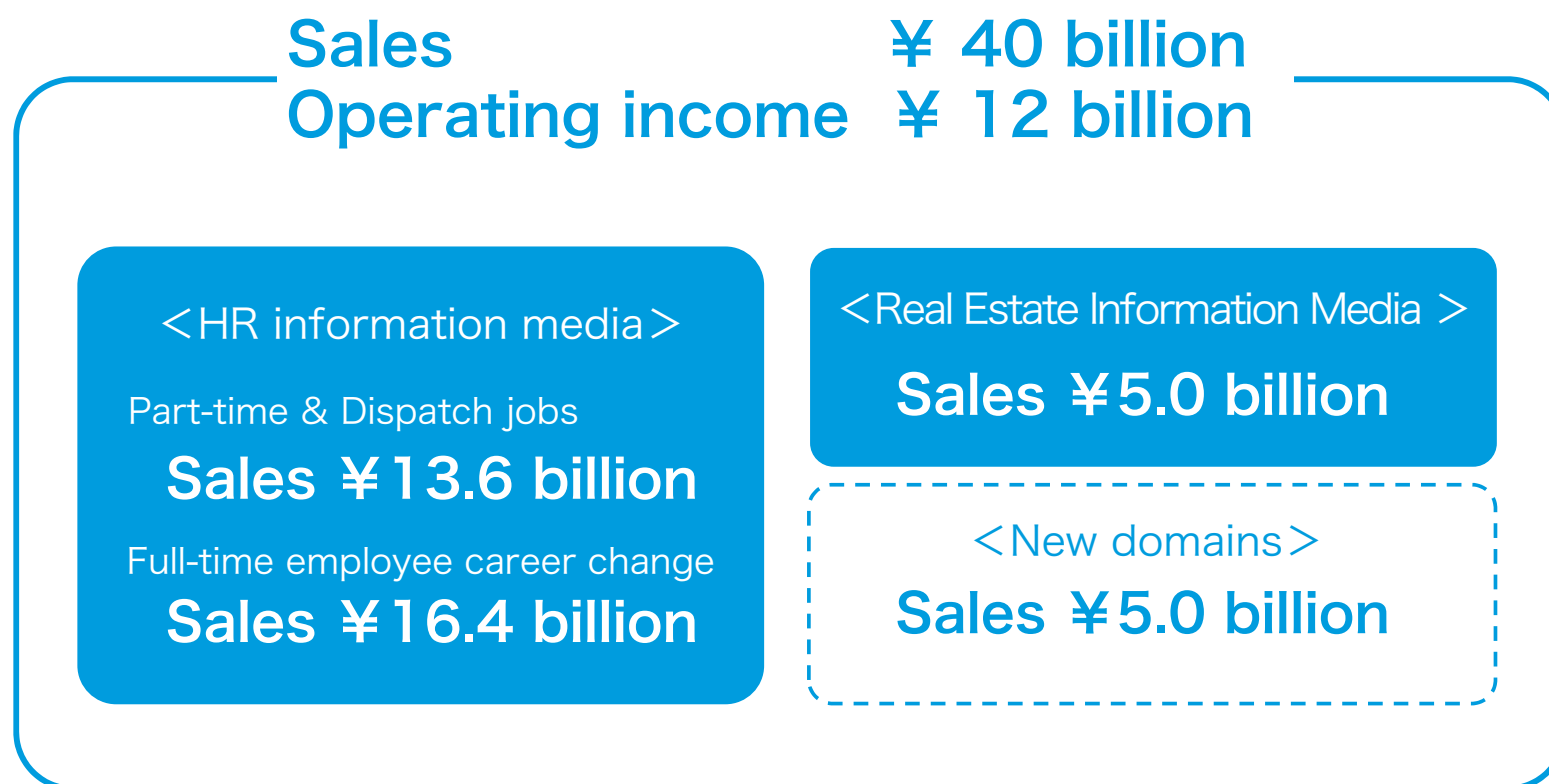
4-3. Number of Employees

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



5-1. Medium-Term Business Plan (Earnings goals for FY2018)

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

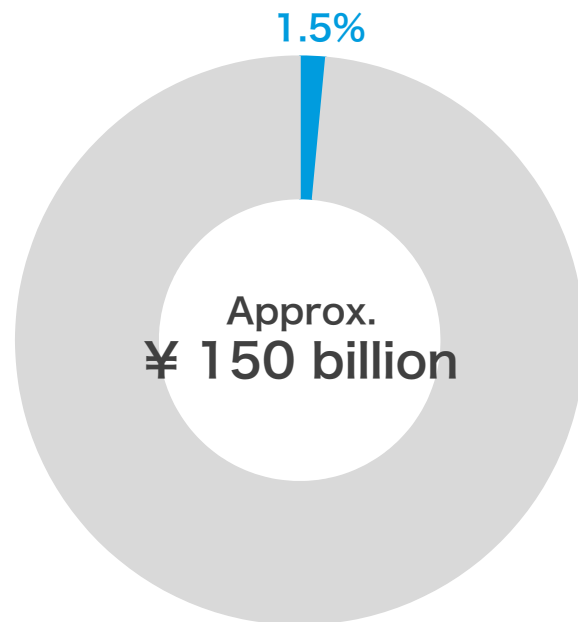


→ Issue commercial stock options that can be executed with achievement of earnings goals

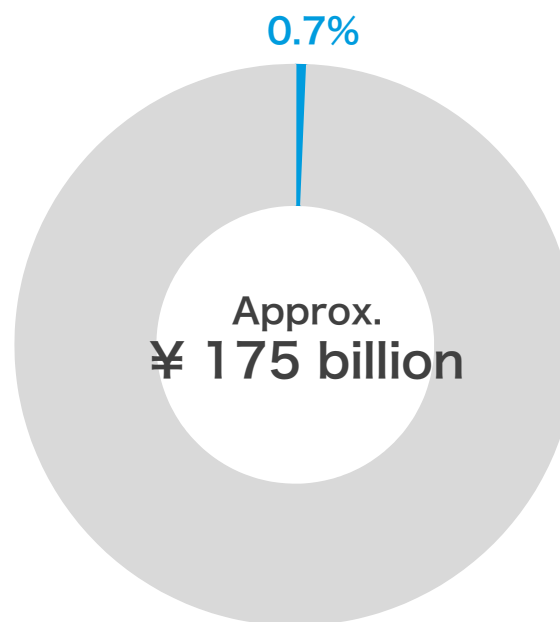
5-2. Market environment (existing business – our share)

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

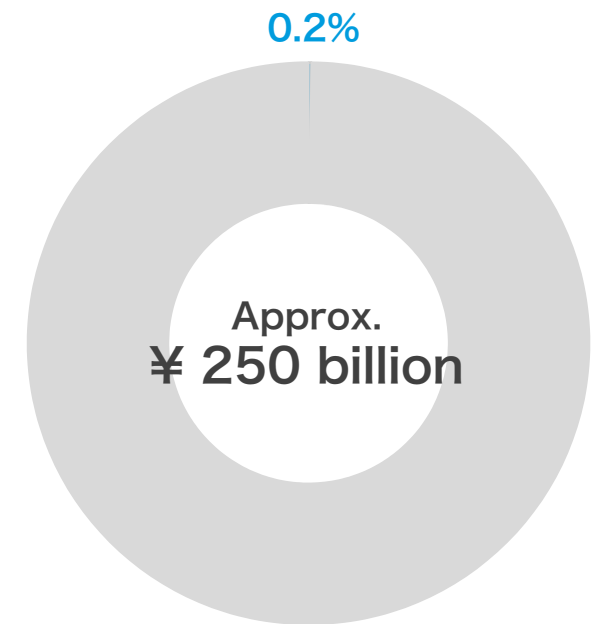
Part-time job information advertising market



Full-time employee career change market



Rental real estate market



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

5-3. Growth strategy for goal achievement (existing business)

