



Daiwa Investment Conference Tokyo 2015
Presentation Material

March 2, 2015
Livesense Inc.
(TSE : 6054)

Company Profile

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 Mitsuru Ozaki (Outside Statutory Auditor) Noriyuki Katayama (Outside Statutory Auditor)</p>
Capital	JPY228 million
Business Results	FY2014 Sales : JPY 4,279 million , OP: JPY 634million
Number of Employees	Full-time : 115, Part-time & Temp. : 175
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.

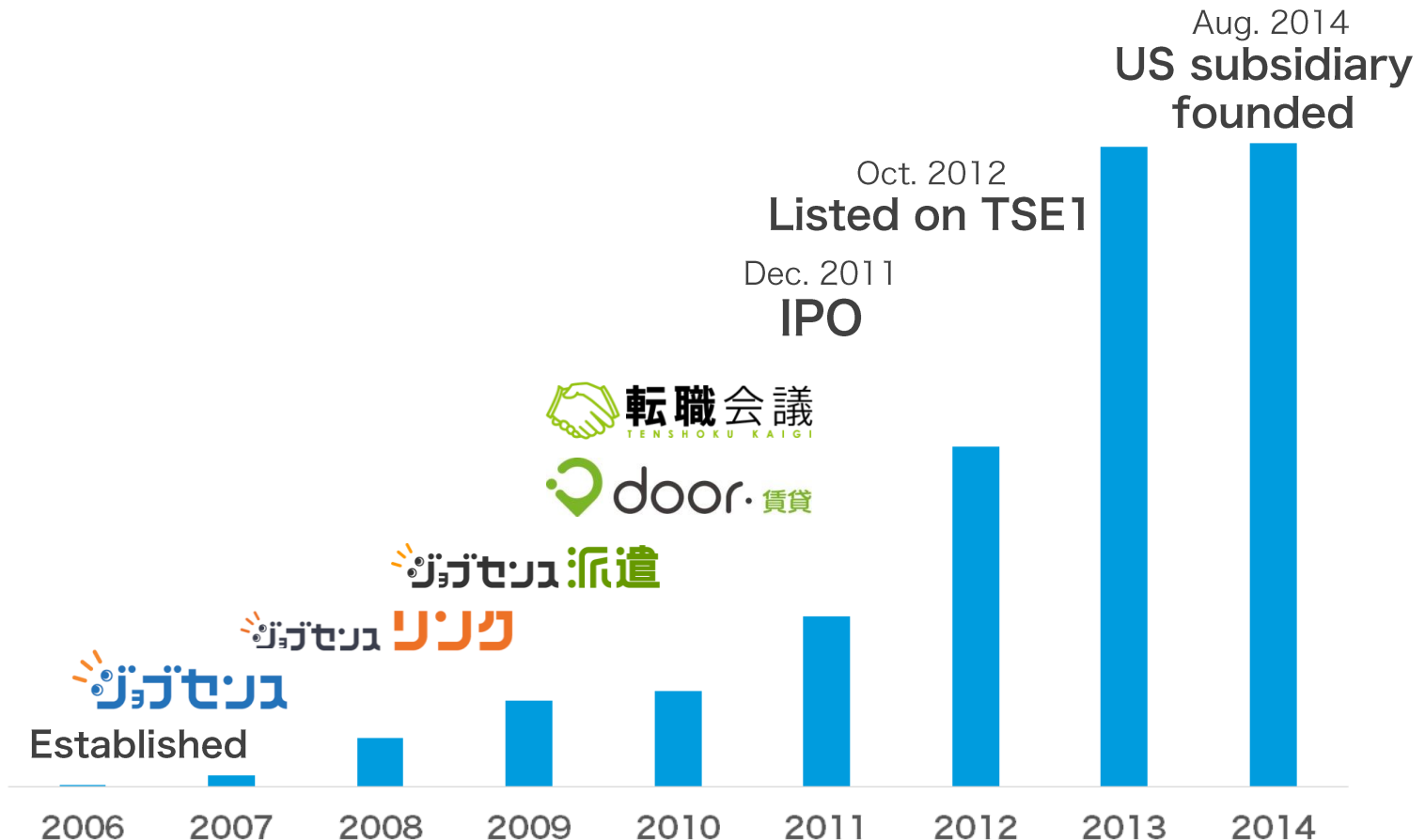
- Established by four university students (two of whom were engineers)



Livesense office at Waseda University

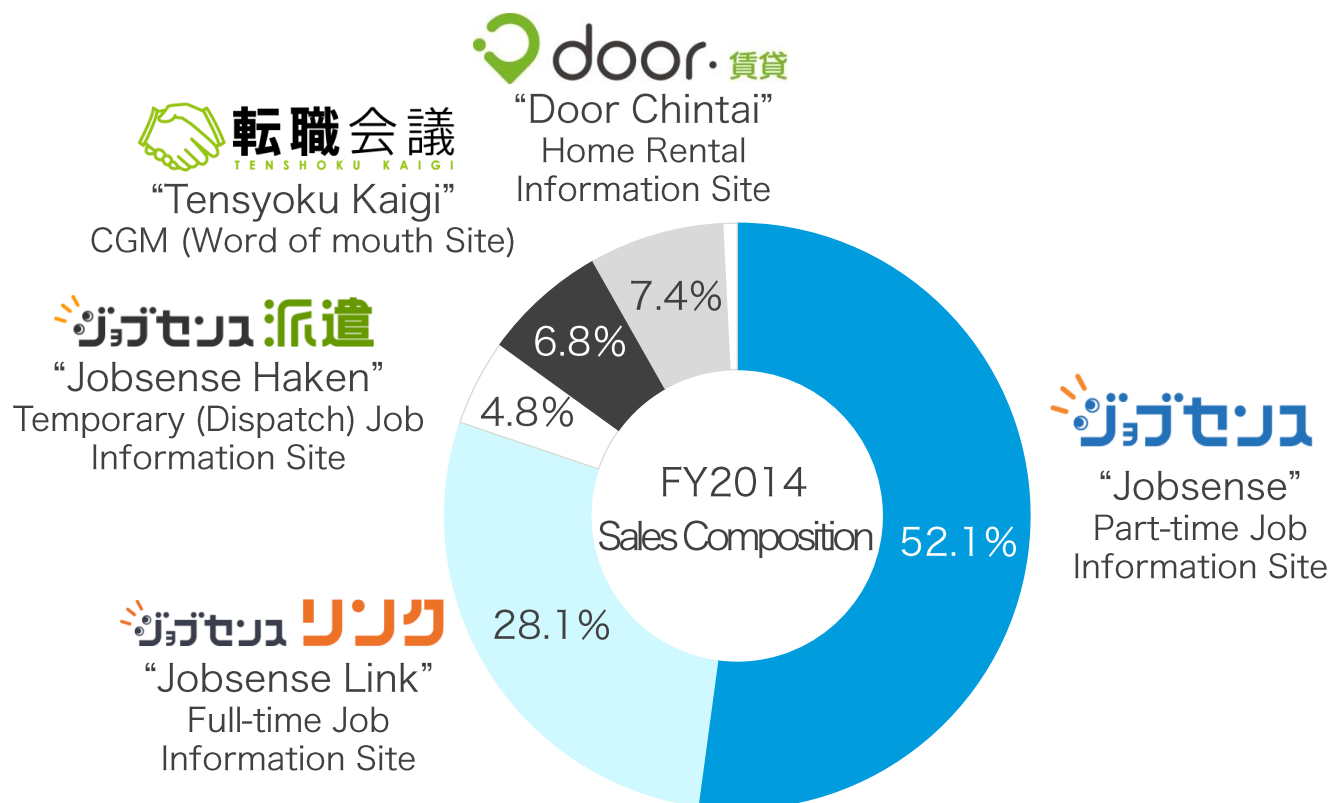
1-2 About Us : History

- Since its establishment, Livenessense has 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)

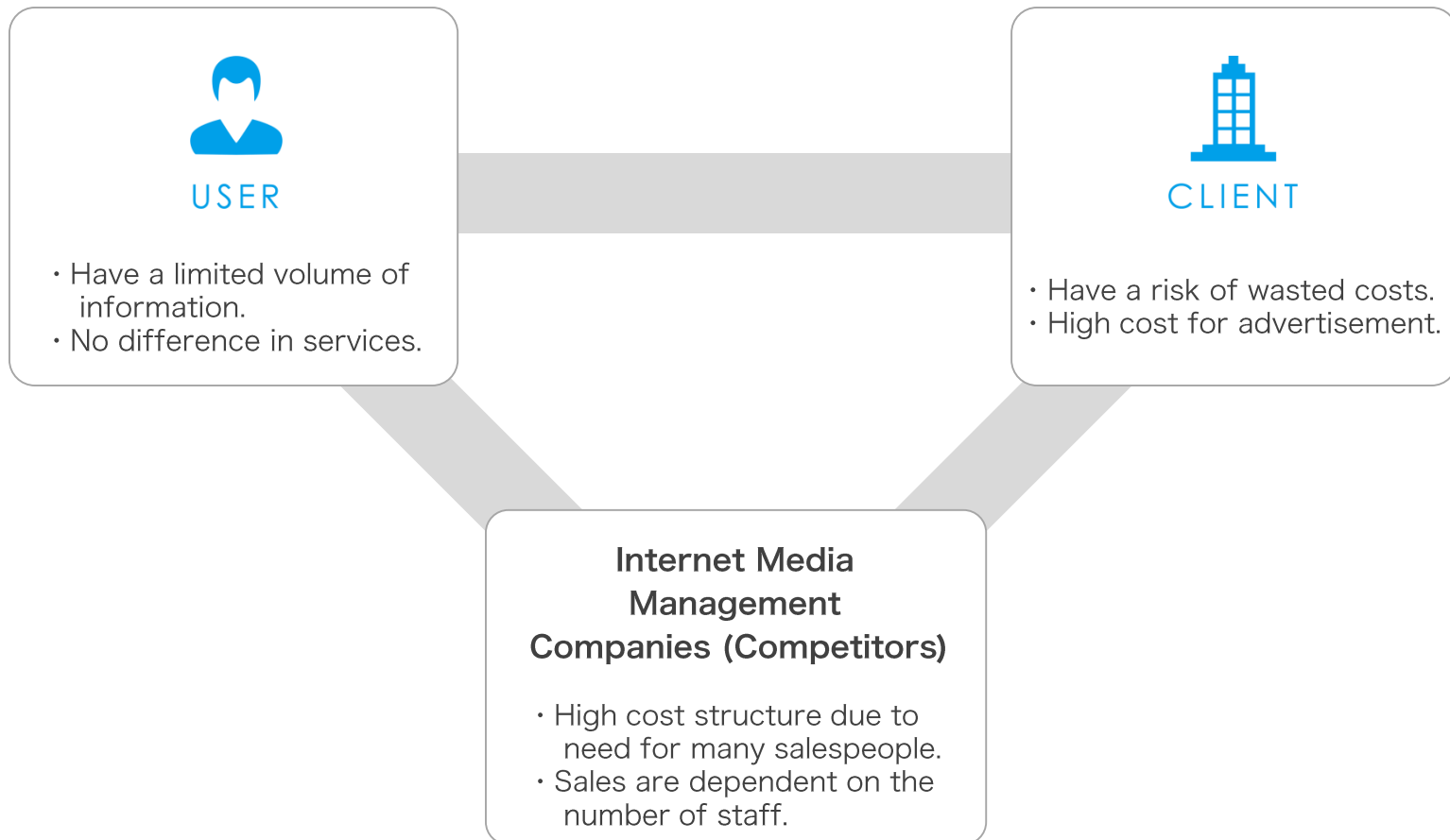
| Business Model by Affiliate (Success fee) System

