

**2Q FYE Dec. 2012
Financial Results
Briefing Session Materials**

**August 15, 2012
Livesense Inc.**

- No. 1 Financial Results, 2Q FY2012**
- No. 2 Upward Revision of FY2012 Plan**
- No. 3 Reference Materials**

- No. 1 2Q FY2012 Highlights
- No. 2 Key Points of 2Q FY2012 Financial Results
- No. 3 Trends in Quarterly Net Sales
- No. 4 State of the Employment Information Media Business
- No. 5 State of the Real Estate Information Media Business
- No. 6 State of Other Businesses
- No. 7 Trends in Sales Costs/SG&A Expenses
- No. 8 Trends in Operating Income

❖ Exceeding start-of-period plan, significantly growing revenue and profits

- Net sales JPY 1,023 million (up 109.2% year-on-year)
- Operating income JPY 566 million (up 148.1% year-on-year)

❖ Cumulative number of companies implementing service has grown steadily to 18,869

- 5,651 more than end of 2Q FY2011 and 3,815 more than end of 1Q FY2012
- Our stock listing has increased our name recognition, so that the number of companies implementing service continues to grow steadily

❖ Revision of service pricing system continues steadily

- We are applying new pricing for existing corporate customers one after another of the Jobsense part-time employment information site and Jobsense Link regular employment information site

❖ Jobsense image character decided (August 8, 2012)

- Starting in the second half of the fiscal year, we will step up PR (TV commercials, etc.) to expand our market share for employment information media services

❖ Stock split (1:2) (July 1, 2012)

✦ Revenues and profits more than double year-on-year

(Thousands of JPY)

| | 2Q11 | 2Q12 | YoY |
|----------------------------------|---------|-----------|---------|
| Sales | 489,235 | 1,023,240 | +109.2% |
| Sales Cost | 72,747 | 122,004 | +67.7% |
| | 14.9% | 11.9% | ▲2.9% |
| Gross Margin | 416,488 | 901,235 | +116.4% |
| | 85.1% | 88.1% | +2.9% |
| SG&A Expenses | 187,974 | 334,406 | +77.9% |
| | 38.4% | 32.7% | ▲5.7% |
| Operating Income | 228,514 | 566,829 | +148.1% |
| | 46.7% | 55.4% | +8.7% |
| Ordinary Income | 228,548 | 566,933 | +148.1% |
| | 46.7% | 55.4% | +8.7% |
| Current Net Pretax Profit | 220,364 | 566,933 | +157.3% |
| | 45.0% | 55.4% | +10.4% |
| Current net profit | 128,266 | 309,257 | +141.1% |
| | 26.2% | 30.2% | +4.0% |

- Cost increases: The amount of “monetary gifts” and “cash back” that we pay grows as our scale of business expands
- SG&A expenses increase: Personnel expenses, etc., increase as our scale of business expands

✦ Business is also expanding steadily on a quarterly basis

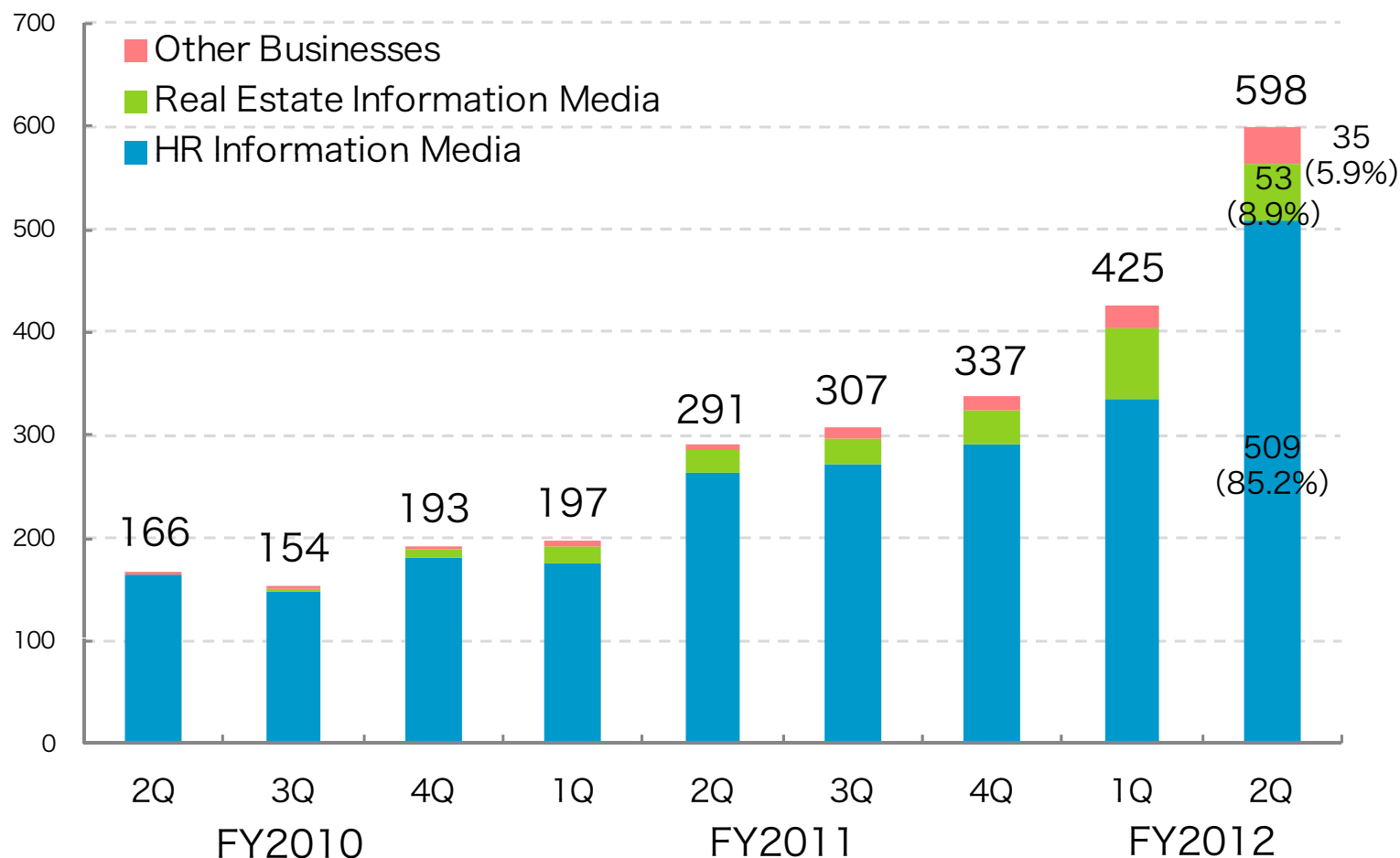
(Thousands of JPY)