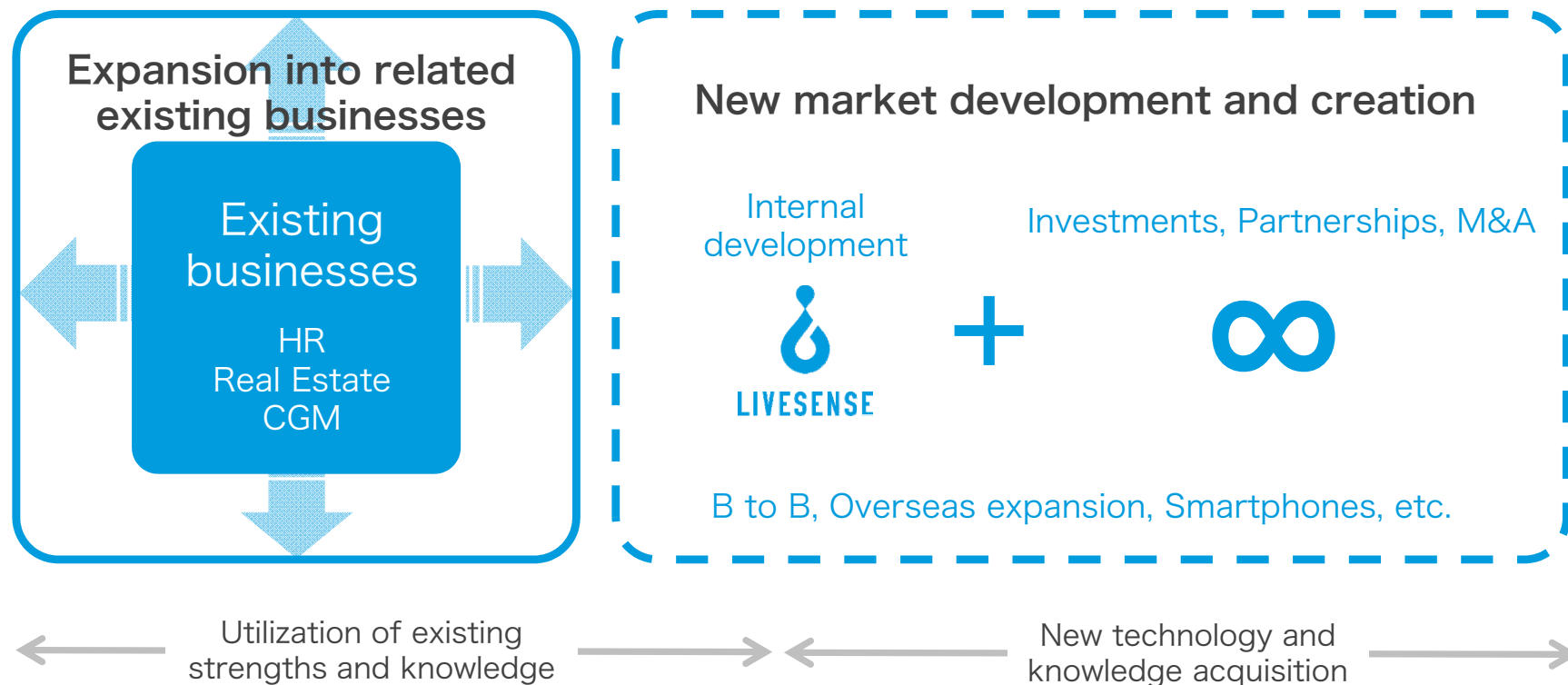
I Reinforcement of major measures and distinction in our services to expand share and expand business segments by breaking into related domains in order to become "the next common" in the HR and real estate markets



5-4. 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



5-5. Introduction of New Services

Business Comparison and Order Site “imitsu”

- Began operation through alliance with unilabo Inc. in February 2014
- B2B service providing easy comparison and ordering services for running your business

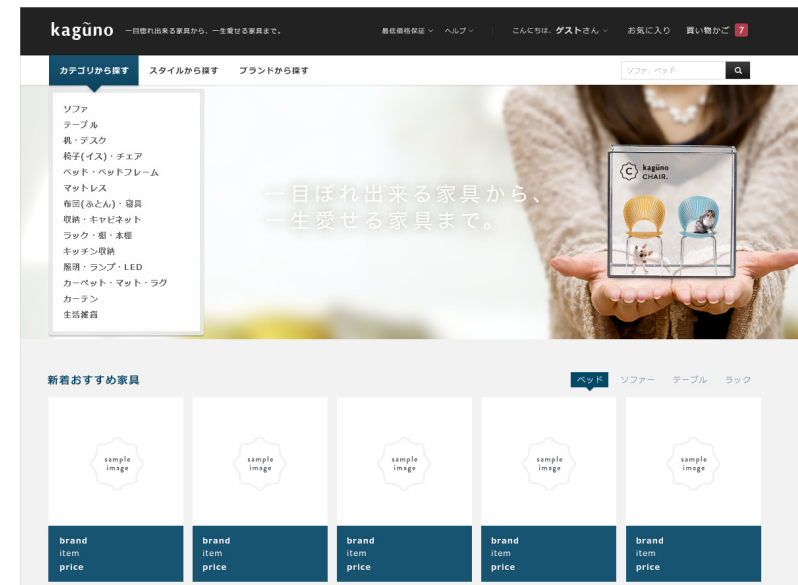
(URL <http://imitsu.jp/>)



Furniture and Interior E-commerce Site “kagūno”

- Began operation through alliance with Otsuka Kagu, Co., Ltd. in April 2014
- Entered EC domain utilizing our web service development skills

(URL <https://kaguno.com/>)



5-6. 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>

5-7. FY2014 1Q Initiatives Targeting Our Mid-Term Plan

| Business initiatives

- Strengthening customer acquisition for existing main businesses
Continue strengthening web marketing, adding new features to service sites, online promotions, in addition to airing TV commercials for part-time job seekers in suburban cities
- Strengthening customer support
HR business: Strengthened telephone support job seekers to increase job application rate and hiring rate
Real Estate business: Marketing to new client users to increase listings and raising operational efficiency

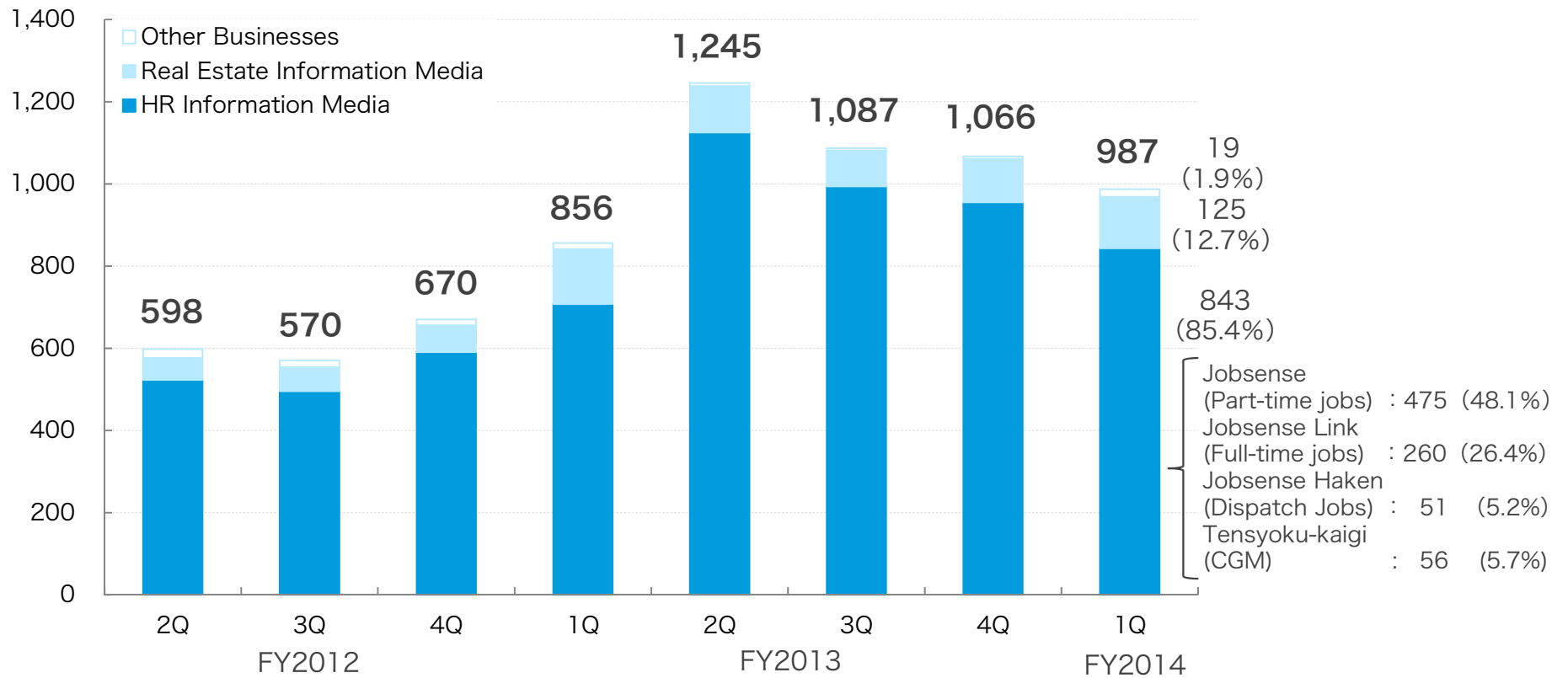
| Organizational initiatives

- Strengthening recruiting
Set up a recruiting team specifically targeting engineers, to hire the best people
- Organizational changes
Changed organizational structure in Units to improve services and increase growth speed
- Training personnel
Changed evaluation to reflect goals and long-term skill enhancement, and strengthened internal training program such as new business development

