



Presentation Material

December, 2014
Livesense Inc.
(TSE : 6054)

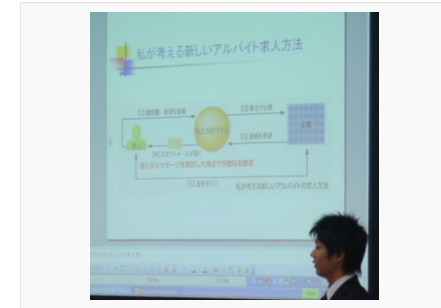
Company Profile (As of September 2014)

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 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	JPY226 million
Business Results	FY2013 Sales : JPY 4,256 million, OP: JPY 1,584 million
Number of Employees	Full-time : 107, Part-time & Temp. : 169
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.

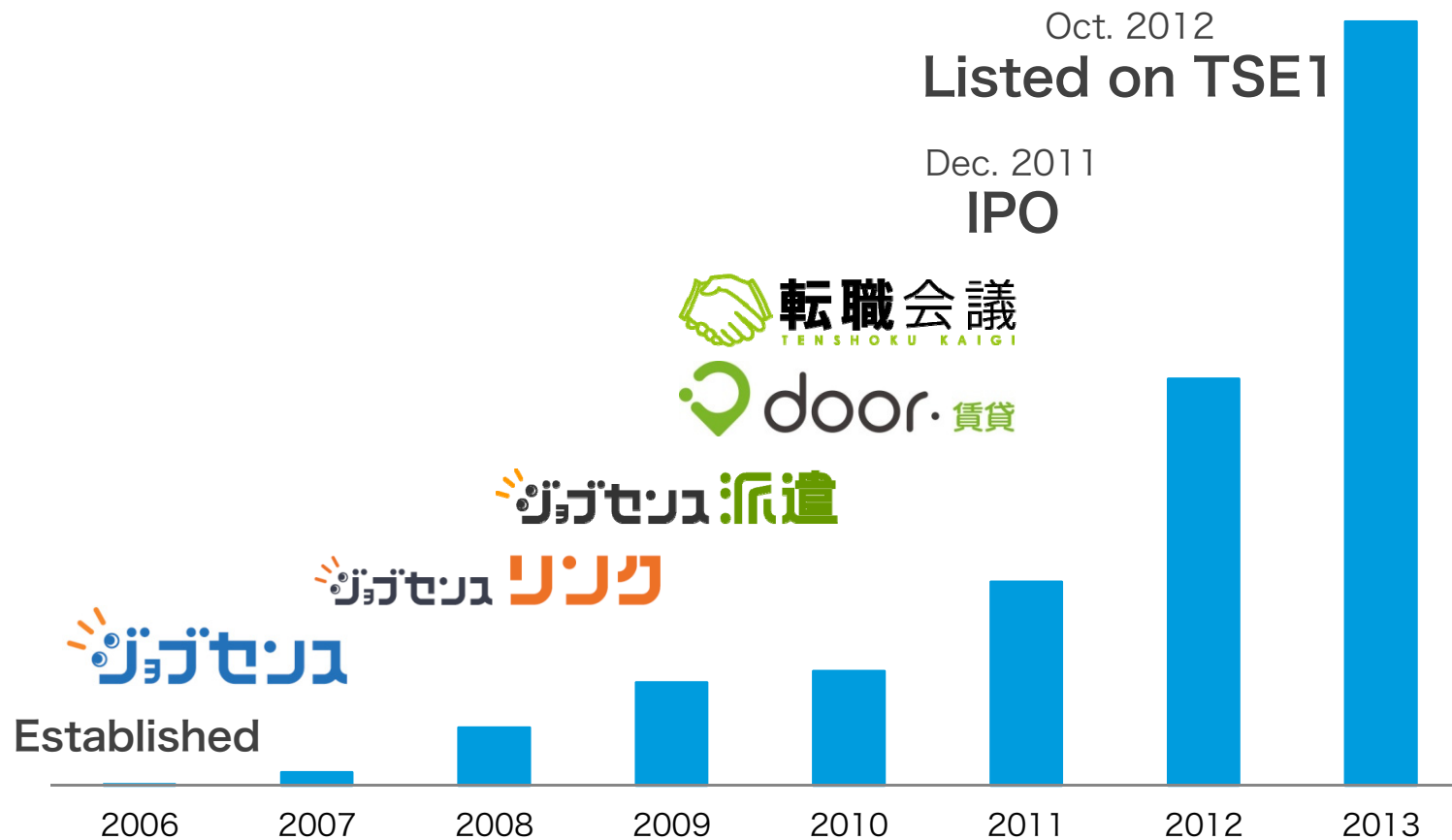
- Established by four university students (two of whom were engineers)



Livesense office at Waseda University

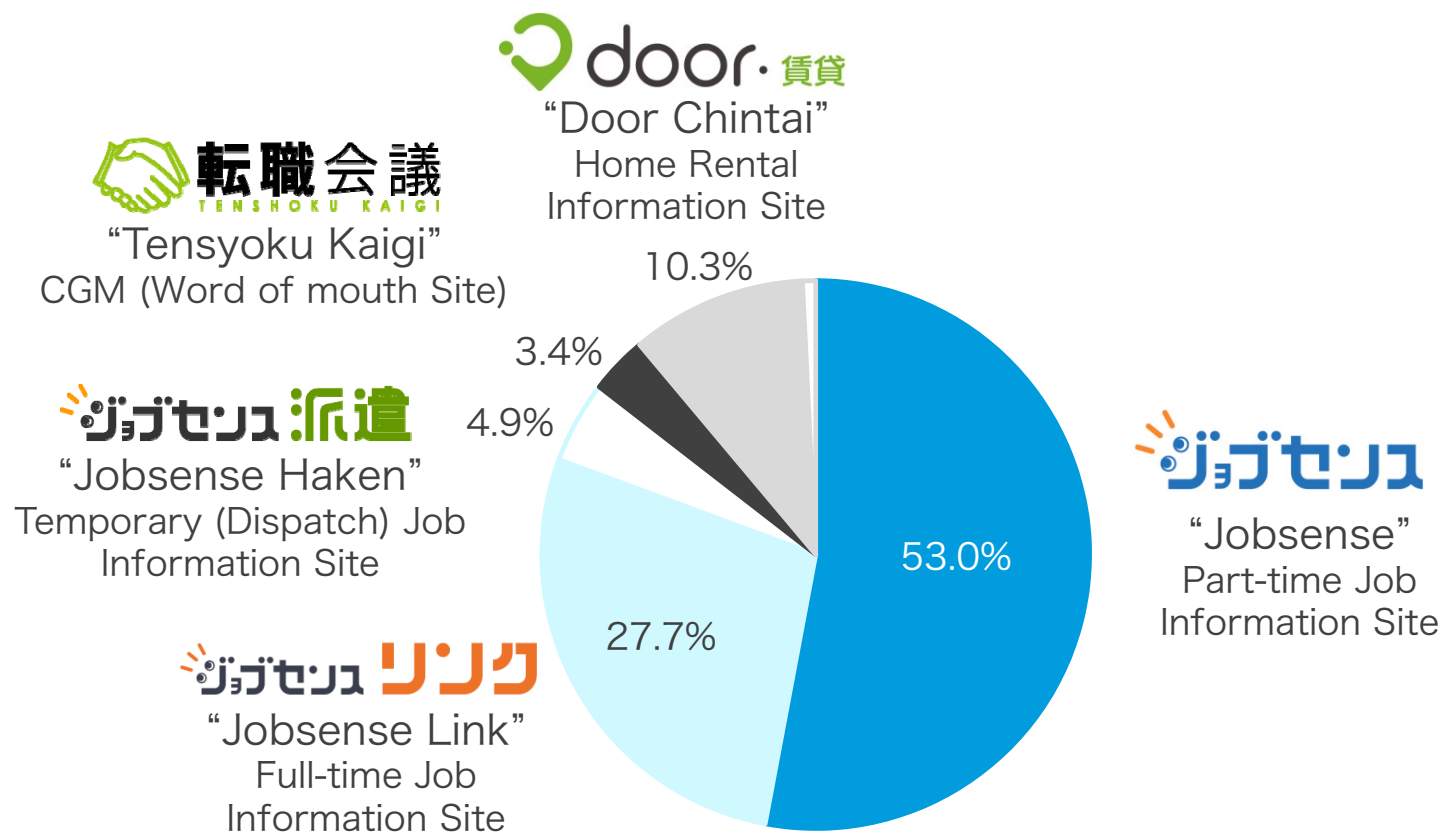
1-2. About Us (History)

- 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)

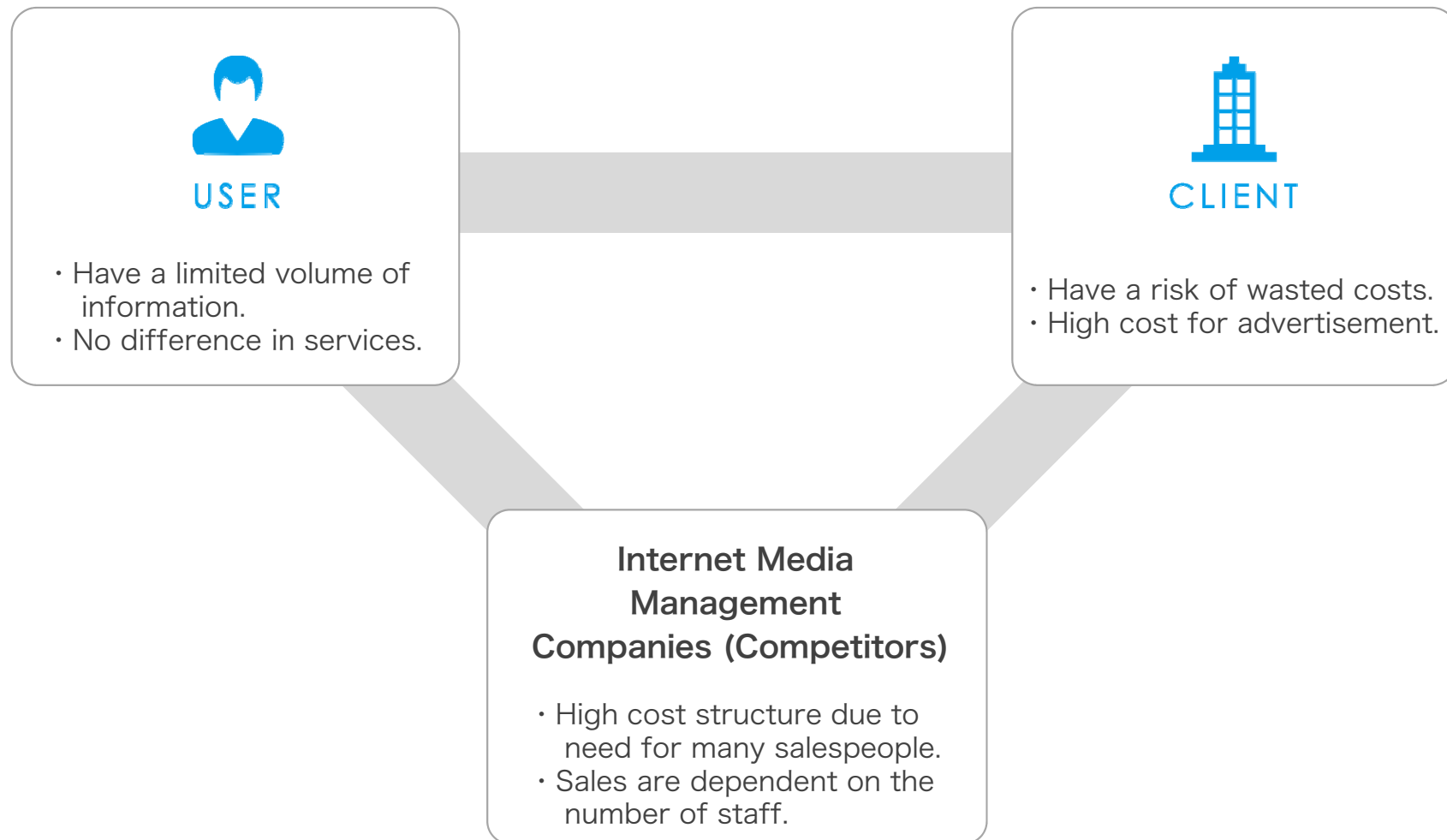
| Business Model by Affiliate (Success fee) System

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

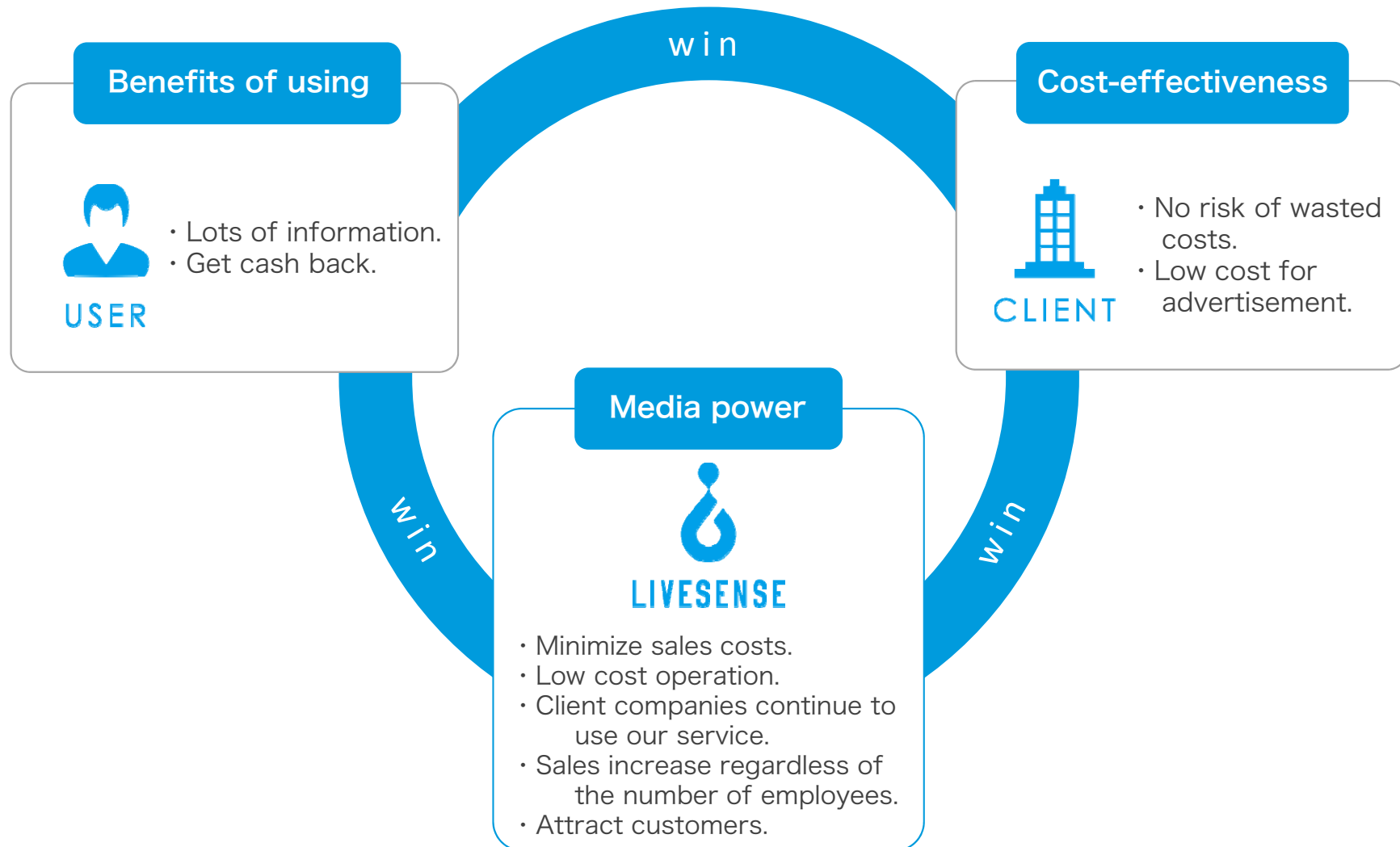
2-3. Our Business (Business Model)