| | 2Q11 | 2Q12 | YoY |
|---------------------------|---------|---------|---------|
| Sales | 291,989 | 598,122 | +104.8% |
| Sales Cost | 42,703 | 73,306 | +71.7% |
| | 14.6% | 12.3% | ▲2.4% |
| Gross Margin | 249,286 | 524,816 | +110.5% |
| | 85.4% | 87.7% | +2.4% |
| SG&A Expenses | 101,578 | 179,102 | +76.3% |
| | 34.8% | 29.9% | ▲4.8% |
| Operating Income | 147,708 | 345,713 | +134.1% |
| | 50.6% | 57.8% | +7.2% |
| Ordinary Income | 147,711 | 345,719 | +134.1% |
| | 50.6% | 57.8% | +7.2% |
| Current Net Pretax Profit | 140,956 | 345,719 | +145.3% |
| | 48.3% | 57.8% | +9.5% |
| Current net profit | 82,144 | 187,319 | +122.5% |
| | 28.1% | 31.3% | +3.2% |

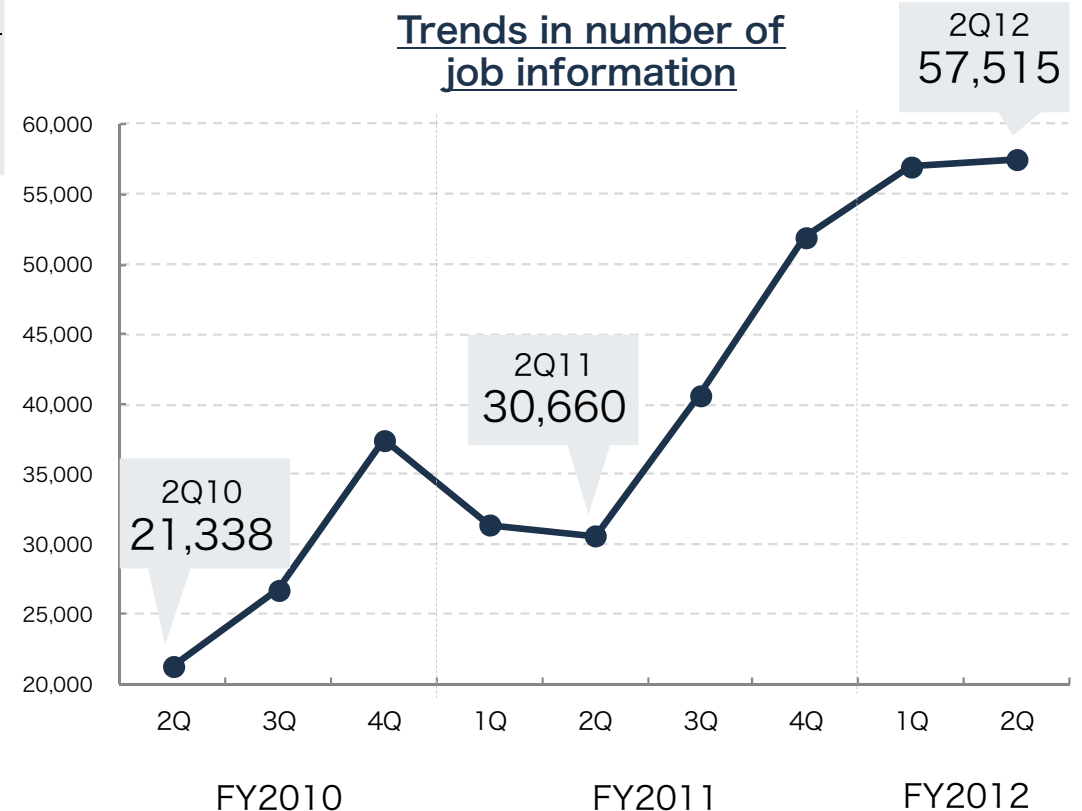
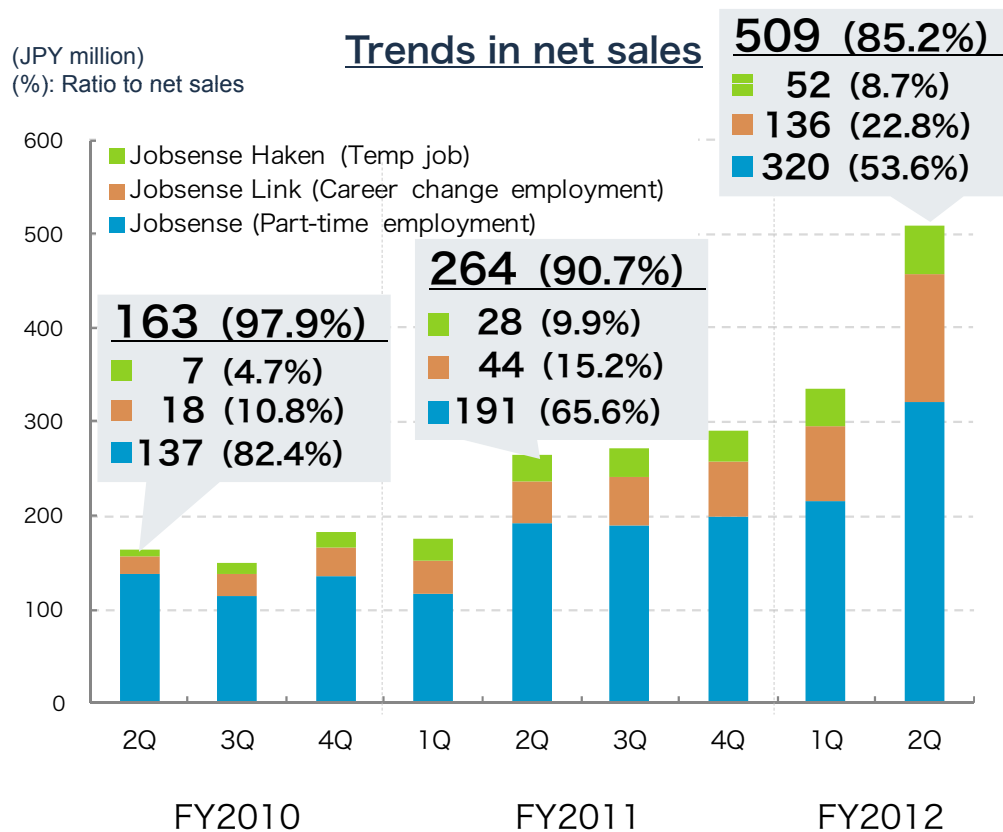
- Cost increases: The amount of “monetary gifts” and “cash back” that we pay grows as our scale of business expands
- SG&A expenses increase: Personnel expenses, etc., increase as our scale of business expands

