



Financial Results for 2Q FY2015

August 14, 2015
Livesense Inc.
(TSE : 6054)

Agenda

- 1 Financial Results for 2Q FY2015
- 2 Major Approaches for 2H FY2015
- 3 Reference Materials

| Increase in forward-looking investments led to continued operating losses in 1Q, but net sales still increased 10.9% YoY

- Net sales 1,264 million JPY (UP 10.9%)
- Operating Loss 68 million JPY

| In HR Information Media Business revenue was up 11.7% YoY “Jobsense (Part-time job)” : up 11.7%, “Tenshoku Kaigi (CGM)” : up 99.1%

- Jobsense :Campaigns targeting university students and other such efforts contributed to an increase in unique users.
- Tenshoku Kaigi :Strengthening of monetization (such as collaboration with Recruitment agencies) was successful, leading to substantial growth.

| Decision was made to dissolve US subsidiary Livesense America (July 13) Will re-examine optimal overseas business development and continue pursuit

| No change in FY 2015 plan. We continue forward-looking investments in 2H.

- No change FY2015 plan (net sales up 20-40% YoY, operating income aim to surplus), by expecting some recovery of the investment in 1H. Forward-looking investments for re-growth are continued in 2H while taking cost effectiveness fully into account.

1-2 2Q FY2015 Financial Results (Quarter)

Operating loss was posted due to increase in advertising and personnel expenses, but recovery in HR information business domain led to increased net sales YoY.

(Unit : Thousands of JPY)

	2Q14	2Q15	YoY
Sales	1,140,986	1,264,877	+10.9%
Sales Cost	77,830	88,613	+13.9%
	6.8%	7.0%	+0.2%
Gross Margin	1,063,155	1,176,263	+10.6%
	93.2%	93.0%	(0.2%)
SG&A Expenses	799,883	1,244,581	+55.6%
	70.1%	98.4%	+28.3%
Operating Income	263,271	(68,317)	-
	23.1%	-	-
Ordinary Income	263,283	(67,658)	-
	23.1%	-	-
Net Pretax Profit	263,283	(33,323)	-
	23.1%	-	-
Net profit	161,645	(43,344)	-
	14.2%	-	-

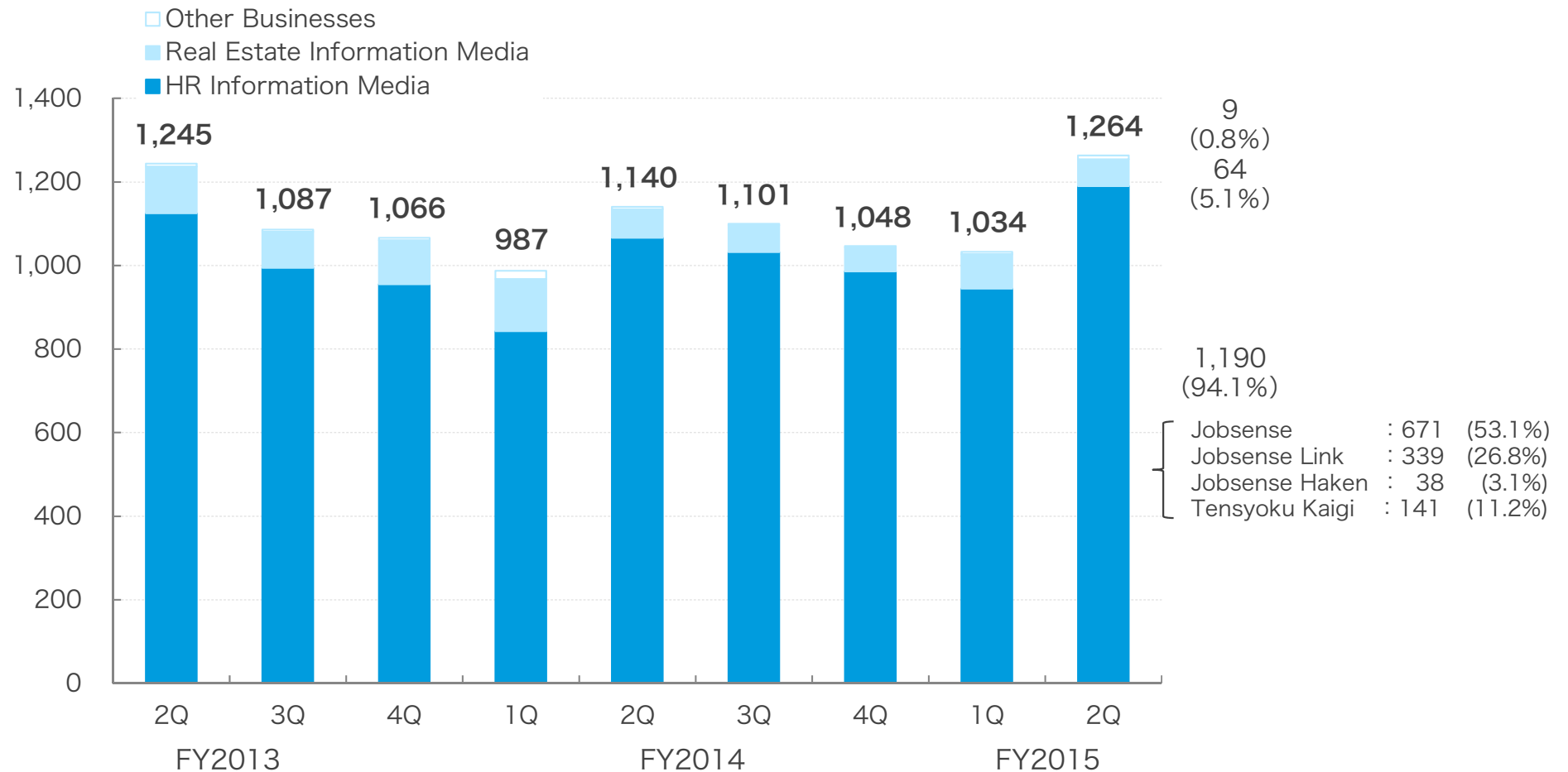
SG&A : Advertising expenses (+230 million JPY)

: Personnel expenses, etc. (+139 million JPY)

1-3 Net Sales

Overall, net sales increased 10.9% YoY. HR information business domain grew 11.7%, driving overall sales.