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

×

Our strengths

| Service Development Technology

(Full internalized production, from planning to web marketing)

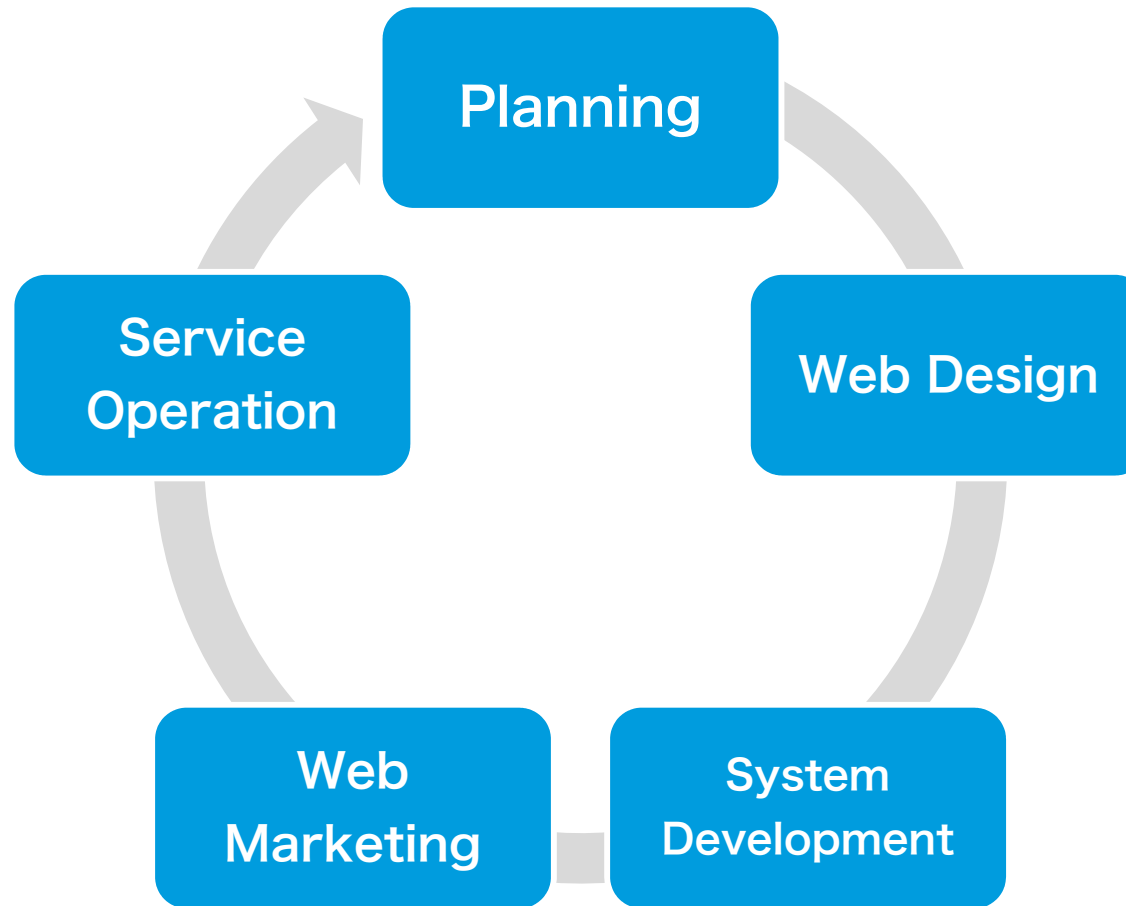
||

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

🔍 まんだらけ渋谷バイト 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

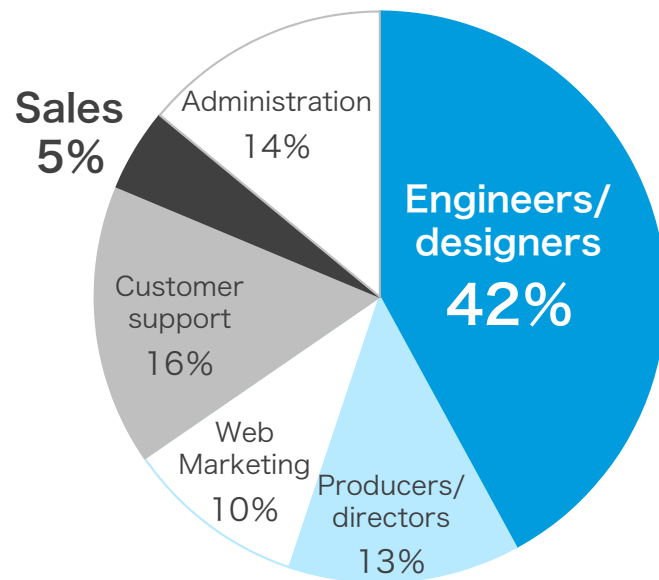
採用決定で
最大2万円

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.

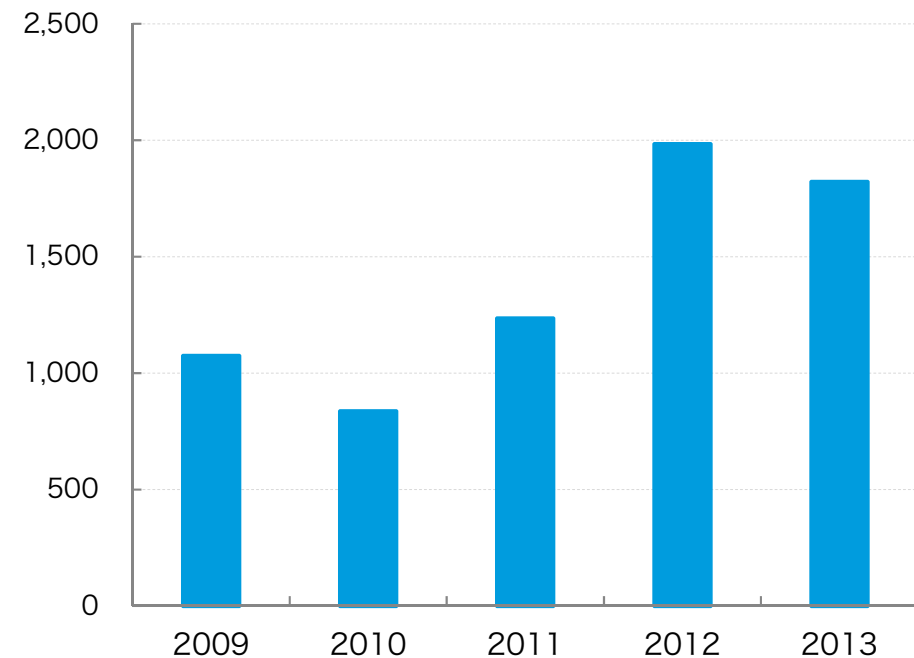
Breakdown of regular employees



(As of September 2014)

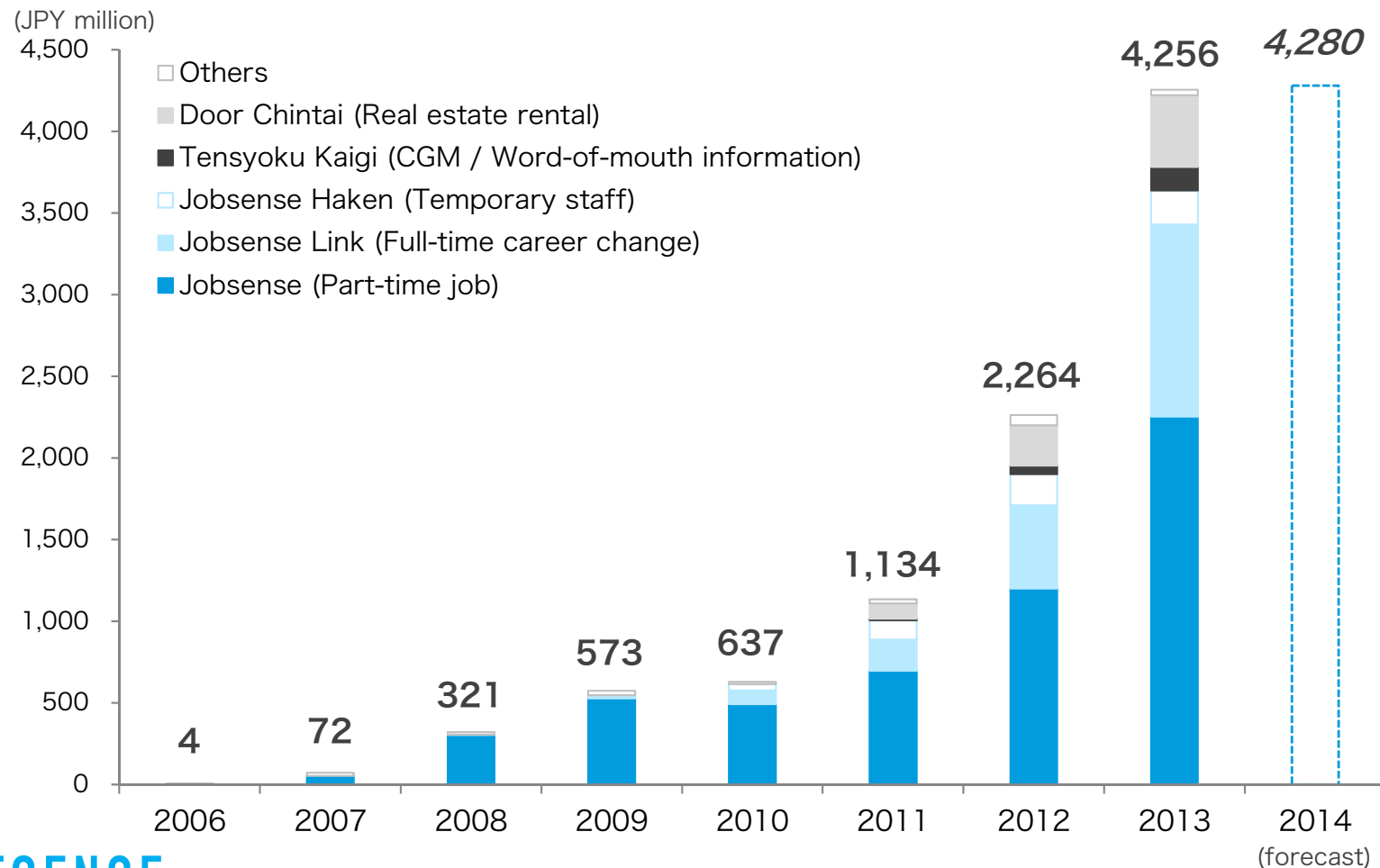
Transitions in operating income per employee

(Unit : JPY million)



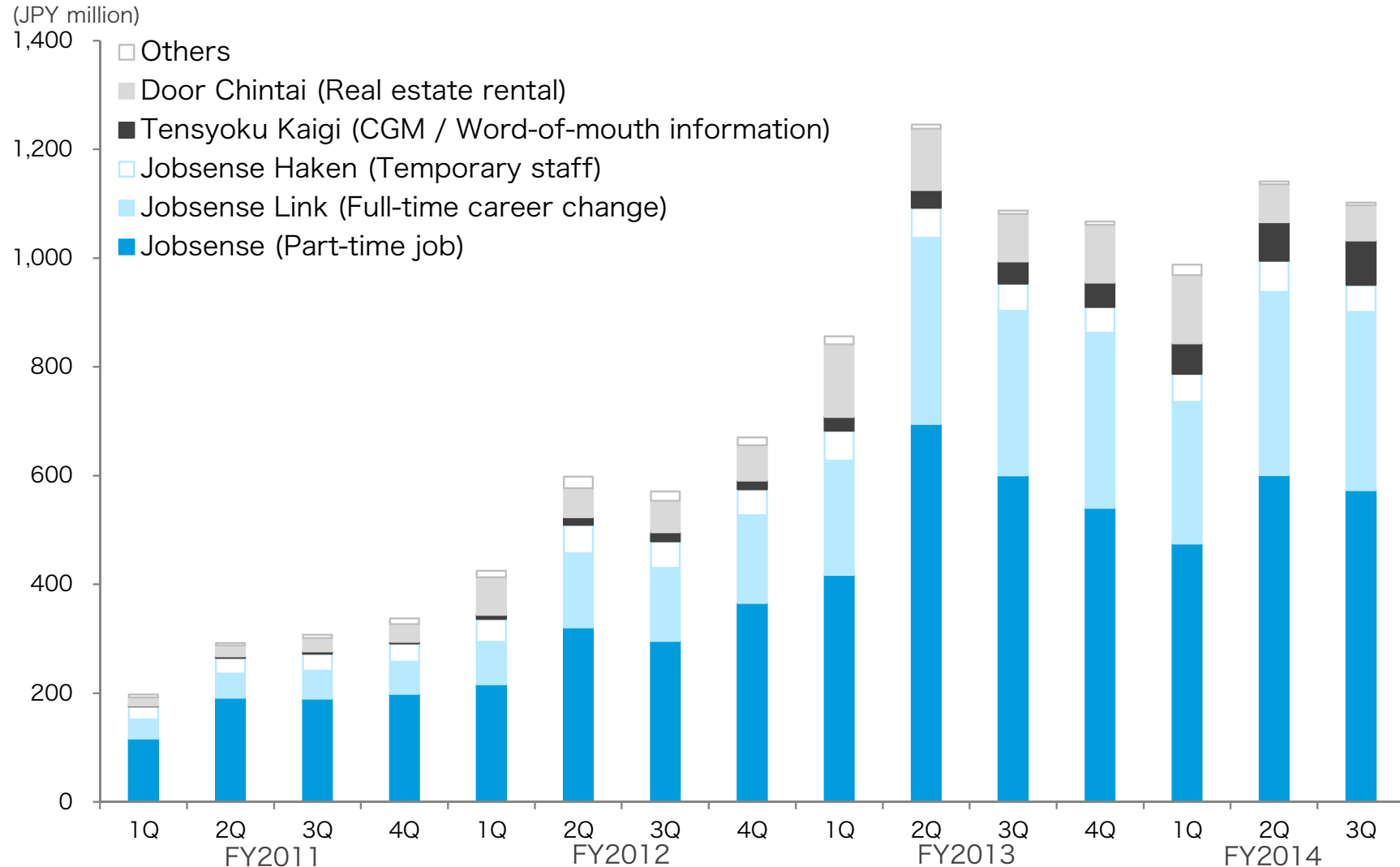
4-1. Sales (Annual)

Services other than Jobsense are also enjoying strong sales growth. FY2014 sales don't growth because of a lack of part-time job seekers and a delay in the implementation of web marketing measures.



