



LIVENSENSE

2 Q FYE Dec. 2013
Financial Results

Aug. 15, 2013 Livesense Inc.(TSE:6054)

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- 2 FY2013 Plan (Revised Upward on July 11)
- 3 Reference Materials

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| All businesses performed well and recorded significant year-on-year increases in revenue and income

- Net sales JPY 2,101 million (up 105.4% year-on-year)
- Operating income JPY 930 million (up 64.2% year-on-year)

| Gradually progressing with updates to prices for service provision

- Jobsense (from June) and Jobsense Link (from April) began applying new prices to new corporate customers
- Planning to apply to existing corporate customers beginning in 2H FY2013

| Web promotion used to increase customer traffic and expand share

- Together with SEO, promoting measures for achieving greater customer traffic and expansion of medium-term share
- During FY2013, using aggressive web promotion to secure new users and customers

| Conducted stock split (1:2) (on July 1)

| Selected as loan transaction stock (on July 19)

| All businesses performed well and recorded significant year-on-year increases in revenue and income

(Thousands of JPY)

	2Q12	2Q13	YoY
Sales	1,023,240	2,101,911	+105.4%
Sales Cost	122,004	177,941	+45.8%
	11.9%	8.5%	(3.5%)
Gross Margin	901,235	1,923,970	+113.5%
	88.1%	91.5%	+3.5%
SG&A Expenses	334,406	993,054	+197.0%
	32.7%	47.2%	+14.6%
Operating Income	566,829	930,916	+64.2%
	55.4%	44.3%	(11.1%)
Ordinary Income	566,933	931,761	+64.4%
	55.4%	44.3%	(11.1%)
Net Pretax Profit	566,933	927,961	+63.7%
	55.4%	44.1%	(11.3%)
Net profit	309,257	520,854	+68.4%
	30.2%	24.8%	(5.4%)

- Sales Cost : The amount of “monetary gifts” that we pay grows as our scale of business expands.
- SG&A : Increases of advertising costs (396 million yen) resulting from web promotions and personnel expenses, etc. (125 million yen) due to business expansion.

All businesses performed well and recorded significant year-on-year increases in revenue and income

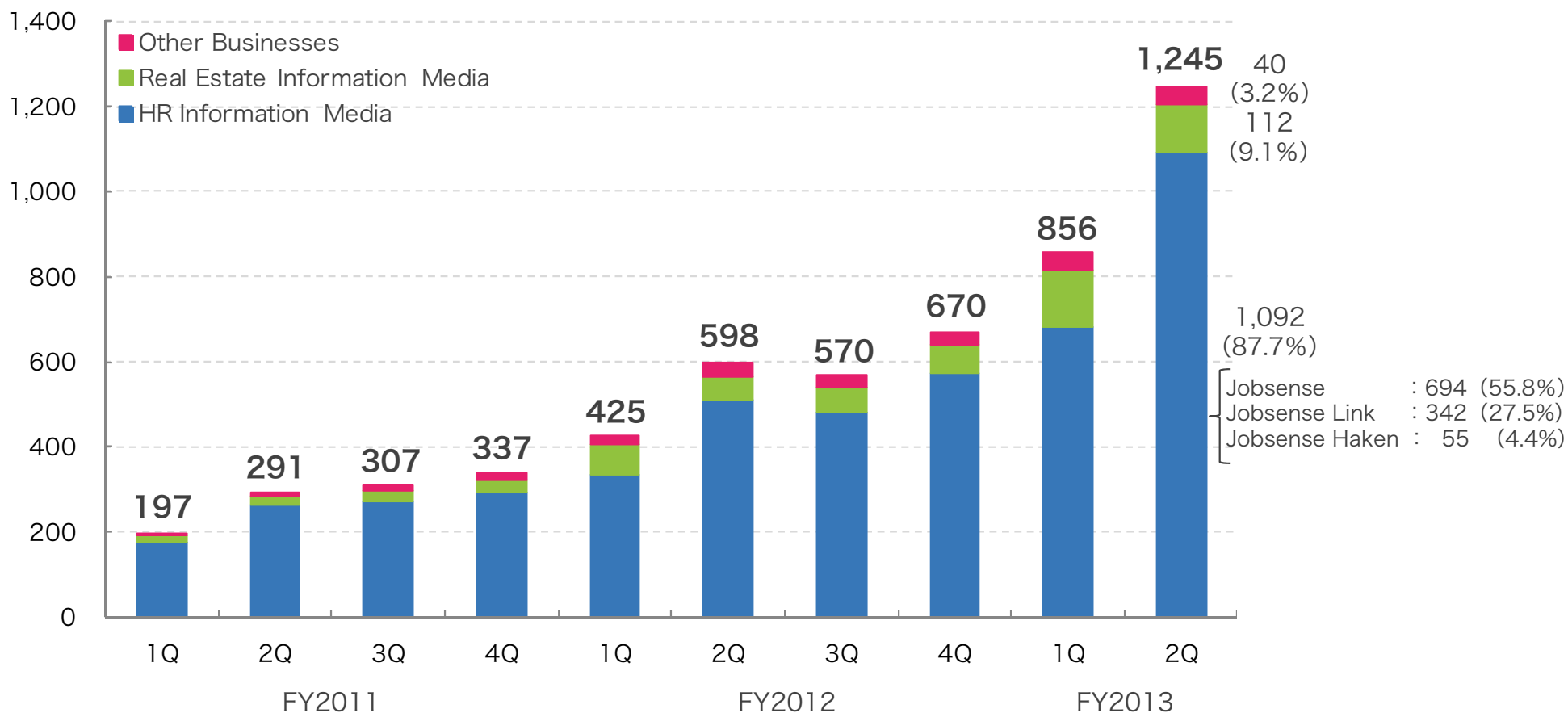
(Thousands of JPY)

	2Q12	2Q13	YoY
Sales	598,122	1,245,442	+108.2%
Sales Cost	73,306	106,299	+45.0%
	12.3%	8.5%	(3.7%)
Gross Margin	524,816	1,139,143	+117.1%
	87.7%	91.5%	+3.7%
SG&A Expenses	179,102	625,917	+249.5%
	29.9%	50.3%	+20.3%
Operating Income	345,713	513,225	+48.5%
	57.8%	41.2%	(16.6%)
Ordinary Income	345,719	513,311	+48.5%
	57.8%	41.2%	(16.6%)
Current Net Pretax Profit	345,719	513,311	+48.5%
	57.8%	41.2%	(16.6%)
Current net profit	187,319	286,117	+52.7%
	31.3%	23.0%	(8.3%)