- ✦ Our stock listing has increased our name recognition, so that the number of our corporate customers is growing steadily
- Our revision of service pricing is gradually paying off

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



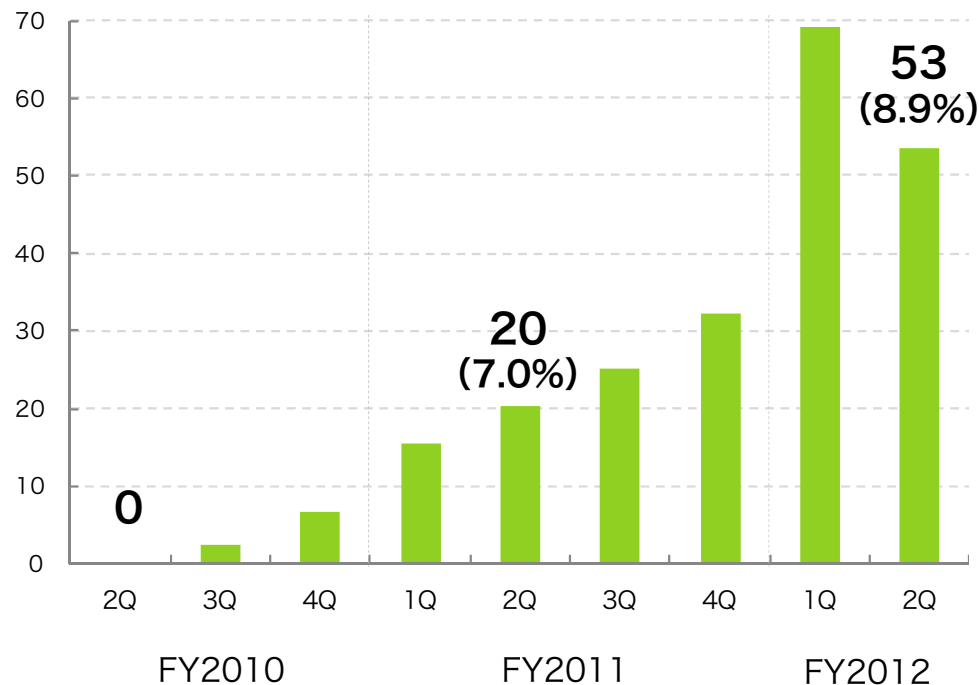
❖ The number of job information is rising each term as the number of corporate customers increases
 We are proceeding with revision of our service pricing system and implementing the revision for both new and existing customers