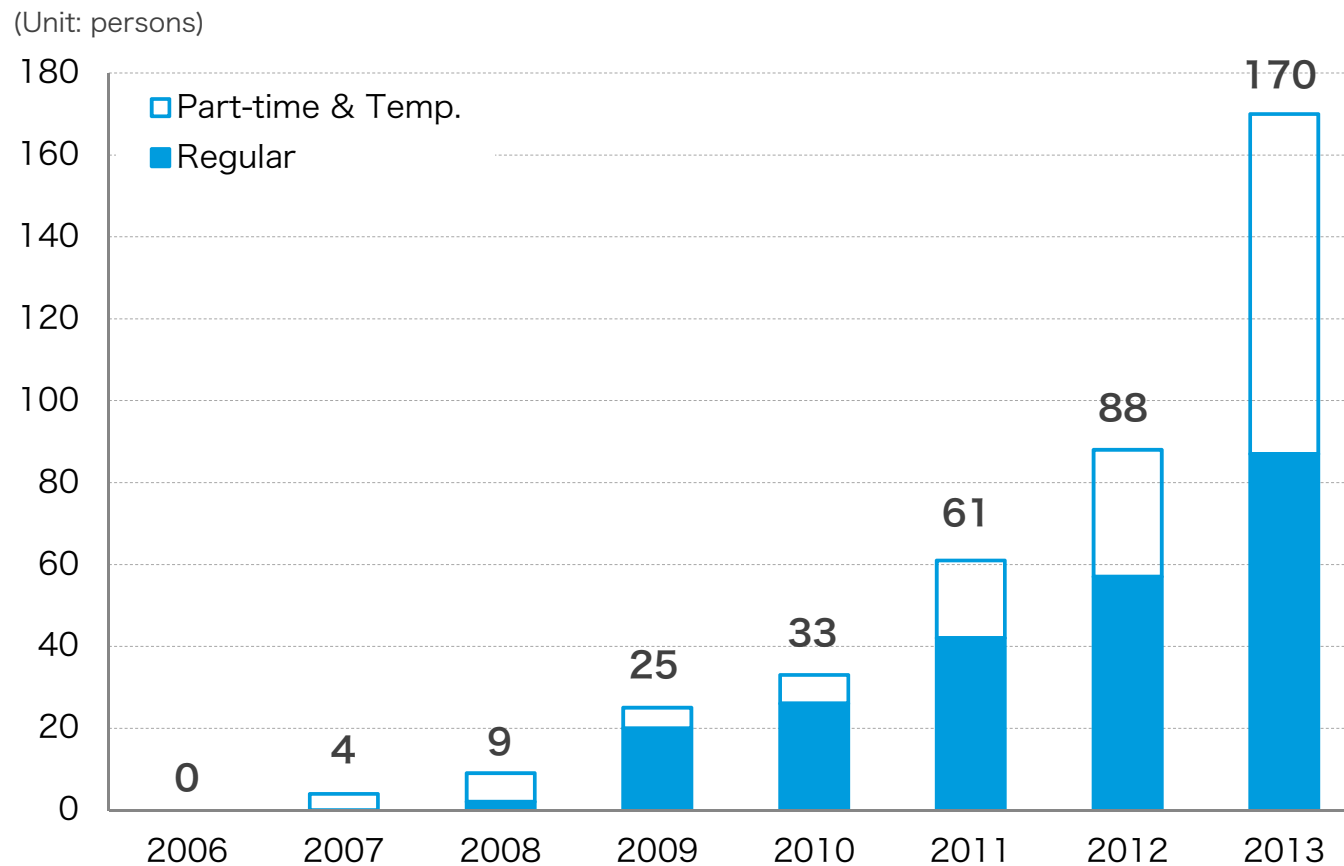
4-1. Sales (Quarterly)

Sales tend to increase in 2Q and 4Q because there is a seasonal trend in the part-time job employment.



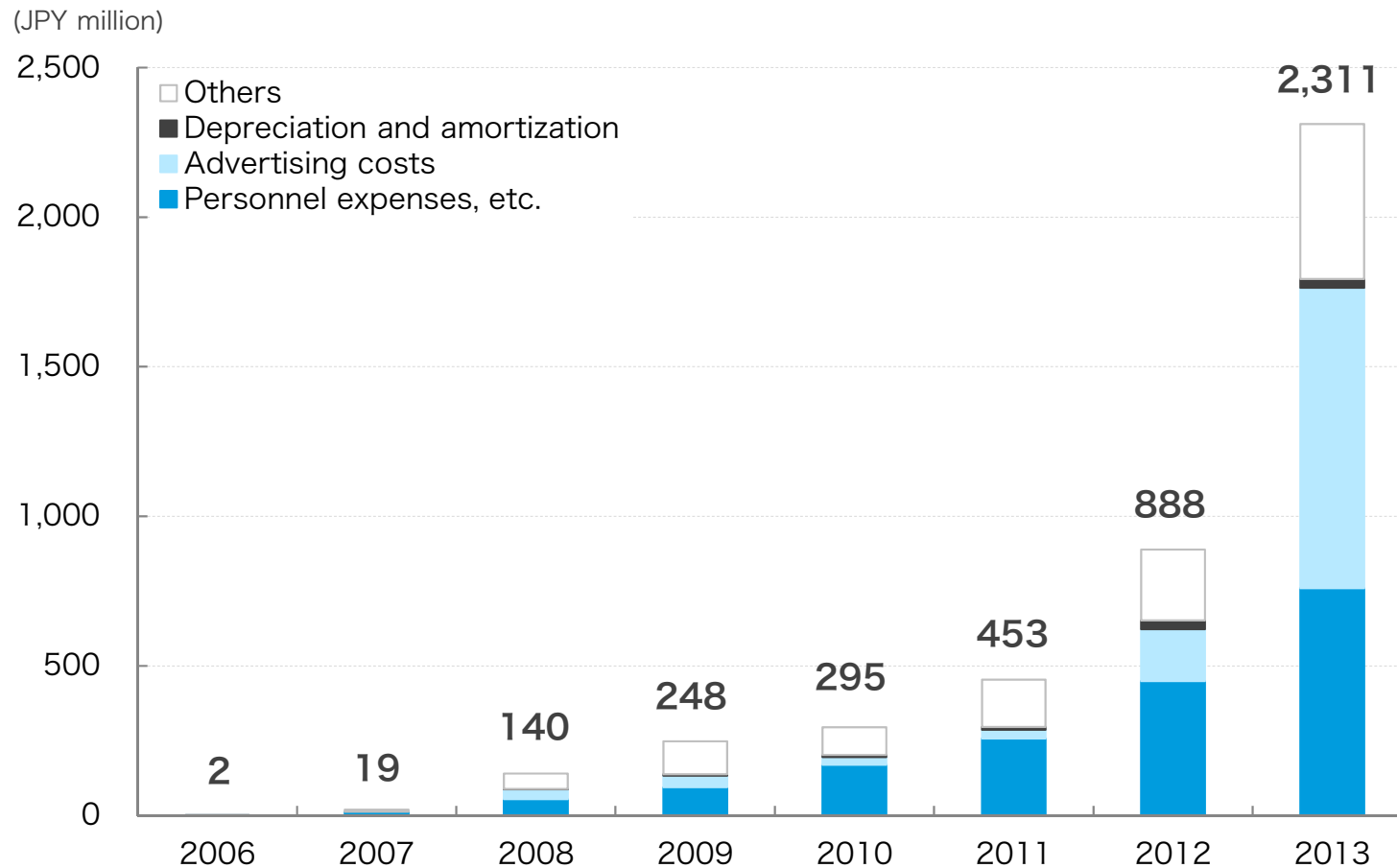
4-2. Number of Employees (Annual)

| We will maintain our focus on efficient business operations while continuing to hire in order to increase the speed of business development.



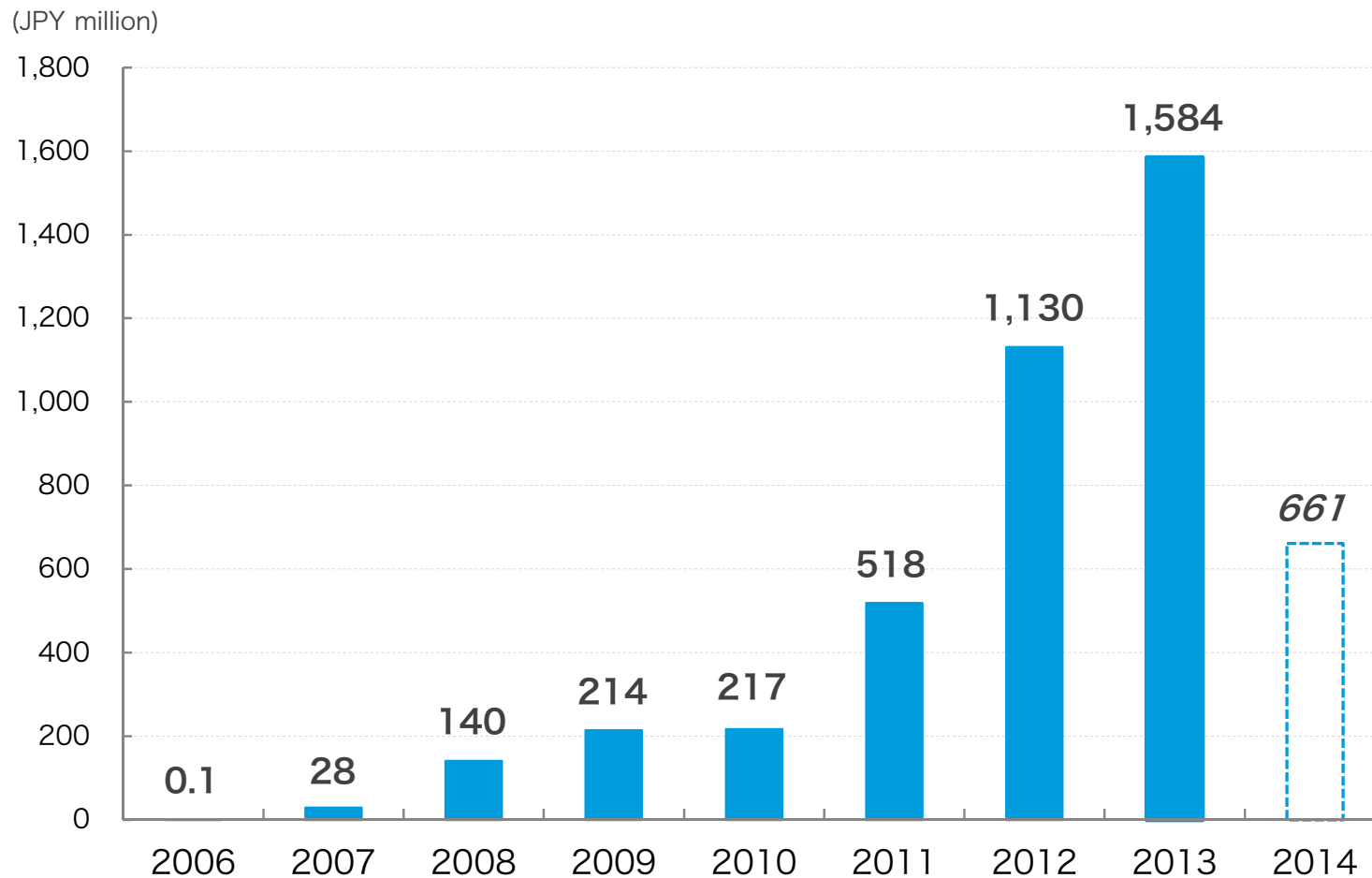
4-3. SG&A Expenses (Annual)

| We started web promotions aimed at increasing user traffic from FY2013.



4-4. Operating Income (Annual)

| FY2014 operating income declines due to an increase in personnel expenses, advertising costs



4-5. FY2014 Plan (Revised on November 14)

- No significant changes have yet been observed in the labor shortage and recruitment difficulties affecting part-time jobs in particular, so the sales forecast has not been changed
- 3Q sales were generally inline with our forecast, on the other hand, earnings forecast announced on August 13 revised due to change in timing of recruitment plan
- Efforts continuing to be poured into measures for main businesses, and strengthen the organizational system

(JPY million)

	FY2013	FY2014				
	Results	Previous Forecast	Revised Forecast	(YoY)	3Q Results	(Progress Rate)
Sales	4,256	4,280	4,280	0.6%	3,231	75.5%
Operating Income	1,584	517	661	(58.3%)	608	91.9%
	37.2%	12.1%	15.4%	-	18.8%	-
Ordinary Income	1,586	517	662	(58.3%)	608	91.9%
	37.3%	12.1%	15.5%	-	18.8%	-
Net Profit	984	330	409	(58.4%)	364	89.0%
	23.1%	7.7%	9.6%	-	11.3%	-
EPS (JPY)	35.58	11.91	14.63	(58.9%)	13.10	89.5%

4-6. Key Points to Focus Efforts on in 2nd Half, FY2014

I Part-time jobs area

Increase in applicants rate & hiring rate

- Strengthening telephone support for job applicants (optimized and increased operations)
- Improve website functionality especially on smartphones
- Decrease job matching opportunity loss through published job ad reviews

Improving ability to attract site user

- Further improve web marketing
- Optimize of web advertisements
- Further differentiation through initiatives such as monetary gifts

Increase number of listings

- Promote usage by existing clients
- Increased sales & marketing to new prospective clients

Establishment of a new revenue pillars

- Provide optional services based on client demand

4-6. Key Points to Focus Efforts on in 2nd Half, FY2014

I Full-time employee career change area

Increase in applicants rate & hiring rate

- Strengthening job applicants (registered users) support (optimized and increased operations)
- Improve website functionality

Improving ability to attract site user

- Further improve web marketing
- Optimize web advertisements

Increase number of listings

- Provide services in cooperation with CGM "Tenshoku Kaigi"
- Promote usage by existing clients
- Increased sales & marketing to new prospective clients

Establishment of a new revenue pillars

- Strengthening monetization of CGM "Tenshoku Kaigi"
- Provide optional services based on client demand

4-6. Key Points to Focus Efforts on in 2nd Half, FY2014

| Real Estate area

**Increase
number of
listings**

- Begin operation of internal management system (Completed in September, operating from October)
- Strengthening new client acquisitions