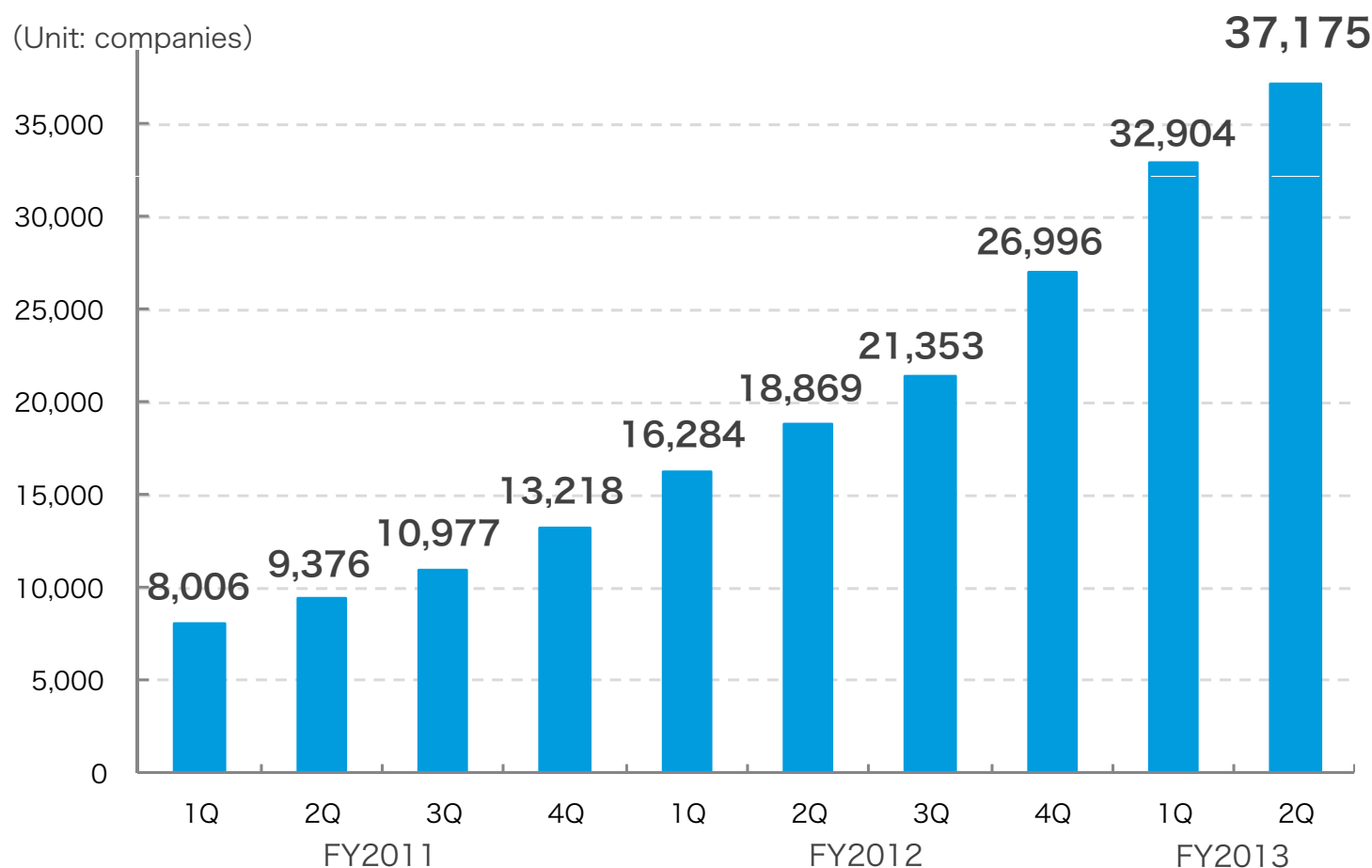
- Sales Cost : The amount of “monetary gifts” that we pay grows as our scale of business expands.
- SG&A : Increases of advertising costs (296 million yen) resulting from web promotions and personnel expenses, etc. (77 million yen) due to business expansion.

Revenues for the HR information media business increased significantly due to the effect of web promotion

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

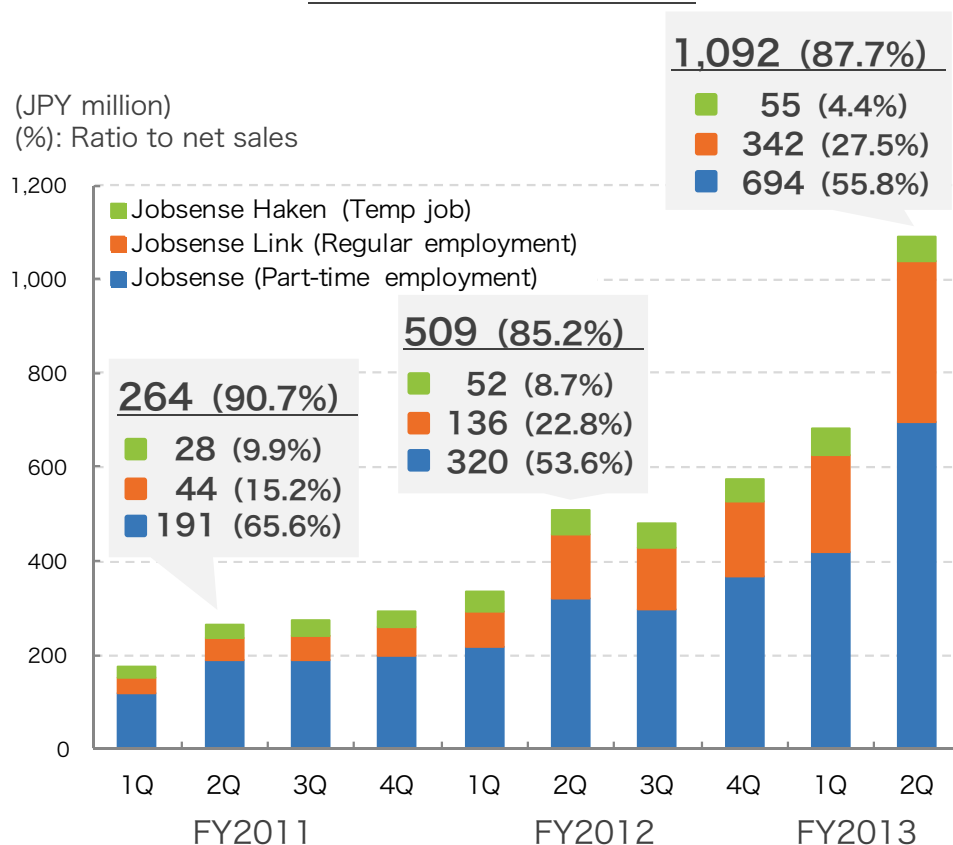


The rapid increase in the number of corporate customers resulting from media exposure surrounding the listing of the Company leveled off and now numbers are increasing at a normal pace