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

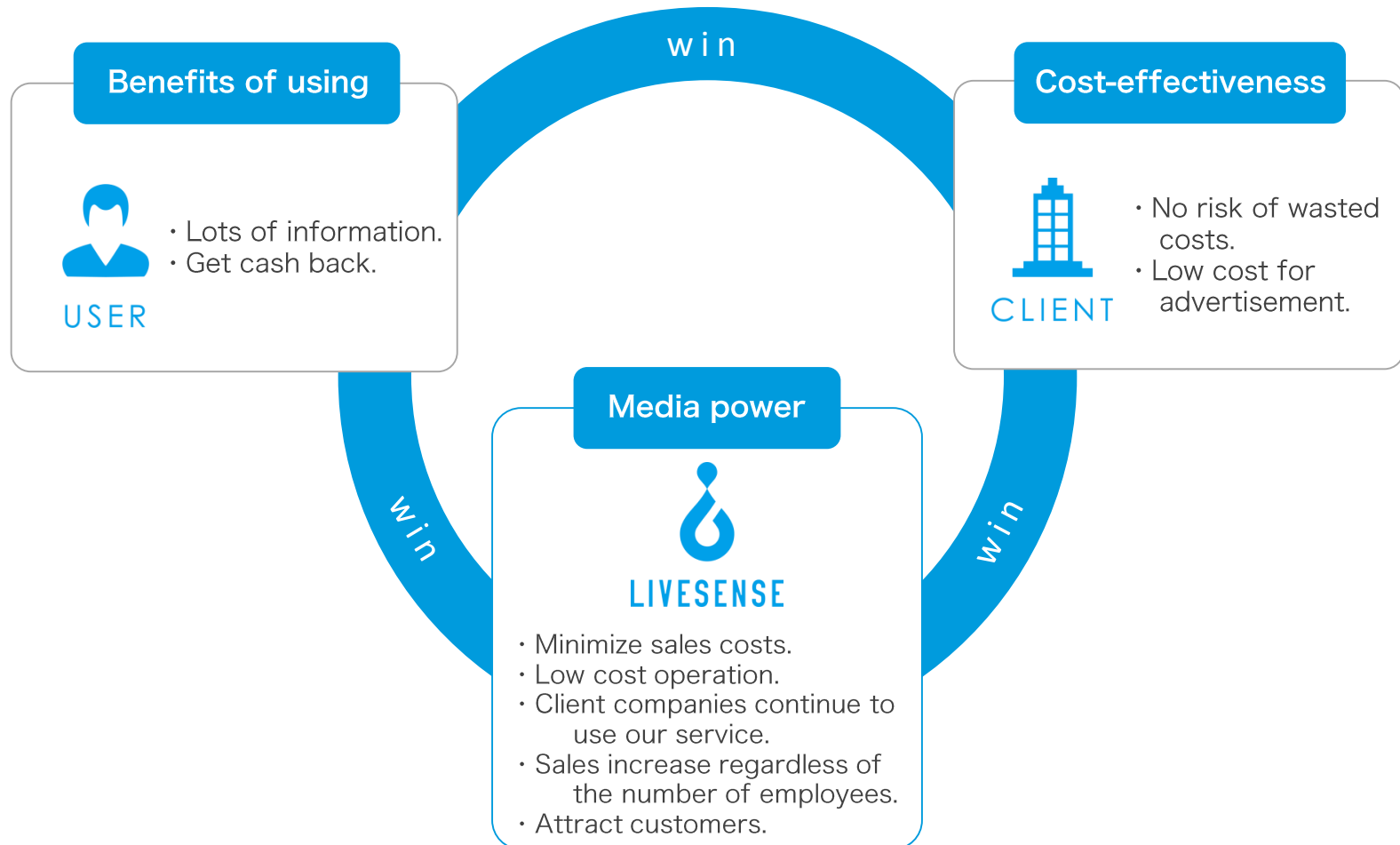
2-3 Our Business : Business Model by publishing charge system

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



2-4 Our Business : Business Model by Affiliate (Success fee) System

| Our business model creates a virtuous cycle



Business Model (Success fee based model)

- High benefits to Customers, Users and us
- Dominant service scale in this business model



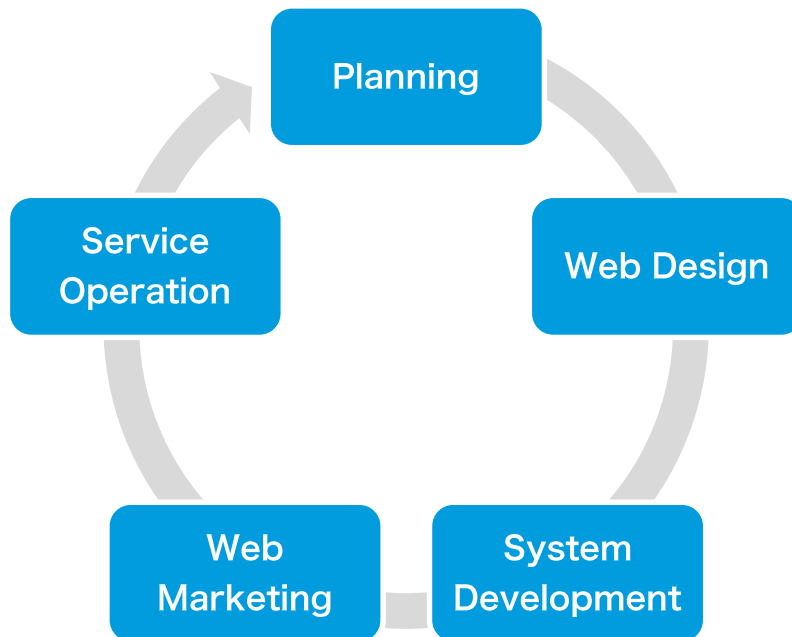
Service Development Technology

- A large percentage of our employee is engineers etc.
- Full internalized production, from planning to service operation
- Efficient service development and improvement system
- Accumulated a know-how about internet service development

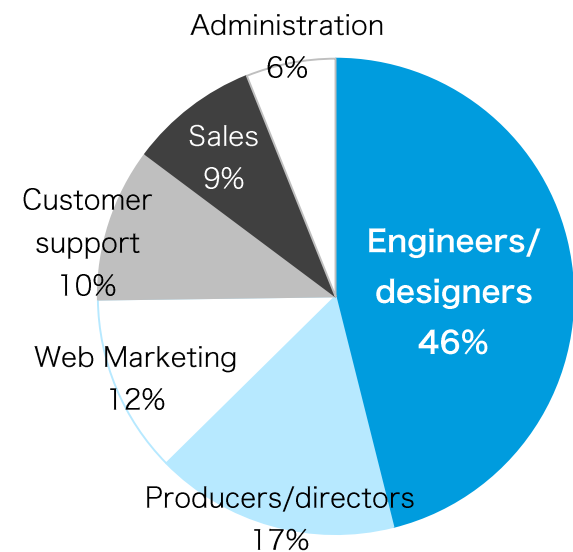
3-2 Our features

- | A large percentage of our employee is engineers etc.
- | Livesense achieves efficient service improvement and accumulates a know-how about services development by in-house service development.

In-house Service development cycle



Breakdown of regular employees



(As of December 2014)

4-1 FY2014 Financial Results

Net sales increased slightly YoY, while profit declined substantially due to an increase in SG&A

(Thousands of JPY)

	FY2013	FY2014	YoY
Sales	4,256,153	4,279,510	+0.5%
Sales Cost	359,940	303,447	(15.7%)
	8.5%	7.1%	(1.4%)
Gross Margin	3,896,213	3,976,062	+2.0%
	91.5%	92.9%	+1.4%
SG&A Expenses	2,311,734	3,341,479	+44.5%
	54.3%	78.1%	+23.8%
Operating Income	1,584,478	634,583	(60.0%)
	37.2%	14.8%	(22.4%)
Ordinary Income	1,585,828	638,448	(59.7%)
	37.3%	14.9%	(22.3%)
Net Pretax Profit	1,572,898	632,394	(59.8%)
	37.0%	14.8%	(22.2%)
Net profit	983,830	395,290	(59.8%)
	23.1%	9.2%	(13.9%)

Costs : Payment fees ((62) million JPY)

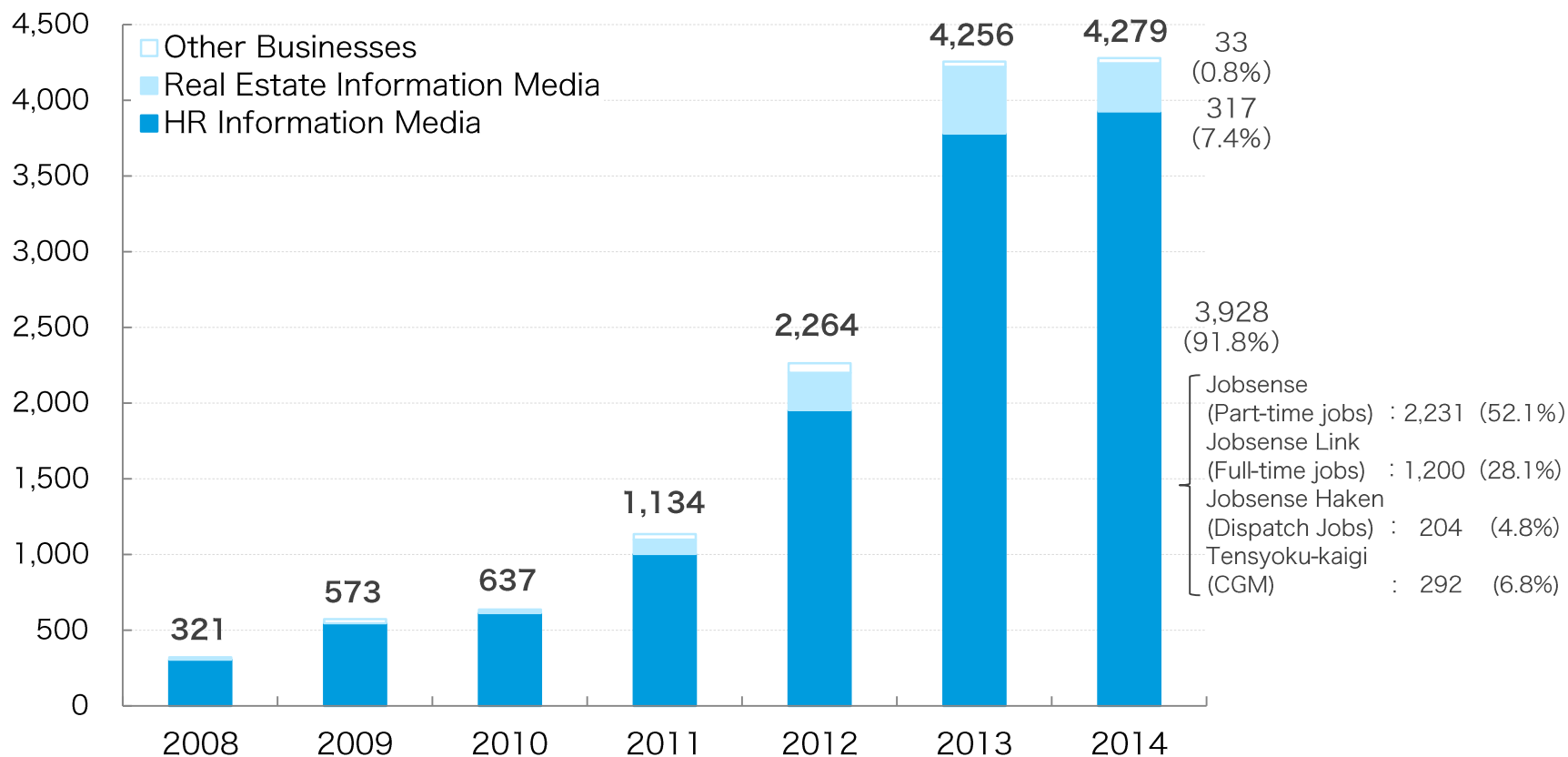
SG&A : Personnel expenses, etc. (+434 million JPY)