(Unit : Millions of JPY)
(%) : Ratio to net sales

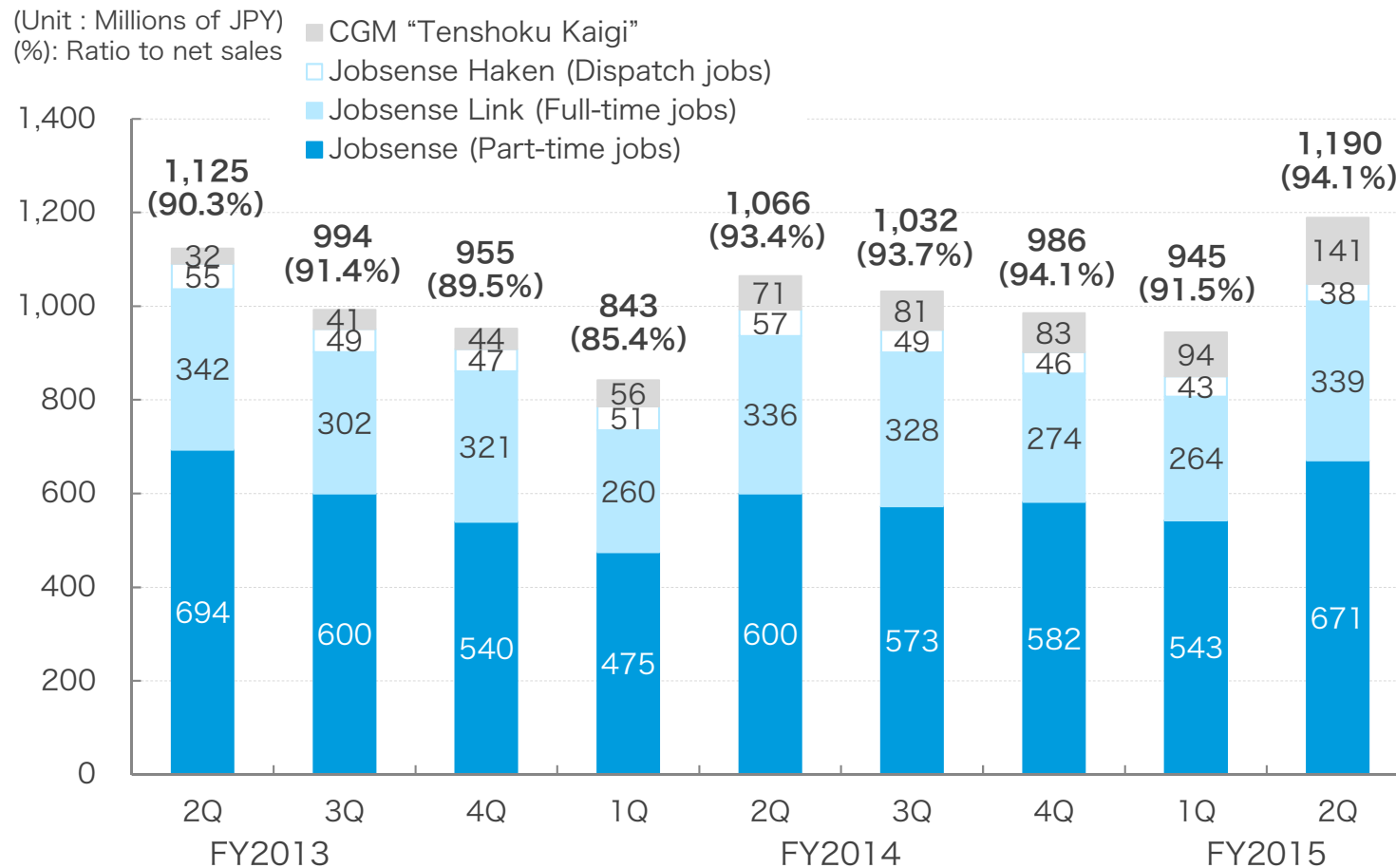


1-4 1st Half FY2015 : Major Topics

Jobsense	<ul style="list-style-type: none">• Campaigns targeting university students and other such efforts contributed to an increase in unique users.• iPhone app “Jobsense lite” released.• Sales of optional services to corporate customers trended favorably.
Jobsense Link	<ul style="list-style-type: none">• Productivity (applications/hiring) improved thanks to change in operational structure of “telephone supporter” for job applicants.• Number of new registered members showing strong growth thanks to improvements to user interface.
Tensyoku Kaigi	<ul style="list-style-type: none">• Strengthening the channel of monetization is good (ex : collaboration with an employment agency)• Number of members surpassed 1.6 million *: “Tensyoku” means changing jobs.
door chintai	<ul style="list-style-type: none">• Property inquiry ratio improved thanks to "monetary gift" campaigns designed to strengthen user appeal and improvements to website.• Strengthened contact with website users, including improvement of e-mail magazine.
New Businesses Internal Development, Business Partnerships, M&A	<ul style="list-style-type: none">• “Syukatsu Kaigi” was released in the new graduates job hunting domain• Acquisition of Shares in “waja Co., Ltd.” which operates e-commerce (“EC”) websites of fashion

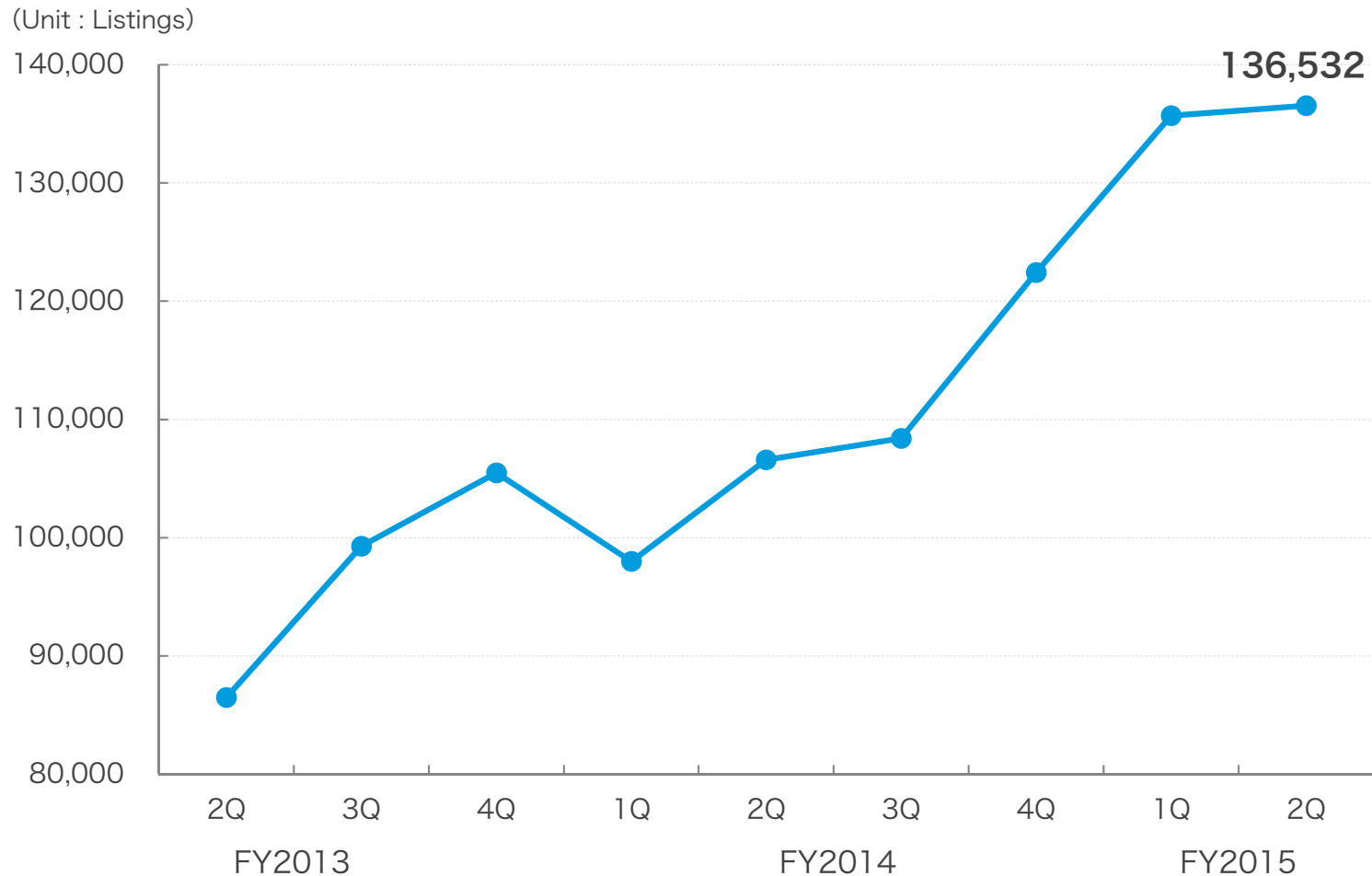
1-5 HR Information Media Business (Sales)

- Jobsense revenue was up 11.7% YoY, owing to campaigns targeting university students and other efforts.
- Tensyoku kaigi revenue was up 99.1% YoY, owing to strengthening of monetization was successful.



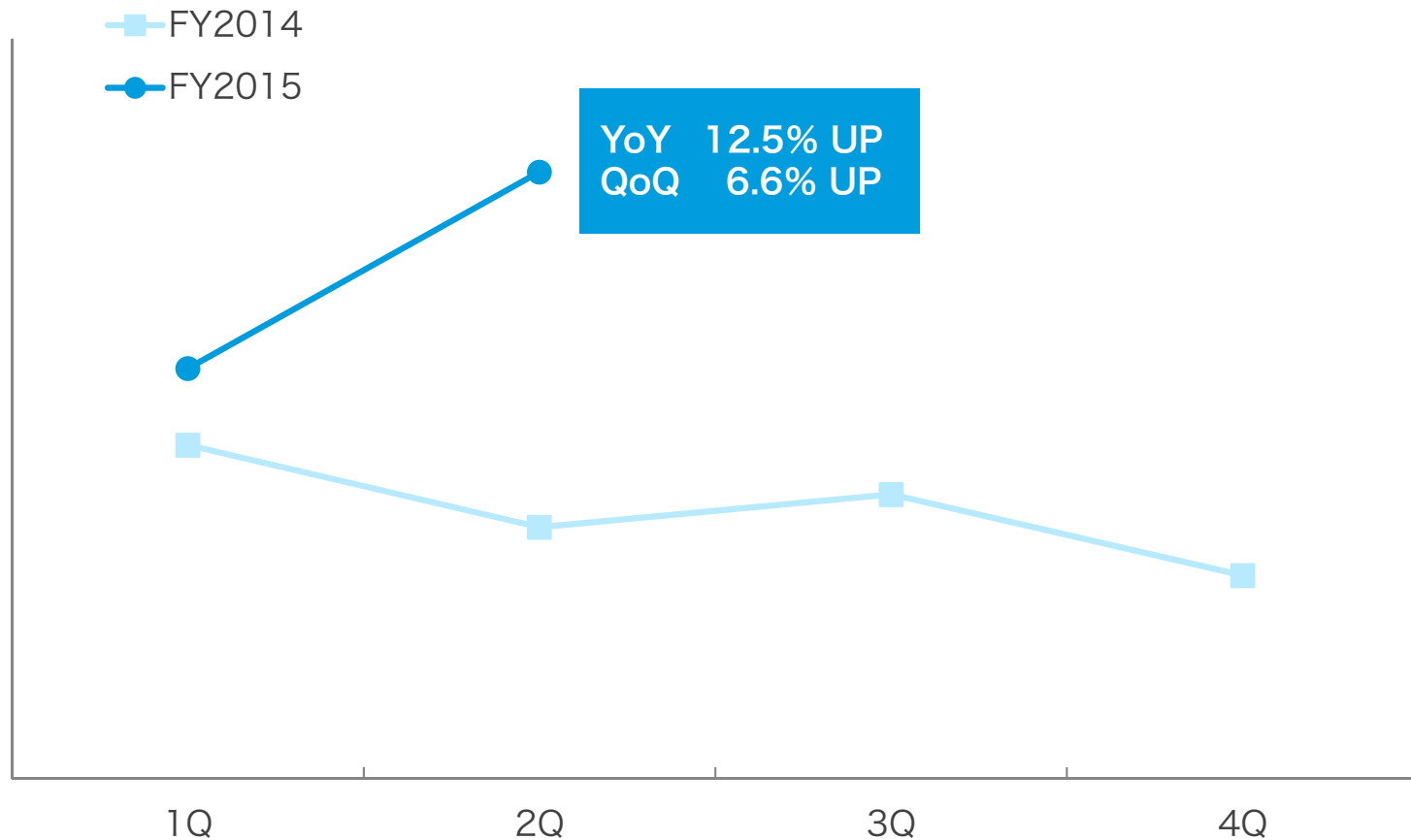
1-5 HR Information Media Business (No. of information)

Development of new customers and optional service proposals for existing customers were successful, and No. of information listings has grown.