**Improving
ability to attract
site user**

- Improve web marketing
- Increase real estate rent content

**Increase in
inquiry rate**

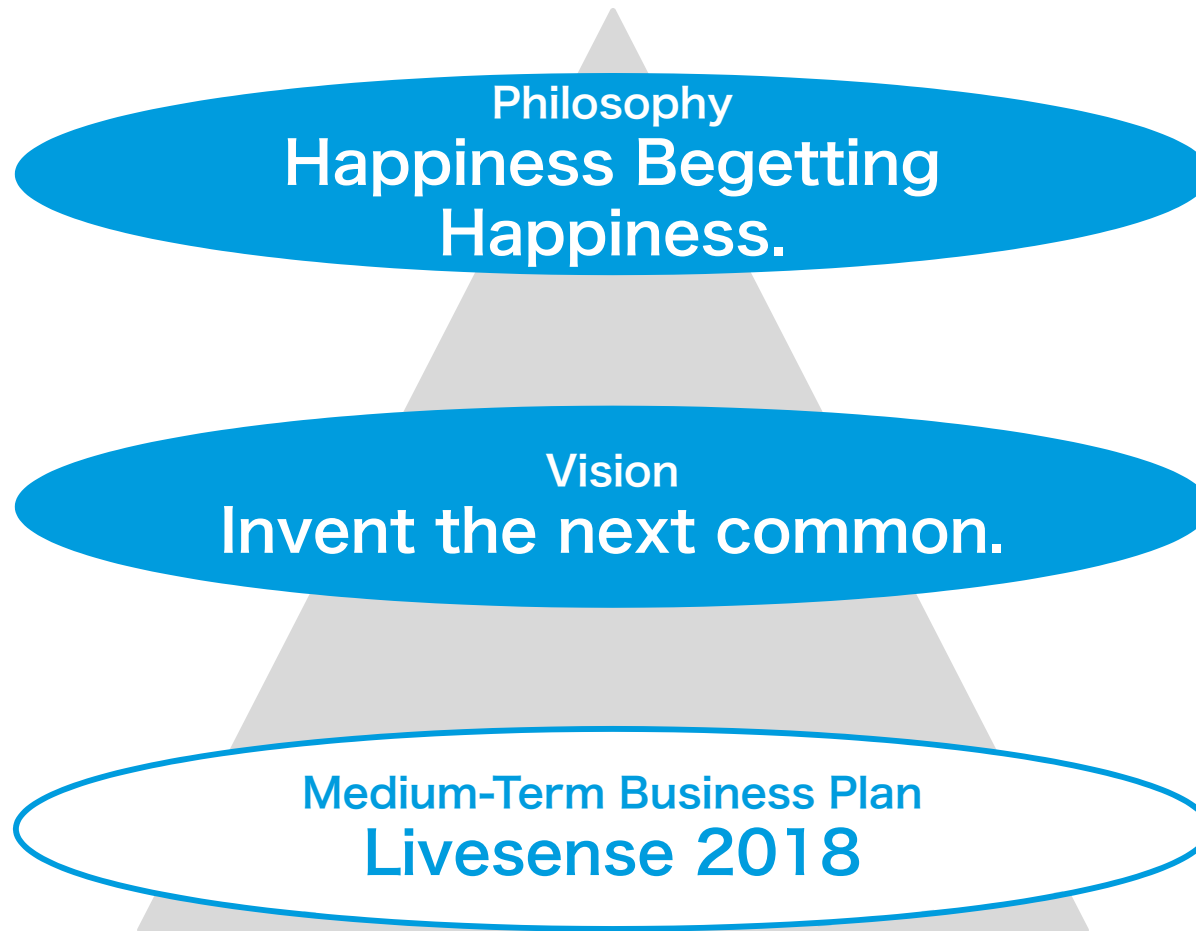
- Increase usability through improved and increased website functionality

**Development
of new revenue
sources**

- Prepare new service launch related to real estate domain

5-1. Medium-Term Business Plan

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



5-2. Medium-Term Business Plan

| Our approach to business (Basic policies)

Business able to contribute to social development and problem resolution

Business loved by many people for all time

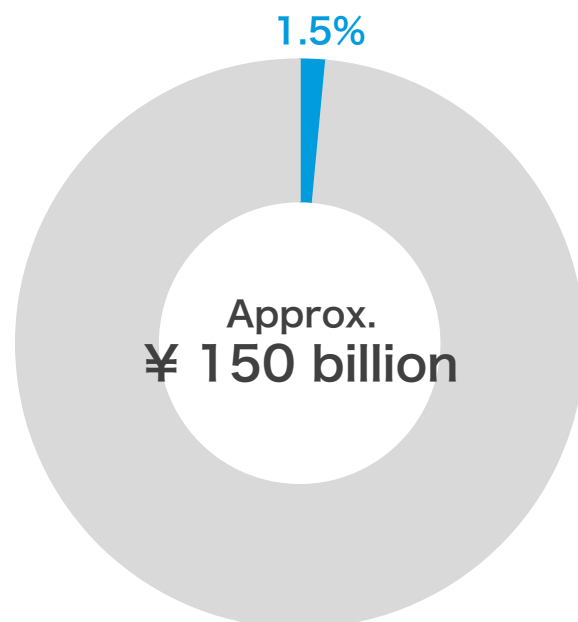
Business in which Livesense can become No. 1

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

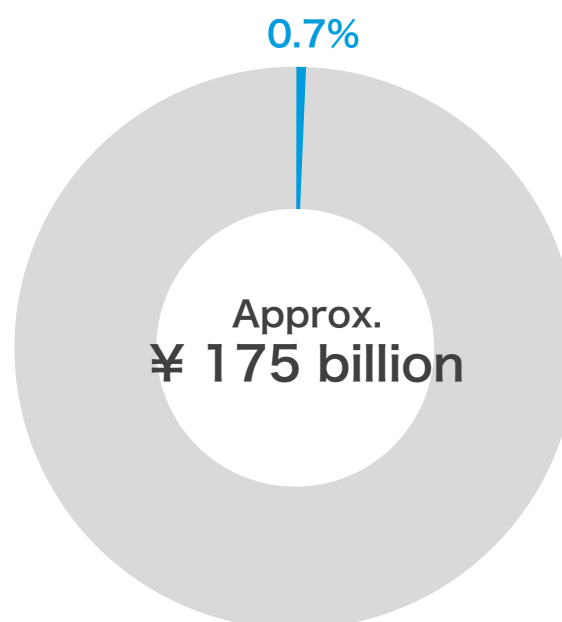
5-3. Japanese market environment (Our share)

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

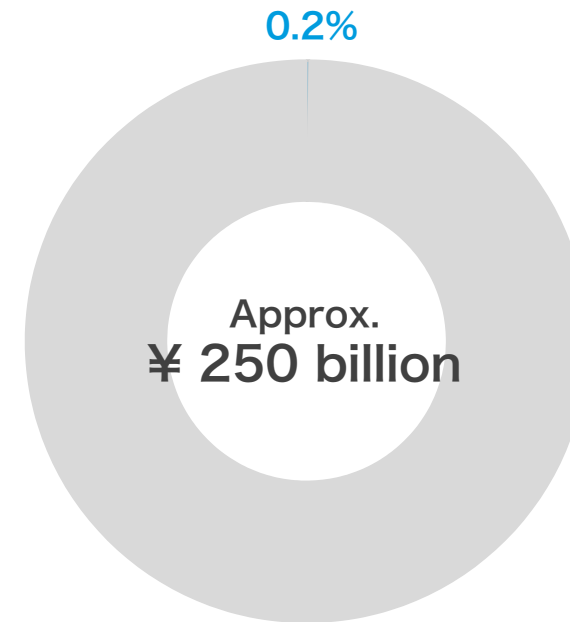
Part-time job information
advertising market



Full-time employee
career change market



Rental real estate market

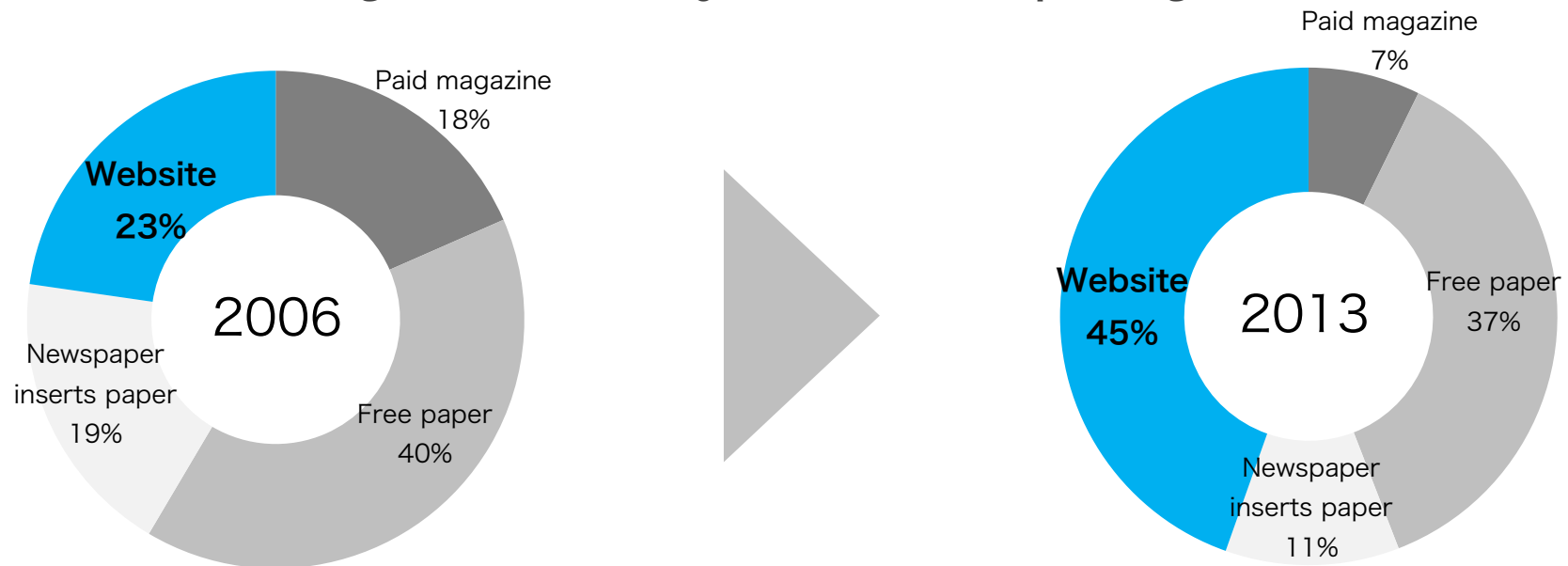


(Note) Market scale data figures are estimated based on our research.

5-4. Japanese market environment (2006→2013)

- | 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.

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

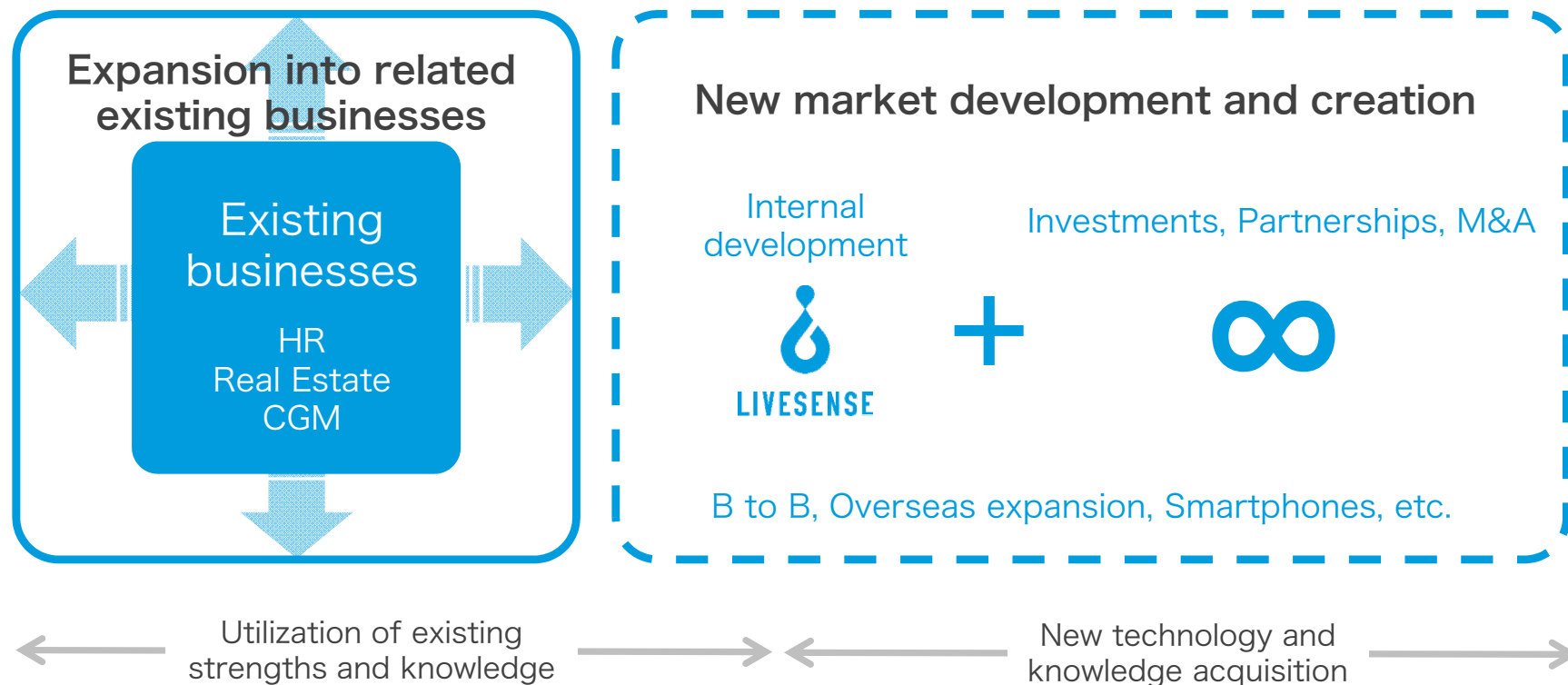
Reinforcement of major measures and distinction in our services to expand share and expand business segments by breaking into related domains in order to become "the next common" in the HR and real estate markets



5-6. 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

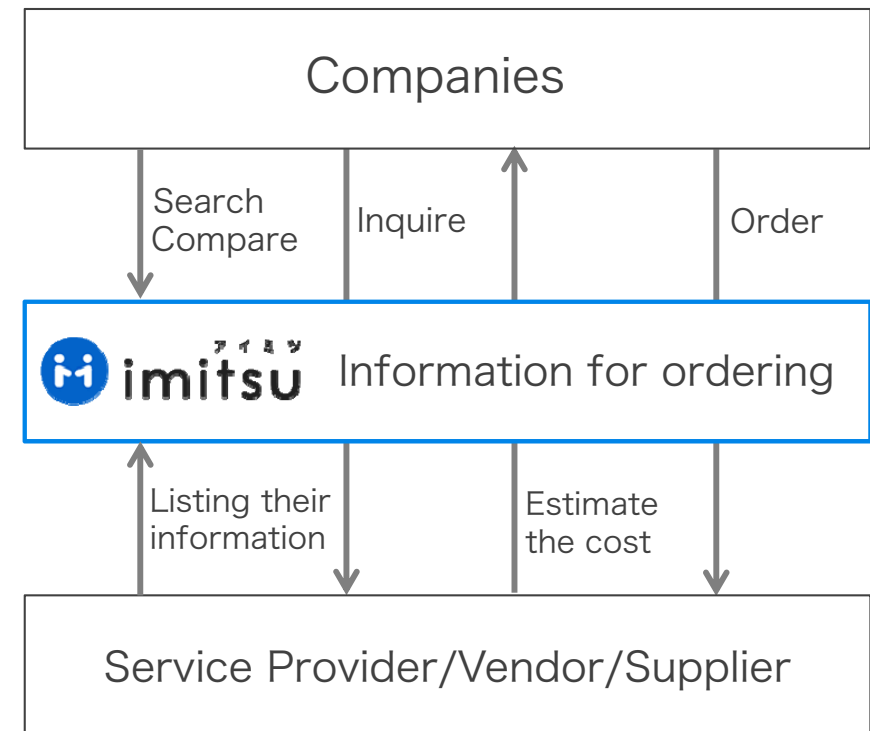


5-7. Introduction of New Services

| 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/>)



5-8. New subsidiary in the United States

Established first Livesense 100% consolidated subsidiary, Livesense America, in August 19, 2014

- Establishing new subsidiary to focus on market research on the latest internet-related services, local business network building, and medium-term new service development

<Summary of Subsidiary>

- Name Livesense America
- Address California, United States
- Representative Tomoya Shibasaki
- Stated Capita \$0.6 million
- Fiscal Year End December 31
- Major Businesses Internet Services