6-1. FY2014 1Q - Net Sales

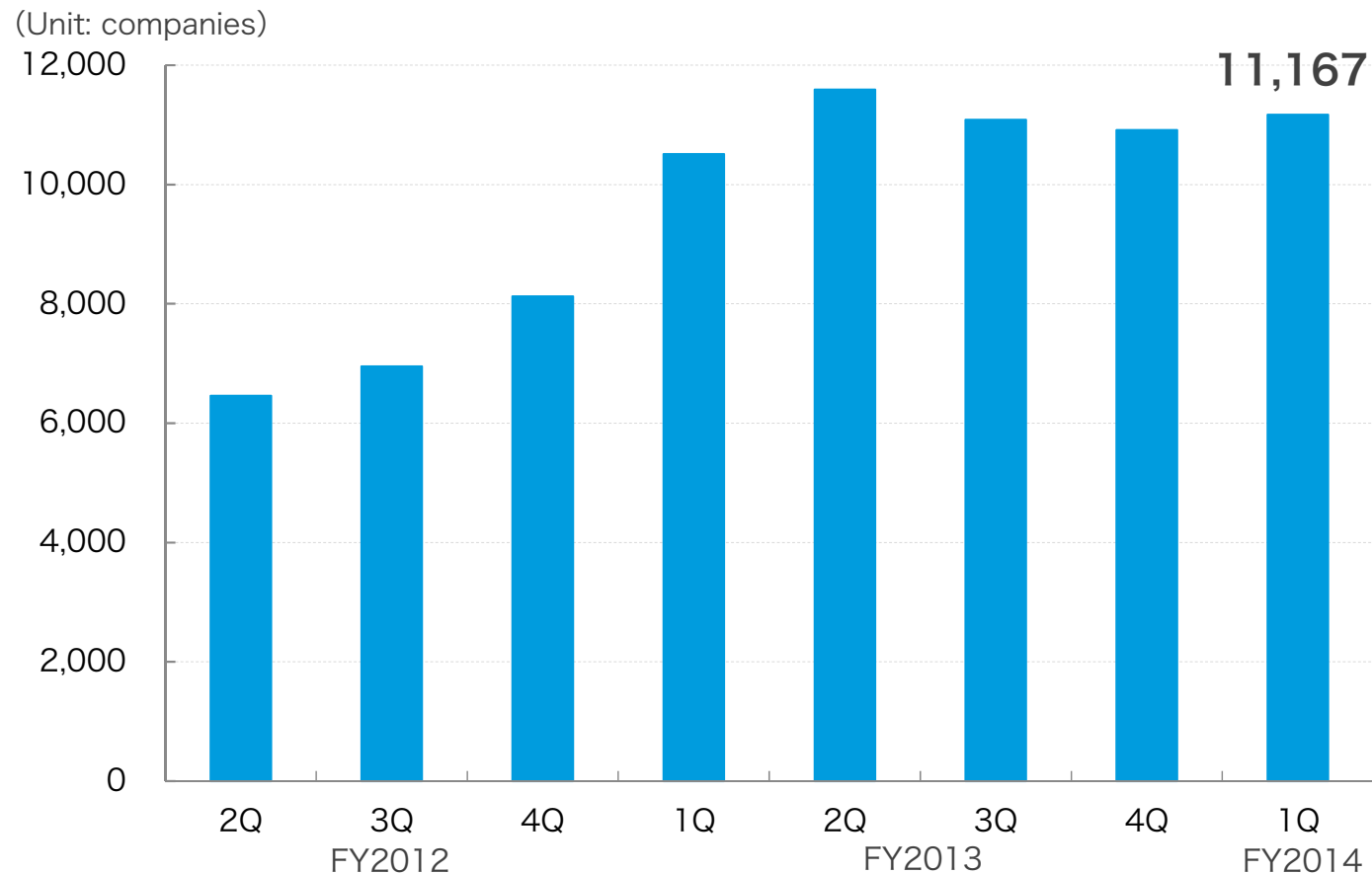
Employment and real estate business results just below targets of corporate plan

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



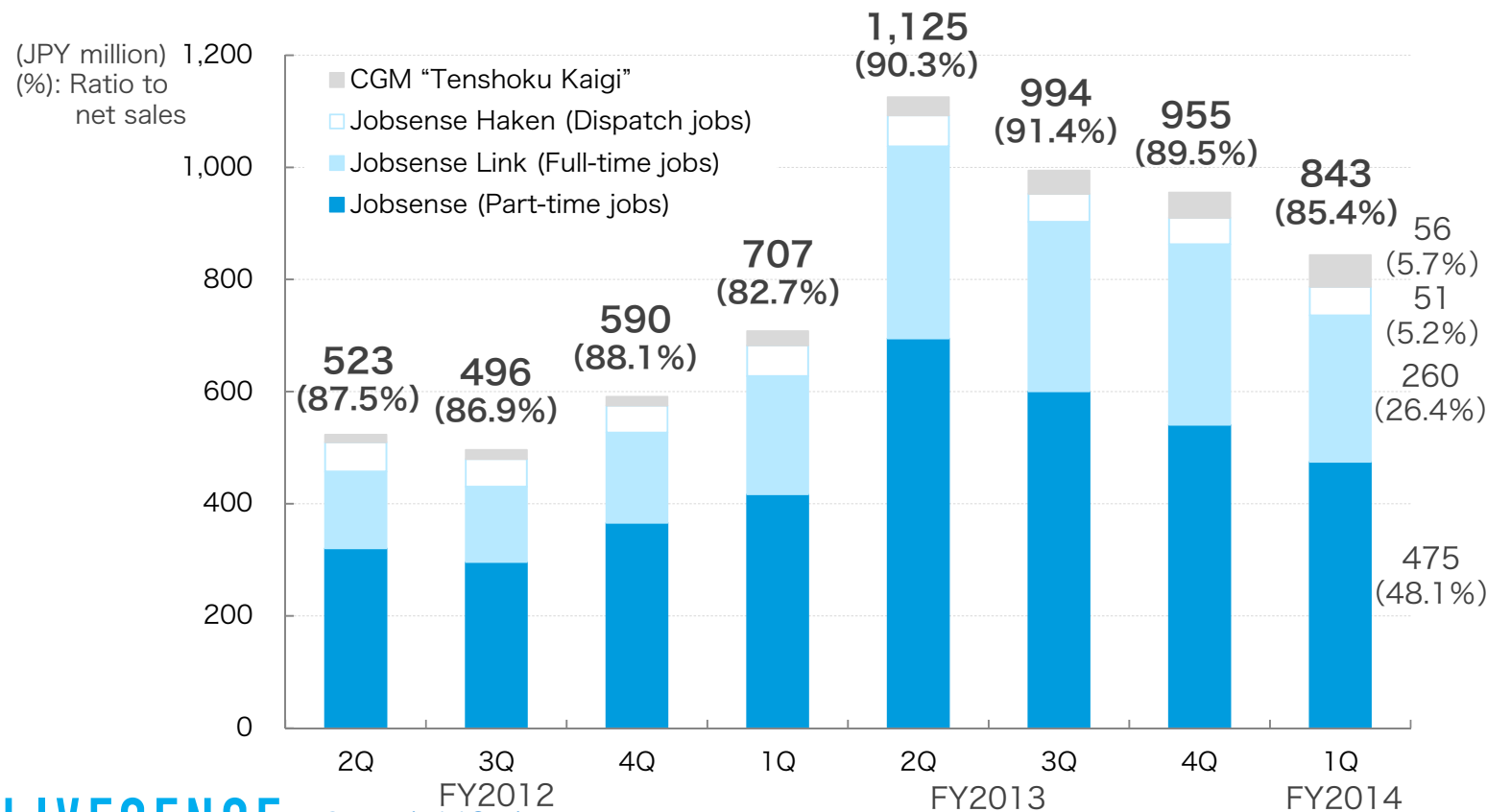
6-2. FY2014 1Q - Number of Actively Listing Companies