1-6 Jobsense : Number of Unique Users(UU)

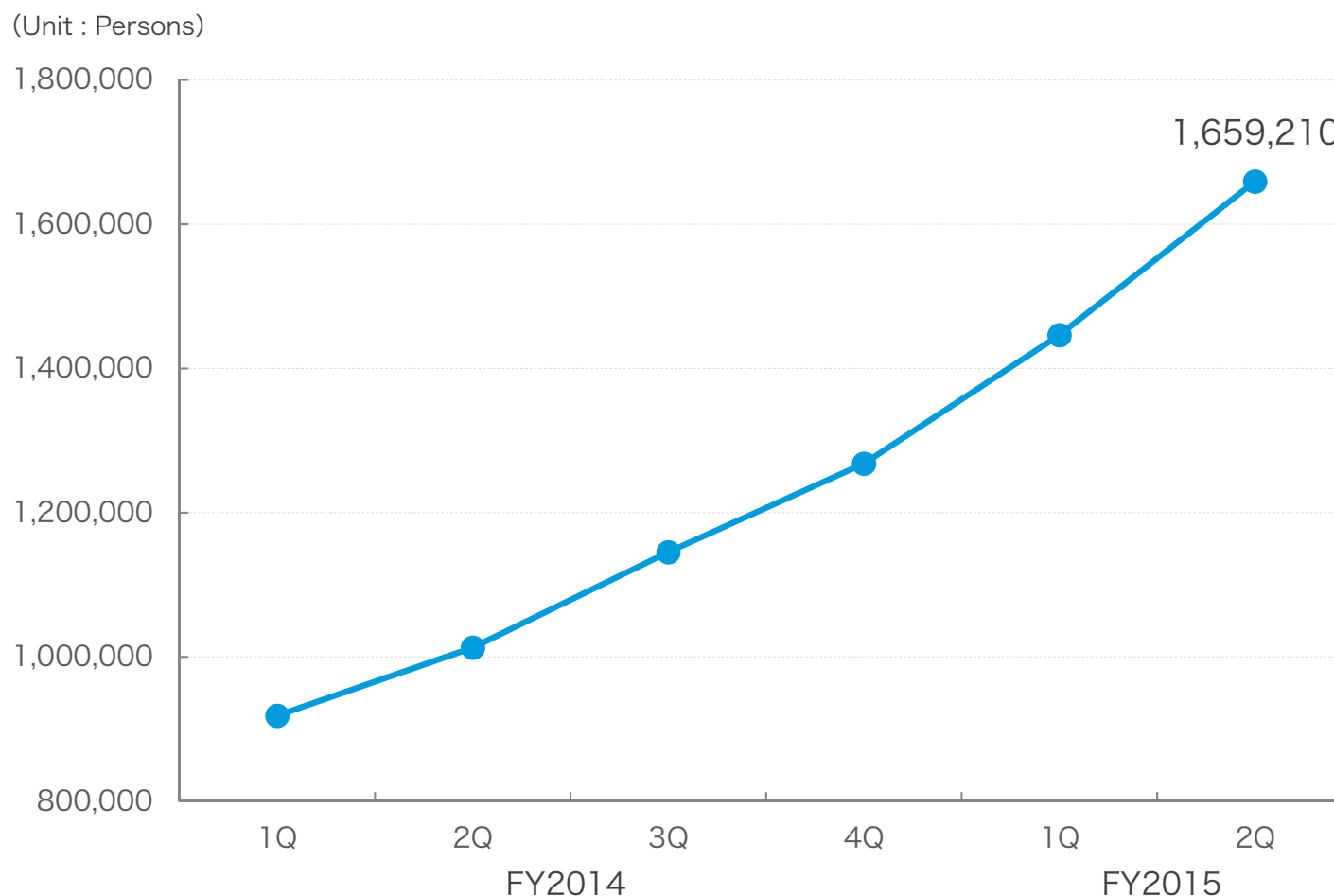
Improvement of websites and campaigns targeting university students contributed to an increase in unique users.



*:Number of Unique Users(UU) is average quarter based figure.(The detail number is not disclosed.)

1-7 Tensyoku Kaigi : Number of Registered Users

| Number of members surpassed 1.6 million. Many users would potentially consider career changes, and monetization channels have expanded through collaboration with a recruitment agency and others.

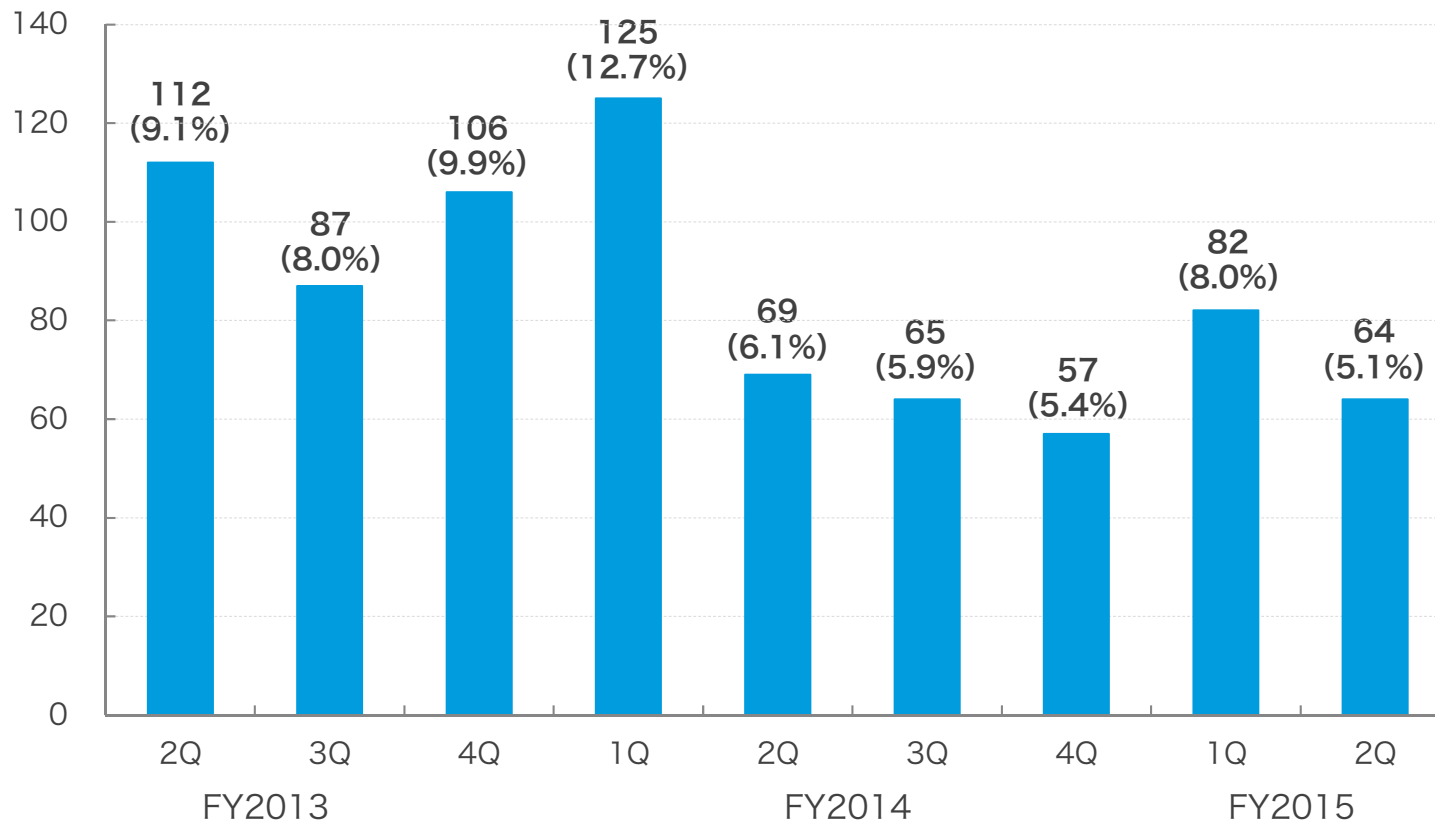


*:No. of members is from 1Q FY2014, which can be retroactively calculated with current conditions.