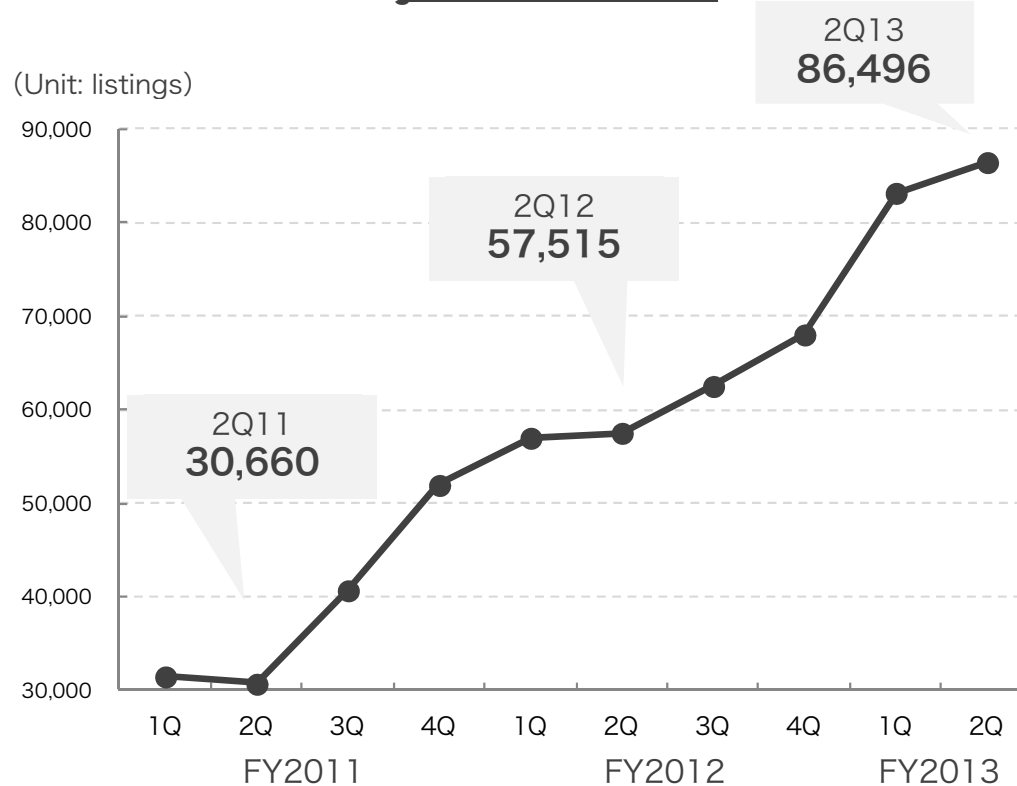


Net sales increased significantly due to a steady increase in user activity as a result of web promotion
The number of listings also increased steadily

Trends in net sales



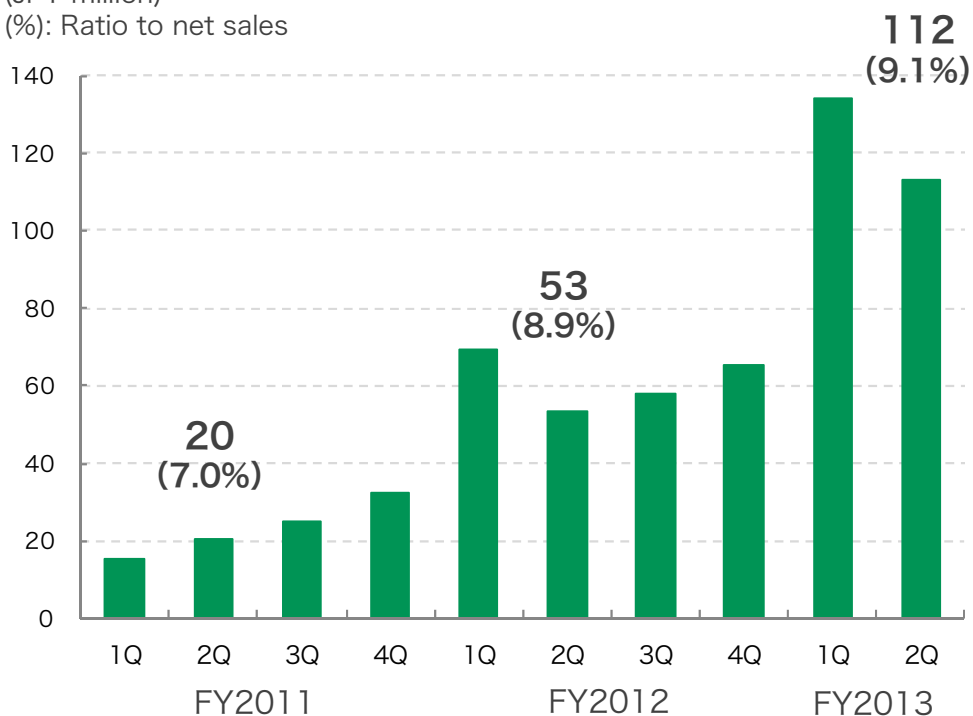
Trends in number of job information



Continuous site improvements resulted in net sales that doubled the previous year. Conducted full website renewal at the end of June and also increase monetary gifts

