



Non-Consolidated Financial Statements for the First
Half of the Fiscal Year Ending December 2012 (Under Japanese GAAP)

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

August 14, 2012

LIVESENSE INC. Stock exchange listing: Tokyo
 Code number: 6054 URL: <http://www.livesense.co.jp/>
 Representative: Taichi Murakami, President and Representative Director
 Contact: Yuichi Iwasaki, Managing Director of Business Management Tel: +81-3-6275-3330
 Filing of First Half Report (scheduled): August 14, 2012
 Start of distribution of dividend payments (scheduled): —
 Supplementary documents: Yes
 Financial results briefing session: Yes (for analysts and institutional investors)

(Amounts have been rounded down to the nearest million yen)

1. Financial Results for the First Half of the Fiscal Year Ending December 2012 (January 1 to June 30, 2012)

(1) Operating Results

(% = change relative to previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First half FY 2012	1,023	—	566	—	566	—	309	—
First half FY 2011	—	—	—	—	—	—	—	—

	Net income per share	Diluted net income per share
	Yen	Yen
First half FY 2012	44.82	43.91
First half FY 2011	—	—

- (Notes) 1. Because the Company did not prepare quarterly financial statements for the first half of the fiscal year ended December 2011, neither the figures for the first half of the fiscal year ended December 2011 nor the percentage changes in the first half of the fiscal year ending December 2012 relative to the first half of the previous fiscal year are recorded.
2. On July 1, 2012, the Company implemented a stock split in which two (2) shares are issued for one (1) share of common stock. Consequently, the net income per share and the diluted net income per share for the first half of the fiscal year ending December 2012 are calculated on the assumption that the said stock split was implemented at the start of the fiscal year in question.

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
First half FY 2012	1,729	1,366	78.8
FY 2011	1,323	1,053	79.6

(Reference) Shareholders' equity First half FY 2012: ¥1,362 million FY 2011: ¥1,053 million

2. Dividend Payments

	Annual dividends				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2011	—	—	—	0 00	0 00
FY 2012	—	0 00	—	—	—
FY 2012 (forecasts)	—	—	—	0 00	0 00

(Note) Revisions to most recently announced dividend forecast: No

3. Performance Forecasts for the Fiscal Year Ending December 2012 (January 1 to December 31, 2012)

(% = change relative to previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	2,323	104.8	1,133	118.6	1,113	119.1	605	121.1	87.78

(Notes) 1. Revisions to most recently announced performance forecasts: Yes

2. On July 1, 2012, the Company implemented a stock split in which two (2) shares are issued for one (1) share of common stock. Consequently, the net income per share is calculated with consideration for the impact of the said stock split.

* Explanatory Notes

- (1) Application of specific accounting methods in preparation of quarterly financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates, restatement of prior period financial statements after error corrections
- i. Changes in accounting policies pursuant to revisions in accounting standards, etc.: Yes
 - ii. Changes in accounting policies other than those in “i.” above: None
 - iii. Changes in accounting estimates: None
 - iv. Restatement of prior period financial statements after error corrections: None

(3) Number of issued shares (common stock)

i. Number of issued shares at end of period (including treasury stock)	2Q FY 2012	6,900,000 shares	FY 2011	6,900,000 shares
ii. Number of treasury stock at end of period	2Q FY 2012	—	FY 2011	—
iii. Average number of shares during the period	2Q FY 2012	6,900,000 shares	2Q FY 2011	—

(Note) On July 1, 2012, the Company implemented a stock split in which two (2) shares were issued for one (1) share of common stock. Consequently, the number of issued shares at the end of the period (including treasury stock), the number of shares of treasury stock at the end of the period and the average number of shares during the period (cumulative total for the first half) are calculated on the assumption that the said stock split was conducted at the start of the previous fiscal year.

* Indication of quarterly review procedure implementation status

- This report is exempt from the quarterly review procedure based upon the Financial Instruments and Exchange Act. Quarterly financial statements were undergoing the review procedure process based upon the Financial Instruments and Exchange Act at the time of this release.

* Cautionary statement with respect to forecasts of business results

- The performance forecast figures recorded in these materials have been revised from the contents announced on February 14, 2012. For details, please refer to the “Announcement Concerning Revisions in Performance Forecasts” released today.
- The Company is scheduled to hold a financial results briefing for analysts and institutional investors on August 15, 2012. The financial results briefing materials to be used on that day are disclosed as the supplementary materials of this financial statement. The video of that briefing is scheduled to be distributed on the Company’s website subsequent to the briefing and when the necessary preparations have been made.

1. Qualitative Information regarding this First Half Accounts Settlement

(1) Qualitative Information regarding Operating Results

Examining the Japanese economy during the cumulative second quarter (first half) under review, business activity staged a gentle rally owing to recovery demand following the March 2011 earthquake and tsunami and other factors. Negative aspects included the European debt crisis problem, business downturns in newly emerging countries, the possible increase in Japan's national consumption tax, electric power problems and other issues, with a sense of uncertainty over the future continuing to prevail.