: Advertising expenses (+278 million JPY)

4-2 Net Sales (Segment, Cumulative)

HR information sales increase maintained in year on year

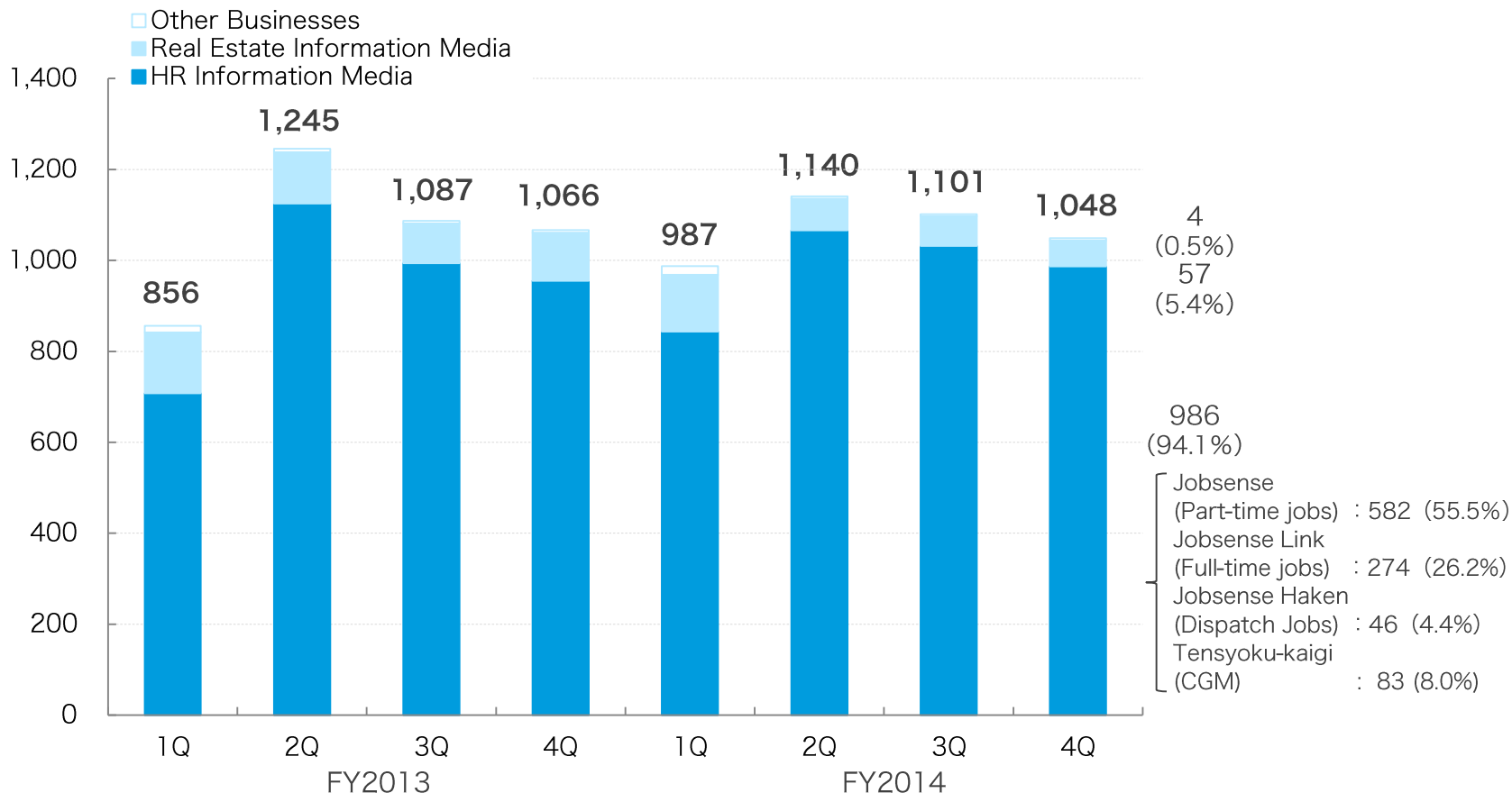
(JPY million)
(%): Ratio to net sales



4-3 Net Sales (Segment, Quarter)

HR information sales increase maintained in year on year

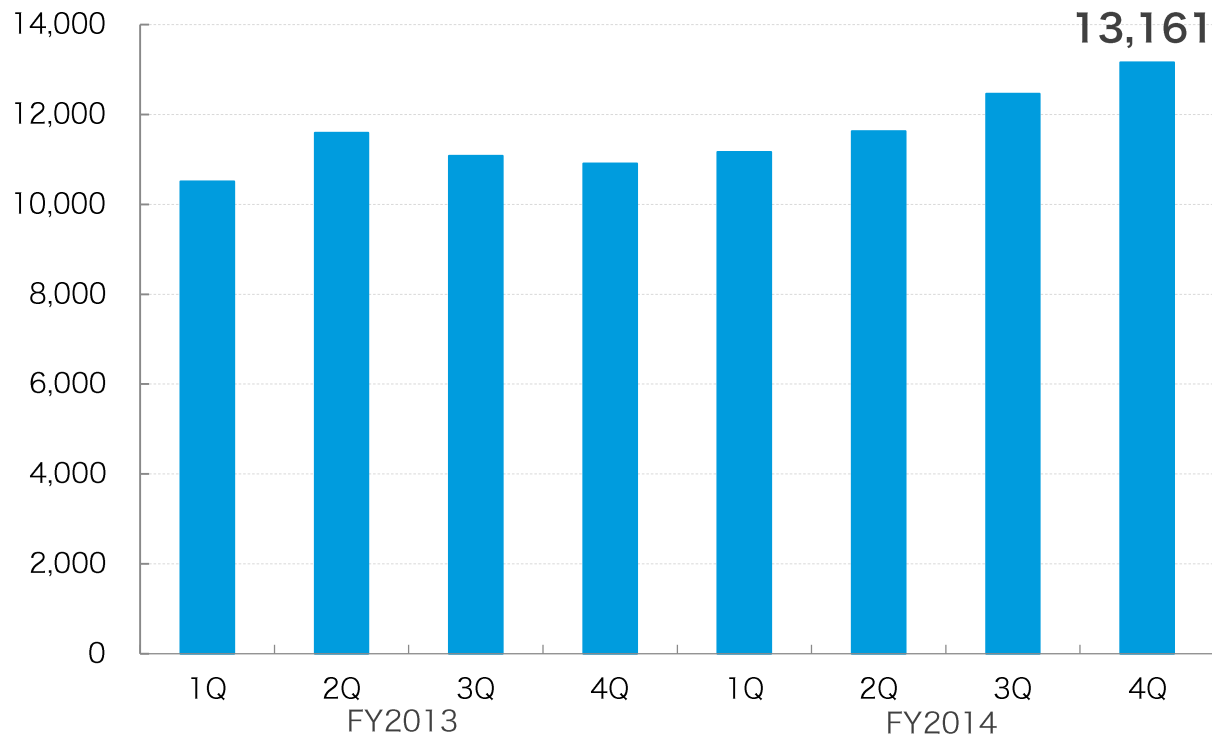
(JPY million)
(%): Ratio to net sales



4-4 Number of Actively Listing Companies

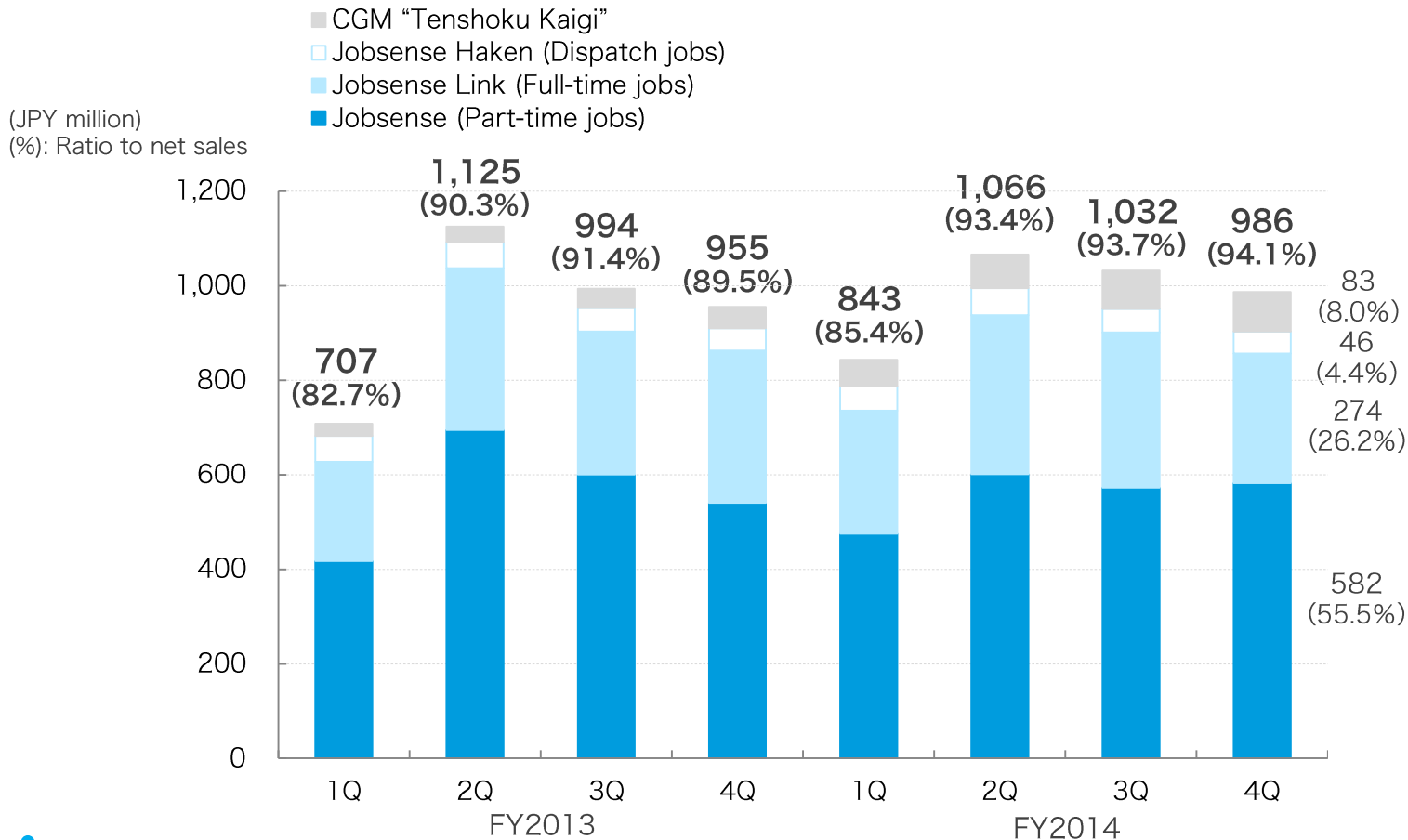
- | In 4Q14 there are 2,545 new corporate customers
- | Pace of contract acquisition improved as result of strengthening sales and customer support system