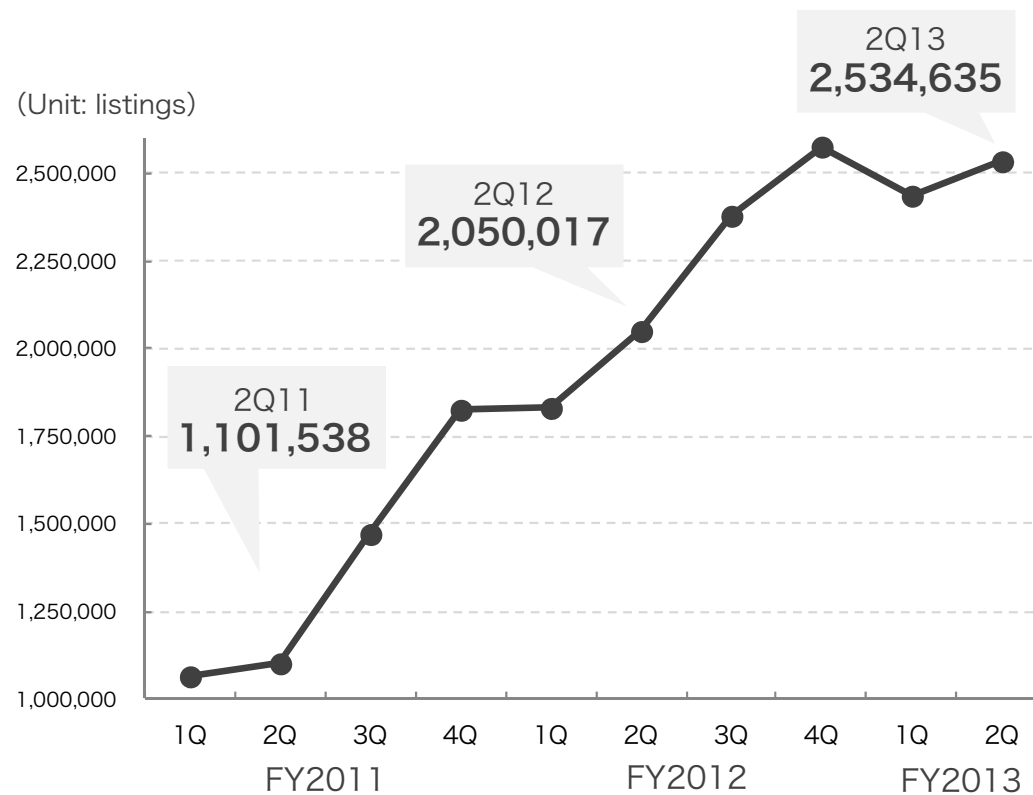
Trends in net sales

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



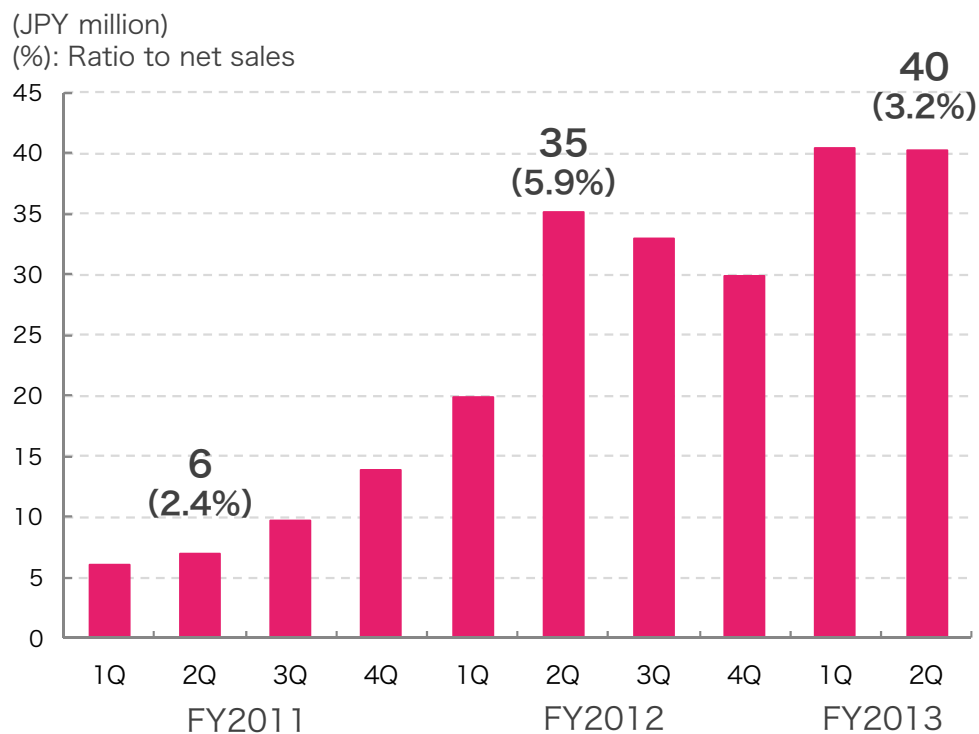
Trends in number of home rental information

(Unit: listings)



The career change discussion site “Tenshoku Kaigi” has seen a continuous increase in the number of members and reviews posted. Nets sales have increased steadily due to referrals to partner employment media

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 June 2013>

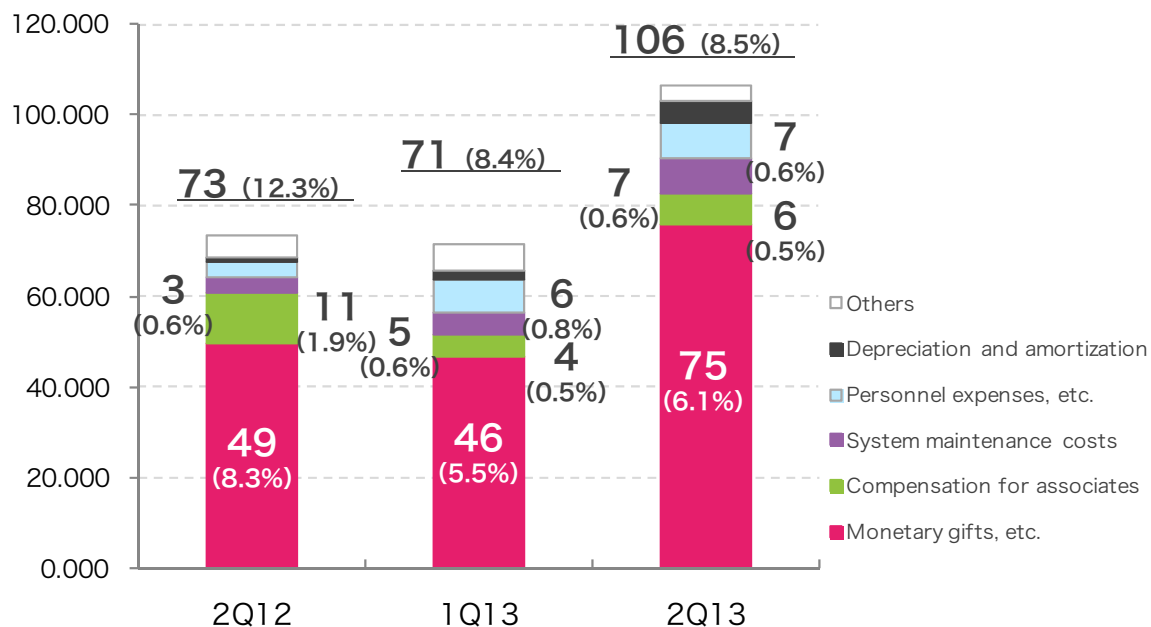
Number of messages posted: about 2,150,000

Number of monthly users: about 3,600,000

In line with the expansion of business scale, amounts for monetary gifts (cost of sales) and personnel costs (SG&A) have increased steadily
Advertising costs (SG&A) increased as a result of aggressive web promotion that were implemented based on reviews of user reactions, etc., and maintained within profitability lines