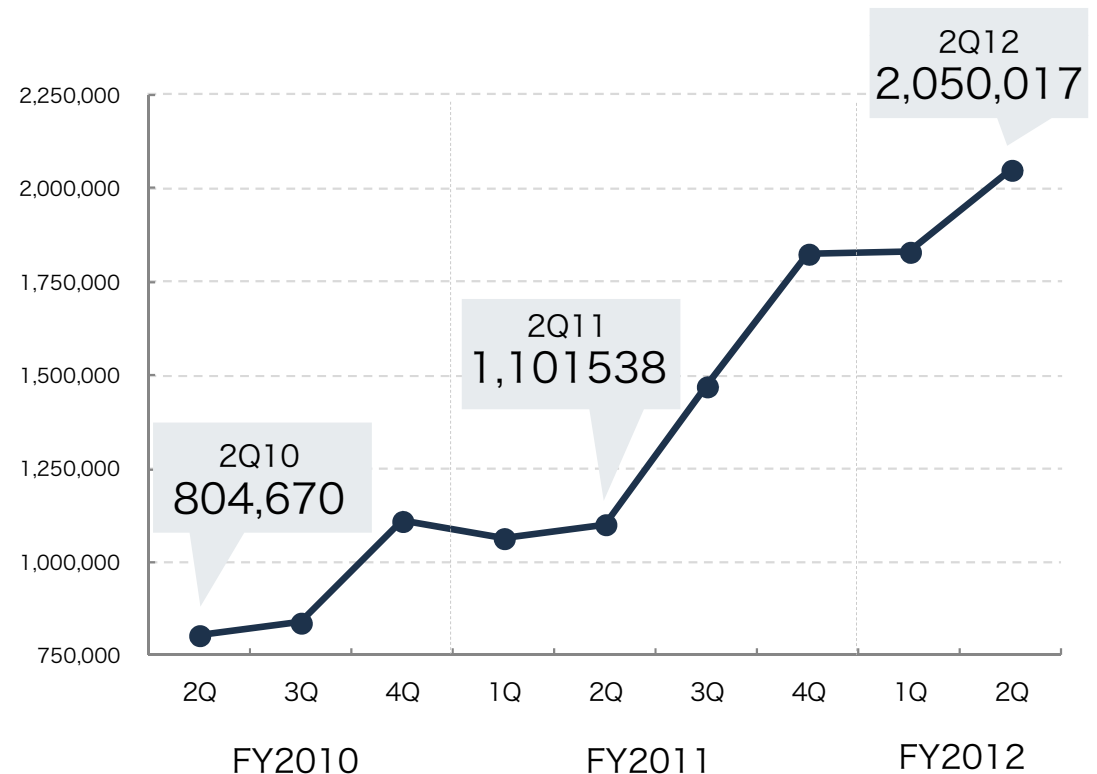
- + The number of information is steadily growing
 Net sales have grown steadily, including a 163.1% increase over 2Q FY2011, though they decreased since 1Q FY2012 because of seasonal factors

Trends in net sales

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



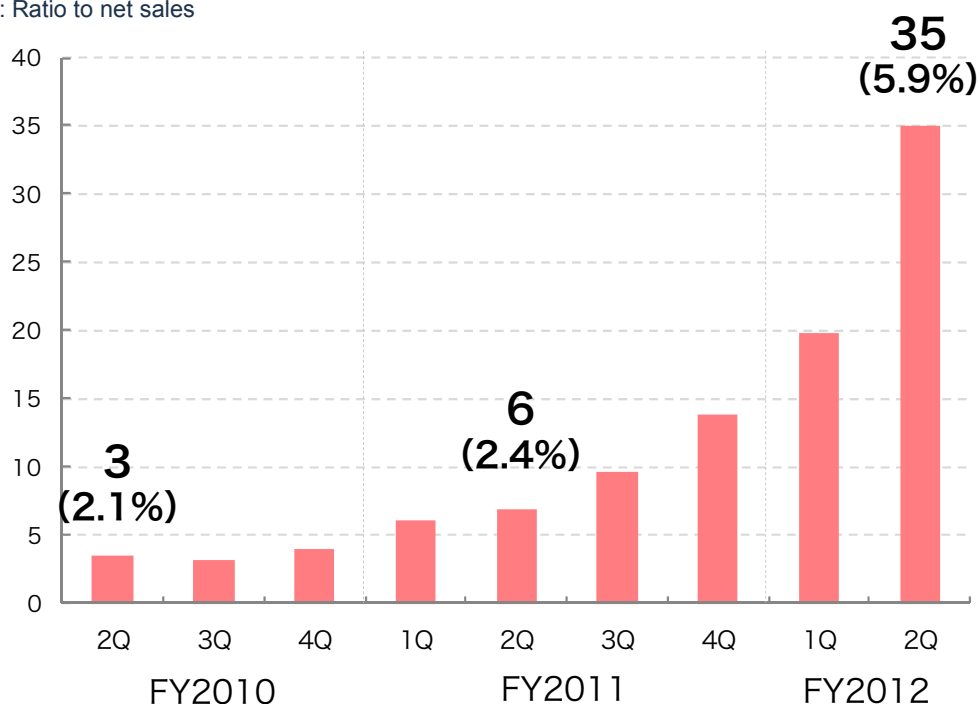
Trends in number of home rental information



❖ Achieving profitability from career change discussion site “Tenshoku Kaigi” by partnering with major job information service companies

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

Trends in net sales



Career change discussion site “Tenshoku Kaigi”

Site opened in July 2010 as Livesense’s first CGM (consumer generated media)

(Data as of July 2012)