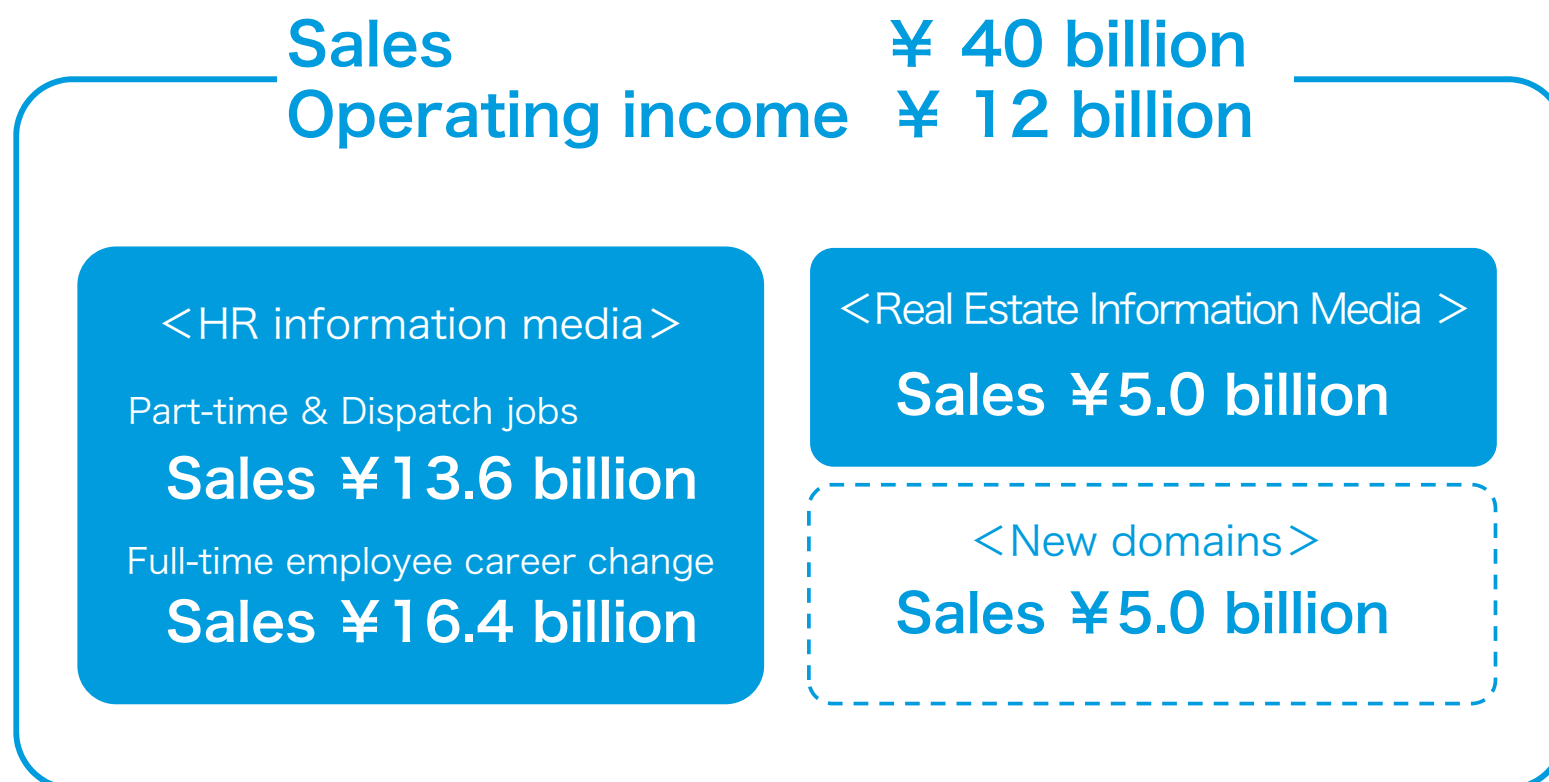
5-9. Medium-Term Business Plan (Schedule)

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>

5-10. 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

Reference - 3Q FY2014 Highlights (Cumulative)

| Lower profits on higher incomes year on year

- Net Sales JPY 3,230 million (up 1.3% YoY)
- Operating income JPY 607 million (down 52.9% YoY)

| Full-year earnings forecast revised upwards

- 3Q sales were generally inline with our forecast, on the other hand, earnings forecast announced on August 13 revised due to change in timing of recruitment plan
- No significant changes yet observed in lack of applicants/recruiting difficulties, which are primarily affecting part-time jobs

| Usage promotion measures such as renewal and optional services being promoted

- Optional services launched including posting-based billing on JOBSENSE
- Efforts poured into improving application and hiring rates by strengthening telephone support for job applicants
- Design of “imitsu” business comparison and order placement website updated (September 5)
- Design of “JOBSENSE Link” career change website updated (September 11)

| Financial statements prepared on consolidated basis starting in 3Q14

- US consolidated subsidiary Livesense America established on August 19

Reference - 3Q FY2014 Financial Results (Cumulative)

Lower profits on higher incomes year on year

(Thousands of JPY)

	3Q13	3Q14	YoY
Sales	3,189,223	3,230,616	+1.3%
Sales Cost	272,524	226,609	(16.8%)
	8.5%	7.0%	(1.5%)
Gross Margin	2,916,698	3,004,006	+3.0%
	91.5%	93.0%	+1.5%
SG&A Expenses	1,626,767	2,396,329	+47.3%
	51.0%	74.2%	+23.2%
Operating Income	1,289,931	607,676	(52.9%)
	40.4%	18.8%	(21.6%)
Ordinary Income	1,291,129	608,373	(52.9%)
	40.5%	18.8%	(21.7%)
Net Pretax Profit	1,287,329	602,319	(53.2%)
	40.4%	18.6%	(21.7%)
Net profit	724,072	363,875	(49.7%)
	22.7%	11.3%	(11.4%)

SG&A : Personnel expenses, etc. (+ JPY 331 million), advertising expenses (+ JPY 213 million), sales promotion expense (+ JPY 89 million)

Reference - 3Q FY2013 Financial Results (Quarter)

| Lower profits on higher incomes year on year

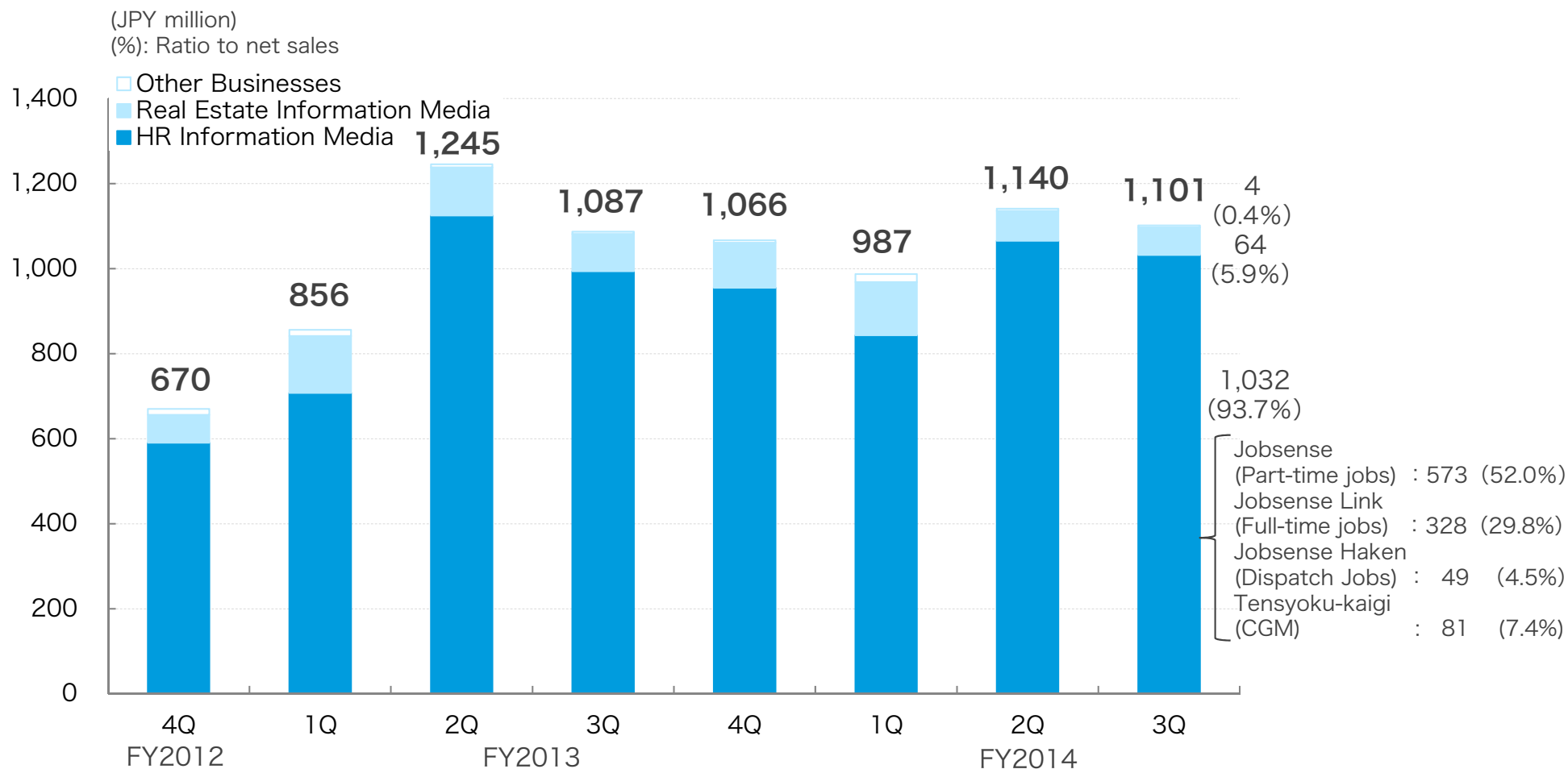
(Thousands of JPY)

	3Q13	3Q14	YoY
Sales	1,087,311	1,101,899	+1.3%
Sales Cost	94,583	74,647	(21.1%)
	8.7%	6.8%	(1.9%)
Gross Margin	992,728	1,027,252	+3.5%
	91.3%	93.2%	+1.9%
SG&A Expenses	633,713	820,005	+29.4%
	58.3%	74.4%	+16.1%
Operating Income	359,014	207,246	(42.3%)
	33.0%	18.8%	(14.2%)
Ordinary Income	359,368	207,640	(42.2%)
	33.1%	18.8%	(14.2%)
Current Net Pretax Profit	359,368	201,586	(43.9%)
	33.1%	18.3%	(14.8%)
Current net profit	203,218	120,135	(40.9%)
	18.7%	10.9%	(7.8%)

SG&A : Personnel expenses, etc. (+ JPY 109 million), sales promotion expense (+ JPY 25 million), payment fees (+ JPY 39 million)