- | **2,805 newly listing companies in 1Q14**
- | **Emphasis placed on promoting use among companies already using services in addition to encouraging new adoption**



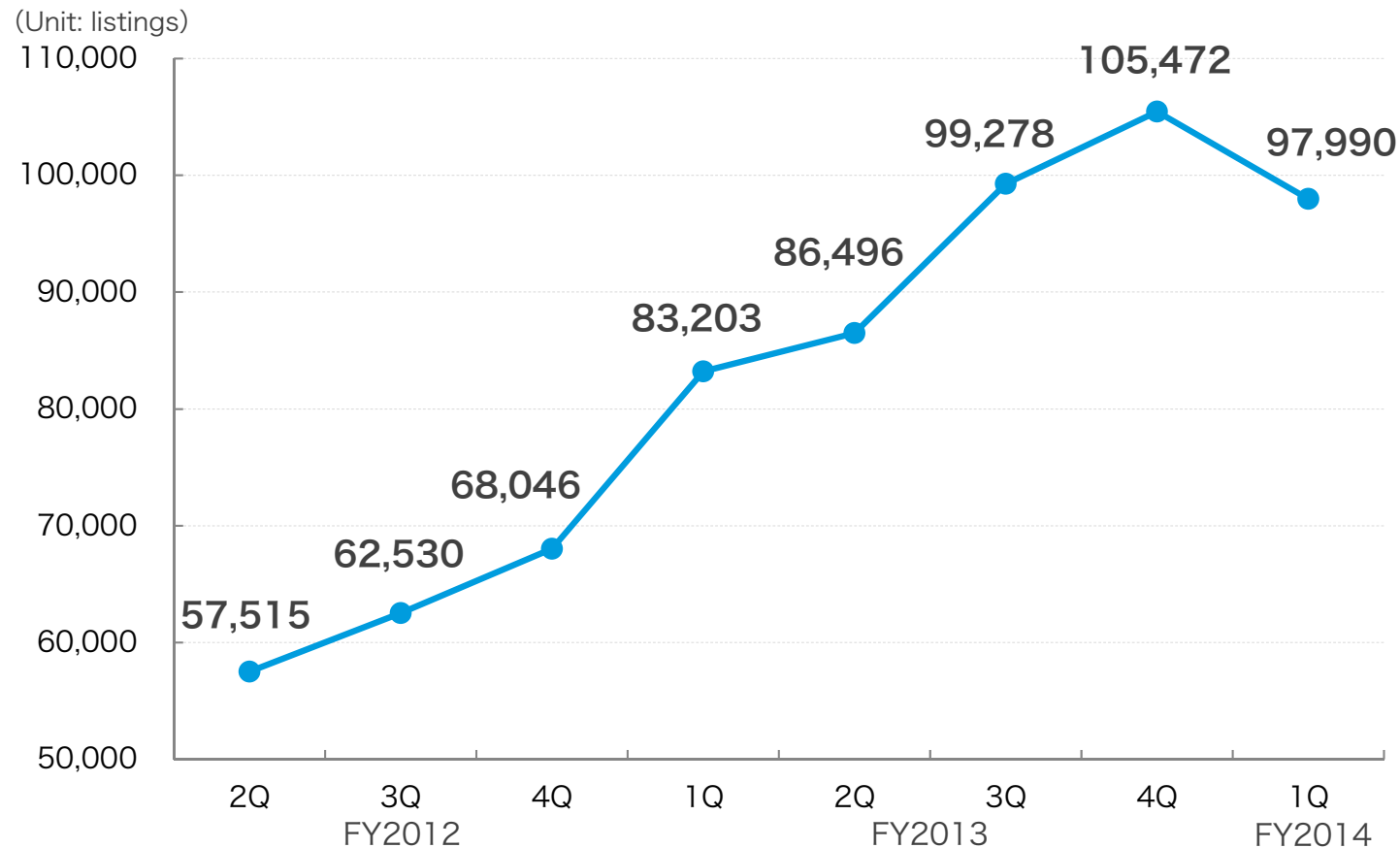
6-3. FY2014 1Q - HR Information Media Business (Sales)

- Growth was sluggish compared to 1Q13 due to strain on labor market, primarily part-time jobs, continuing from second half of last year, and sales decreased compared to 4Q13 due to seasonal effects
- Focus on improving ability to attract customers through web promotions and Jobsense TV CM in suburban areas and improving application and hiring rates through strengthening of support for job applicants



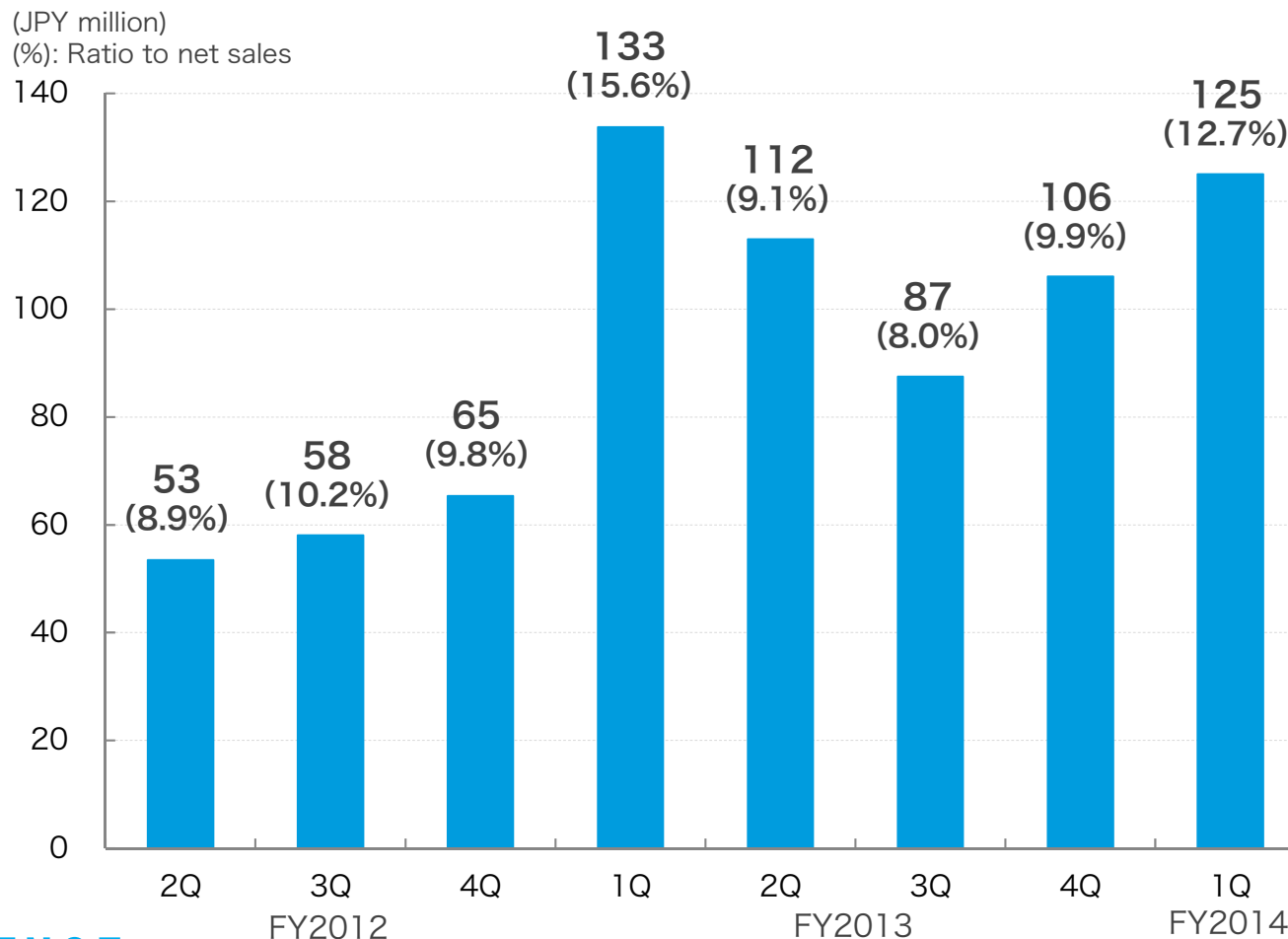
6-4. FY2014 1Q - HR Information Media Business (No. of information)