1-8 Real Estate Information Media Business (Sales)

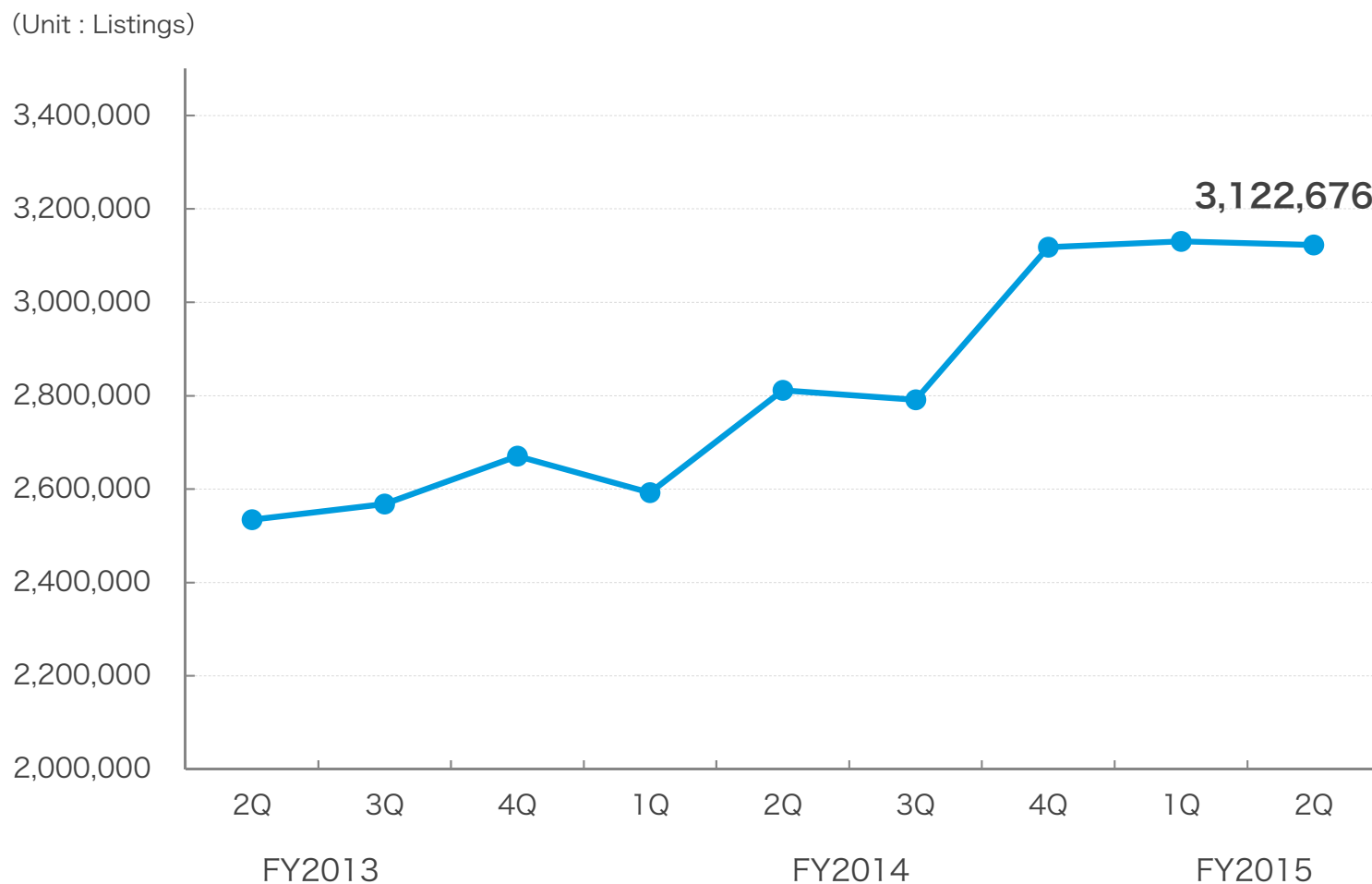
Property inquiry ratio improved thanks to “monetary gift” campaigns designed to strengthen user appeal, but changes in competitive environment, down 8.2% YoY.

(Unit : Millions of JPY)
(%): Ratio to net sales



1-8 Real Estate Information Media Business (No. of information)

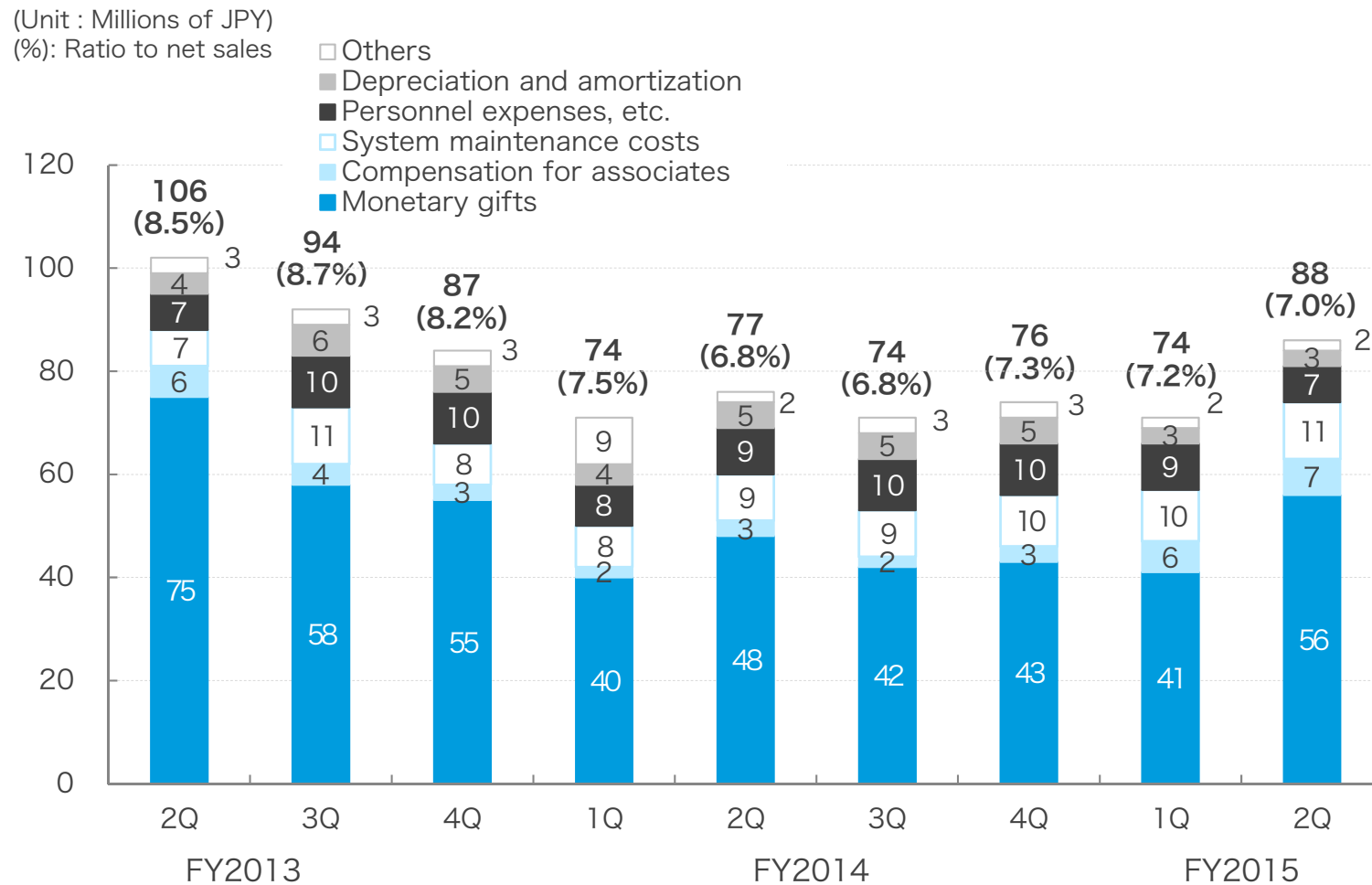
Number of property information postings was almost unchanged.



*:The calculation condition of No. of property information was changed from 2Q FY2015.
And because of this change, The figure of 1Q FY2015 was revised and updated.

1-9 Sales Costs

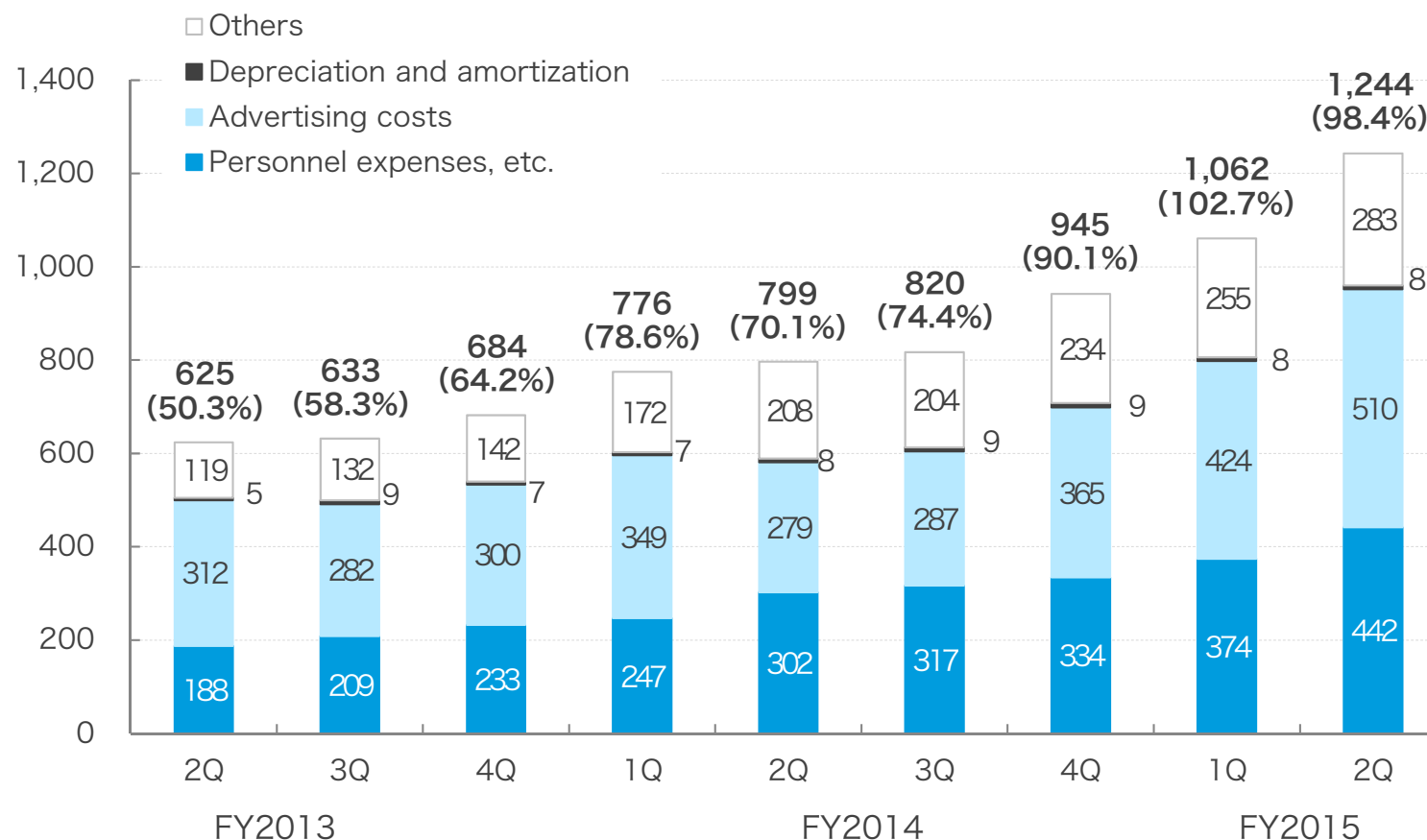
Monetary gift increased, but Sales costs rate was almost unchanged.