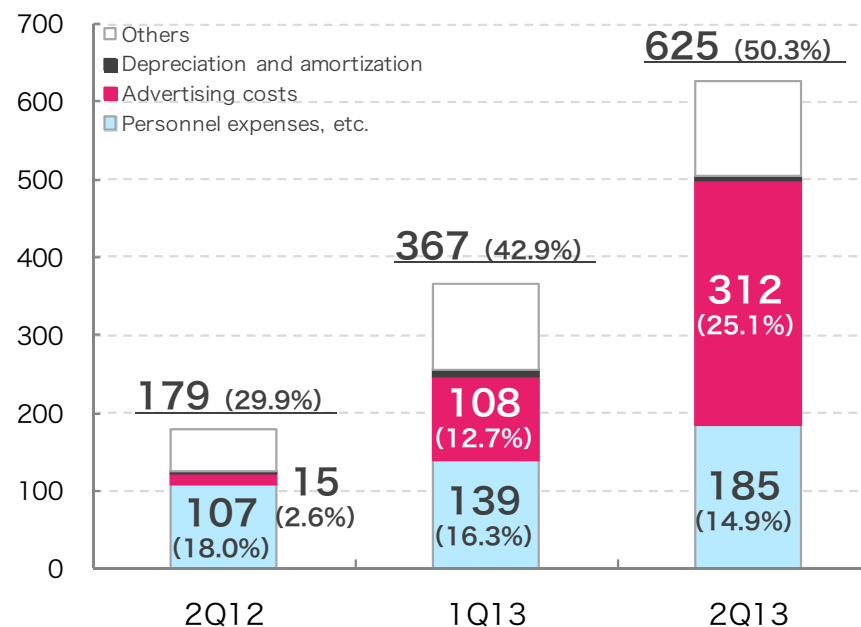
Trends in sales costs

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



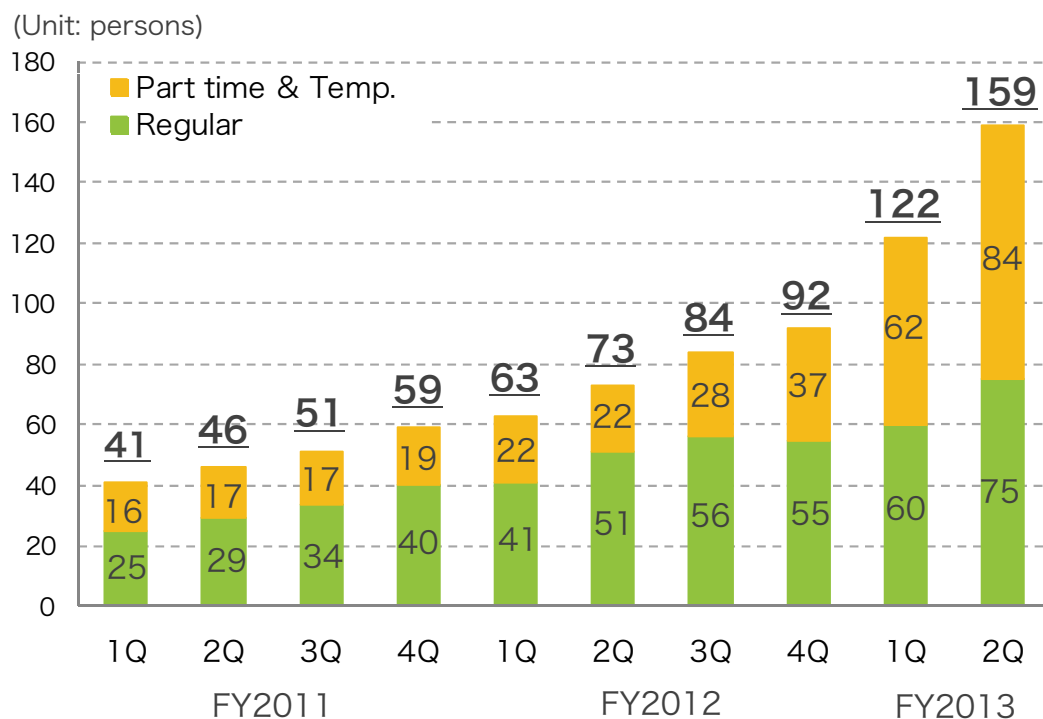
Trends in SG&A expenses

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

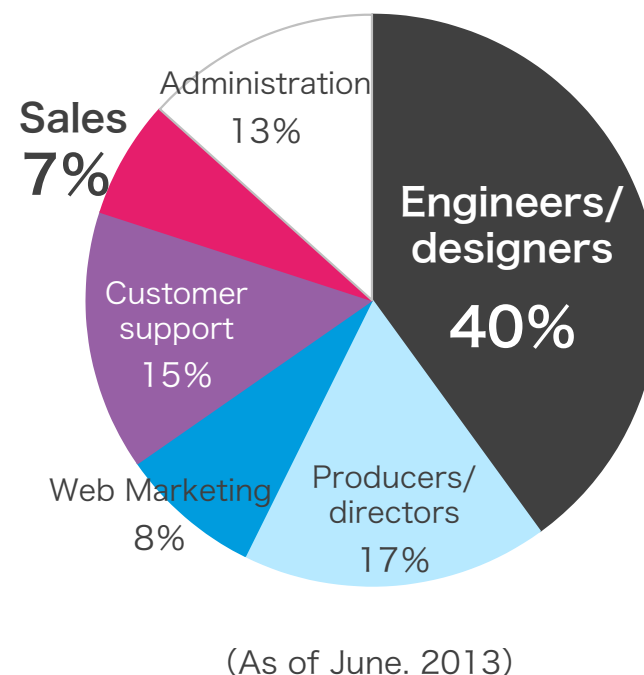


Continue efficient operations while conducting hiring to match business scale.
During 2Q 2013, we hired 15 full-time employees as well as 22 part-time and temporary staff* for customer call support, etc.

Trends in number of employees



Breakdown of regular employees

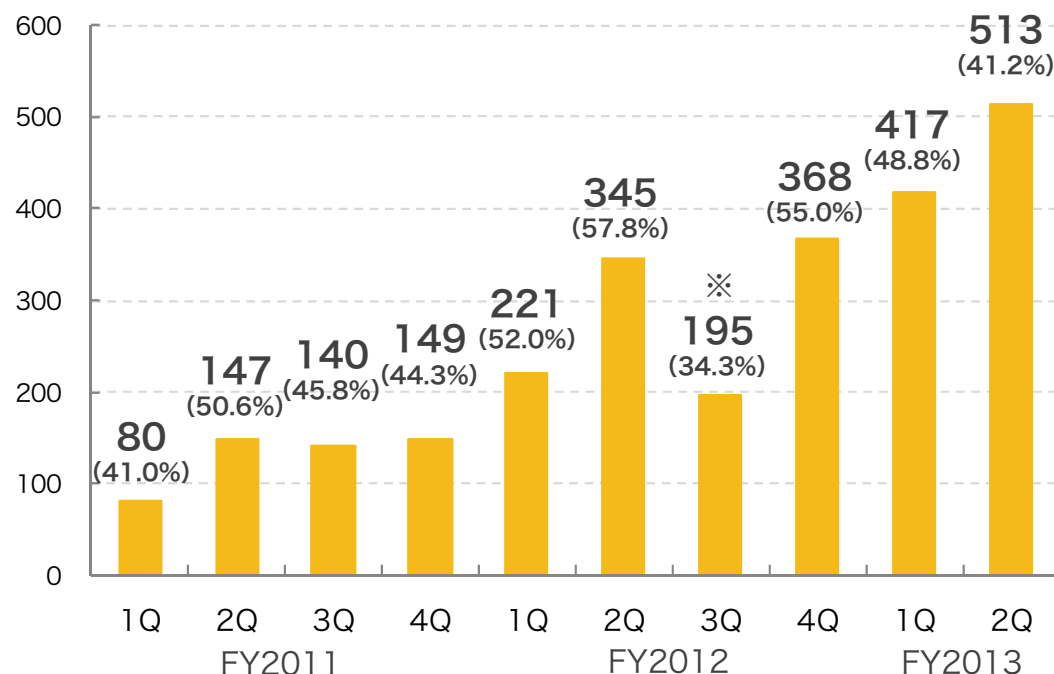


* Primarily for our HR information media business, we are reinforcing our customer support structure as we look to improve medium-term site information listing, applications & inquiries, and hiring ratios.