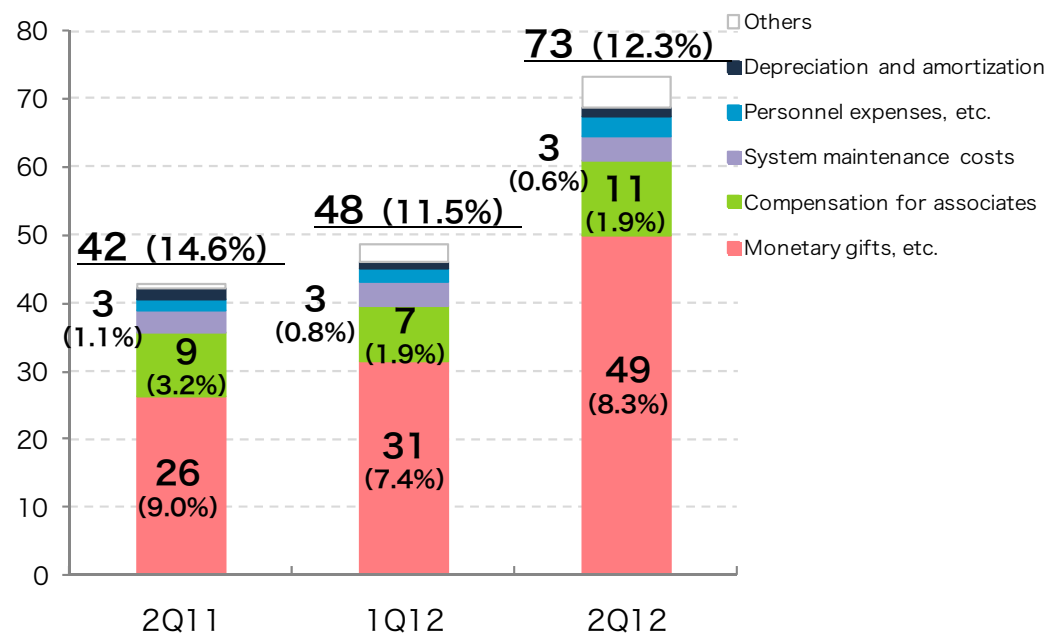
Number of messages posted: about 1,750,000

Number of monthly users: about 2,500,000

✦ As the scale of our business expands, “monetary gifts, etc.” and “personnel expenses, etc.” have increased, but rising net sales have absorbed the increased costs