- Number of listings down from 4Q13 due to impact of change in prices for service provision
- Focus on marketing in regions with low usage levels and increasing number of listings through expansion of services matching company needs



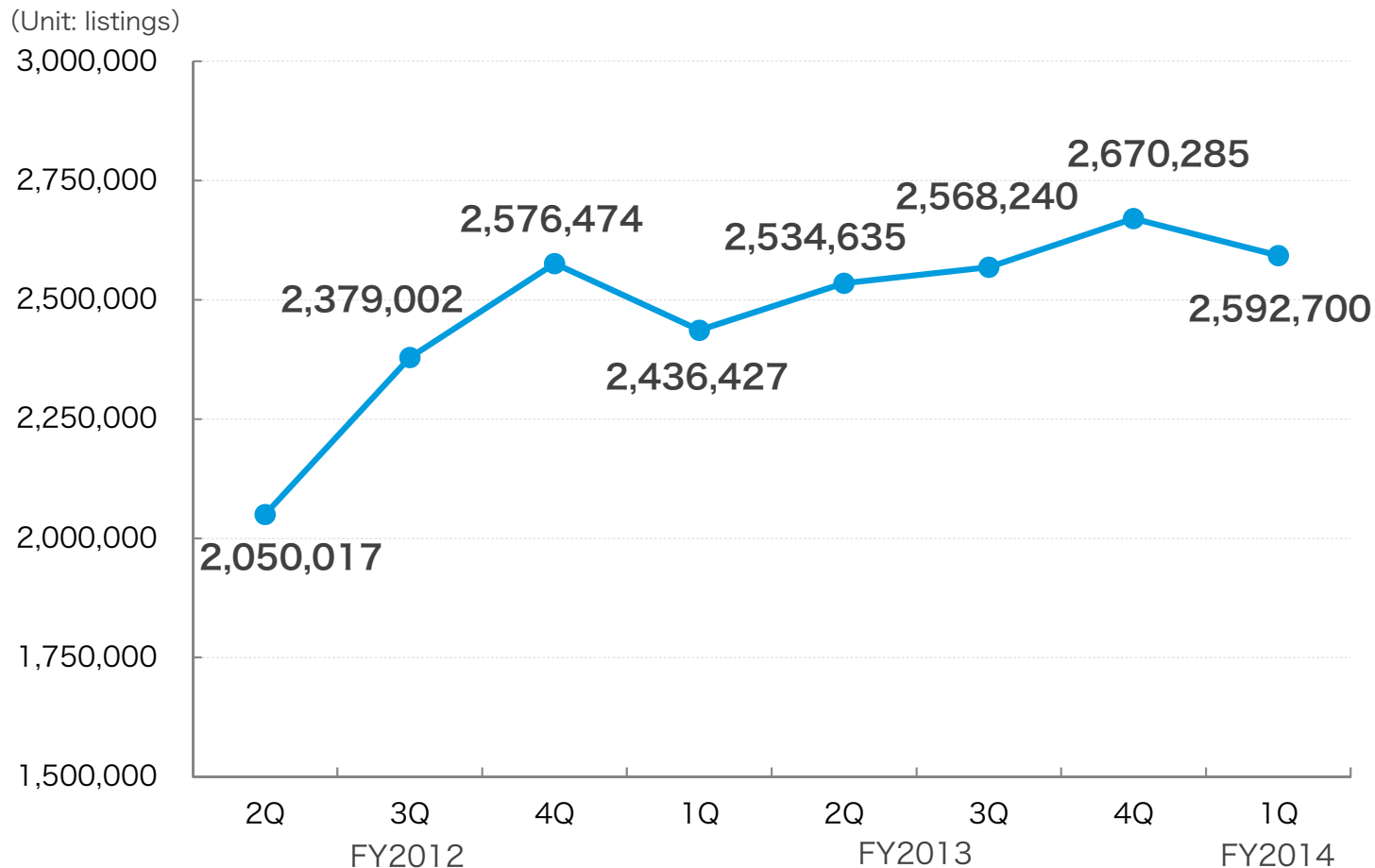
6-5. FY2014 1Q - Real Estate Information Media Business (Sales)

- Sales declined compared to 1Q13 due to factors such as closing of website for feature phones and lack of man-power arising from development of internal management system in anticipation of future expansion of business scale



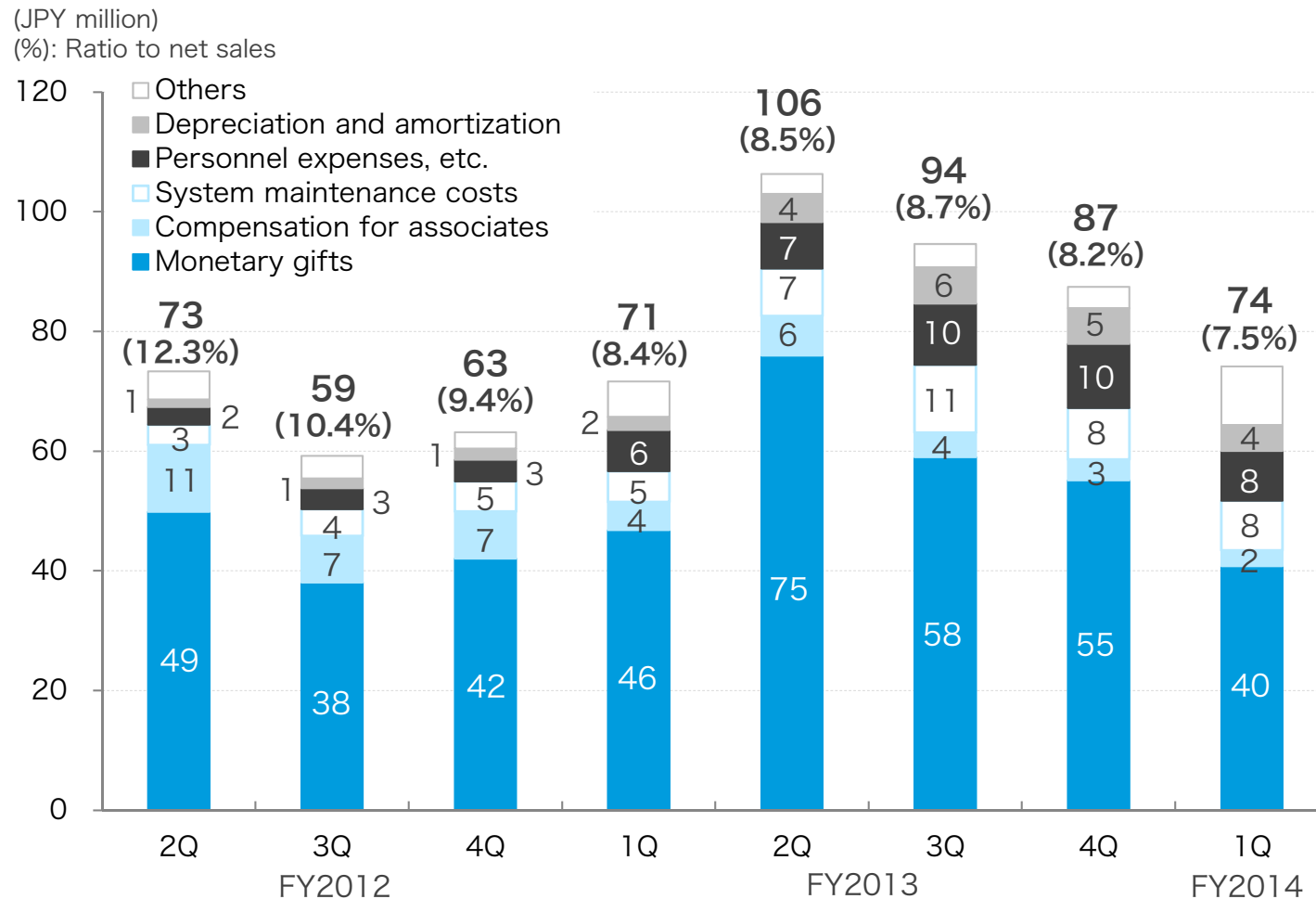
6-6. FY2014 1Q - Real Estate Information Media Business (No. of information)

- Number of listings down compared to 4Q13 due in part to seasonal factors
- Improvement of service management system and strengthening of marketing targeting new adoption