1-10 SG&A Expenses

- Advertising costs were up 82.3% YoY due to campaigns targeting university students for Jobsense and others.
- Personnel expenses were up 46.2% YoY.

(Unit : Millions of JPY)
(%) : Ratio to net sales

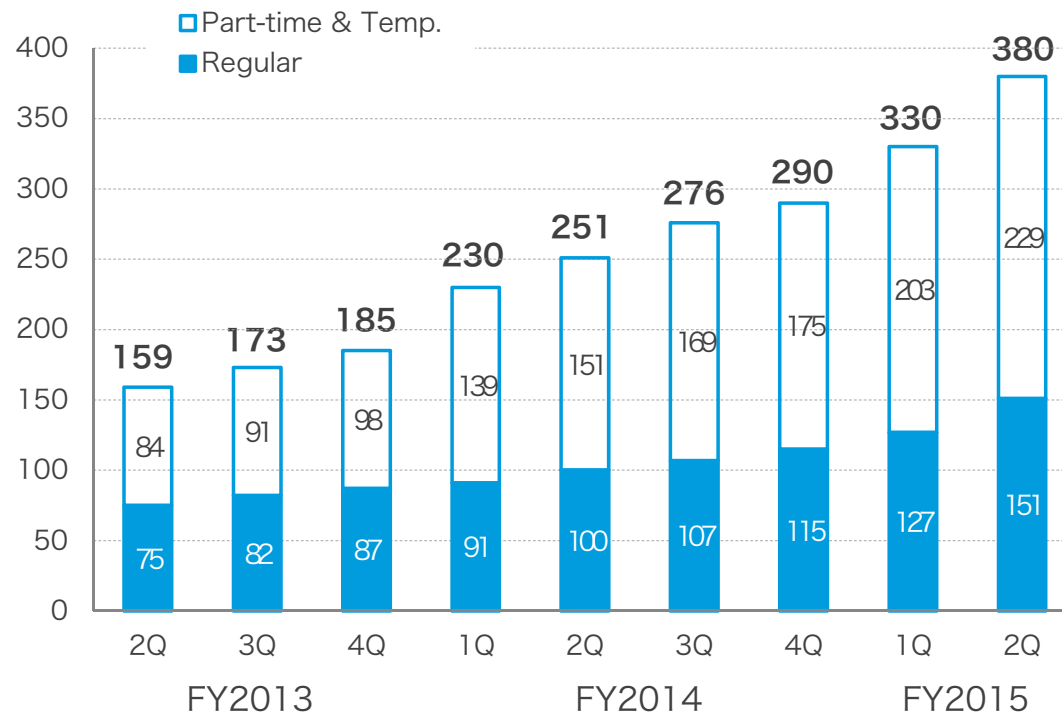


1-11 Number of Employees

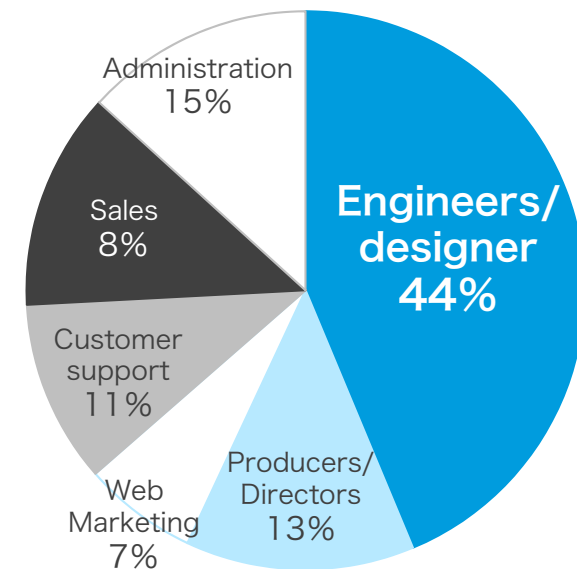
- Added 24 full time employees and 26 part-time or temporary employees.
- No major changes have been made to the composition of personnel centered on engineers and designers.

No. of Employees

(Unit : Persons)



Breakdown of regular employees

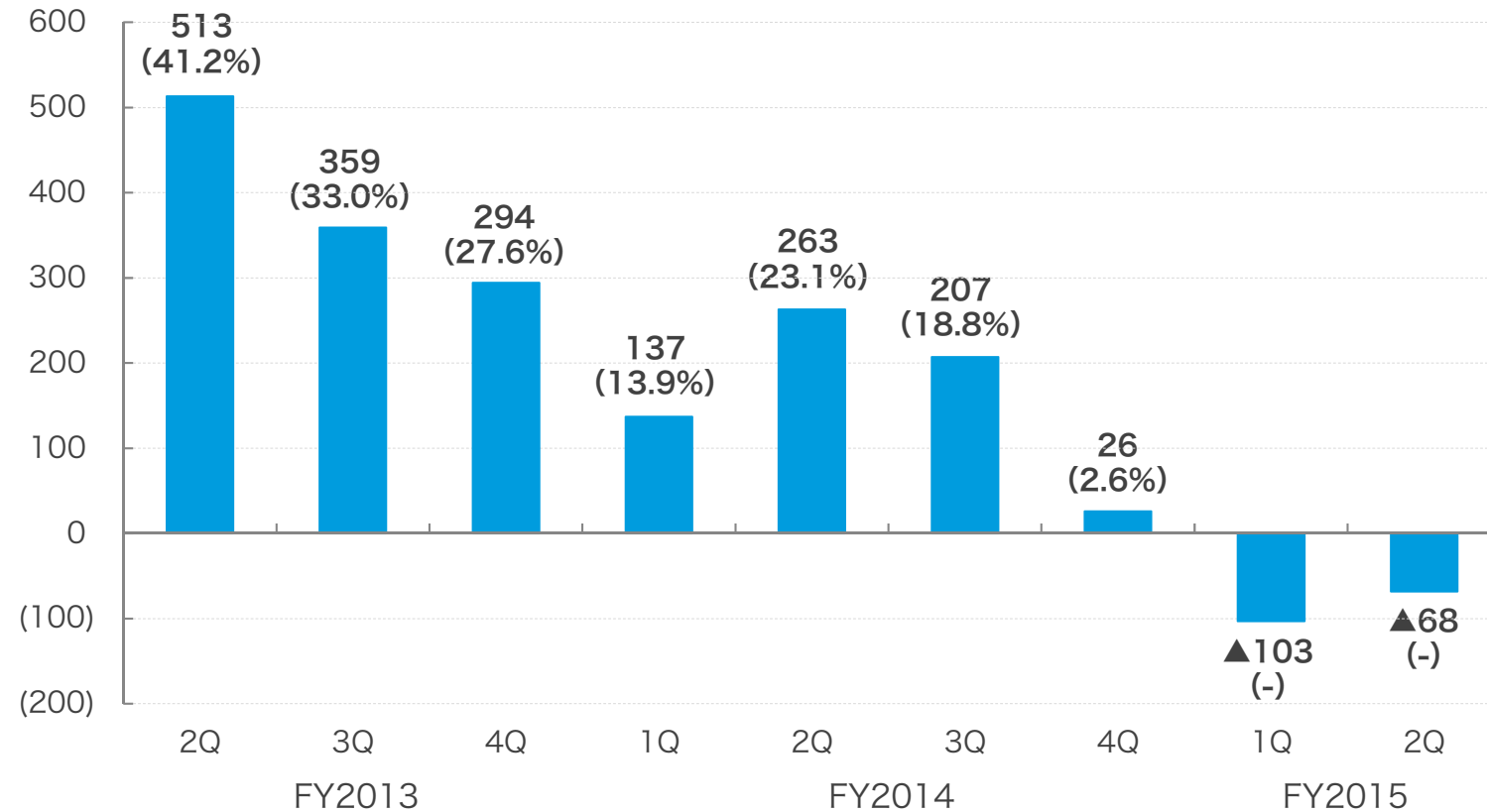


(As of June 30, 2015)

1-12 Operating Income

Deficit shrank compared to 1Q15, but operating loss was posted due to forward-looking investments.