Trends in sales costs

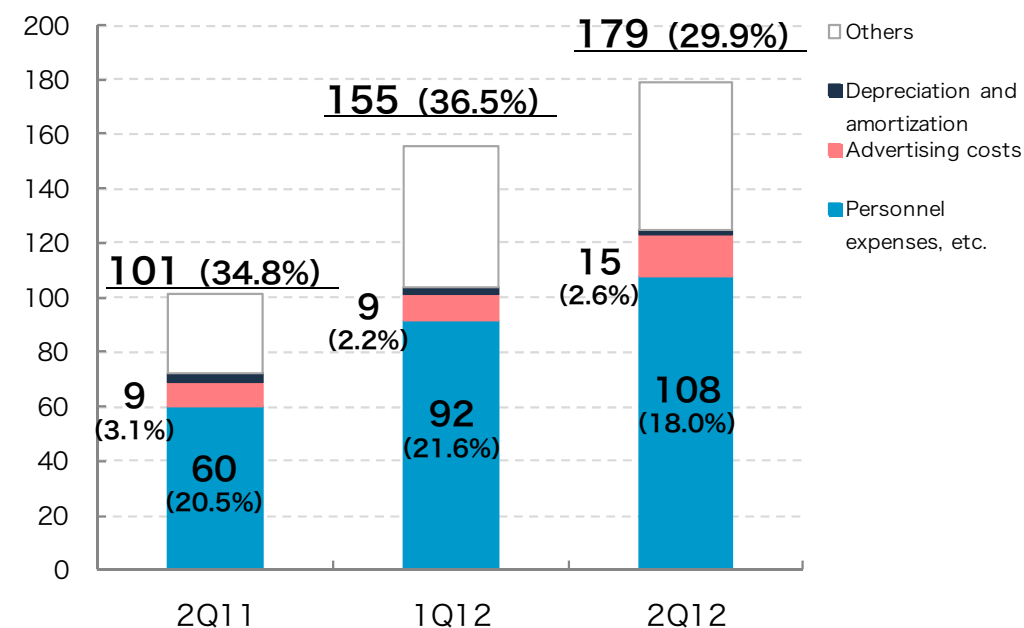
(JPY million)
(%): Ratio to net sales



*Compensation for associates: Costs for outsourcing client introductions

Trends in SG&A expenses

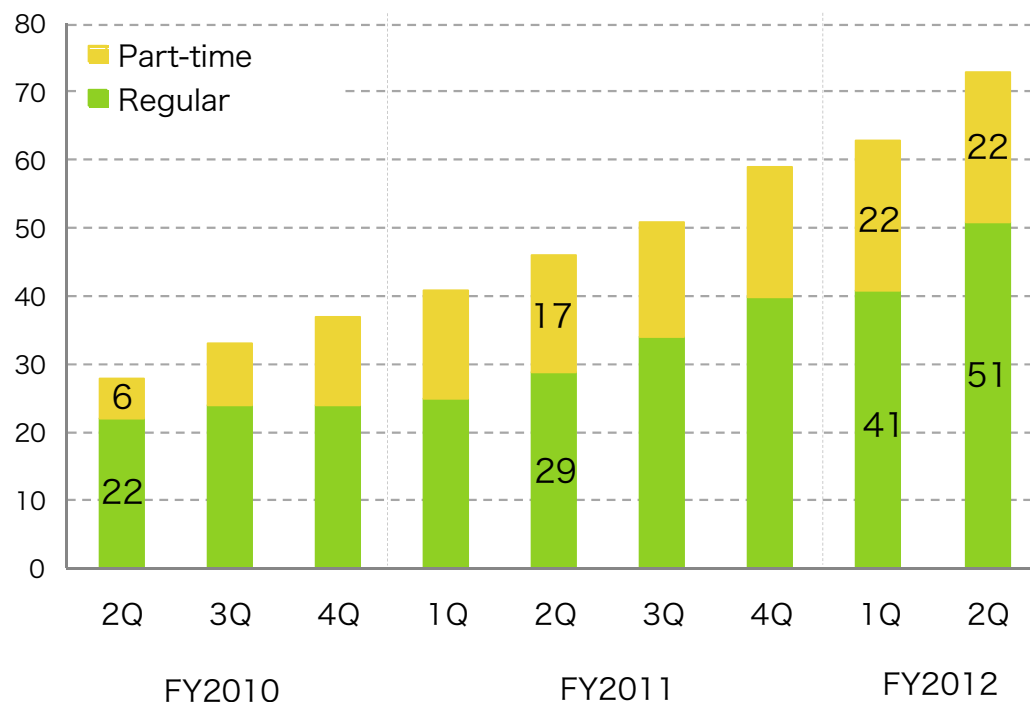
(JPY million)
(%): Ratio to net sales



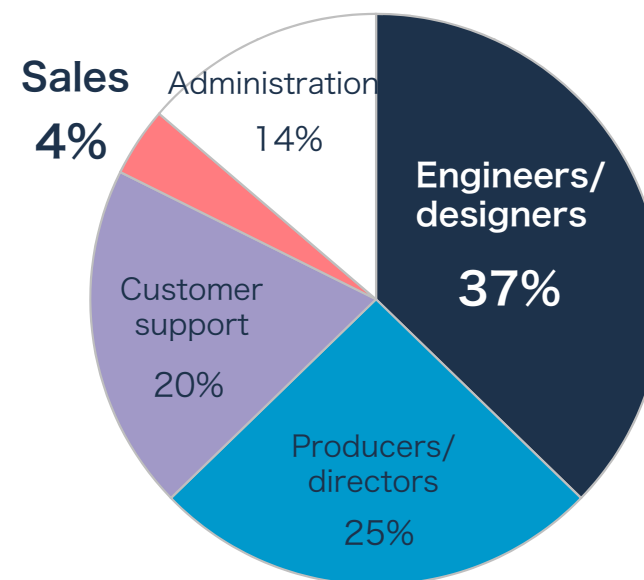
✦ As the scale of our business expands, our number of employees has steadily grown

Trends in number of employees

(Unit: persons)