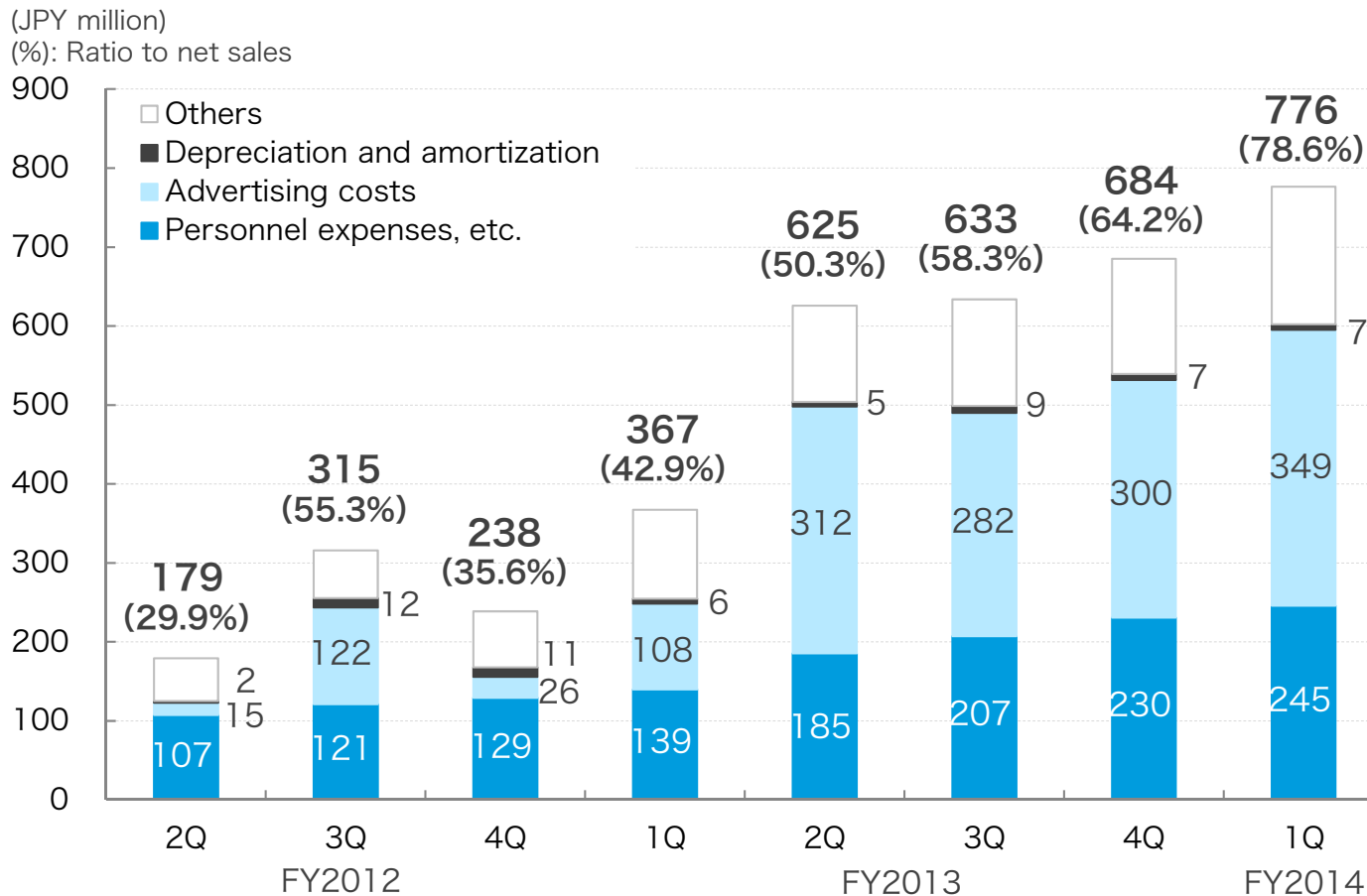
6-7. FY2014 1Q - Sales Costs

Monetary gifts for hiring decreased in conjunction with shrinking employment-related sales

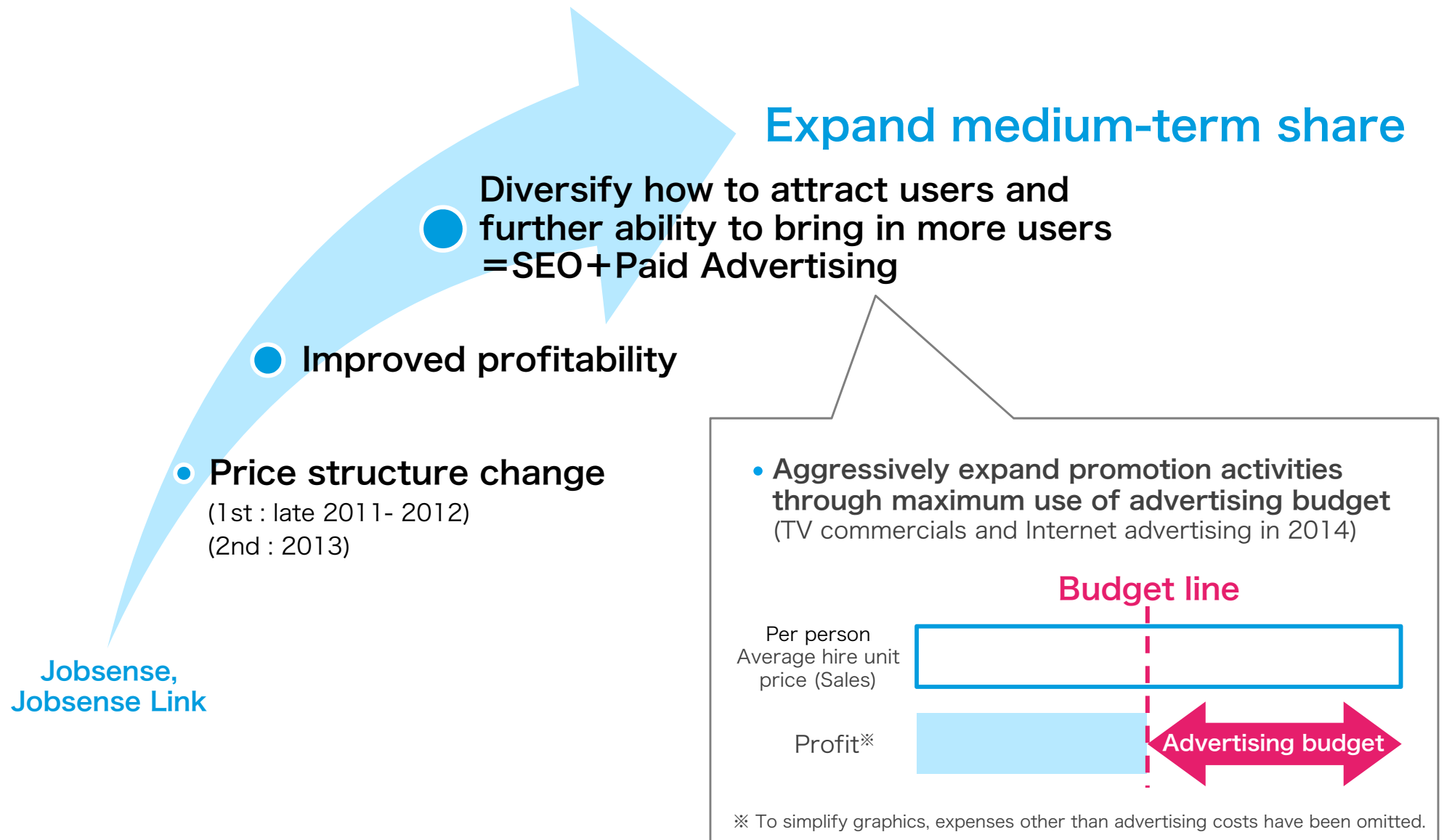


6-8. FY2014 1Q - SG&A Expenses

- Personnel expenses, etc. continued to increase with personnel increases
- Advertising costs increased due to airing of Jobsense TV commercials in addition to continued web promotions carried out for the purpose of attracting job applicants and other users