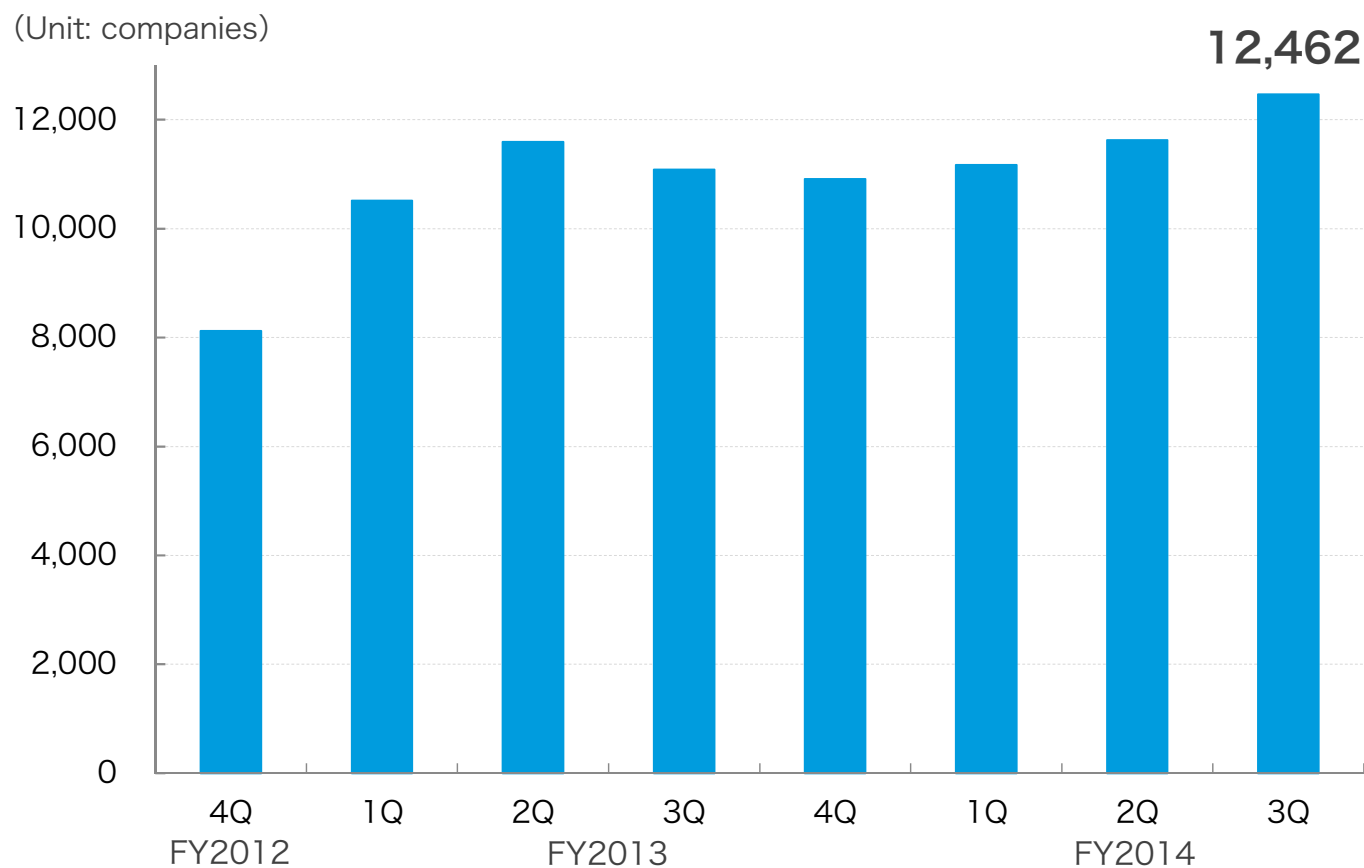
Reference - Net Sales

**Job information sales up YoY despite continued lack of workers
3Q sales were generally inline with our forecast**



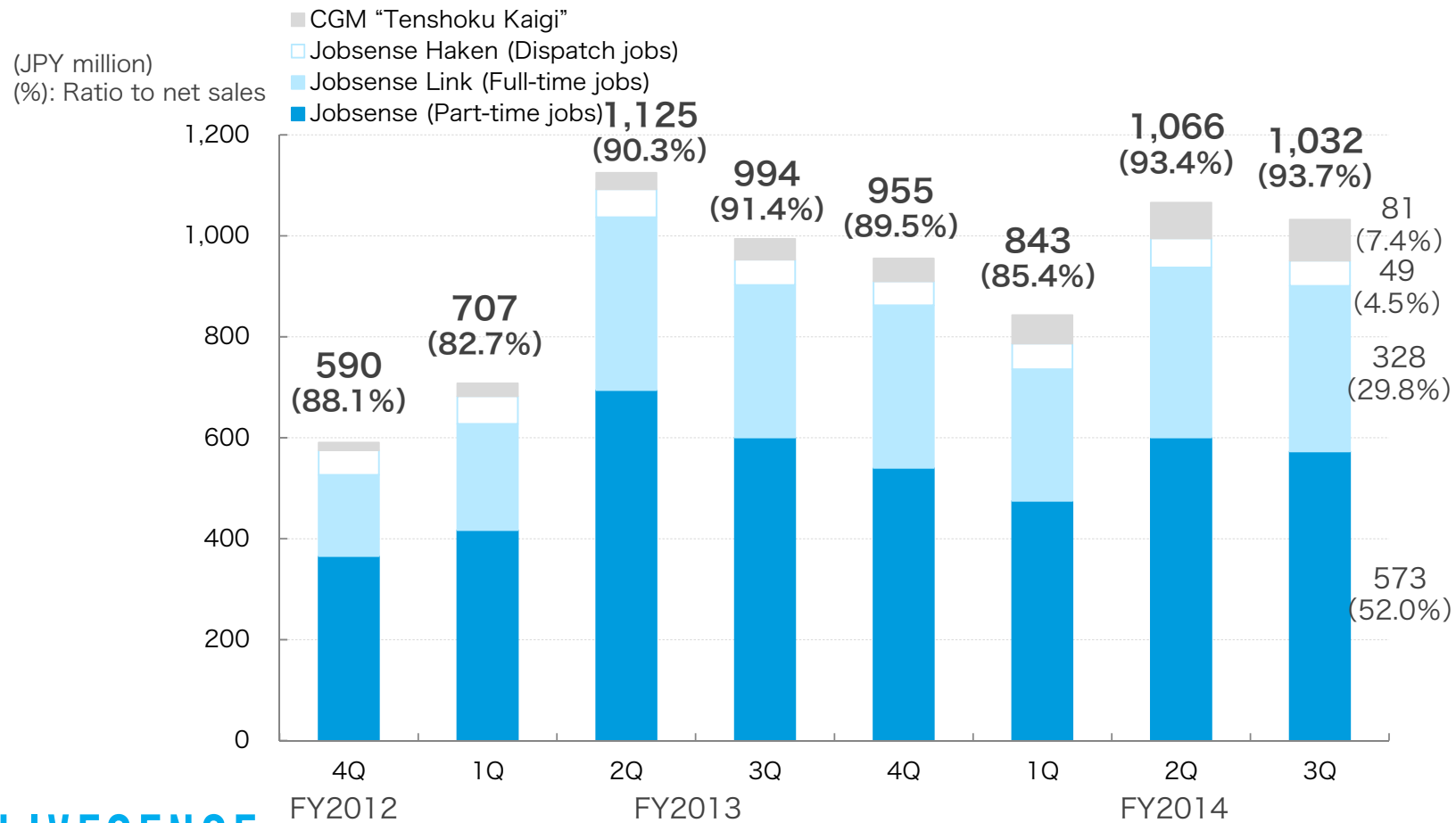
Reference - Number of Actively Listing Companies

- As of 3Q14, there are 12,462 company listings and 2,272 new corporate customers
- In addition to focus on new customers, we are focusing on promoting use among existing corporate customers



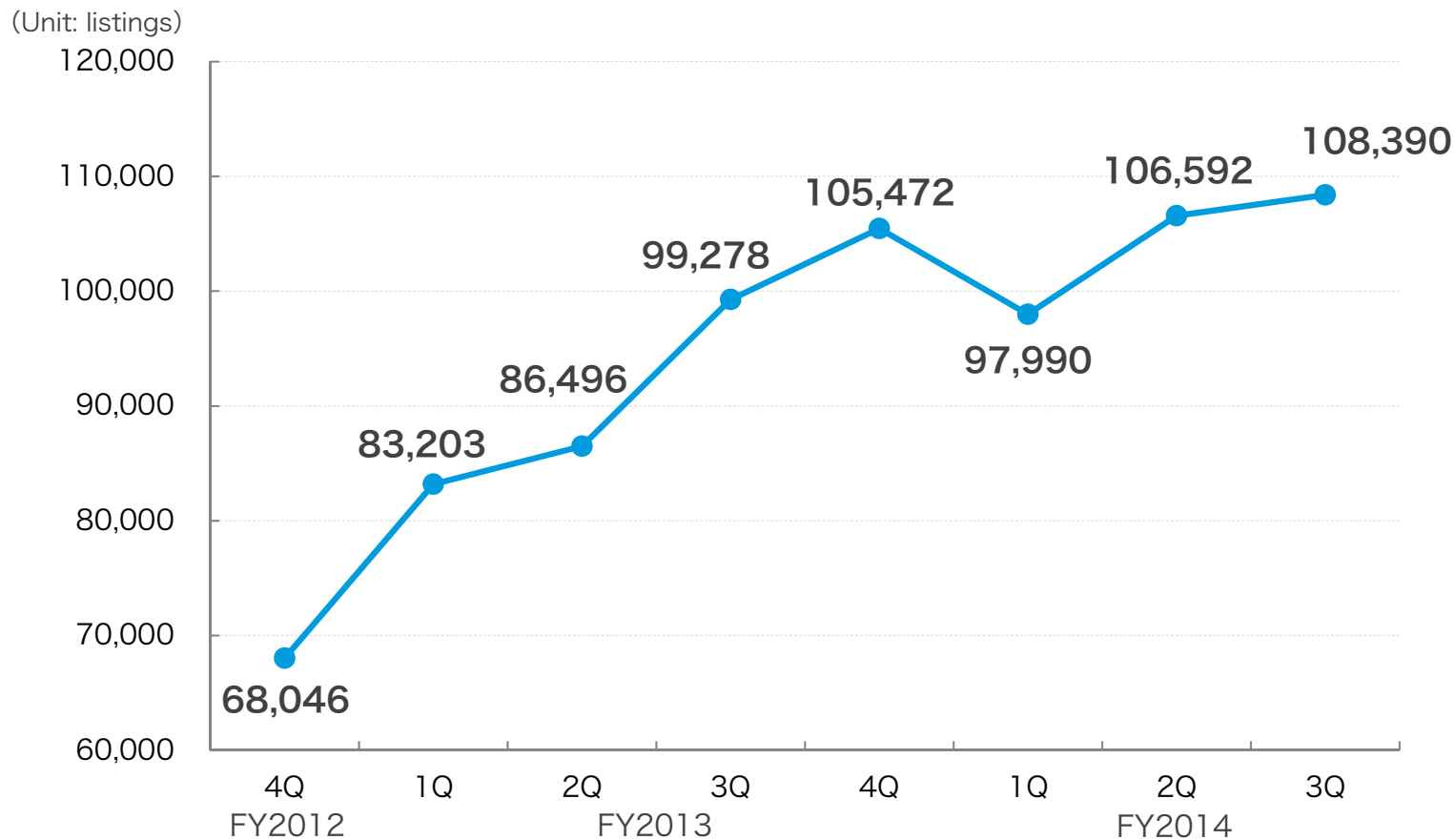
Reference - HR Information Media Business (Sales)

- Job information sales overall are up year on year despite lack of part-time workers
- Improving job applicant support and continuing to focus on website improvements in order to increase application and hiring rates



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

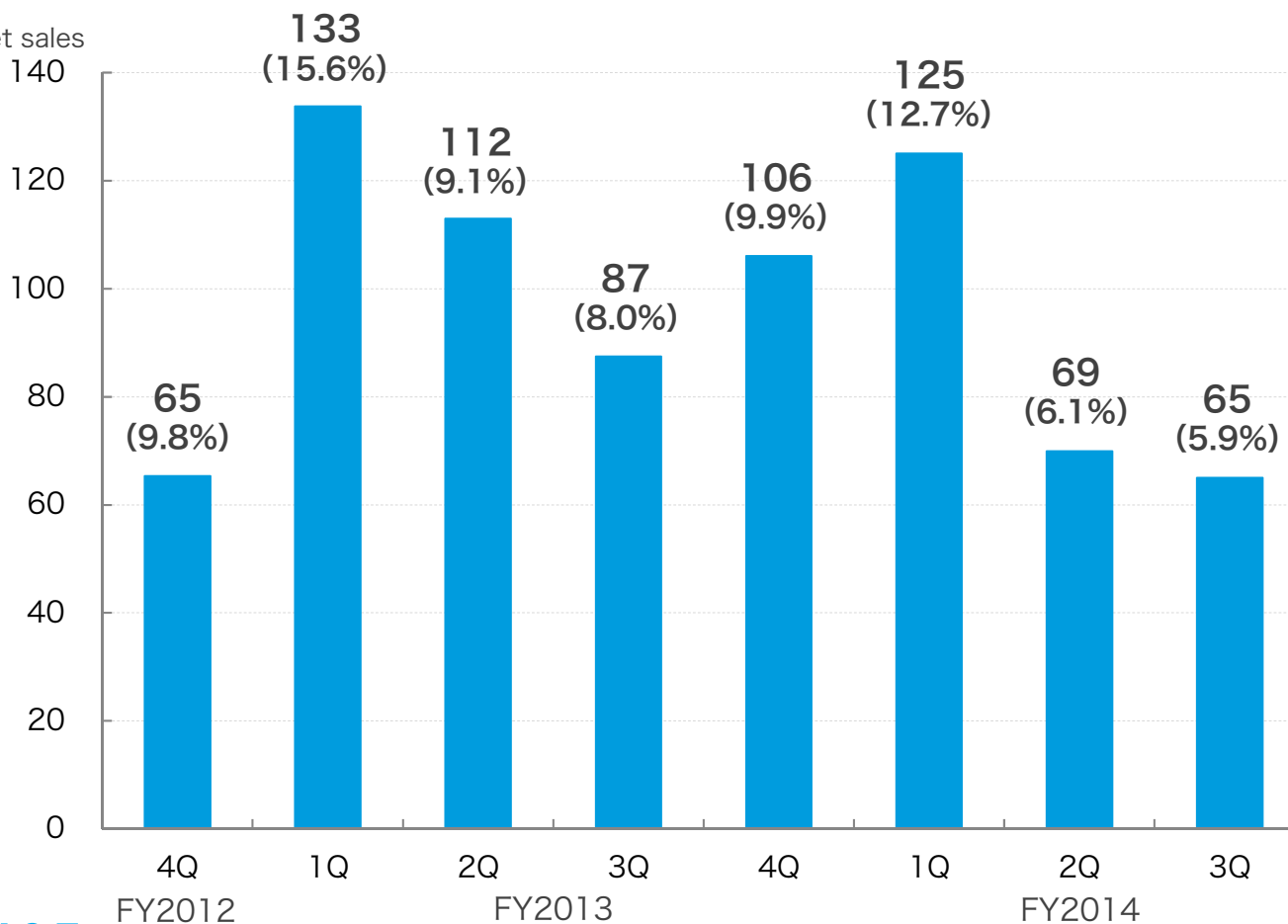
- Improving number of listings resulted from promotions through expansion of services matching corporate customers' needs
- Measures were implemented to reduce job matching opportunity loss through published job ad reviews, and total increase was at 1,798 compared to previous quarter



Reference - Real Estate Information Media Business (Sales)

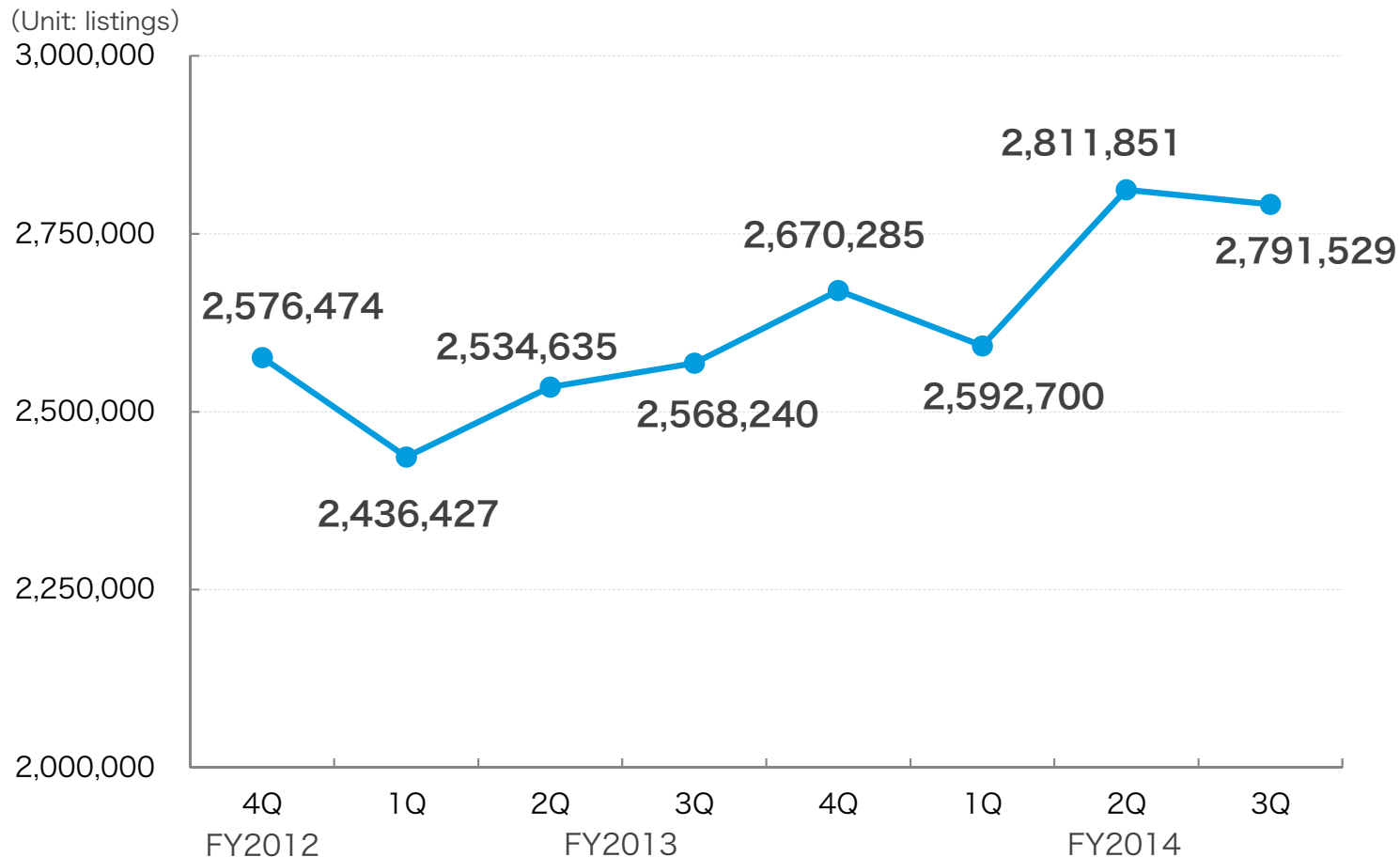
- Development of internal management system completed in September. Efforts being made to improve user-friendliness for adopting companies
- Continued promotion of content enhancement, website improvement and management efficiency