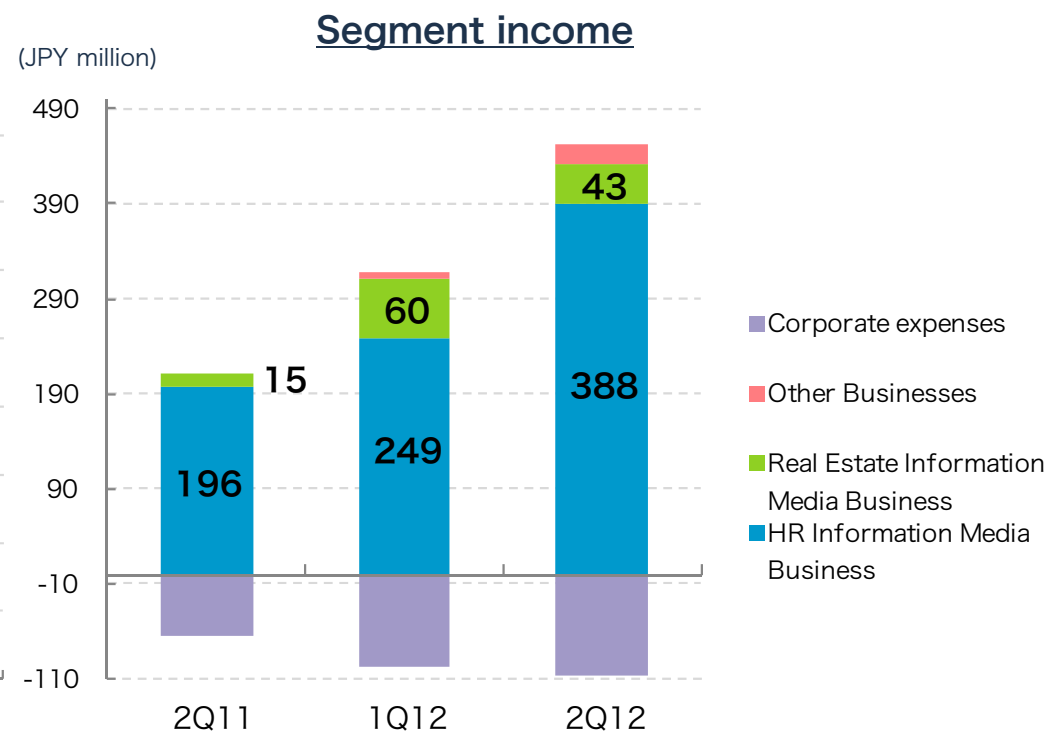
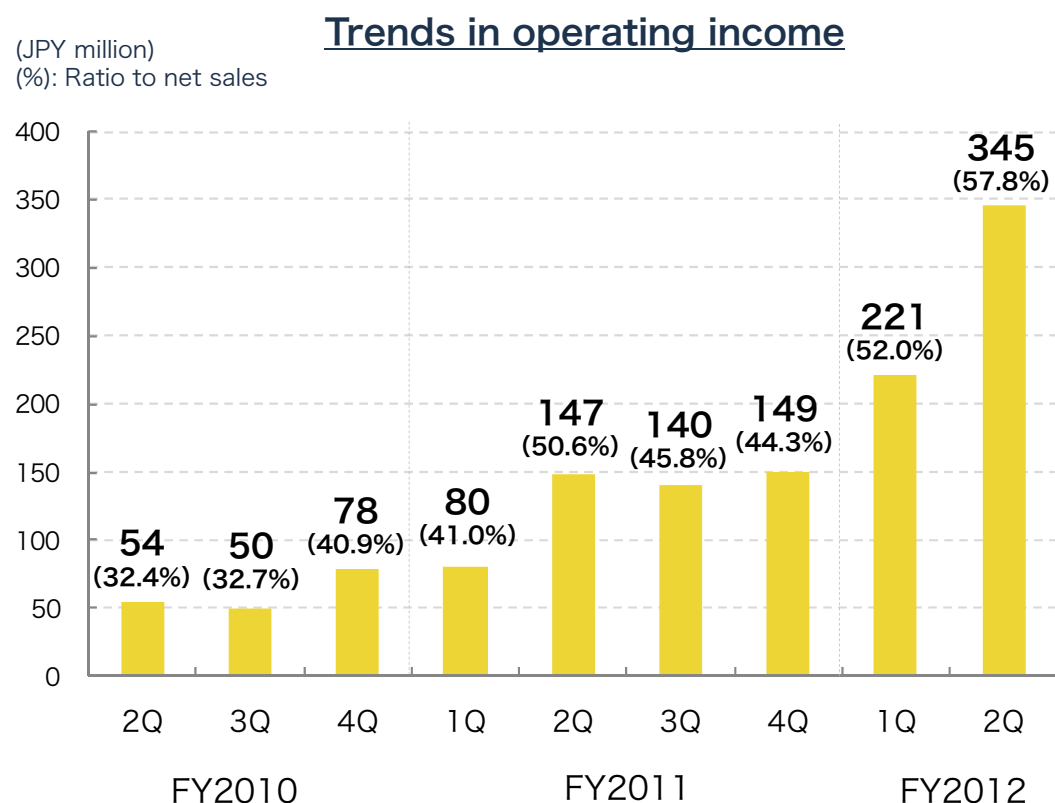


Breakdown of regular employees



(As of June 2012)

- ✦ Expansion of sales scale absorbs cost increases, significantly boosts profitability
- Efficient management keeps operating income at a high level



No. 1 FY2012 Plan (Upward Revision)

No. 2 Key Points to Focus Efforts on in Second Half, FY2012

No. 3 Introduction of “Jobsense” Character

- ❖ Our stock listing has increased our name recognition, so that profitability has grown larger than expected
- ❖ In the second half we will record advertising costs (for TV commercials, etc.) intended to expand market share
- ❖ Because we are hiring more employees as the scale of our business expands, we are adding office space, so we will additionally record moving costs

(Thousands of JPY)

| | FY2011 | FY2012 | | | | 2Q12累計 | |
|------------------|------------------|------------------|--------------------|-----------------|-----------------|------------------|---------------|
| | Results | Initial forecast | Revised forecast | YoY | Revision rate | Results | Progress rate |
| Sales | 1,134,497 | 1,777,434 | 2,323,885 | +104.8% | +30.7% | 1,023,240 | 44.0% |
| Operating Income | 518,764 45.7% | 719,238 40.5% | 1,133,770 48.8% | +118.6% 3.1% | +57.6% +8.3% | 566,829 55.4% | 50.0% - |
| Ordinary Income | 508,043 44.8% | 719,538 40.5% | 1,113,307 47.9% | +119.1% 3.1% | +54.7% +7.4% | 566,933 55.4% | 50.9% - |
| Net profit | 273,891 24.1% | 398,075 22.4% | 605,681 26.1% | +121.1% 1.9% | +52.2% +3.7% | 309,257 30.2% | 51.1% - |
| EPS (JPY) | 45.18 | 57.69 | 87.78 | +94.3% | +52.2% | 44.82 | 51.1% |

✦ HR Information Media Business



- ✦ Revise service pricing system for better profitability
- ✦ Conduct advertising with the Jobsense image character to increase brand recognition and expand market share
- ✦ Take thorough basic measures: Increase usability and matching rate by strengthening site functions and SEO and expanding services

✦ Real Estate Information Media Business



- ✦ Take thorough basic measures: Increase usability and matching rate by strengthening site functions and SEO and expanding services
- ✦ Increase the number of information postings by getting new corporate customers posting them and by forming business partnerships
- ✦ Expand other business domains with DOOR brand

- ❖ Create an image character to increase “Jobsense” brand recognition
- ❖ Aim to expand market share with aggressive promotion activities including TV commercials



Character name: “Job-Sensuke”