The Internet industry in which the Company develops its business witnessed sustained growth in Internet use against the backdrop of expanded ownership of smart devices. Amidst these conditions, the Company's sales scale in the Internet advertising and Internet site operation service industries grew during the period of January-June 2012 compared to the same six-month period the previous year and otherwise recorded strong results ("Survey of Selected Service Industries," Ministry of Economy, Trade and Industry).

In the employment advertising market, for January-June 2011 the average monthly number of employment advertisements for all employment media (fee-based job advertisement magazines, free papers, job insert ads and employment information websites) was about 483,000 ads. Compared to this, the monthly average for January-June 2012 increased by 19.8 % year-on-year to 578,000 ads ("Tabulated Results of Number of Published Employment Advertisements, etc.," Association of JOB Information of Japan).

In the real estate-related market, with continuation of government home acquisition assistance measures and other factors at work, the number of new housing starts as of June 2012 was approx. 69,000 homes, an increase of 5.0 % from June 2011 and sustaining a firm tone (figures announced by Ministry of Land, Infrastructure, Transport and Tourism).

Operating within this business environment, the Company marshaled its Web marketing technology and service development expertise to advance business development through the affiliate marketing model, primarily in the employment information media and real estate information media. During the first half under review, positive effects included continued improvement in the Company's recognition due to the listing of its stock, with the number of companies using the Company's services charting a solid increase to 18,869 firms at the end of June 2012 (a gain of 3,815 companies compared to the end of March 2012). Furthermore, in addition to enhanced usability and match rates owing to strengthened website functions and search engine optimization (SEO), revisions were also promoted in the service pricing system of the "Jobsense" part-time employment information website and the "Jobsense Link" regular employment information website.

As a result, net sales for the first half under review finished at ¥1,023.240 million, ordinary income at ¥566.933 million and net income at ¥309.257 million – all recording extremely favorable results.

Performance summaries for each business segment follow.

a. Employment Information Media Business

In the Employment Information Media Business, the affiliate marketing model is mobilized in the operation of three websites – the "Jobsense" part-time employment information website, the "Jobsense Link" regular employment information website and the "Jobsense Haken" temp job information website.

During the first half under review, initiatives were promoted to improve usability and match rates by expanding the search functions of each website, carry out renewals of website top pages and job introduction pages, strengthen SEO and advance other moves. For Jobsense and Jobsense Link, steps are also underway to promote the steady conversion for existing corporate customers to a new service pricing system for which application to new corporate customers commenced from the end of last year.

As a result, the segment's net sales were ¥845.788 million and its profit was ¥637.975 million.

The net sales of each website are listed below.

- Jobsense: ¥536.928 million
- Jobsense Link: ¥214.754 million
- Jobsense Haken: ¥94.105 million

b. Real Estate Information Media Business

In the Real Estate Information Media Business, the affiliate marketing model is mobilized in the operation of the “DOOR Chintai” home rental information website.

During the first half under review, initiatives were advanced to improve usability and match rates by expanding search functions, strengthening SEO and promoting other efforts.

As a result, the segment’s net sales were ¥122.563 million and its profit was ¥104.502 million.

c. Other Businesses

In other business segments, classification is by income and other results for the Company’s new business fields of advice services regarding Web marketing with the focus on search engine measures; the “Motors-net” affiliate marketing model type secondhand car information website (launched in June 2011); and the “Tenshoku Kaigi” career change discussion site (full-fledged operation in December 2011).

For Tenshoku Kaigi, the number of registered members exceeded 300,000 persons at the end of June 2012, with the quantity of word-of-mouth information postings steadily expanding to about 1.7 million items. From the first half under review, the Company also entered into a partnership with a major employment information service company, with monetization realized through the customer transfer of Tenshoku Kaigi user members to that tie-up partner.

As a result, the segment’s net sales were ¥54.889 million and its profit was ¥27.603 million.

(2) Qualitative Information regarding Financial Position

State of Assets, Liability and Net Assets

Total assets at the end of the first half under review were ¥1,729.729 million, an increase of ¥405.785 million from the end of the previous fiscal year. This is mainly attributable to an increase in cash and deposits of ¥289.523 million and an increase in accounts receivable of ¥117.523 million.

Total liabilities were ¥363.436 million, an increase of ¥93.153 million from the end of the previous fiscal year. This is mainly attributable to an increase in accounts payable of ¥9.014 million and an increase in income taxes payable of ¥64.972 million.

Net assets were tracked at ¥1,366.292 million, an increase of ¥312.631 million from the end of the previous fiscal year. This is mainly attributable to an increase in accumulated earnings of ¥309.257 million.

(3) Qualitative information regarding Performance Forecasts

Due to factors such as the Company’s performance for the first half under review reaching a level exceeding expectations, upward revisions were made in the performance forecast figures announced on February 14, 2012. For details, please refer to the “Announcement Concerning Revisions in Performance Forecasts” released separately today.