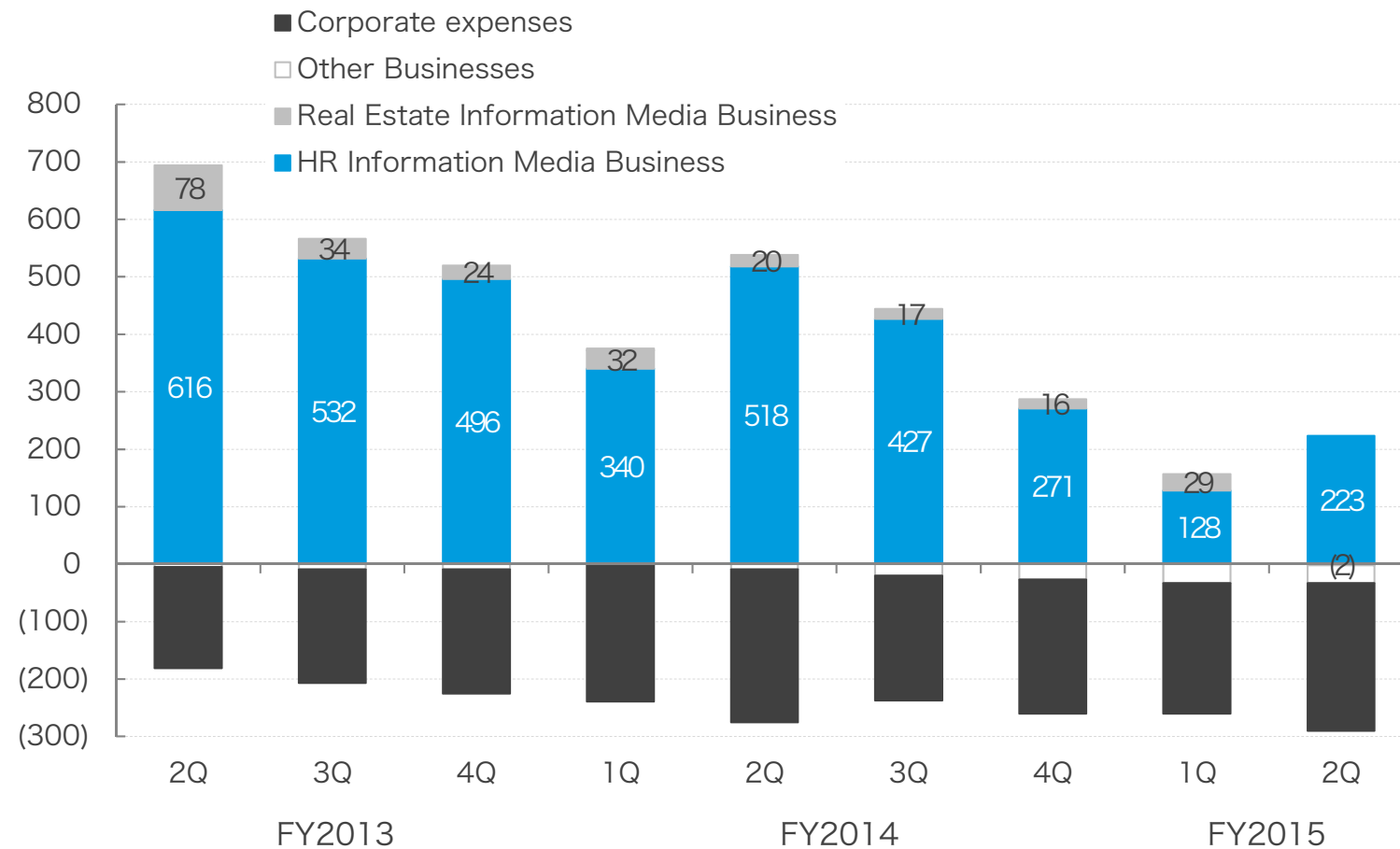
(Unit : Millions of JPY)
(%) : Ratio to net sales



1-12 Operating Income (Segment)

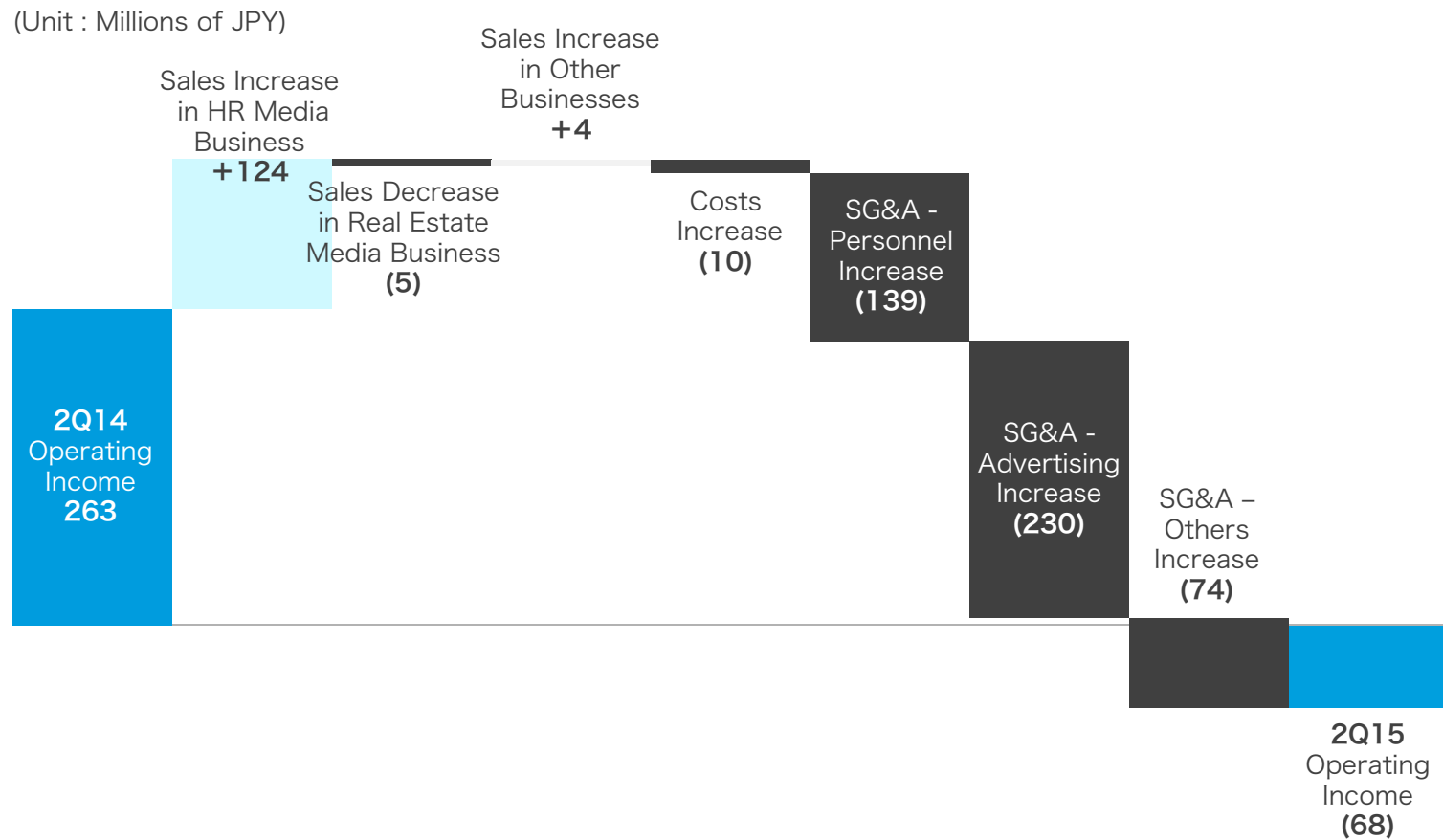
Operating income in recruiting domain was down substantially YoY.

(Unit : Millions of JPY)



1-12 Operating Income (YoY Comparison, Quarter)

HR information sales increased, but operating loss was posted due to increase in forward-looking investments (advertising/personnel).



1-13 waja : First M&A of the Livesense

- | Fashion EC media (CtoC/cross-border EC) management company waja made into subsidiary
- | B/S only consolidated in 2Q. P/L incorporated starting in 3Q.