(Unit: Companies)



4-5 HR Information Media Business (Sales)

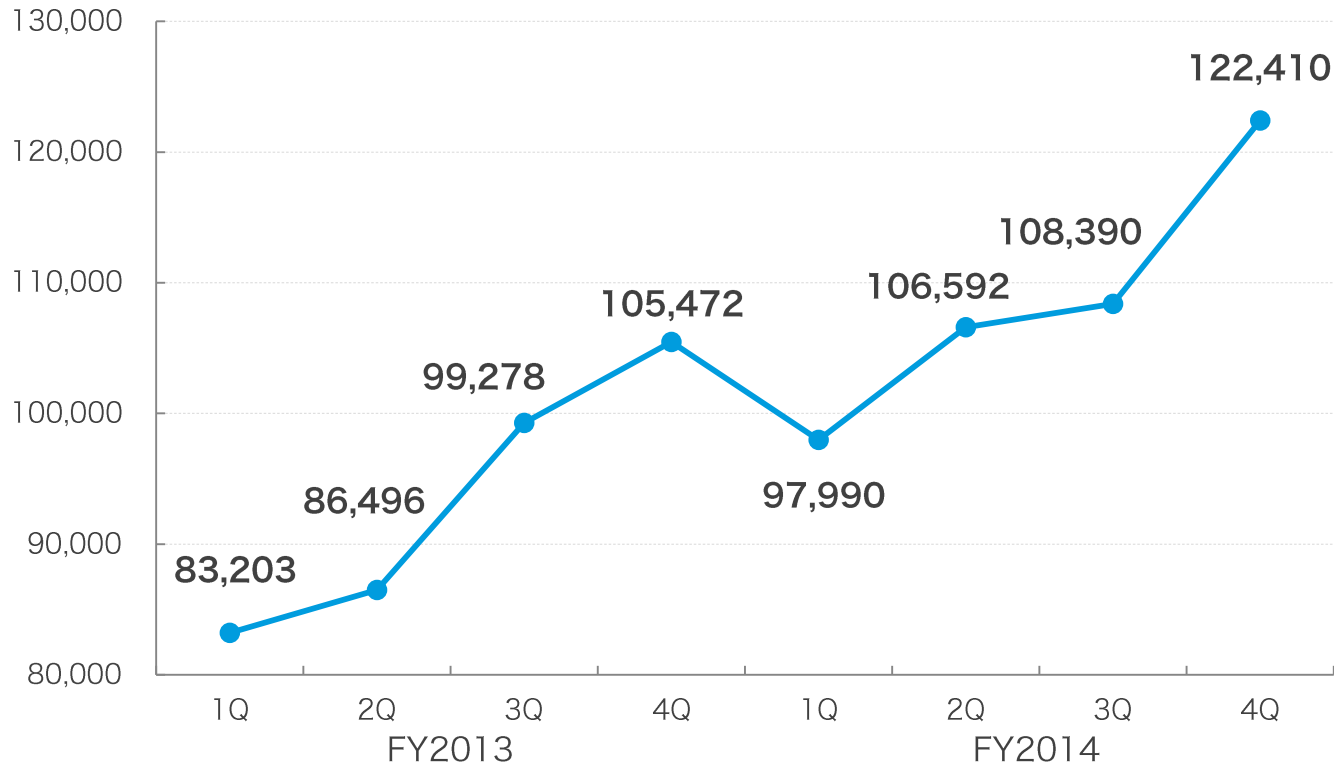
I Increase stayed at 3.3% year on year due to delay in some monetizing measures in second half as result of continued recruiting difficulties from lack of applicants



4-5 HR Information Media Business (No. of information)

- Number of listings increased substantially as result of expanding sales in accordance with company needs such as posting-based billing option. This was on top of promoting use by existing corporate customers

(Unit: listings)

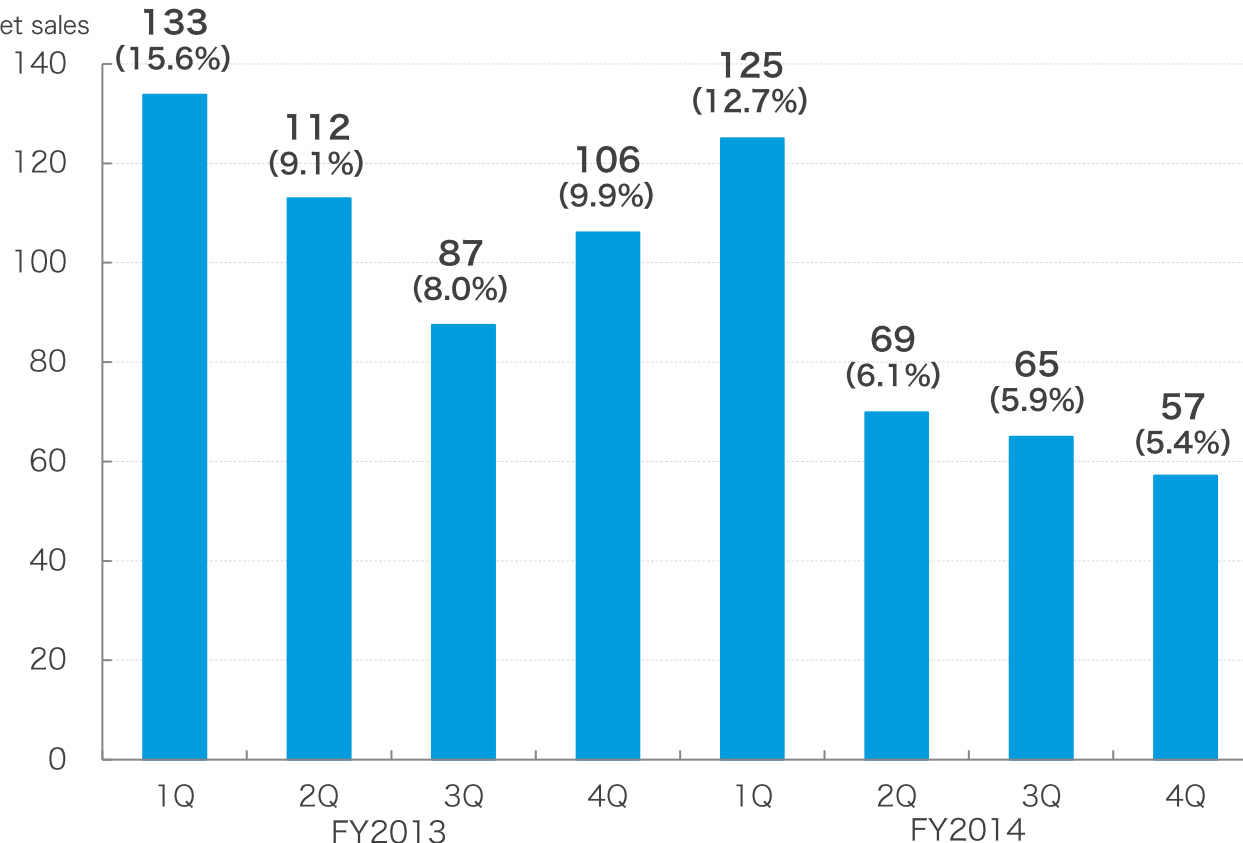


4-6 Real Estate Information Media Business (Sales)

Customer convenience and operating efficiency improved thanks to internal management system going live, but due to delay in customer attraction measures and changes in competitive environment, down 46.1% year on year

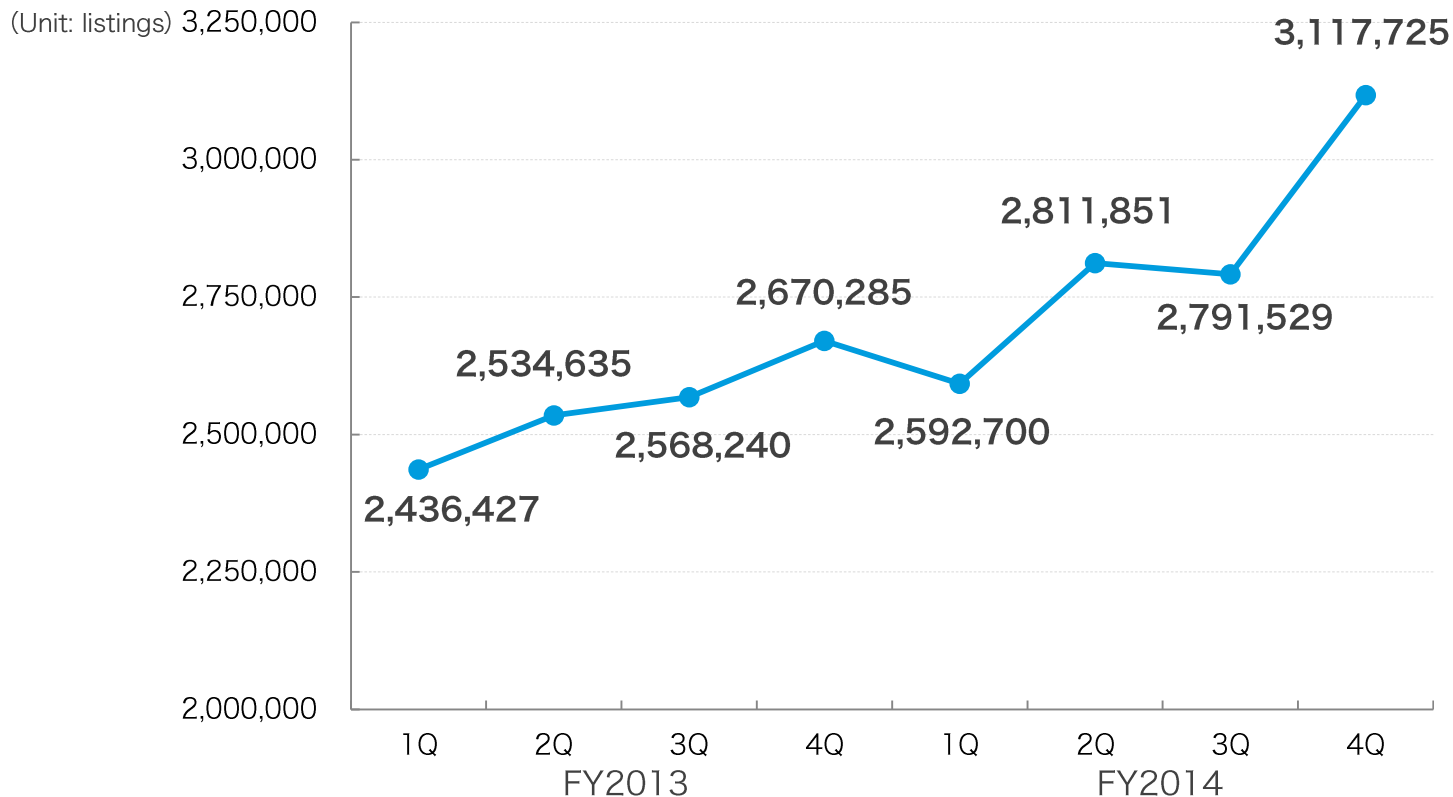
(JPY million)