The increase in net sales absorbed the increase in costs. Operating income increased steadily
While continuing with efficient operations, during FY2013 we will focus on aggressive promotion and hiring as part of our investment in medium to long-term growth

Trends in operating income

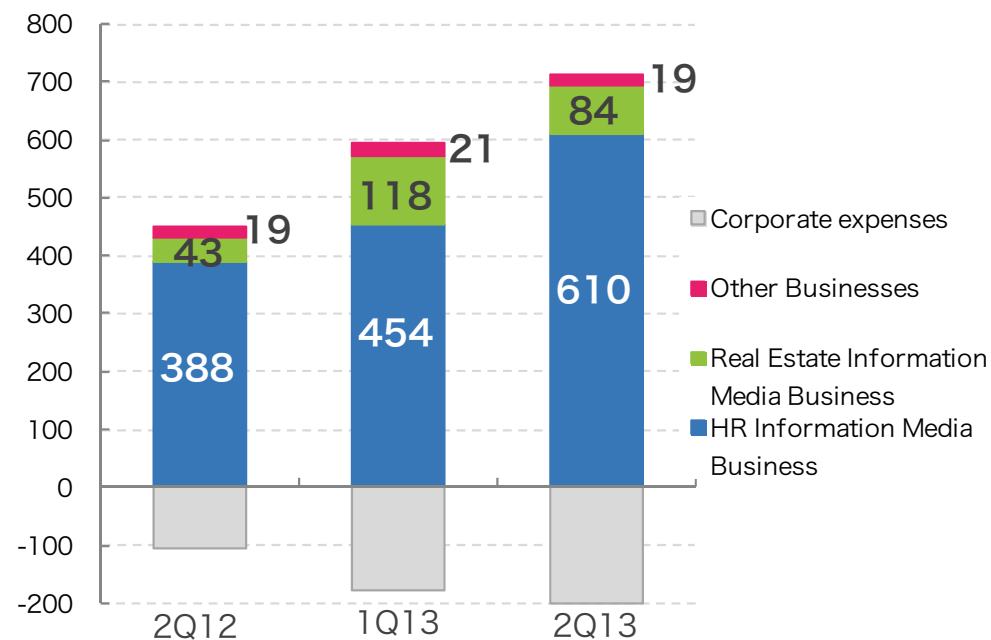
(JPY million)
 (%): Ratio to net sales



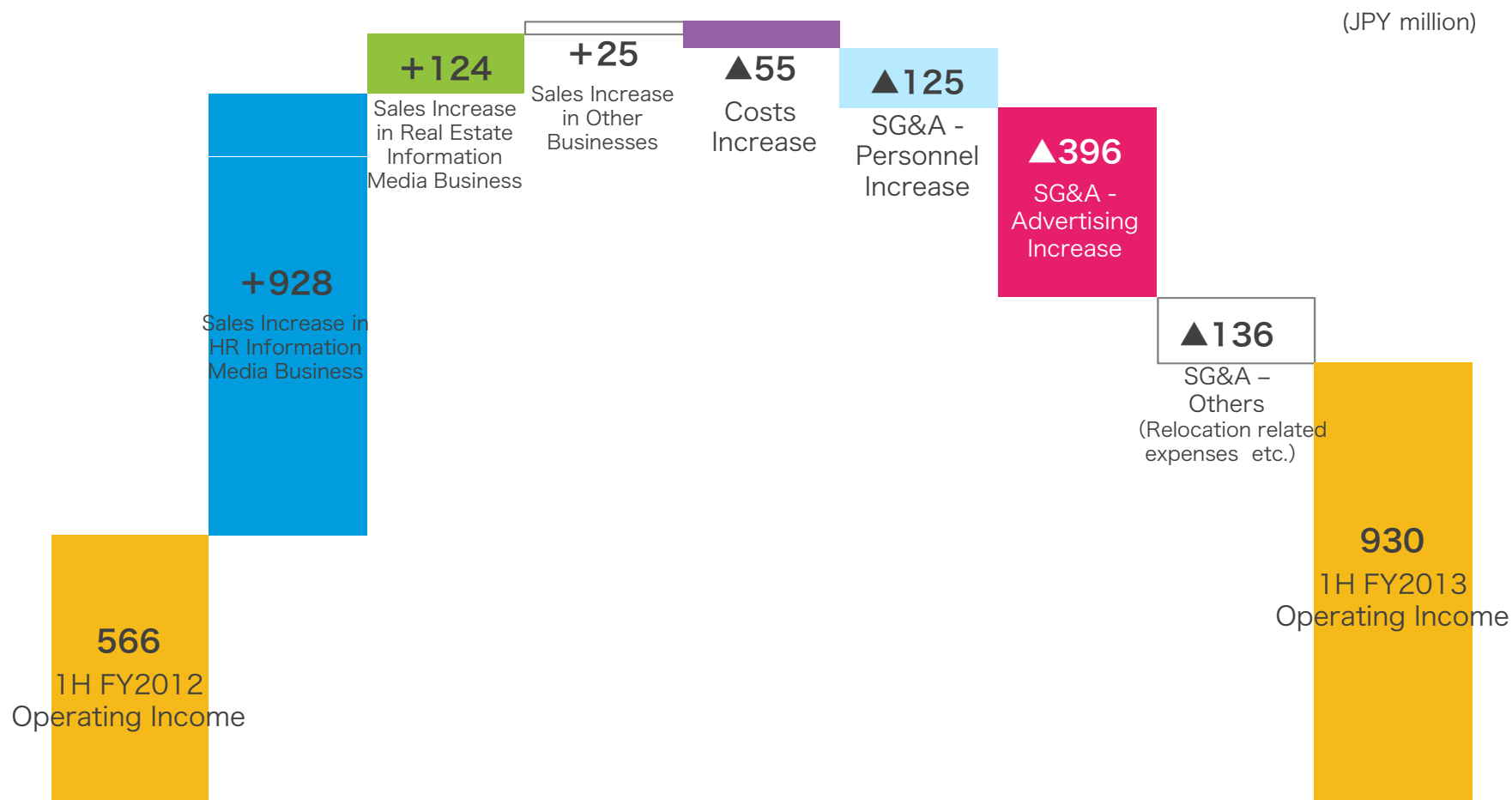
※ In 3Q12, one-time expenses occurred due to TV commercials.