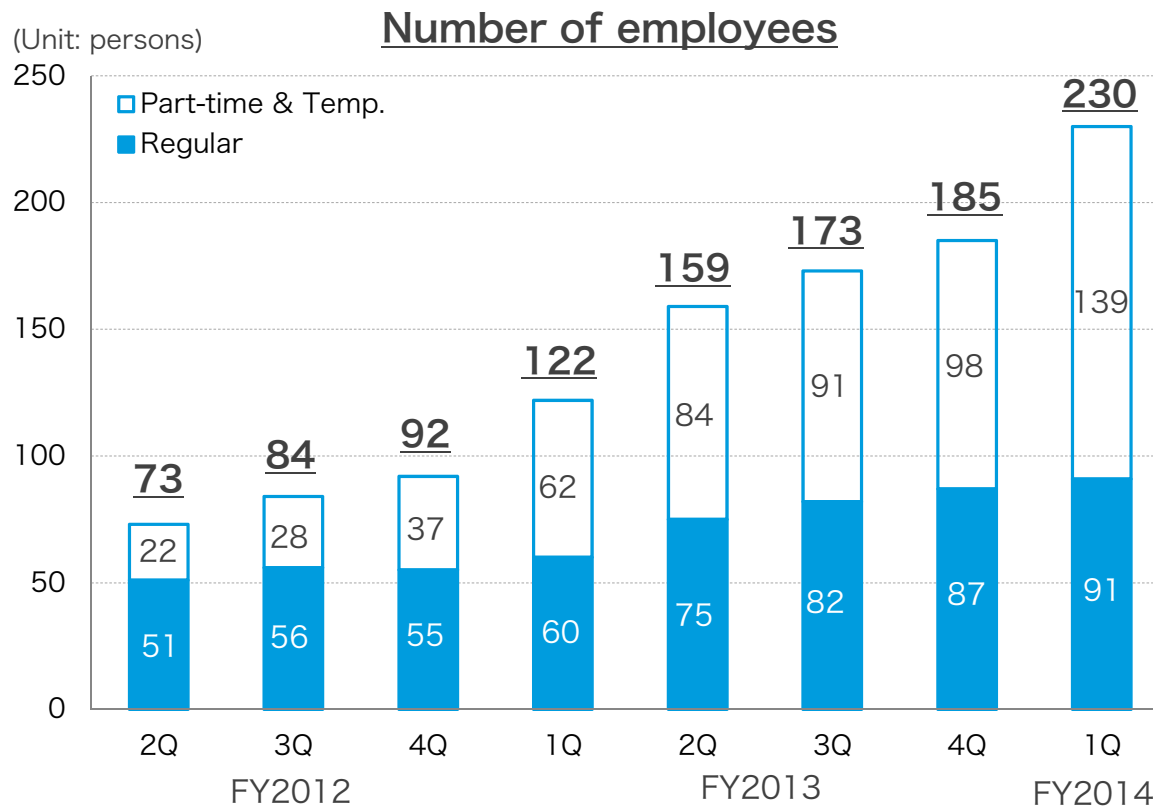


6-9. Fee Revision and Paid Advertising Strategies

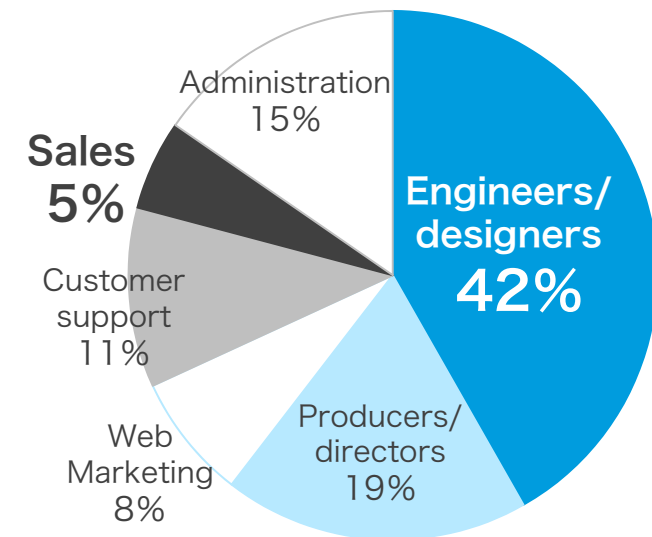


6-10. Number of employees

- We will maintain our focus on efficient business operations while continuing to hire in order to increase the speed of business development**
- During 1Q, we hired 4 full-time employees and 41 part-time or temporary employees who support for job applicants**



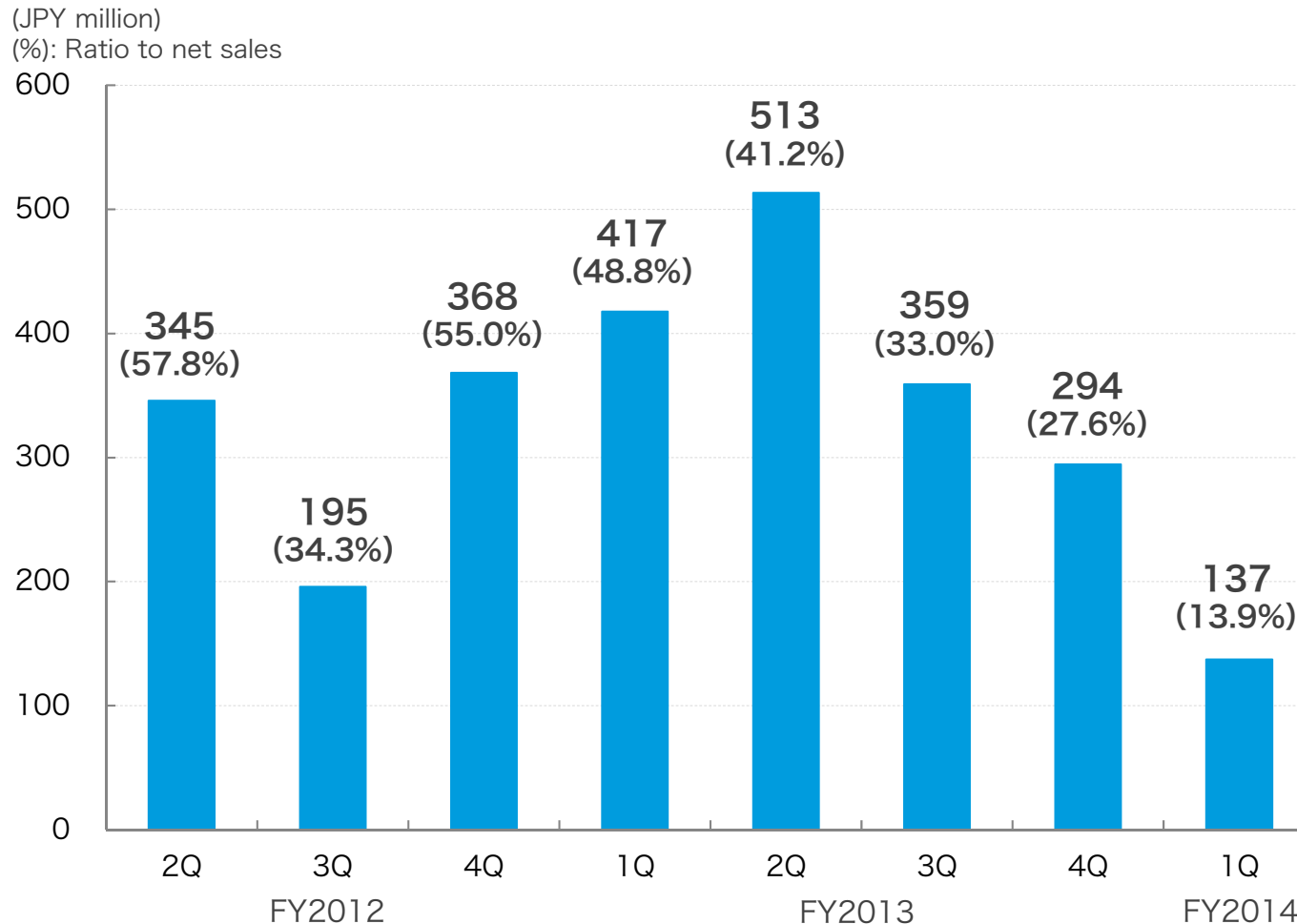
Breakdown of regular employees



(As of March 2014)