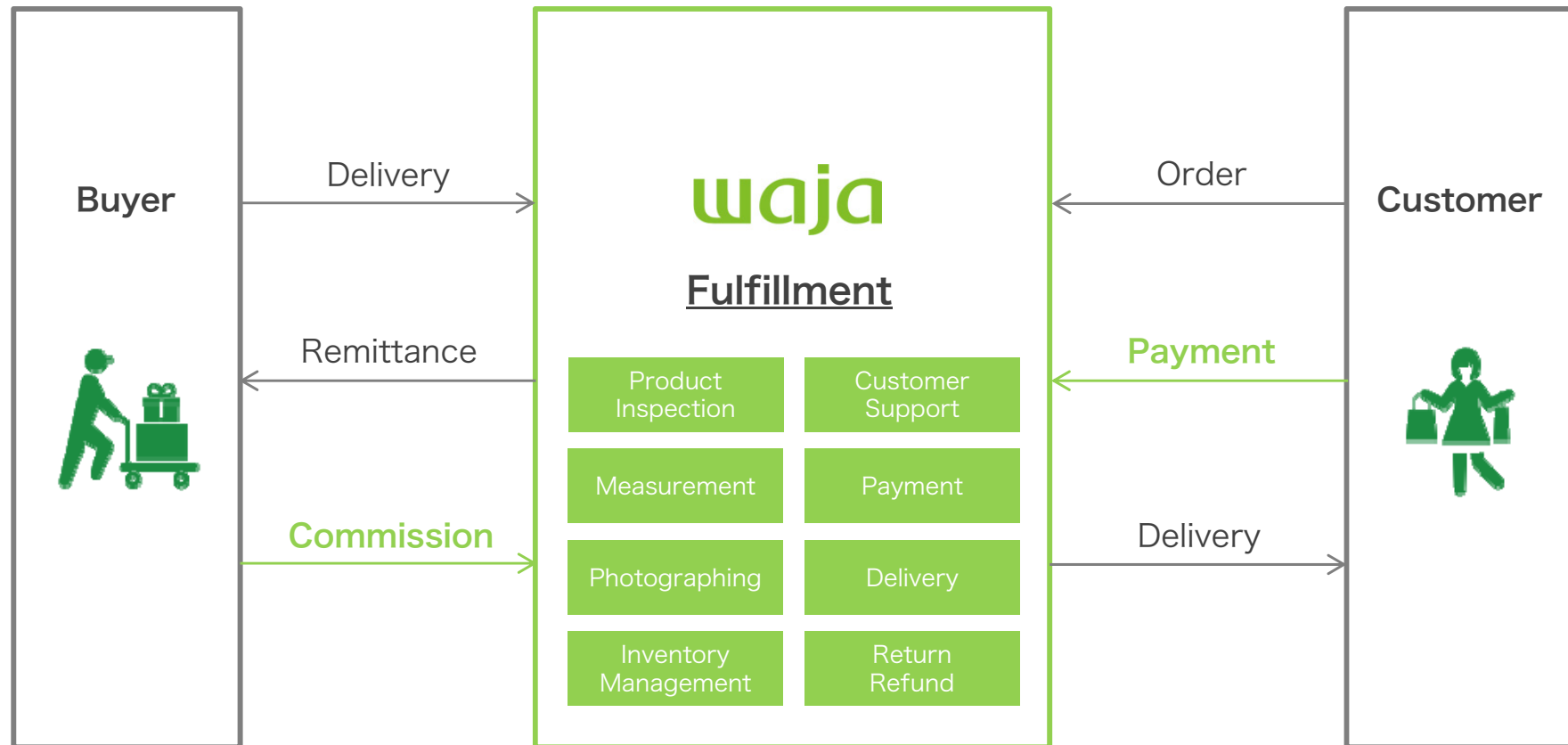
The logo for waja, featuring the word "waja" in a bold, lowercase, green sans-serif font.

Company Name	waja Co., Ltd.
Business Objective	Fashion E-Commerce Media Planning and Development
Address	Azabudai, Minato-ku, Tokyo
Date of share acquisition	April 3, 2015
Investment Ratio	71.7%
Fiscal Term	September
Capital	150 million JPY
Business Results*	Net Sales : 456 million JPY Operating Income : 11 million JPY (FY2014)
No. of Employees	39(as of June 30, 2015)

*:The above non-consolidated operating results and non-consolidated financial position of the company are unaudited.

1-13 waja : Business Model

Owing to market place with fulfillment service, waja Co., Ltd. deliver a wide variety of products safely and quickly.



*:Fulfillment service: The series of processes in EC from order acceptance to packing, shipping, delivery and payment collection. In the case of waja Co., Ltd., all products shipped from sellers are inspected, measured and photographed for the website. It also includes photo processing, inventory management, customer support, payment processing and shipping. The integrated fulfillment service offered includes everything down to handling of returns and refunds.

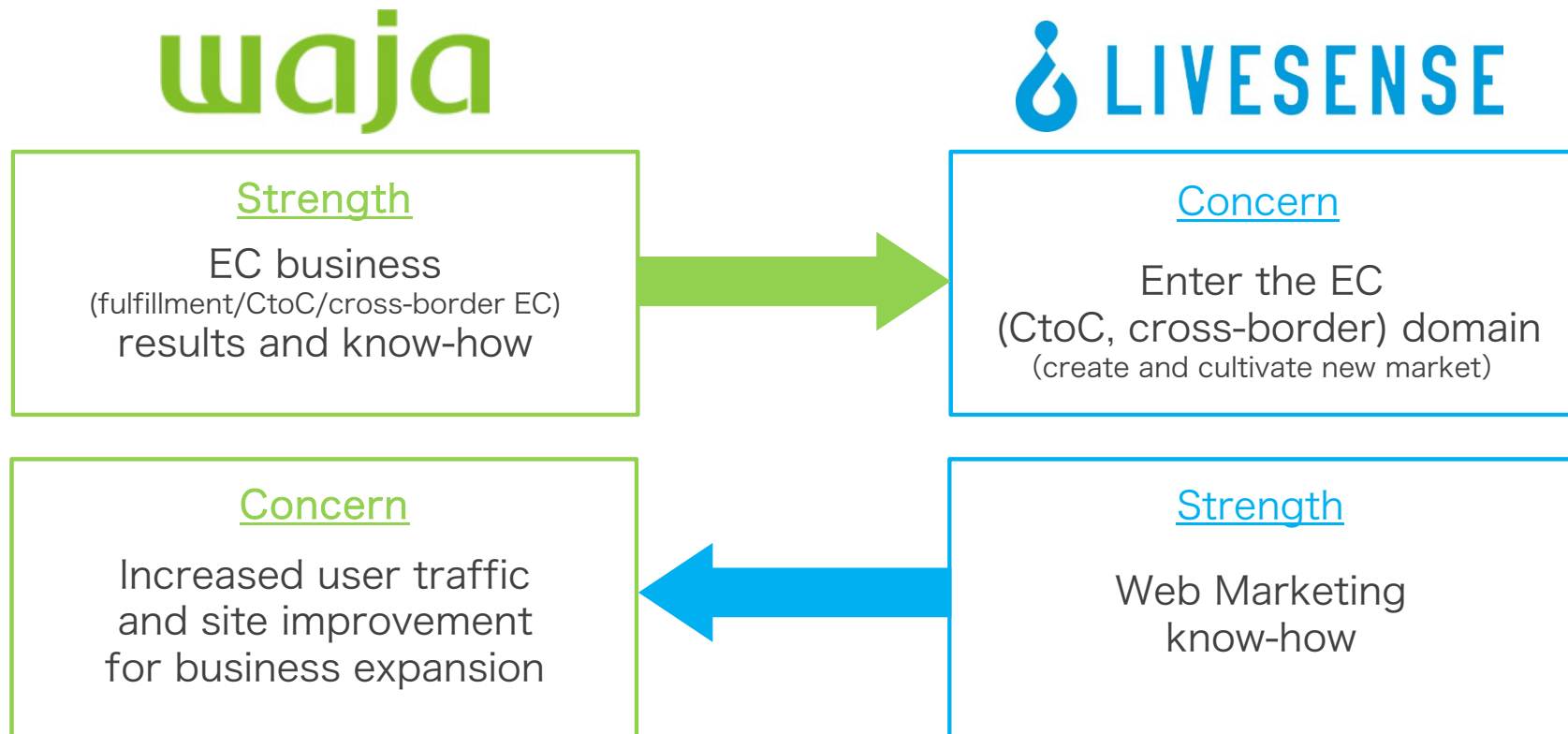
1-13 waja : Distinguishing Characteristics

waja Co., Ltd. offers highly efficient fulfillment starting from one item and delivers goods reliably, conveniently and in a timely fashion in the CtoC/cross-border EC domain.

	Concerns about CtoC/Cross-Border EC	Approach of waja Co., Ltd.
Safety	What if it's a counterfeit?	Inspect all products in Japan.
	Quality is a concern.	
	No returns.	Handle product returns and refunds.
	What if it's a money scam?	Handle payment processing.
	Personal information is a concern.	Manage Personal information strictly.
Convenience	The sizes are different from Japan, so it's hard to choose.	Perform measurements and provide Japanese size equivalents.
	The photographs vary from product to product making it difficult to compare.	Photograph the products and process them for publishing.
Speed	It takes a long time for the product to arrive after ordering.	Manages inventory and can do same-day delivery for orders received by 1 p.m. on a weekday.