(%): Ratio to net sales



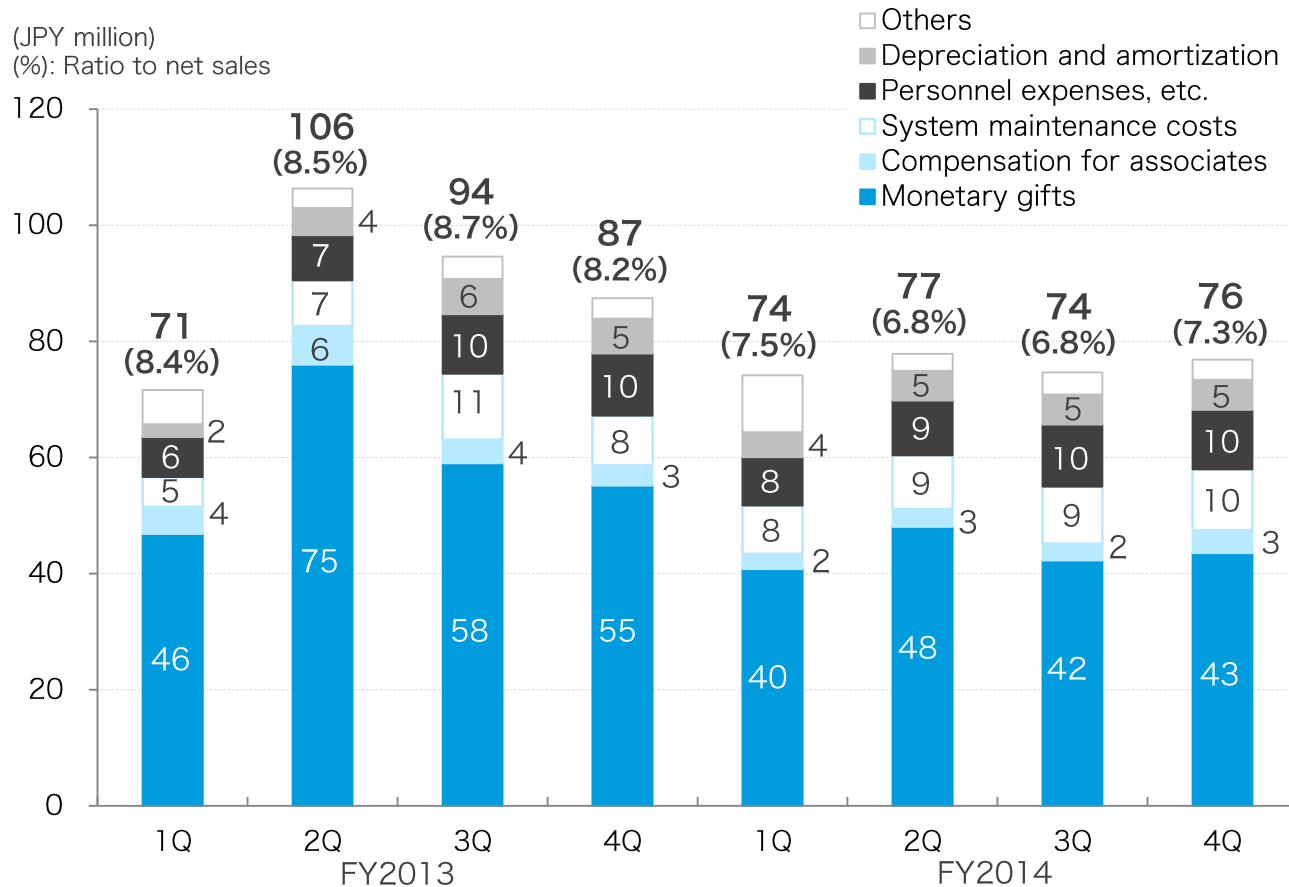
4-6 Real Estate Information Media Business (No. of information)

- Steadily increasing thanks to approach towards new implementations
- “CHINTAI”* property information published in “Door Chintai” starting in January 2015, substantially increasing number of listings to about 3.6 million



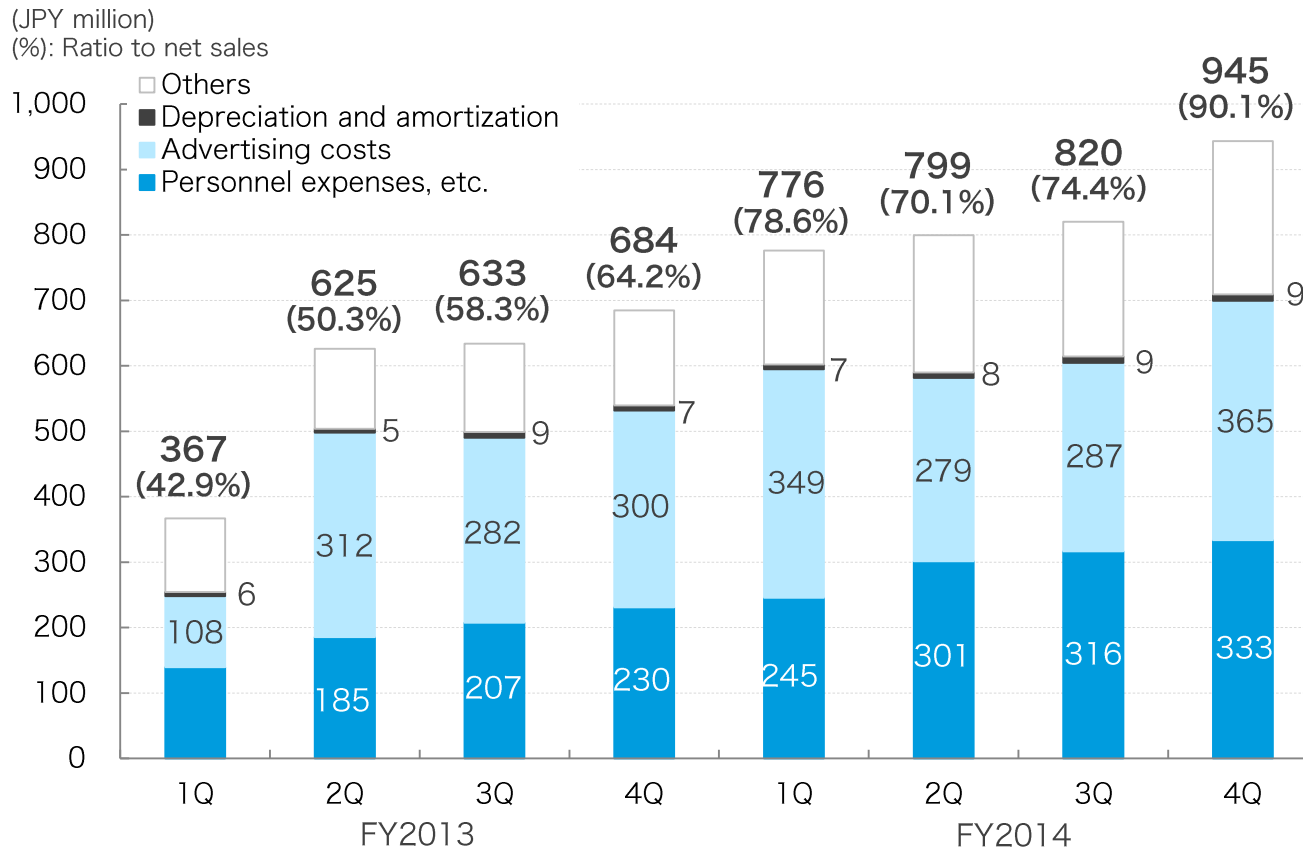
4-7 Sales Costs

Cost rate dropped YoY thanks to increase in average price of major services



4-8 SG&A Expenses

- Personnel expenses, etc. continue to increase with increase in personnel
- Advertising costs increased due to continued web promotions aimed at increasing user traffic, including job applicants

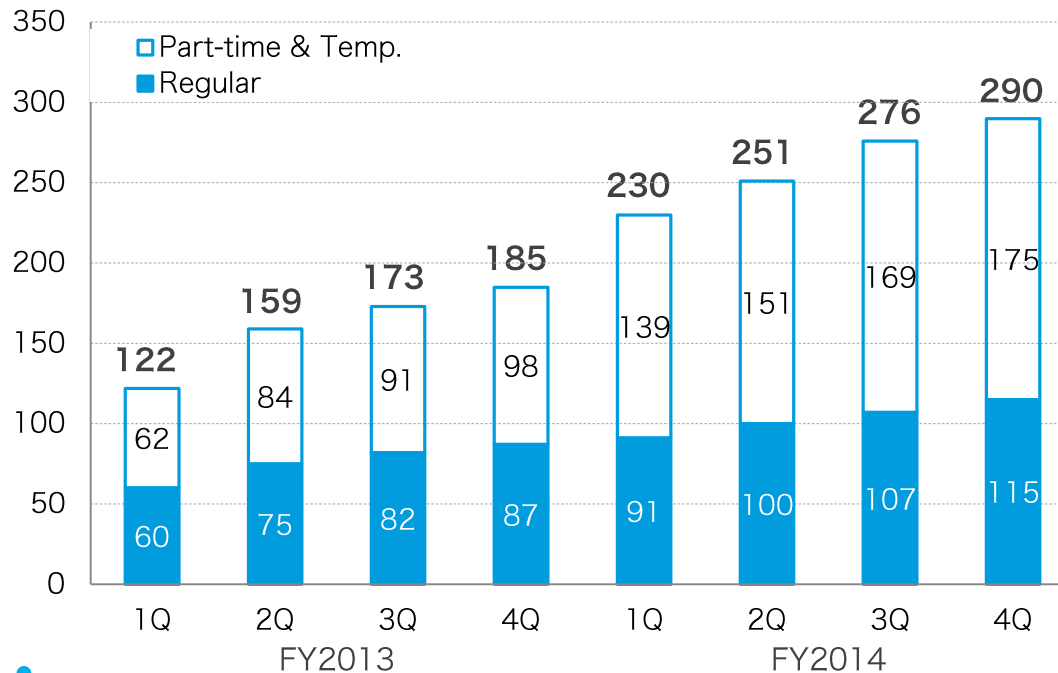


4-9 Number of Employees

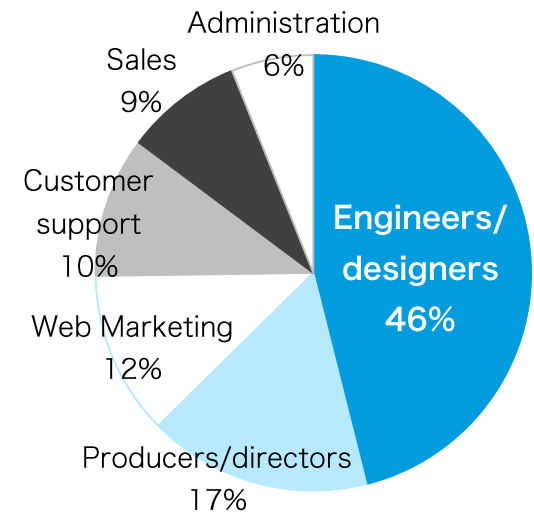
- Added 28 full time employees and 77 part-time or temporary employees who support for job applicants year on year (total increase of 105 employees)
- Personnel system expanded while continuing to emphasize efficiency to implement medium- to long term measures for new and existing businesses