No. 1 Balance Sheet Statement

No. 2 Cash Flow Statement

No. 3 Record of Recent Major Publicity Events

3-1 Balance Sheet Statement

LIVESENSE

(Thousands of JPY)

| | 4Q11 | 2Q12 | QoQ |
|------------------------------|-----------|-----------|--------|
| Current assets | 1,229,634 | 1,641,595 | +33.5% |
| Cash and deposits | 1,059,625 | 1,349,149 | +27.3% |
| Accounts receivable | 144,862 | 262,385 | +81.1% |
| Fixed assets | 94,308 | 88,133 | ▲6.5% |
| Tangible fixed assets | 39,405 | 35,014 | ▲11.1% |
| Intangible fixed assets | 5,716 | 6,213 | +8.7% |
| Investments and other assets | 49,186 | 46,905 | ▲4.6% |
| Total assets | 1,323,943 | 1,729,729 | +30.6% |
| Current liabilities | 270,282 | 363,436 | +34.5% |
| Accounts payable | 23,406 | 32,421 | +38.5% |
| Income taxes payable | 202,423 | 267,395 | +32.1% |
| Fixed liabilities | - | - | - |
| Total liabilities | 270,282 | 363,436 | +34.5% |
| Shareholders' equity | 1,053,660 | 1,362,918 | +29.4% |
| Capital | 219,930 | 219,930 | - |
| Capital reserve | 204,930 | 204,930 | - |
| Accumulated earnings | 628,800 | 938,058 | +49.2% |
| Stock warrants | - | 3,374 | - |
| Total net assets | 1,053,660 | 1,366,292 | +29.7% |

3-2 Cash Flow Statement

LIVESENSE

(Thousands of JPY)

| | 2Q11 | 2Q12 | YoY |
|---|----------|-----------|---------|
| Cash flows from operating activities | 172,209 | 290,821 | +68.9% |
| Depreciation and amortization | 7,990 | 6,624 | ▲17.1% |
| Increase or decrease in allowance for doubtful accounts (▲: decrease) | 1,948 | 1,085 | ▲44.3% |
| Fixed asset extraordinary retirement expenses | 6,721 | - | - |
| Share-based compensation expenses | - | 3,374 | - |
| Decrease or increase in accounts receivable (▲: increase) | ▲ 41,920 | ▲ 111,820 | +166.7% |
| Income taxes paid | ▲ 37,561 | ▲ 202,423 | +438.9% |
| Cash flows from investing activities | ▲ 22,560 | 583 | ▲102.6% |
| Payments for purchase of tangible fixed assets | ▲ 391 | ▲ 935 | +139.1% |
| Payments for purchase of intangible fixed assets | ▲ 1,386 | ▲ 1,440 | +3.9% |
| Payments of lease and guarantee deposits pledged | ▲ 20,782 | - | - |
| Other income | - | 2,960 | - |
| Cash flows from financing activities | - | ▲ 1,881 | - |
| Payments resulting from issuance of shares | - | ▲ 450 | - |
| Payments of public offering expenses | - | ▲ 1,430 | - |

3-3 Record of Recent Major Publicity Events

| | |
|---------------|---|
| Aug. 10, 2012 | Livesense representative featured in magazine THE21 Sept. issue (on sale Aug. 10) |
| July 20, 2012 | Livesense featured in Nihon Keizai Shimbun morning edition |
| July 10, 2012 | Livesense representative featured in Nikkei Business Associé Aug. issue (on sale July 10) |
| July 9, 2012 | Real estate information site “DOOR Chintai” featured in Shukan Jutaku Shinbun |
| June 25, 2012 | Livesense representative featured in Shukan Jutaku Shinbun |
| May 1, 2012 | Livesense representative appeared on World Business Satellite (TV Tokyo) |
| May 1, 2012 | Career change discussion site “Tenshoku Kaigi” featured in Nihon Keizai Shimbun morning edition |
| May 1, 2012 | Livesense featured in Nikkei Sangyo Shimbun “Tenken Seichoryoku” |
| Apr. 10, 2012 | Livesense representative featured in magazine THE21 May issue (on sale Apr. 10) |
| Apr. 9, 2012 | Livesense representative featured in Zenkoku Chintai Jutaku Shimbun “Top Taidan” |
| Mar. 29, 2012 | Livesense featured in Nihon Keizai Shimbun morning edition |
| Mar. 28, 2012 | Livesense representative featured in Mainichi Shimbun evening edition |
| Mar. 6, 2012 | Livesense representative featured in Nikkei Otona-no Off Apr. issue (on sale Mar. 6) |
| Mar. 6, 2012 | Livesense representative appeared on Kunimaru Japan (Nippon Cultural Broadcasting) |
| Feb. 23, 2012 | Livesense representative appeared on TIME LINE (Tokyo FM) |
| Feb. 21, 2012 | Livesense representative featured in Nikkei Money Apr. edition |
| Jan. 30, 2012 | Livesense representative featured in Nihon Keizai Shimbun |
| Jan. 16, 2012 | Livesense representative appeared on Tokyo Market Watch (Nikkei CNBC) |
| Jan. 15, 2012 | Livesense representative featured in magazine pen Feb. 1 edition |
| Jan. 10, 2012 | Livesense representative featured in magazine Nikkei Business Associé Feb. edition |
| Jan. 6, 2012 | Livesense representative appeared on News Watch 9 (NHK) |
| Jan. 1, 2012 | Livesense representative featured in Nikkei Top Leader Jan. edition |

Livesense IR site

<http://www.livesense.co.jp/ir/index.htm>

IR site for individual investors

“Livesense Live”



Important notes

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.