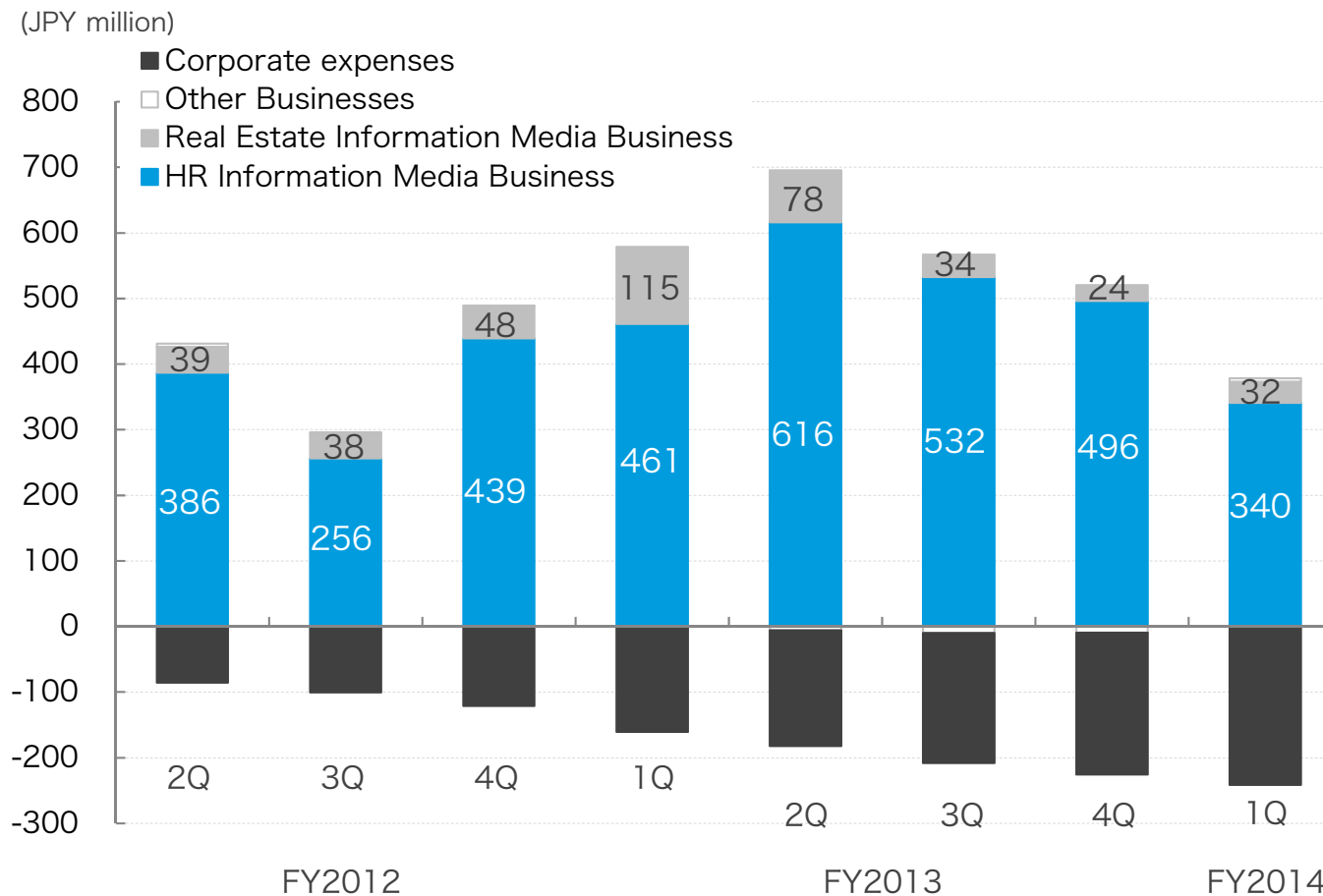
6-11. FY2014 1Q - Operating Income

- Sales fell just below target of plan while operating income decreased due to increase in advertising costs and personnel expenses, etc.



6-12. FY2014 1Q - Segment profits

Operating income from employment and real estate businesses decreased due to increases in advertising costs and personnel expenses



6-13. FY2014 Plan (No change)

- 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)	1Q Results	(Progress Rate)
Sales	4,256,153	6,649,679	56.2%	987,730	14.9%
Operating Income	1,584,478	1,950,301	23.1%	137,158	7.0%
	37.2%	29.3%	-	13.9%	-
Ordinary Income	1,585,828	1,950,735	23.0%	137,449	7.0%
	37.3%	29.3%	-	13.9%	-
Net Profit	983,830	1,219,514	24.0%	82,094	6.7%
	23.1%	18.3%	-	8.3%	-
EPS (JPY)	35.58	43.95	23.5%	2.96	6.7%

6-14. FY2014 Plan (Main Points of Focus in 2Q and Beyond)

| Part-time jobs area

- Improvement of ability to attract users (job applicants) through further enhancement of web marketing
- Improvement of application and hiring rates through thorough strengthening of job applicant support and website improvements
- Increasing of number of job information postings through strengthening of support for existing corporate customers and marketing targeting local companies

| Full-time employee career change area

- Increasing of number of hires through full-scale operation of job applicant support (human resource referral service)
- Increasing of number of job information postings through marketing targeting untapped companies and strengthening of support for existing corporate customers
- Improvement of ability to attract users (job applicants) through enhancement of web marketing

| Real Estate area

- Increasing of number of leasehold property listings through marketing targeting untapped companies and strengthening of management system
- Increase usability and matching rate by strengthening site functions and adding contents
- Improvement of ability to attract users (People who are looking for a home) through enhancement of web marketing

6-15. Balance Sheet Statement

(Thousands of JPY)

	4Q13	1Q14	QoQ
Current assets	3,035,601	2,677,485	(11.8%)
Cash and deposits	2,541,453	2,206,409	(13.2%)
Accounts receivable	437,560	444,042	+1.5%
Fixed assets	347,595	392,454	+12.9%
Tangible fixed assets	116,787	123,933	+6.1%
Intangible fixed assets	32,504	34,748	+6.9%
Investments and other assets	198,303	233,772	+17.9%
Total assets	3,383,196	3,069,940	(9.3%)
Current liabilities	726,115	328,699	(54.7%)
Accounts payable	201,225	197,605	(1.8%)
Income taxes payable	385,611	39,942	(89.6%)
Fixed liabilities	-	-	-
Total liabilities	726,115	328,699	(54.7%)
Shareholders' equity	2,638,521	2,720,519	+3.1%
Capital	221,901	221,901	+0.0%
Capital reserve	206,901	206,901	+0.0%
Accumulated earnings	2,210,478	2,292,572	+3.7%
Stock warrants	18,559	20,721	+11.6%
Total net assets	2,657,081	2,741,240	+3.2%

Reference - Record of Recent Major Publicity Events

2014.04.20	WEDGE (on sale Apr. 20)
2014.04.10	THE21 May issue
2014.04.03	Nikkei Sangyo Shimbun
2014.03.29	Global debate WISDOM (NHK-BS1)
2014.03.10	Magazine WIRED Mar. 10 edition
2014.02.24	AERA Feb. 24 edition
2014.02.21	Nikkei Money Apl. Edition
2014.02.15	Okane-sama (Nippon Television)
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

| Measures to increase employees motivation to their work

- Stock option
 - Effective personnel evaluation system
 - MVP award system
 - Internal exchange events, Department gathering
 - Qualification support system
 - Engineers workshop
- Etc.



| Awarded in a variety of fields from external organizations



Awarded for 4 consecutive years in terms of sales growth rate ranking of technology companies in Japan and Asia-Pacific.



Ranked in the upper level in Great Place to Work 2013.

| Office management in consideration for environmental issues

- Reduction of power consumption due to the efficient use of air conditioning and lighting.
- Reduce the use of paper.



| Lecture for university students wanting to be entrepreneurs

- Lecture about our experience at some universities in order to help students wanting to be entrepreneurs.
- Cooperation in entrepreneur support activities of Japanese government.



| Hold constantly IR briefings for investors

- We hold IR briefings 8 times per year in Tokyo, Osaka and Nagoya for individual investors.
- Actively hold briefings, small meetings, 1on1 meeting, conference call for institutional investors.



Reference - Stock Information (As of December 2013)

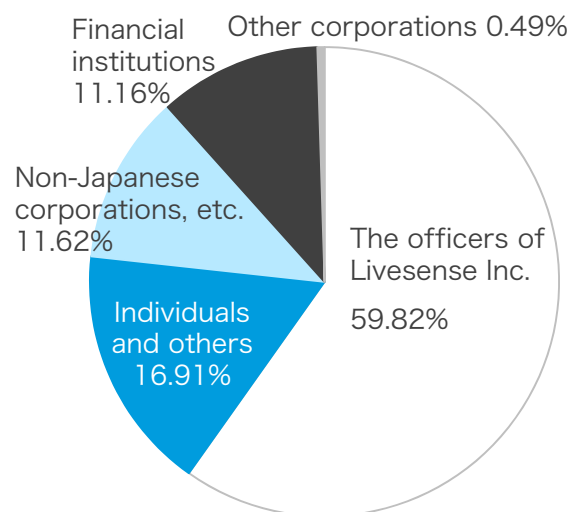
- Trends in our stock price

- 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



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