(Unit: persons)

Number of employees



Breakdown of regular employees

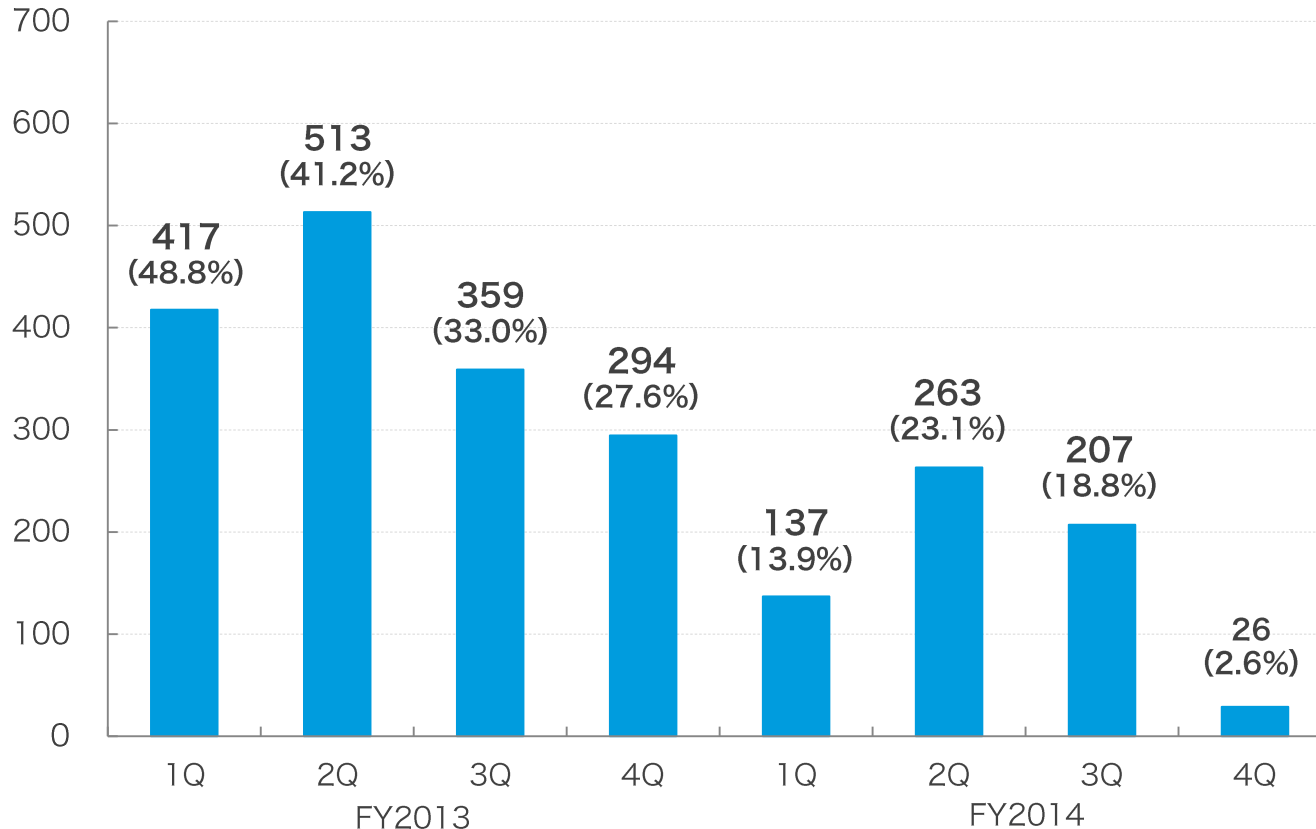


(As of December 2014)

4-10 Operating Income

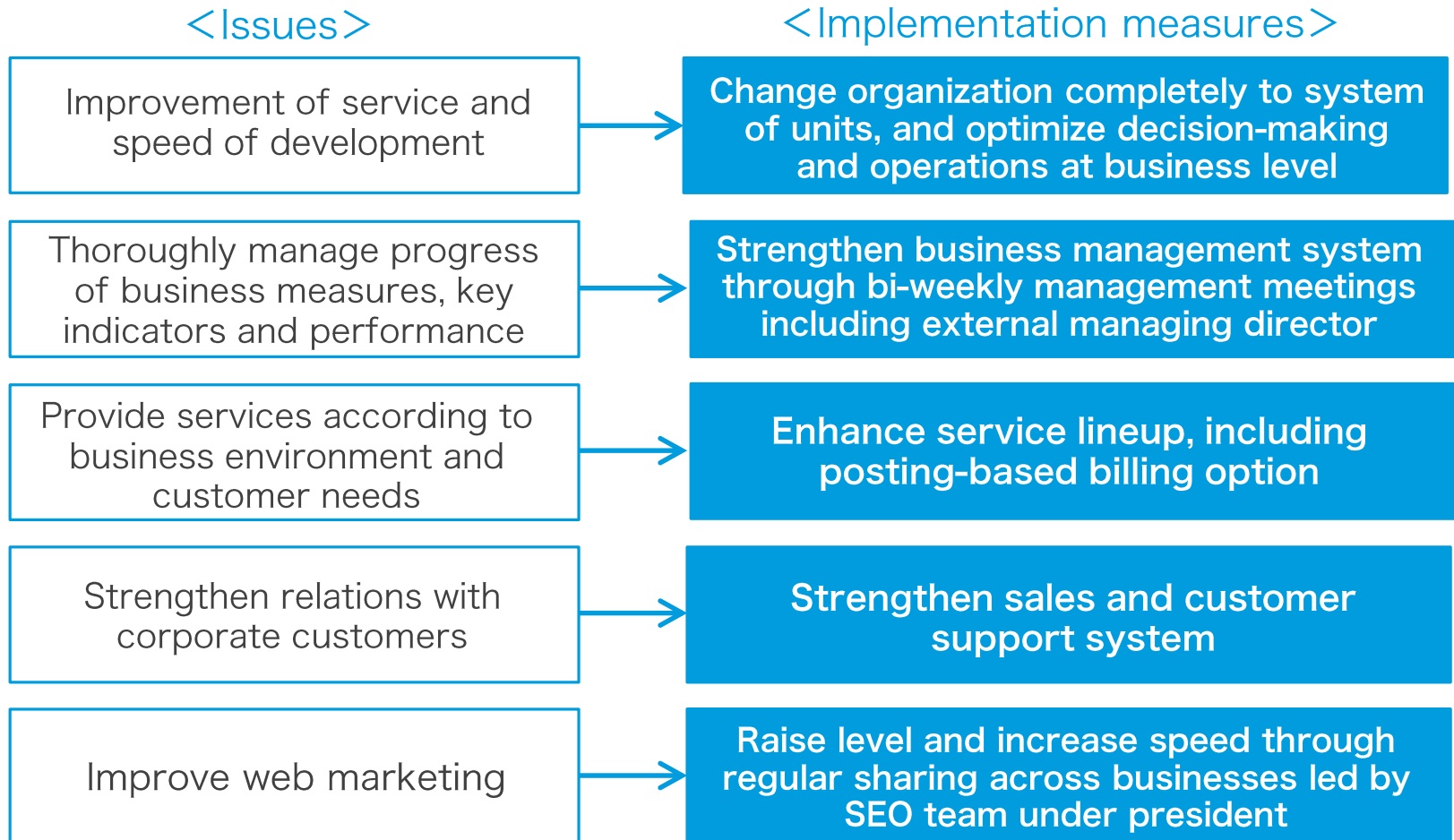
- 4Q operating income down substantially in terms of both amount and percentage due to increase in personnel and advertising costs

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



4-11 Look Back at FY2014

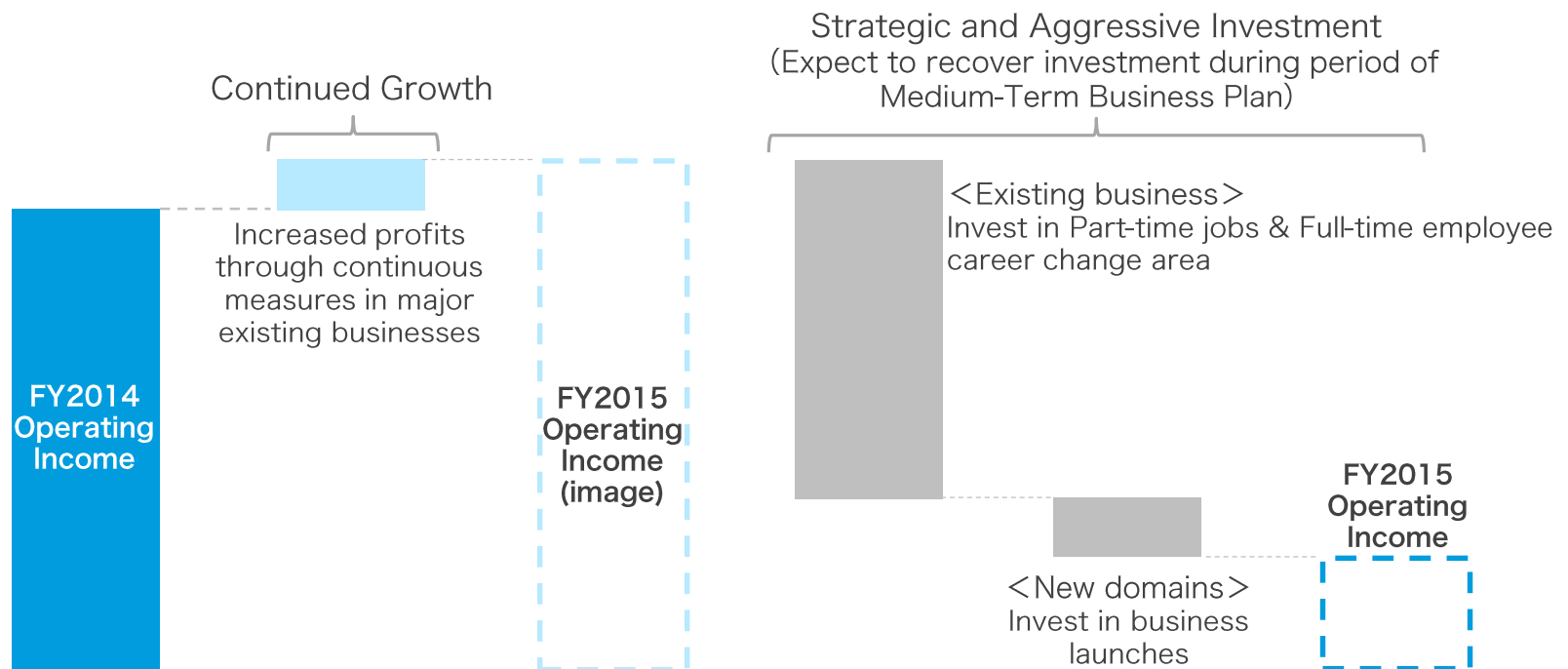
| Focus on strengthening foundation for regrowth in midst of first period of performance stagnation since IPO