Segment income

(JPY million)



The increase in net sales from our HR information media business in particular absorbed increases in costs and contributed significantly to an increase in operating income (YoY +64.2%)



Jobsense and Jobsense Link are conducting web promotion aggressively as part of efforts to expand medium to long-term market share

- During 1H 2013, Jobsense was the center of JPY 420 million in web advertisements for listings, retargeting, and affiliates.
- During 2Q 2013, Jobsense unique users increased 46% year on year.



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- 1 FY2013 Plan (Revised Upward on July 11)
- 2 Key Points to Focus Efforts on in Second Half, FY2013
- 3 Growth Strategy
- 4 Initiatives for medium to long-term growth

- | Due to the greater-than-expected benefit of web promotion, we have revised our sales and advertisement costs plan (anticipated advertisement costs of JPY 400 million for 2H)
- | Additional recording of increased personnel costs resulting from increase in corporate customer support staff, etc., and costs resulting from 4Q expansion of office space
- | Will continue efforts focusing on expanding market share for existing businesses while developing new businesses

(Thousands of JPY)

	FY2012	FY2013			
	Results	Forecast	YoY	1H Results	Progress rate
Sales	2,264,042	4,182,473	+84.7%	2,101,911	+50.3%
Operating Income	1,130,844	1,517,901	+34.2%	930,916	+61.3%
	49.9%	36.3%	(13.7%)	44.3%	-
Ordinary Income	1,113,611	1,518,898	+36.4%	931,761	+61.3%
	49.2%	36.3%	(12.9%)	44.3%	-
Net Profit	597,846	872,608	+46.0%	520,854	+59.7%
	26.4%	20.9%	(5.5%)	24.8%	-
EPS (JPY)	43.32	63.23	+46.0%	37.74	+59.7%

| HR Information Media Business

- Take thorough basic measures: Increase usability and matching rate by strengthening site functions and SEO and expanding services
- Revise service pricing system for better profitability
- Aggressive web promotion to increase user traffic
- Increase new corporate customer in regional areas

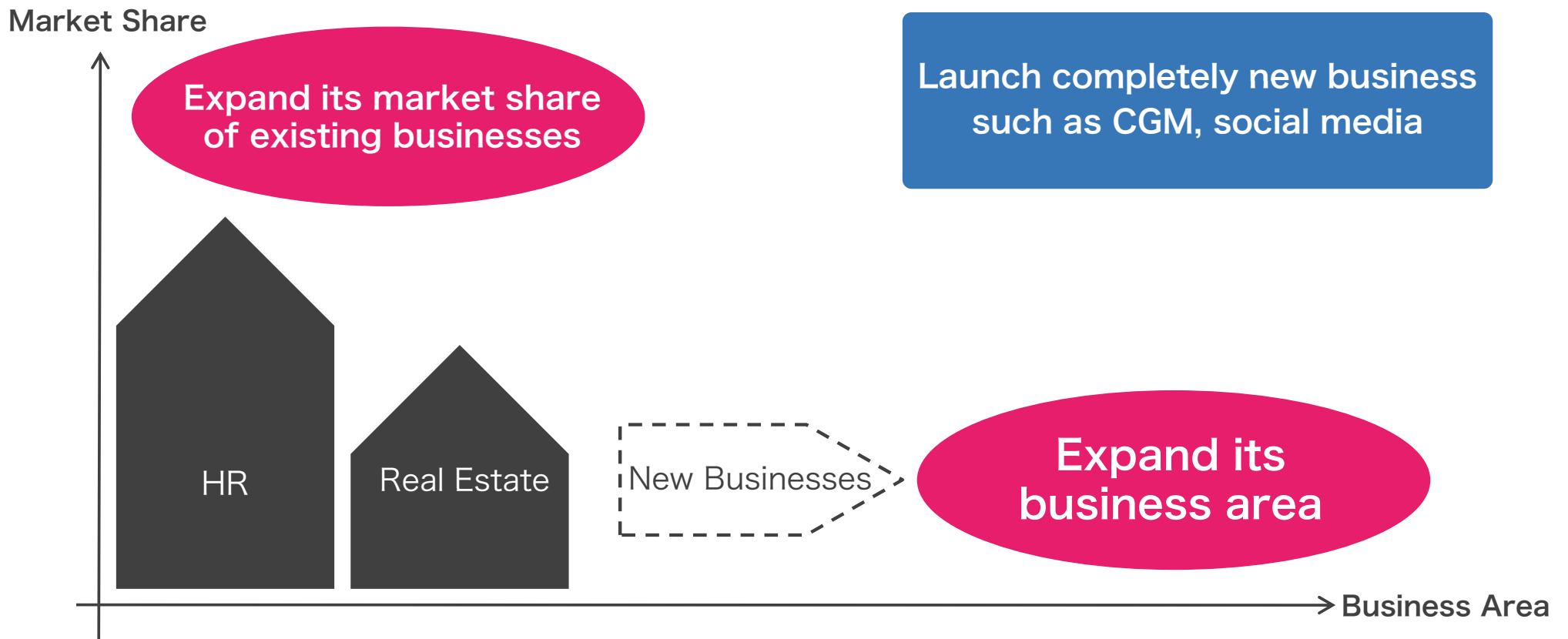
| Real Estate Information Media Business

- 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

| Other Businesses

- Take thorough basic measures: Increase usability by strengthening site functions and SEO and expanding services
- Expand of the profit opportunity by expanding service and forming business partnerships

- | Expand its market share of existing businesses with Affiliate System
- | Expand its business area with Affiliate System
- | Launch completely new business



Organizational improvements to achieve improved “web marketing expertise,” “service development expertise,” and “highly-efficient management expertise” as we look toward achieving medium-term goals



- 1 Balance Sheet Statement
- 2 Cash Flow Statement
- 3 Stock Information
- 4 Record of Recent Major Publicity Events
- 5 Company Profile

3-1. Balance Sheet Statement

(Thousands of JPY)