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



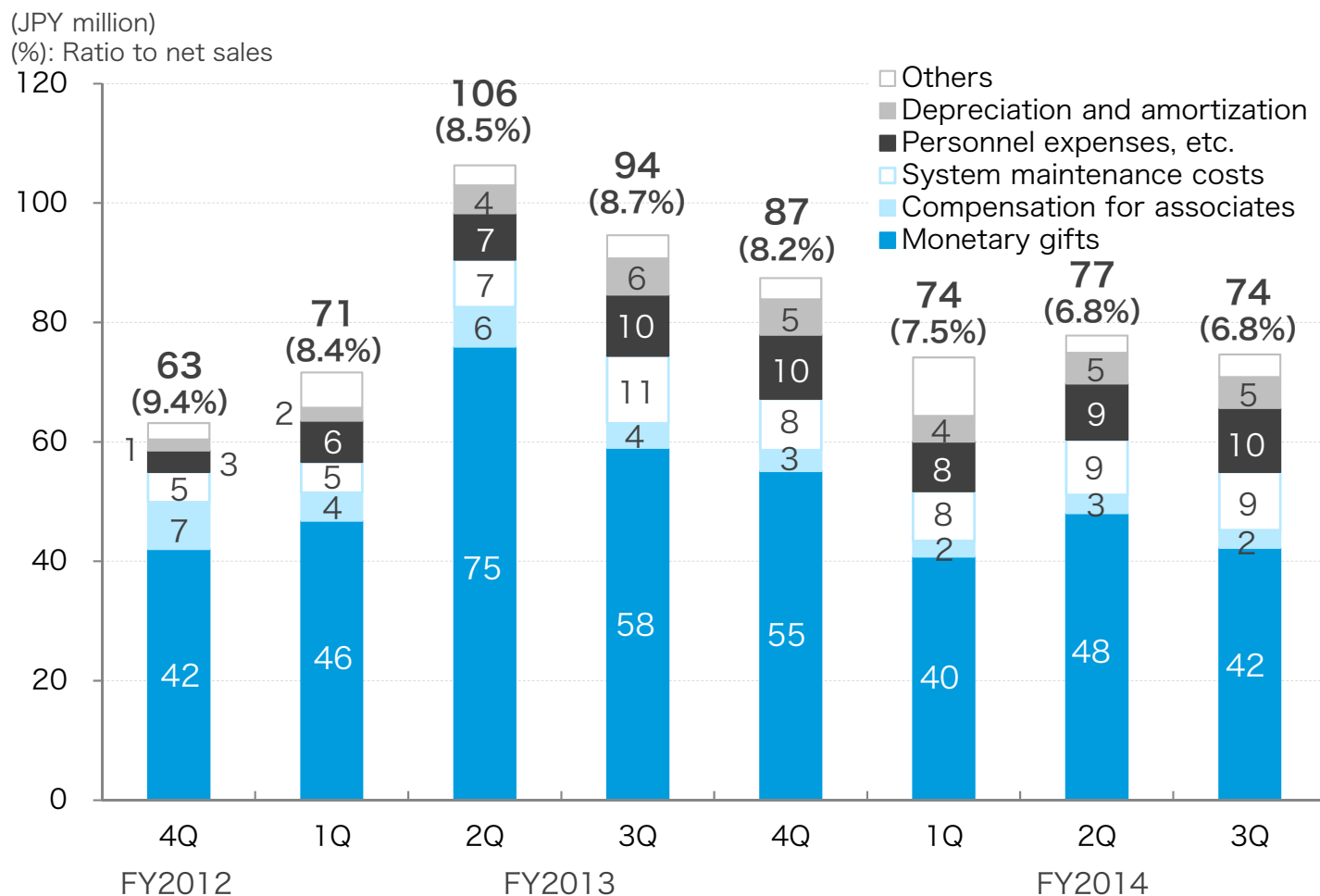
Reference - Real Estate Information Media Business (No. of information)

- Number of properties surpassed 3 million in August, but as of end of September, number was slightly down compared to previous quarter due to shuffling of partner postings among other things
- Establish service management system to further increase the number of listings and media capabilities



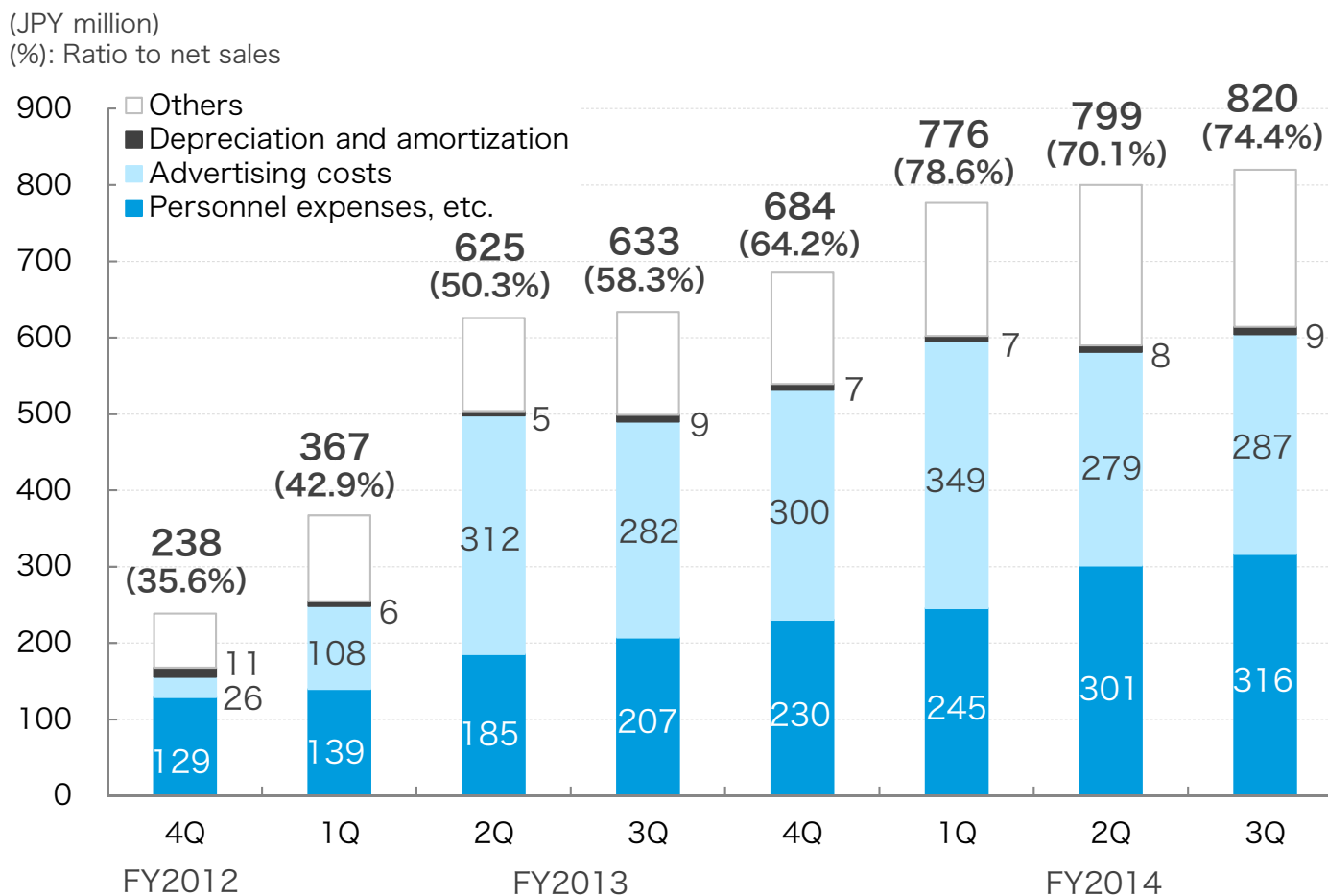
Reference - Sales Costs

Monetary gifts for hiring decreased compared to 2Q14 due to decrease in job information sales



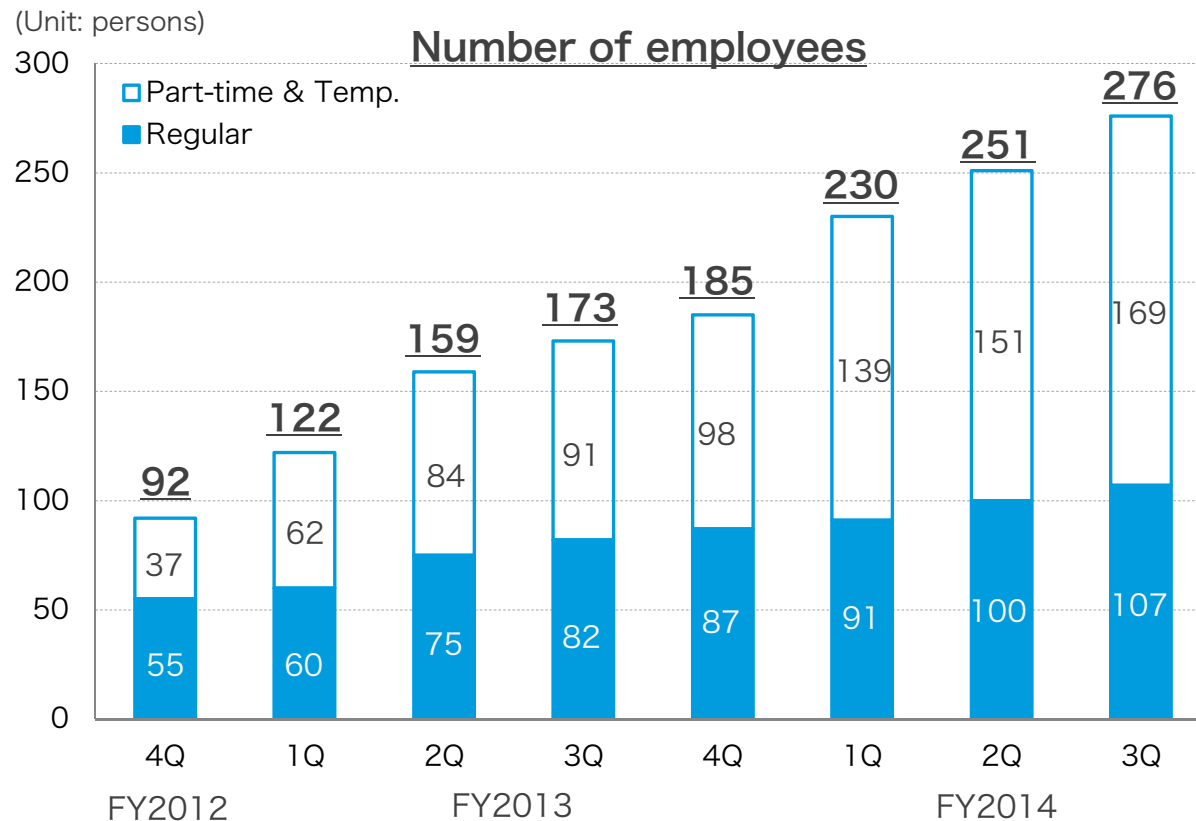
Reference - SG&A Expenses

- Personnel expenses, etc. continue to increase with increase in personnel
- For advertising costs, will continue web promotions aimed at increasing user traffic while analyzing cost performance

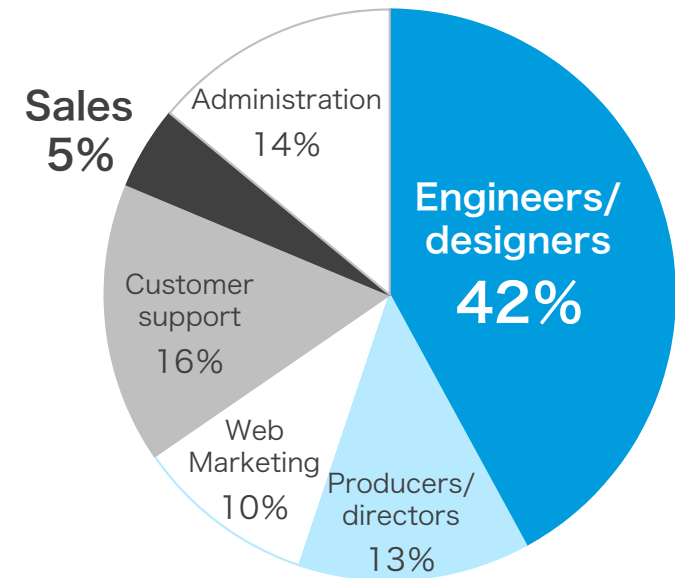


Reference - Number of Employees

- Added 7 full time employees and 18 part-time or temporary employees who support for job applicants during 3Q
- Personnel system expanded while considering medium- to long-term measures for new and existing businesses



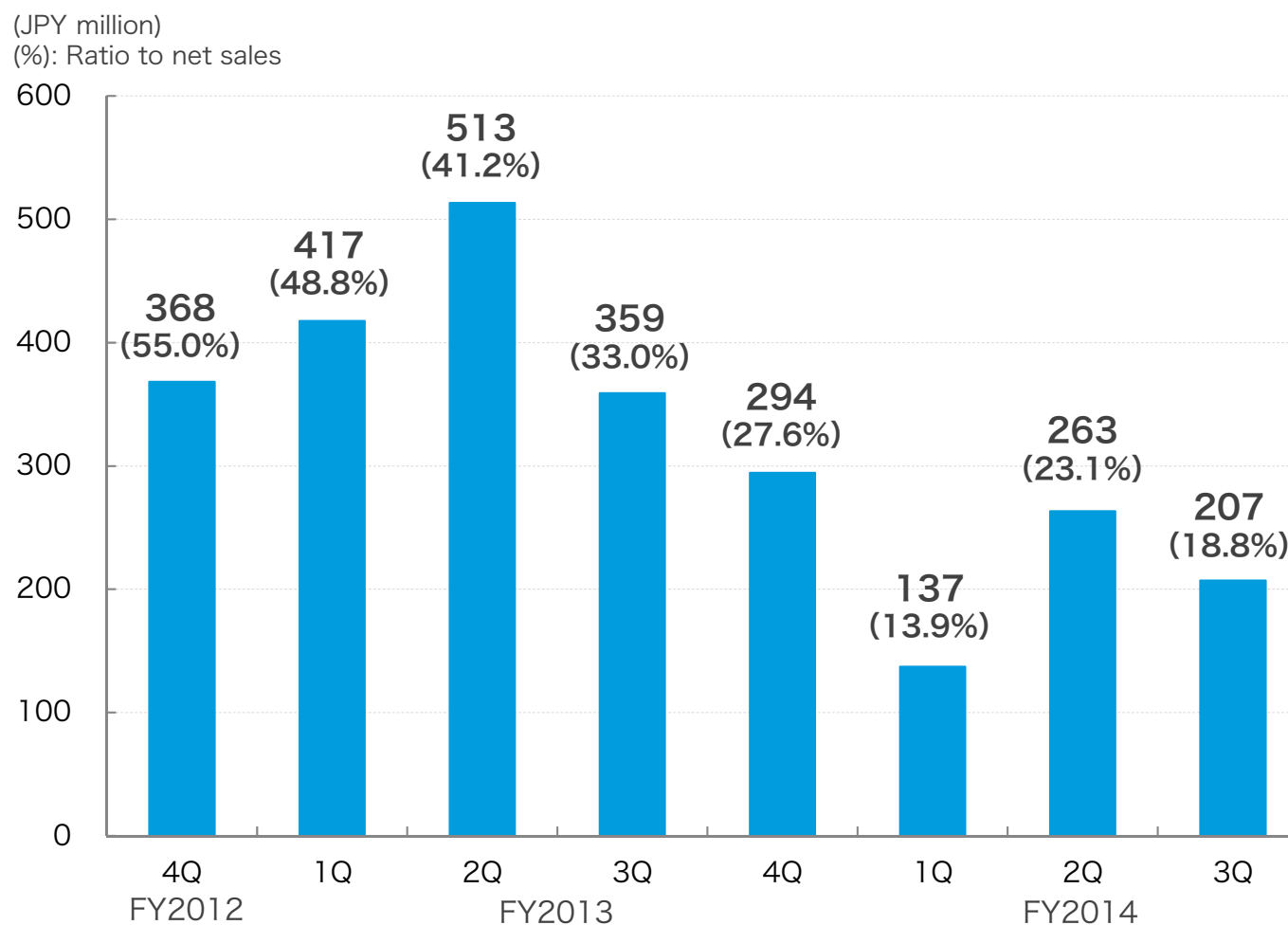
Breakdown of regular employees



(As of September 2014)