5-1 FY2015 Plan (Operating Income)

- | FY2015 will be year of strategic and aggressive investment to achieve objectives of Medium-Term Business Plan
- | Net sales up 20-40% YoY, operating income expected to decline YoY due to increased costs associated with forward-looking investments

FY2015 Operating Income Image



5-2 Key Points to Focus Efforts on FY2015

I Part-time jobs area

Increase in applicants rate & hiring rate

- Strengthening telephone support for job applicants (optimized and increased operations)
- Launch new measures to promote repeat use
- Decrease job matching opportunity loss through published job ad reviews

Improving ability to attract site user

- Further improve web marketing
- Launch new promotional measures to raise awareness (roll out advertising targeting university students in particular)

Increase number of listings

- Promote use by existing corporate customers by strengthening customer support system
- Aggressively approach untapped companies, including agency utilization

Establishment of a new revenue pillars

- Provide optional services based on client demand

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 especially on smartphones

Improving ability to attract site user

- Further improve web marketing
- Optimize of web advertisements

Increase number of listings

- Strengthen approach towards untapped companies by strengthening sales system
- Promote use by existing corporate customers and implementation by new corporate customers by strengthening customer support system

Establishment of a new revenue pillars

- Strengthening monetization of CGM "Tenshoku Kaigi"

5-4 Key Points to Focus Efforts on FY2015

I Real Estate area

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

Increase
number of
listings

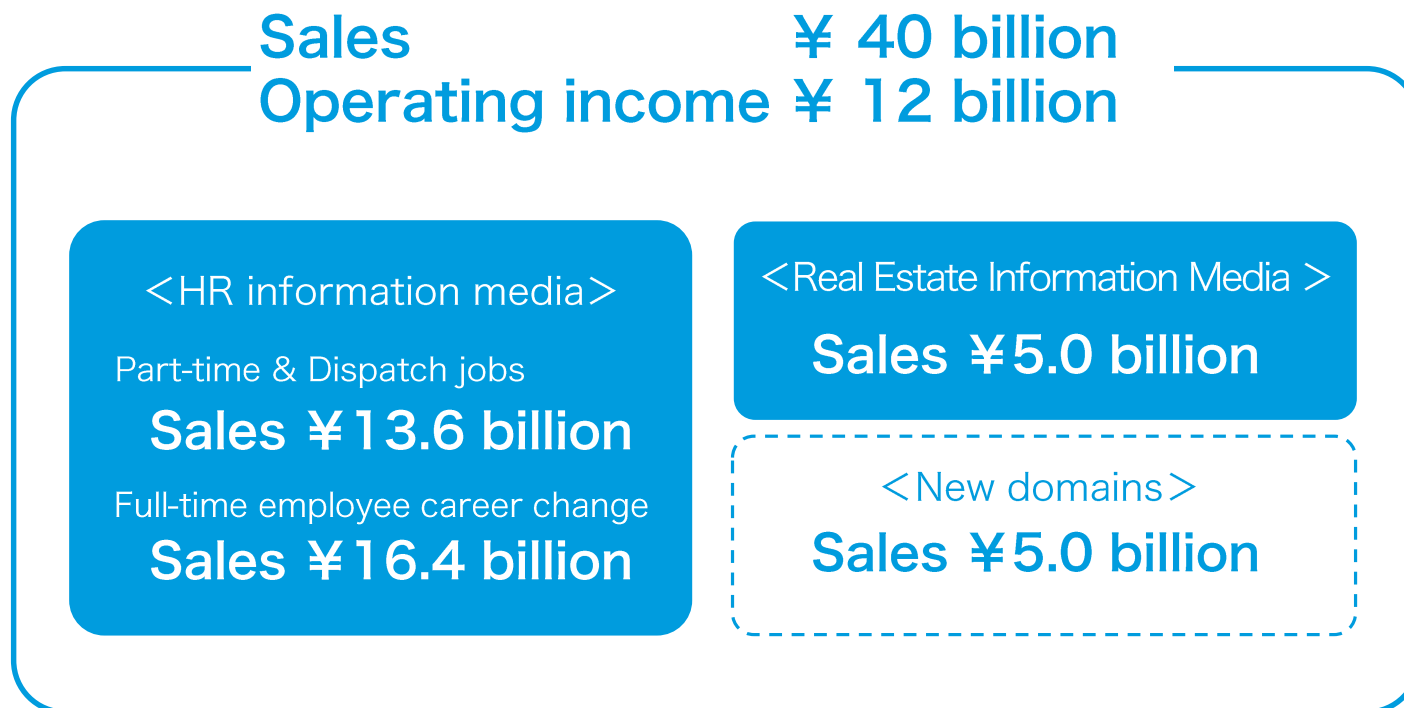
- Ongoing approach towards new customers

Establishment
of a new
revenue pillars

- Prepare new service launch related to real estate domain

6-1 Medium-Term Business Plan (Earnings goals for FY2018)

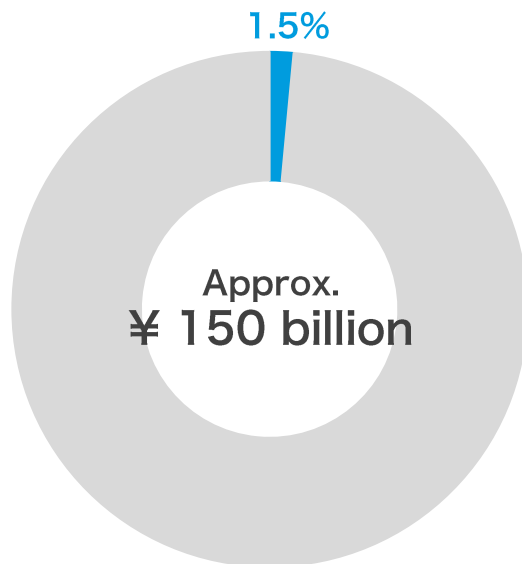
- Strategically and aggressively invest in FY2015 for recovery and target achievement
No changes to earnings goals



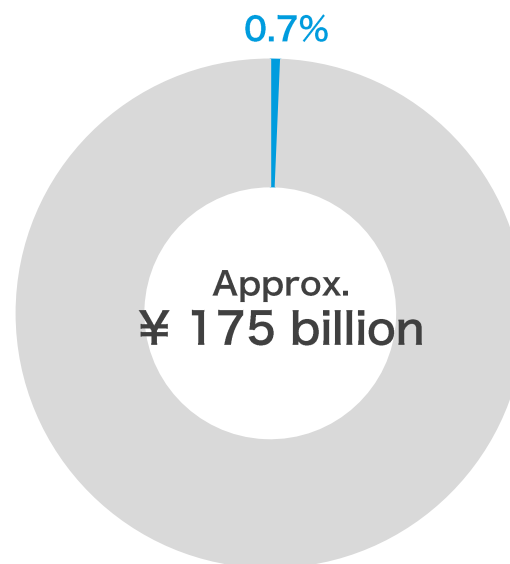
6-2 Market environment (existing business)

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

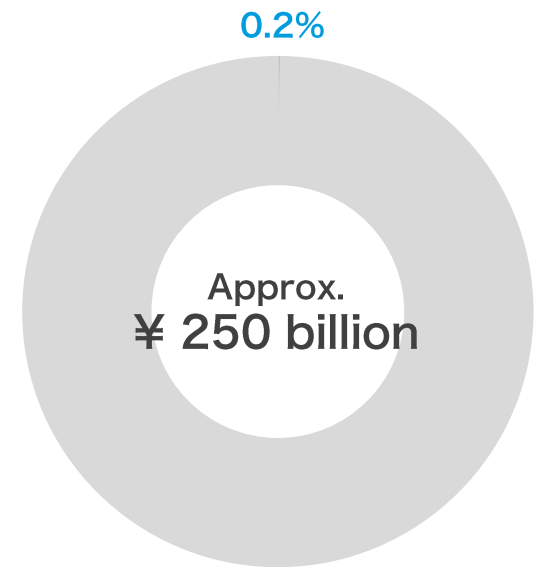
Part-time job information advertising market



Full-time employee career change market



Rental real estate market



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

6-3 Growth strategy for goal achievement (existing business)

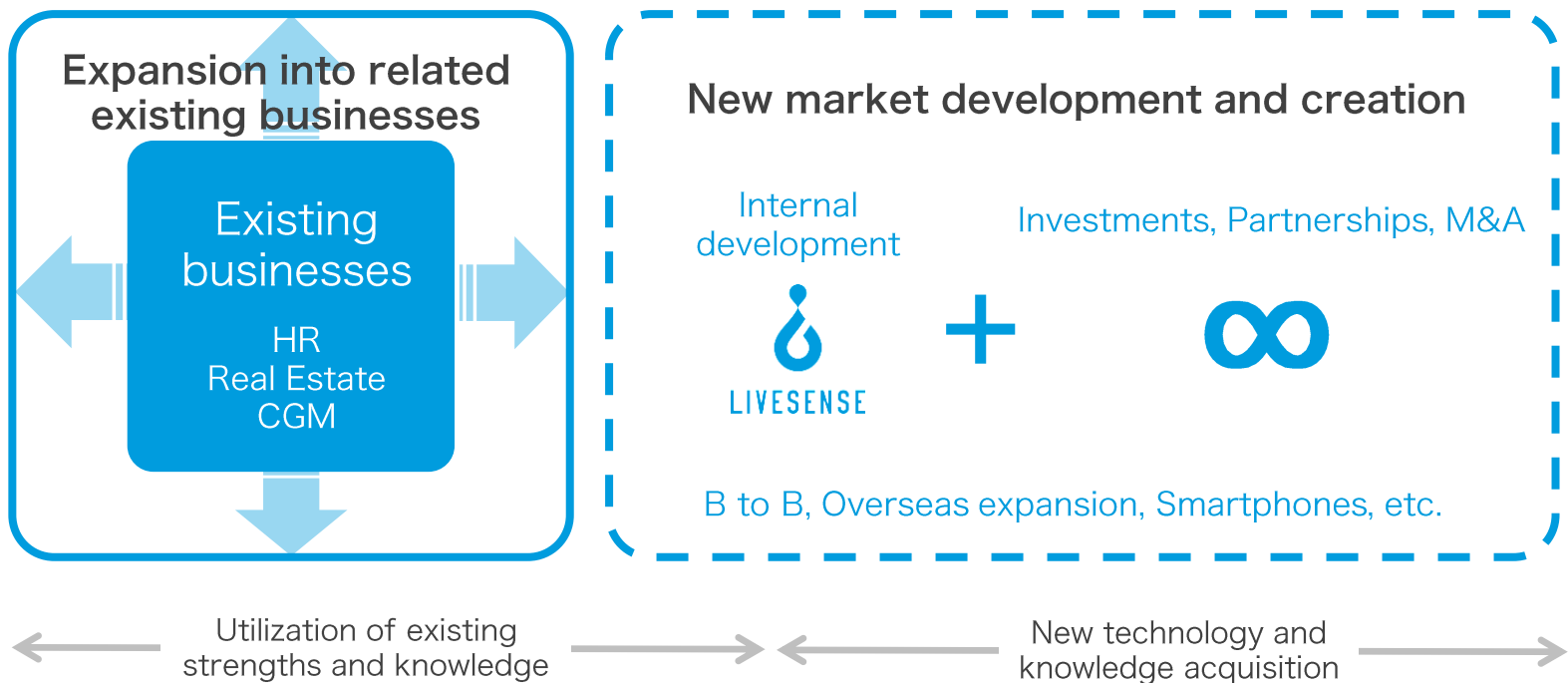
Reinforcement of major measures and distinction in our services to expand share and expand business segments by breaking into related domains in order to become "the next common" in the HR and real estate markets