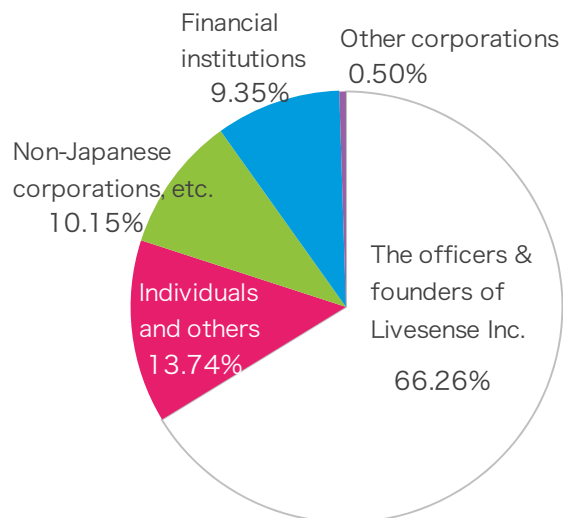
	4Q12	2Q13	QoQ
Current assets	2,002,084	2,545,016	+27.1%
Cash and deposits	1,685,906	1,974,719	+17.1%
Accounts receivable	272,761	530,311	+94.4%
Fixed assets	216,457	310,597	+43.5%
Tangible fixed assets	25,741	117,994	+358.4%
Intangible fixed assets	12,803	38,471	+200.5%
Investments and other assets	177,912	154,131	(13.4%)
Total assets	2,218,541	2,855,613	+28.7%
Current liabilities	558,598	669,753	+19.9%
Accounts payable	46,395	130,852	+182.0%
Income taxes payable	425,000	423,913	(0.3%)
Fixed liabilities	-	-	-
Total liabilities	558,598	669,753	+19.9%
Shareholders' equity	1,651,507	2,172,361	+31.5%
Capital	219,930	219,930	-
Capital reserve	204,930	204,930	-
Accumulated earnings	1,226,647	1,747,501	+42.5%
Stock warrants	8,436	13,498	+60.0%
Total net assets	1,659,943	2,185,859	+31.7%

3-2. Cash Flow Statement

(Thousands of JPY)

	2Q12	2Q13	YoY
Cash flows from operating activities	290,821	388,891	+33.7%
Depreciation and amortization	6,624	18,141	+173.9%
Impairment losses	-	908	-
Increase (decrease) in allowance for doubtful accounts	1,085	2,913	+168.5%
Stock compensation expenses	3,374	5,061	+50.0%
Interest income	(73)	(151)	+106.8%
Head office relocation expenses	-	2,891	-
Decrease (increase) in notes and accounts receivable	(111,820)	(260,158)	+132.7%
Increase (decrease) in accounts payable	10,895	84,456	+675.2%
Increase (decrease) in accrued consumption taxes	5,790	(9,530)	(264.6%)
Decrease (increase) in other assets	(1,272)	(3,322)	+161.2%
Increase (decrease) in other liabilities	11,648	39,237	+236.9%
Interest received	58	120	+106.9%
Income taxes paid	(202,423)	(417,138)	+106.1%
Relocation expenses paid	-	(2,501)	-
Cash flows from investing activities	583	(100,078)	-
Payments for purchase of tangible fixed assets	(935)	(105,250)	+11156.7%
Payments for purchase of intangible fixed assets	(1,440)	(29,840)	+1972.2%
Expenditures from execution of asset retirement obligations	-	(7,287)	-
Income from collection of lease and guarantor deposits	-	42,300	-
Other proceeds	2,960	-	-
Cash flows from financing activities	(1,881)	-	-

- Trends in our stock price
 - Lowest listed price : JPY 447 (Dec. 7, 2011)
 - Highest listed price : JPY 6,510 (Jul. 2, 2013)
 - Average volume : 116,040 stock/day (Jan. – Jun. 2013)
- Issued shares : 6,900,000
- Shareholders : 3,284
- % of Shares by category



- Major Shareholders

Name	Shares owned	%
Taichi Murakami (CEO)	3,695,000	53.55
Daisuke Katsura (Director)	674,500	9.77
Japan Trustee Services Bank, Ltd. (Trust Account)	173,600	2.51
The Master Trust Bank of Japan, Ltd. (Trust Account)	166,800	2.41
Kentaro Yoshida (Employee)	160,000	2.31
State Street Bank and Trust Company	74,100	1.07
JPMorgan Chase Bank 380084	66,100	0.95
Bank of New York GCM Client Accounts EILM	62,361	0.90
MSIP CLIENT SECURITIES	58,000	0.84
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	54,600	0.79

3-4. Record of Recent Major Publicity Events

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
2013.06.24	Magazine PRESIDENT (on sale June 24)
2013.05.24	SANKEI Shimbun
2013.05.13	SANKEI Shimbun
2013.05.10	Magazine MEN'S NON-NO June issue (on sale May 10)
2013.05.10	Magazine THE21 June issue (on sale May 10)
2013.05.01	NIKKEI plus 10 (BS-Japan)
2013.04.27	Magazin Entrepreneur club June issue (on sale April 27)
2013.04.24	It opens today ! (TBS)
2013.04.22	News Morning Satellite (TV Tokyo)
2013.04.22	Fuji Sankei Business Eye
2013.04.22	Nikkei Sangyo Shimbun
2013.04.15	Zenkoku Chintai Jutaku Shimbun
2013.03.27	Prime News (BS-Fuji)
2013.03.12	NIKKEI×BS LIVE 7PM (BS-Japan)
2013.03.09	Magazine THE21 April issue (on sale Mar. 9)
2013.02.15	Nihon Keizai Shimbun morning edition
2013.02.12	ZIP ! (Nippon Television)
2013.02.05	Nihon Keizai Shimbun morning edition
2013.02.01	NIKKEI×BS LIVE 7PM (BS-Japan)
2013.01.11	Yomiuri Shimbun morning edition
2013.01.10	Shigotogaku no susume (NHK)
2013.01.10	NIKKEI Premium PLUS (vol.4)
2013.01.10	Nikkei Business Associé Feb. edition
2013.01.06	Gacchiri Monday (TBS)

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	<table> <tr> <td>Managing Director</td> <td>Daisuke Katsura</td> </tr> <tr> <td></td> <td>Yuichi Iwasaki</td> </tr> <tr> <td>Statutory Auditors</td> <td>Junichi Ehara</td> </tr> <tr> <td></td> <td>Misao Akutsu</td> </tr> <tr> <td></td> <td>Mitsuru Ozaki</td> </tr> </table>	Managing Director	Daisuke Katsura		Yuichi Iwasaki	Statutory Auditors	Junichi Ehara		Misao Akutsu		Mitsuru Ozaki
Managing Director	Daisuke Katsura										
	Yuichi Iwasaki										
Statutory Auditors	Junichi Ehara										
	Misao Akutsu										
	Mitsuru Ozaki										
Capital	JPY219 million										
Business Results	FY2011 Sales : JPY 1,134 million, OP: JPY 518 million (OPM : 45.7%) FY2012 Sales : JPY 2,264 million, OP: JPY 1,130 million (OPM : 49.9%)										
Number of Employees	Full-time : 75, Part-time & Temp. : 84										
Fiscal Term	December										
Date listed	October 1, 2012 (TSE 1st Section) December 7, 2011 (TSE Mothers)										
Auditing Firm	Deloitte Touche Tohmatsu LLC										



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