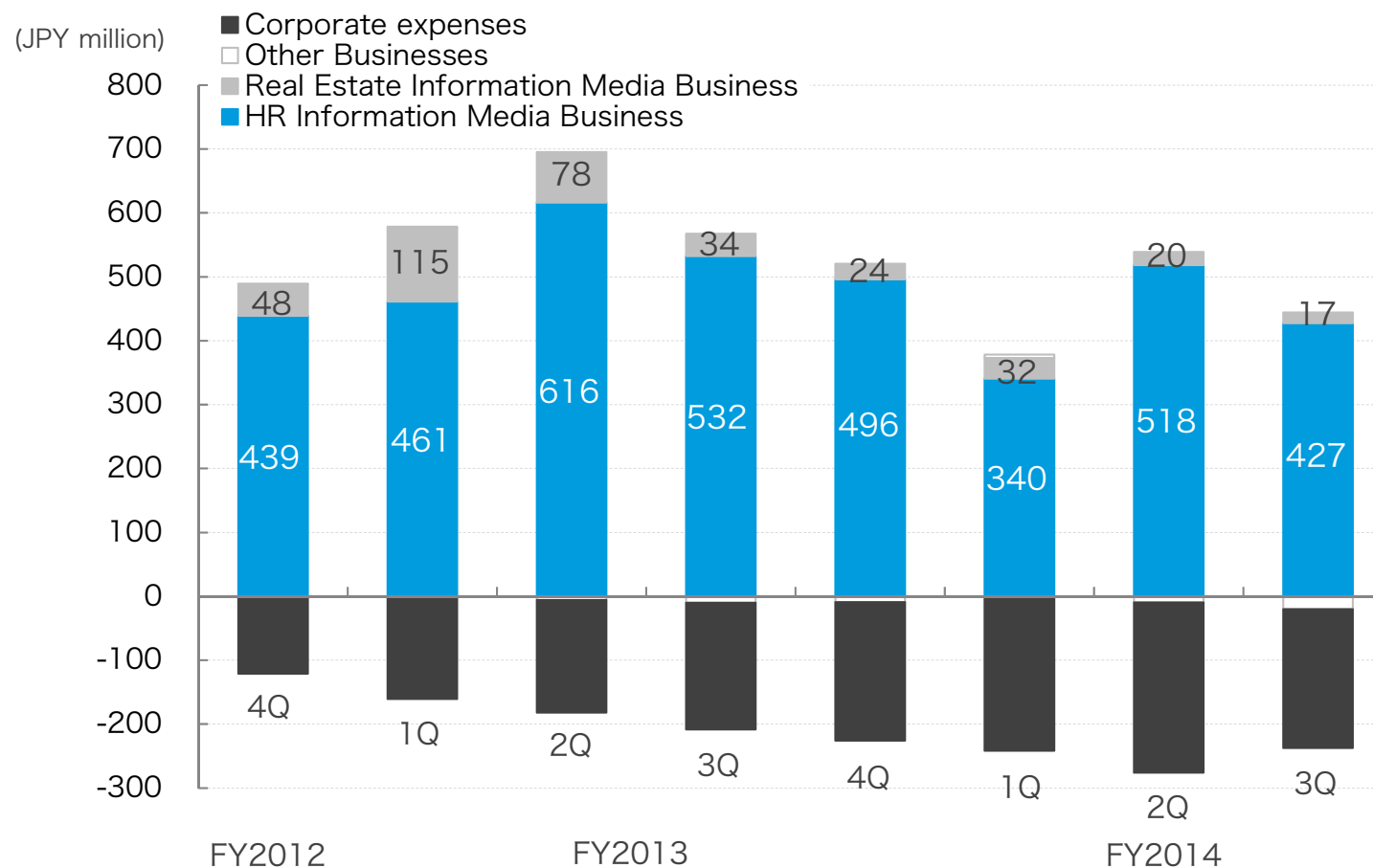
Reference - Operating Income

- Operating income decreased YoY, due to increased in personnel expenses, etc. related to the expansion of business scope, sales promotion expenses and payment fees related to the use of an external call center



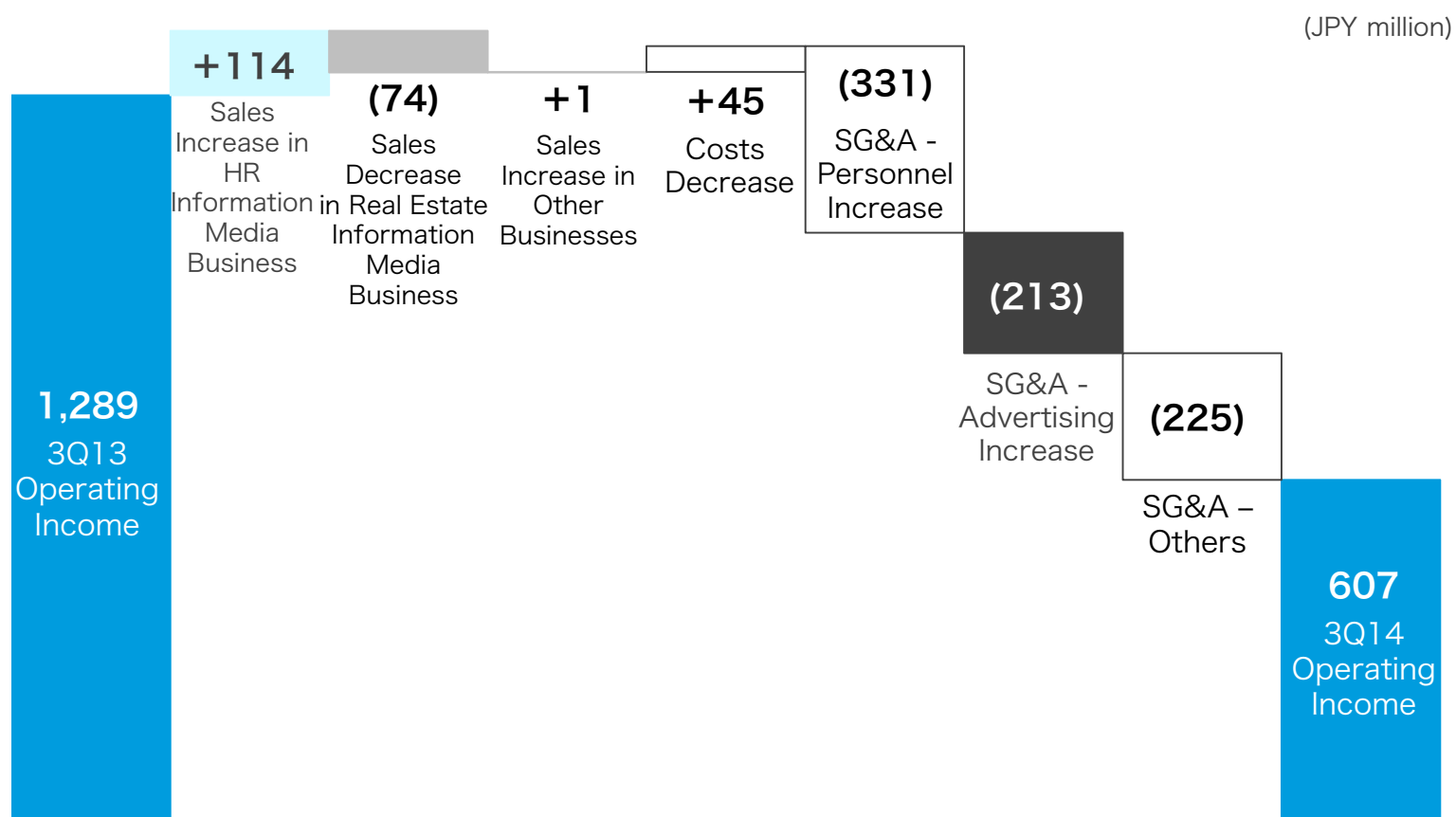
Reference - Operating Income (Segment)

- Job information income declined year on year in conjunction with an increase in expenses
- Real estate information income declined due to a decline in sales



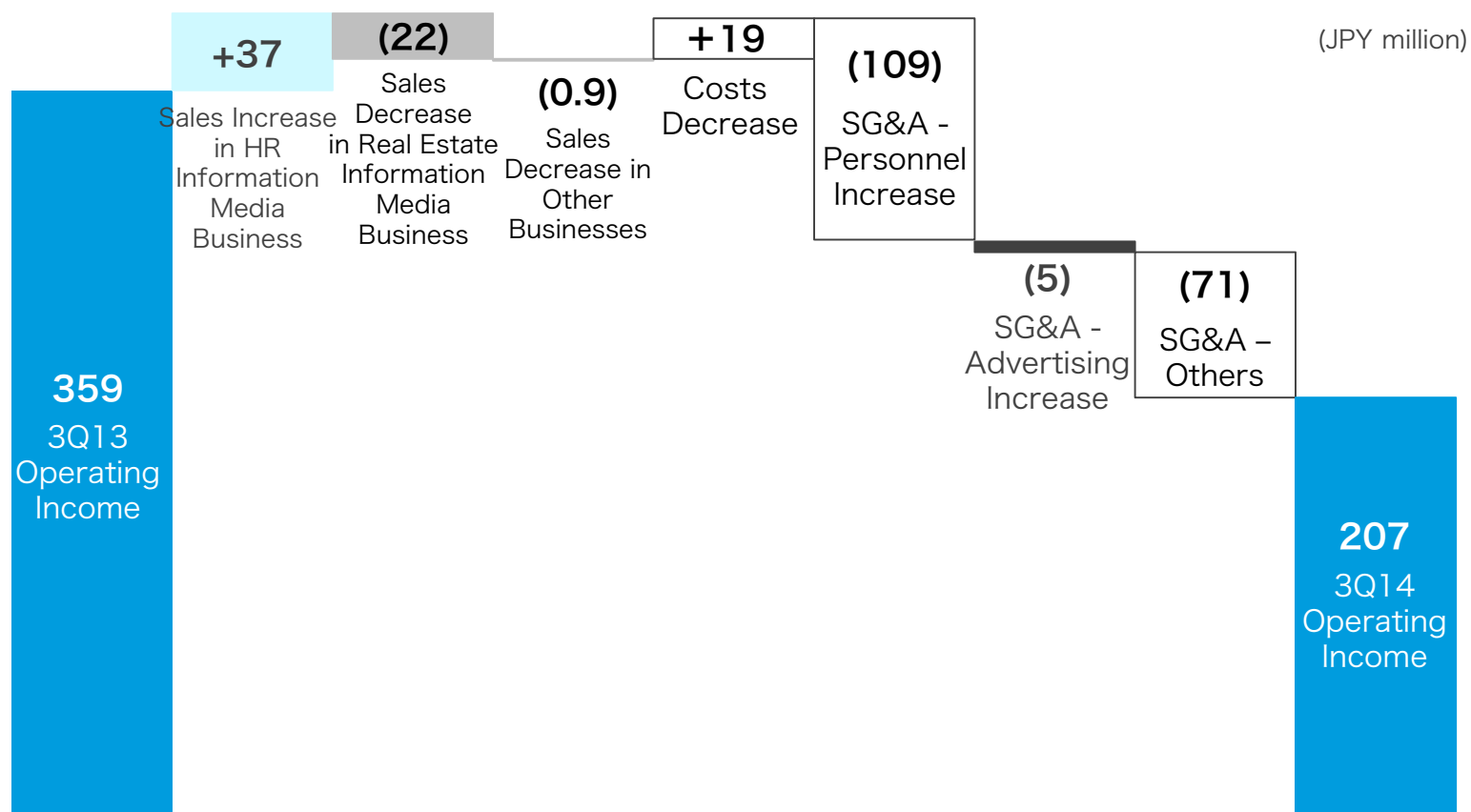
Reference - Operating Income (Cumulative based YoY comparison)

- Operating income declined due to an increase in personnel expenses, advertising costs, sales promotion expenses and payment fees



Reference - Operating Income (Quarter based YoY comparison)

Operating income declined due to an increase in personnel expenses, sales promotion expenses and payment fees



Reference - Balance Sheet Statement

(Thousands of JPY)

	3Q13	3Q14	YoY
Current assets	2,686,938	2,918,502	+8.6%
Cash and deposits	2,230,409	2,341,605	+5.0%
Accounts receivable	419,546	450,520	+7.4%
Fixed assets	356,372	437,345	+22.7%
Tangible fixed assets	123,495	116,662	(5.5%)
Intangible fixed assets	36,514	24,412	(33.1%)
Investments and other assets	196,362	296,270	+50.9%
Total assets	3,043,310	3,355,847	+10.3%
Current liabilities	649,027	323,961	(50.1%)
Accounts payable	197,482	201,398	+2.0%
Income taxes payable	341,079	14,748	(95.7%)
Fixed liabilities	-	-	-
Total liabilities	649,027	323,961	(50.1%)
Shareholders' equity	2,378,254	3,011,380	+26.6%
Capital	221,647	226,441	+2.2%
Capital reserve	206,647	211,441	+2.3%
Accumulated earnings	1,950,720	2,574,353	+32.0%
Stock warrants	16,028	19,579	+22.2%
Total net assets	2,394,283	3,031,886	+26.6%

| 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 5 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.

Started a program to support start-up companies and entrepreneurs

- Start-up companies and entrepreneurs brush up their business plans by a discussion with representatives of COOKPAD Inc. and Livesense Inc.



(<http://www.startup50.jp/>)

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.

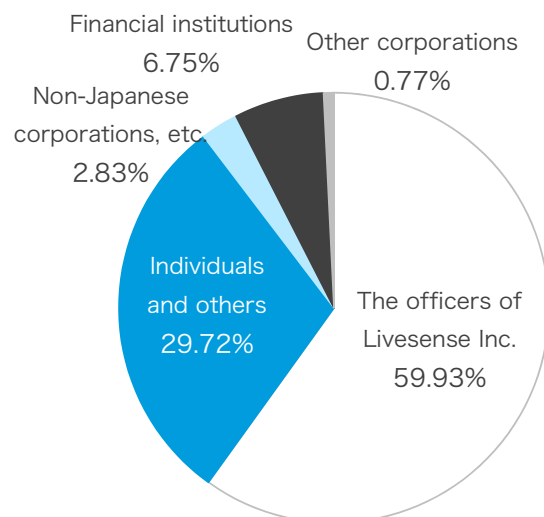


Reference - Stock Information (As of June 2014)

- Stock Price

- Lowest listed price : ¥223
(Dec. 7, 2011)
- Highest listed price : ¥3,255
(Jul. 2, 2013)
- Yearly low : ¥633
(May 21, 2014)
- Yearly high : ¥2,586
(Jan. 6, 2014)
- Average volume : 981,166 stock/day
(Jan. – Jul. 2014)

- Issued shares : 27,758,400
- Number of Shareholders : 12,328
- % of Shares by category



- Major Shareholders

Name	Shares owned	%
Taichi Murakami (President and Representative Director)	13,744,600	49.51
Daisuke Katsura (Directors)	2,698,000	9.71
Japan Trustee Services Bank, Ltd. (Trust Account)	297,000	1.06
The Master Trust Bank of Japan, Ltd. (Trust Account)	238,700	0.85
Tadao Nakata	208,700	0.75
Nomura Securities Co.,Ltd.	156,200	0.56
JPMCB : CREDIT SUISSE SECURITIES EUROPE-JPY 1007760	122,668	0.44
Japan Trustee Services Bank, Ltd. (Trust Account 1)	114,400	0.41
Japan Trustee Services Bank, Ltd. (Trust Account 6)	107,800	0.38
Japan Trustee Services Bank, Ltd. (Trust Account 5)	107,200	0.38



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