2. Matters regarding Summary Information (Explanatory Notes)

Changes in accounting policies, changes in accounting estimates, re-disclosure of revisions

(Application of Accounting Standard for Earnings Per Share, etc.)

Applied from the first quarter accounting period have been the “Accounting Standard for Earnings Per Share” (ASBJ Statement No. 2, June 30, 2010), “Guidance on Accounting Standard for Earnings Per Share” (ASBJ Guidance No. 4, portion announced June 30, 2010) and “Practical Solution on Accounting for Earnings Per Share” (PITF No. 9, June 30, 2010).

Although a stock split was implemented on July 1, 2012, subsequent to the first half balance sheet announcement date, the net income per share and the diluted net income per share for the first half are calculated on the assumption that the said stock split occurred at the start of the fiscal year.

Furthermore, in the calculation of diluted net income per share for the first half under review, with regard to stock options for which rights are confirmed following a set period of service, a change has been made to the method of including the portions of the fair assessment value of the stock options pertaining to services to be supplied by the Company in the future in the payment value upon assumption that payments will be made through the exercising of the rights.

3. First Half Financial Statements
(1) First Half Balance Sheet

(Thousands of yen)

	Previous Fiscal Year (December 31, 2011)	First Half Accounting Period under Review (June 30, 2012)
Assets		
Current assets		
Cash and deposits	1,059,625	1,349,149
Accounts receivable	144,862	262,385
Other	25,885	31,398
Allowance for doubtful accounts	(738)	(1,338)
Total current assets	1,229,634	1,641,595
Fixed assets		
Tangible fixed assets	39,405	35,014
Intangible fixed assets	5,716	6,213
Investments and other assets		
Other	51,303	49,509
Allowance for doubtful accounts	(2,117)	(2,604)
Total investments and other assets	49,186	46,905
Total fixed assets	94,308	88,133
Total assets	1,323,943	1,729,729
Liabilities		
Current liabilities		
Accounts payable	23,406	32,421
Income taxes payable	202,423	267,395
Other	44,451	63,618
Total current liabilities	270,282	363,436
Total liabilities	270,282	363,436
Net assets		
Shareholders' equity		
Capital	219,930	219,930
Capital surplus	204,930	204,930
Accumulated earnings	628,800	938,058
Total shareholders' equity	1,053,660	1,362,918
Stock warrants	-	3,374
Total net assets	1,053,660	1,366,292
Total liabilities and net assets	1,323,943	1,729,729

(2) First Half Profit and Loss Statement
First Half Period under Review

(Thousands of yen)

	First Half Period under Review (January 1 to June 30, 2012)
Net sales	1,023,240
Sales cost	122,004
Gross operating profit	901,235
Selling, general and administrative expenses	334,406
Operating income	566,829
Non-operating income	
Interest income	73
Bad debt recovered	25
Other	6
Total non-operating income	104
Ordinary income	566,933
Income before income taxes	566,933
Income taxes	263,468
Deferred taxes	(5,792)
Total income taxes	257,676
Net income	309,257

(3) Explanatory Notes regarding Premise of Going Concern
No relevant items.

(4) Explanatory Notes upon Conspicuous Fluctuation in Shareholders' Equity Value
No relevant items.

(5) Major Subsequent Events

Second Quarter Accounting Period
(April 1 to June 30, 2012)

(Stock Split)

Pursuant to resolution at its Board of Directors' meeting convened June 12, 2012, the Company implemented a stock split with an effective date of July 1, 2012.

(1) Summary of stock split

i. Purpose of stock split

Lower the investment unit of the Company's stock to provide an environment facilitating investment by investors, striving to further expand the ranks of investors and improve stock liquidity.

ii. Stock split method

Stock split at a ratio of two (2) shares for one (1) share pertaining to the number of shares held by shareholders entered or recorded in the final shareholders' register on June 30, 2012 (with the said date being a holiday for the shareholders' registry administrator, effectively on June 29, 2012).

iii. Number of shares increased through the split

The Company's total number of issued shares prior to the stock split (common stock)
3,450,000 shares

Number of shares increased through this split (common stock)
3,450,000 shares

The Company's total number of issued shares subsequent to the stock split (common stock)
6,900,000 shares

(2) Stock split effective date

July 1, 2012

(3) Stock warrants adjustment

Accompanying the aforementioned stock split, the number of shares and the per-share exercise price of shares for the purpose of stock warrants shall be adjusted as described below concurrent with the effective date.

	Unadjusted		Adjusted	
	No. of shares	Exercise price	No. of shares	Exercise price
First stock warrants	74,600 shares	210 yen	149,200 shares	105 yen
Second stock warrants	10,200 shares	210 yen	20,400 shares	105 yen

(4) Increase in total number of issuable shares

Accompanying this stock split and pursuant to the stipulations of the Companies Act, Article 184, Paragraph 2, effective July 1 changes shall be made in Article 5 of the Company's Articles of Association, increasing the total number of issuable shares by 12,000,000 shares to 24,000,000 shares.