6-4 Growth strategy for goal achievement

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



6-5 Our approach to business

Business able to contribute to social development and problem resolution

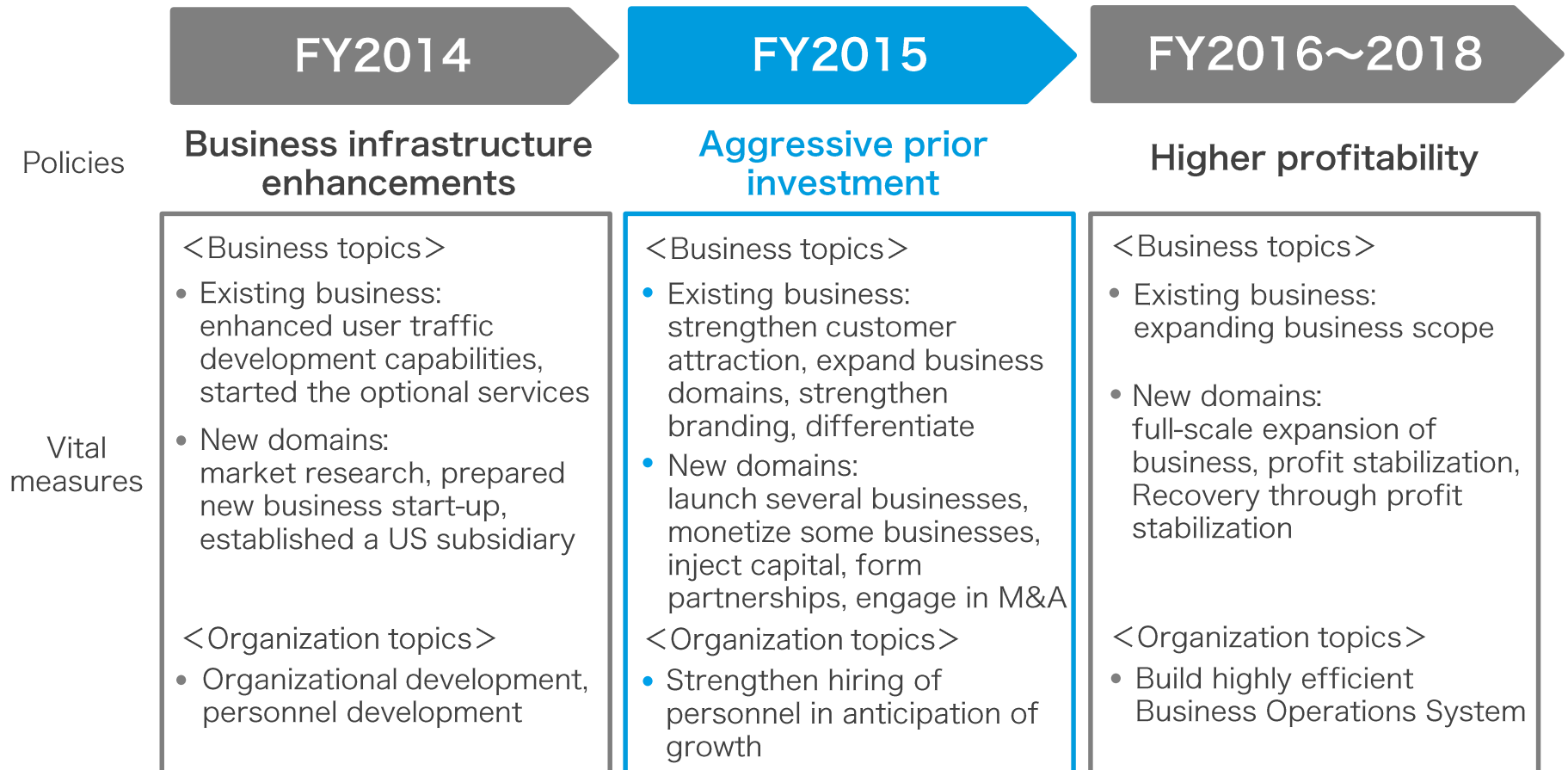
Business loved by many people for all time

Business in which Livesense can become No. 1

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

6-6 Medium-Term Business Plan (Schedule)

**FY2015 is a year of implementation to achieve targets of plan
Get on regrowth trajectory through strategic and aggressive
investment, including new challenges**



Balance Sheet Statement

(Thousands of JPY)

	FY2013	FY2014	YoY
Current assets	3,035,601	3,003,451	(1.1%)
Cash and deposits	2,541,453	2,434,267	(4.2%)
Accounts receivable	437,560	448,854	+2.6%
Fixed assets	347,595	418,719	+20.5%
Tangible fixed assets	116,787	111,272	(4.7%)
Intangible fixed assets	32,504	22,521	(30.7%)
Investments and other assets	198,303	284,925	+43.7%
Total assets	3,383,196	3,422,170	+1.2%
Current liabilities	726,115	347,130	(52.2%)
Accounts payable	201,225	181,660	(9.7%)
Income taxes payable	385,611	13,840	(96.4%)
Fixed liabilities	-	-	-
Total liabilities	726,115	347,130	(52.2%)
Shareholders' equity	2,638,521	3,046,081	+15.4%
Capital	221,901	228,084	+2.8%
Capital reserve	206,901	213,084	+3.0%
Accumulated earnings	2,210,478	2,605,768	+17.9%
Stock warrants	18,559	19,638	+5.8%
Total net assets	2,657,081	3,075,040	+15.7%

Cash Flow Statement

(Thousands of JPY)

	FY2013	FY2014	YoY
Cash flows from operating activities	1,018,990	10,646	(99.0%)
Depreciation and amortization	46,073	47,385	+2.8%
Impairment losses	9,872	6,054	(38.7%)
Increase (decrease) in reserve for bonuses	-	19,397	-
Increase (decrease) in allowance for doubtful accounts	3,827	7,934	+107.3%
Stock compensation expenses	10,123	5,061	(50.0%)
Interest income	(324)	(705)	+117.6%
Decrease (increase) in notes and accounts receivable	(171,550)	(4,306)	(97.5%)
Decrease (increase) in inventories	(3,109)	3,109	(200.0%)
Increase (decrease) in accounts payable	152,866	(19,669)	(112.9%)
Increase (decrease) in accrued consumption taxes	14,763	(22,265)	(250.8%)
Income taxes paid	(646,415)	(665,882)	+3.0%
Cash flows from investing activities	(166,626)	(131,466)	(21.1%)
Payments for purchase of tangible fixed assets	(123,657)	(33,404)	(73.0%)
Payments for purchase of investment securities	(37,413)	(41,013)	(87.9%)
Payments for purchase of intangible fixed assets	(21,100)	(4,537)	+94.4%
Payments for lease and guarantee deposits	-	(22,511)	-
Payments for long-term loans receivable	(19,468)	(30,000)	+15.6%
Cash flows from financing activities	3,183	8,287	+160.4%

Record of Recent Major Publicity Events

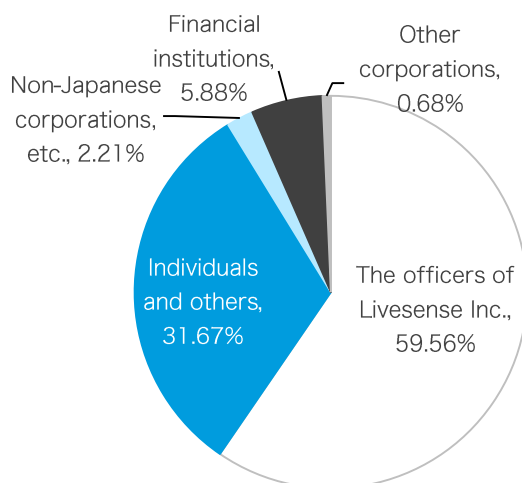
2015.01.21	Tokyo Calendar Mar. edition
2015.01.19	Shukan Jutaku Shimbun
2015.01.12	Zenkoku Chintai Jutaku Shimbun
2015.01.10	Nikkei Business Associé Feb. edition
2015.01.05	Zenkoku Chintai Jutaku Shimbun
2015.01.04	Gacchiri Monday (TBS)
2015.01.01	Nikkei top leaders Jan. edition
2014.10.10	THE21 Nov. issue
2014.09.29	Nikkei MJ
2014.09.10	THE21 Oct. issue
2014.09.08	Zenkoku Chintai Jutaku Shimbun
2014.09.08	Nikkei MJ
2014.09.05	Nihon Keizai Shimbun morning edition
2014.09.03	Nikkei MJ
2014.09.01	Shukan Jutaku Shimbun
2014.09.01	Nikkei Sangyo Shimbun
2014.08.28	Nihon Keizai Shimbun evening edition
2014.08.26	Nikkei Sangyo Shimbun
2014.08.25	Shukan Toyo Keizai August 30 issue
2014.08.20	Nikkei MJ
2014.07.25	Magazine BIG tomorrow Sep. edition
2014.07.23	Nikkei Sangyo Shimbun
2014.07.11	Nikkei Sangyo Shimbun
2014.07.03	World Business Satellite (TV Tokyo)

Stock Information (As of December 2014)

- Stock Price

- Lowest listed price : ¥223 (Dec. 7, 2011)
- Highest listed price : ¥3,255 (Jul. 2, 2013)
- Yearly low : ¥648 (May.19 2014)
- Yearly High : ¥2,520 (Jan. 6 2014)
- Average volume : 757,310 Stock /day (Jan.~Dec. 2014)

- Issued shares : 28,048,000
- Number of Shareholders : 11,915
- % of Shares by category



Name	Shares owned	%
Taichi Murakami (President and Representative Director)	13,744,600	49.01
Daisuke Katsura (Directors)	2,698,000	9.62
Tadao Nakata	200,000	0.71
Yuichi Iwasaki	172,800	0.61
Japan Trustee Services Bank, Ltd. (Trust Account)	161,500	0.57
The Master Trust Bank of Japan, Ltd. (Trust Account)	158,500	0.56
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	155,900	0.55
Japan Trustee Services Bank, Ltd. (Trust Account 1)	127,600	0.45
Japan Trustee Services Bank, Ltd. (Trust Account 6)	127,200	0.45
Japan Trustee Services Bank, Ltd. (Trust Account 5)	125,700	0.44



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.