*:Cross-border EC : EC (e-commerce) involving the buying and selling of products and services across national borders

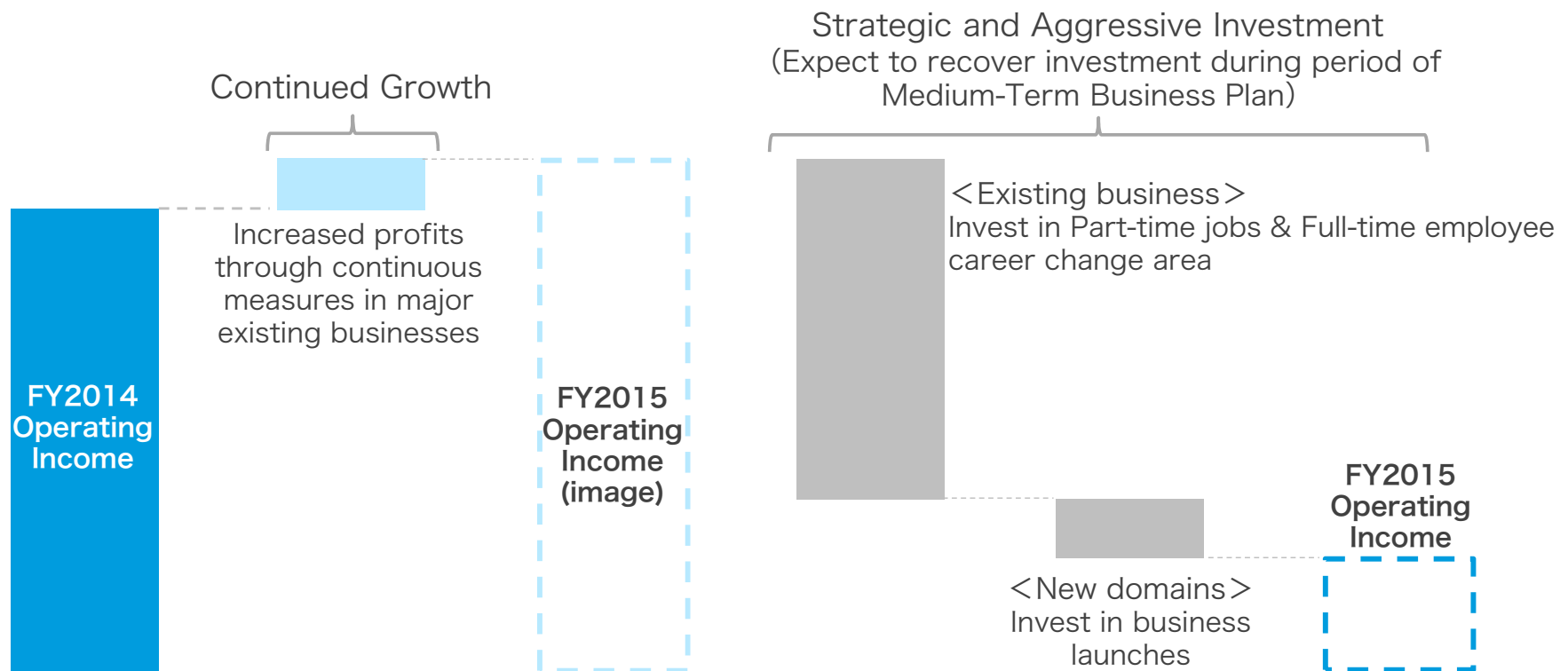
Win-win business development leveraging Livesense's web marketing know-how.



2-1 FY2015 Plan (No change)

- | 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



2-2 2nd Half FY2015 : Major Approaches

Jobsense	<ul style="list-style-type: none">• Strengthening/continuation of marketing to increase share among university students• Strengthening of user retention using "gift money" concept• Enrichment of optional services and fee plan for customers
Jobsense Link	<ul style="list-style-type: none">• Strengthening operational structure of "telephone supporter" for job applicants and improving this productivity (plan to launch Miyazaki Branch in Sep, 2015)• Improvements made to website and e-mail magazine to improve application rate
Tensyoku Kaigi	<ul style="list-style-type: none">• Strengthening the channel of monetization• Strengthening of user retention leveraging more than 1.4 million reviews• Implementation of PR/advertising to acquire new users
door chintai	<ul style="list-style-type: none">• Increasing Number of property information postings• Improvement of user attraction/property inquiry ratio through website and other improvements• Entry into fields peripheral to real estate
New Businesses Internal Development, Business Partnerships, M&A	<ul style="list-style-type: none">• waja : Strengthening of business management : and increasing user traffic of website• imitsu : Website improvements to increase matching : and strengthening of sales• Enrichment of new services, including "Syukatsu Kaigi" and "Chiryō Note"

2-3 New Businesses : Syukatsu Kaigi (β ver)

- Released a new service "Syukatsu Kaigi β version" in the new graduates job hunting domain.
- It is possible to see the reviews information about the various companies, and to know the progress of the job hunting for other students.



*: "Syukatsu" means Job-Hunting for new graduates.

2-3 New Businesses : Chiryo Note (β ver)

- It is a medical information website that allows the collection and comparison of various information related to illnesses and treatment methods and also provides feedback from patients on side effects and treatment periods.
- First official commercialization through Livesense's new business plan competition system.



*: "Chiryo" means remedy (medical treatment).

3-1 2Q FY2015 Financial Results (Cumulative)

(Unit : Thousands of JPY)

	2Q14	2Q15	YoY
Sales	2,128,716	2,298,898	+8.0%
Sales Cost	151,962	163,543	+7.6%
	7.1%	7.1%	+0.0%
Gross Margin	1,976,754	2,135,355	+8.0%
	92.9%	92.9%	+0.0%
SG&A Expenses	1,576,324	2,306,859	+46.3%
	74.1%	100.3%	+26.3%
Operating Income	400,430	(171,504)	-
	18.8%	-	-
Ordinary Income	400,732	(173,426)	-
	18.8%	-	-
Net Pretax Profit	400,732	(139,091)	-
	18.8%	-	-
Net profit	243,739	(115,751)	-
	11.5%	-	-

SG&A : Advertising expenses (+305 million JPY)

: Personnel expenses, etc. (+266 million JPY)

3-2 Operating Income (YoY Comparison, Cumulative)

HR information sales increased, but operating loss was posted due to increase in forward-looking investments (advertising/personnel).

(Unit : Millions of JPY)



3-3 Balance Sheet Statement

(Unit : Thousands of JPY)

	2Q14	2Q15	YoY
Current assets	2,956,864	2,879,792	(2.6%)
Cash and deposits	2,455,327	2,110,856	+14.%
Accounts receivable	449,517	571,613	(27.2%)
Fixed assets	413,571	800,413	(93.5%)
Tangible fixed assets	124,509	120,208	+3.5%
Intangible fixed assets	32,802	372,651	1,036.1%
Investments and other assets	256,259	307,553	(20.%)
Total assets	3,370,435	3,680,206	(9.2%)
Current liabilities	466,465	694,246	(48.8%)
Accounts payable	195,822	390,966	(99.7%)
Fixed liabilities	-	3,746	-
Total liabilities	466,465	697,993	(49.6%)
Shareholders' equity	2,885,282	2,936,997	(1.8%)
Capital	223,460	231,418	(3.6%)
Capital reserve	208,460	216,418	(3.8%)
Accumulated earnings	2,454,217	2,490,017	(1.5%)
Stock warrants	19,043	14,719	+22.7%
Total net assets	2,903,969	2,982,213	(2.7%)

3-4 Cash Flow Statement

(Unit : Thousands of JPY)

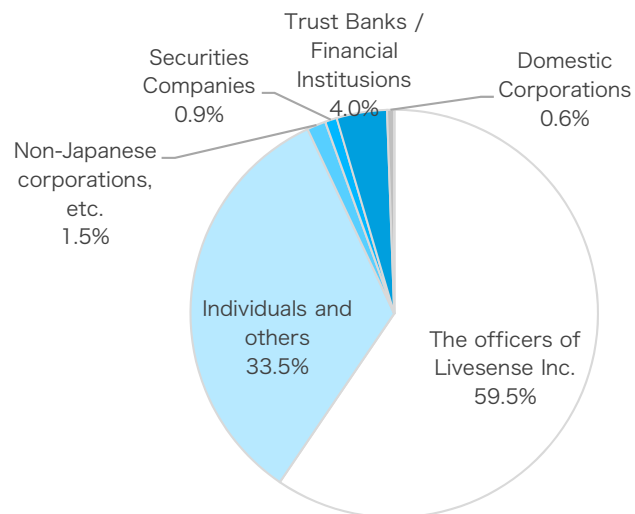
	2Q14	2Q15	YoY
Cash flows from operating activities	(4,792)	(41,478)	(765.6%)
Income before income taxes	400,732	(139,091)	(134.7%)
Depreciation and amortization	22,133	20,141	(9.0%)
Decrease (increase) in notes and accounts receivable	(16,681)	(125,997)	(655.3%)
Increase (decrease) in accounts payable	(11,182)	183,604	+1742.0%
Cash flows from investing activities	(81,801)	(293,933)	(259.3%)
Payments for purchase of tangible fixed assets	(20,236)	(11,117)	+45.1%
Payments for purchase of intangible fixed assets	(4,137)	(1,561)	+62.3%
Payments for purchase of investment securities	(36,025)	(23,870)	+33.7%
Proceeds from sales of investment securities	-	53,584	-
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-	(268,301)	-
Cash flows from financing activities	468	1,072	+129.1%

3-5 Record of Recent Major Publicity Events

2015.08.01	Nikkei top leaders Aug. edition
2015.08.01	Miyazaki NichiNichi Shimbun edition
2015.07.10	THE21 Jul. issue
2015.03.26	Nihon Keizai Shimbun morning edition
2015.03.25	TechCrunch Japan
2015.03.25	CNET Japan
2015.03.18	Nikkei MJ
2015.03.16	Nihon Keizai Shimbun morning edition
2015.02.03	NEWS PICKS
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

3-6 Stock Information (As of June 30, 2015)

- Stock Price
 - Lowest listed price : 223円
(Dec. 7, 2011)
 - Highest listed price : 3,255円
(Jul. 2, 2013)
 - Yearly low : 587円
(May.18, 2015)
 - Yearly High : 792円
(Feb. 12, 2015)
 - Average volume : 152,631 Stock /day
(Jan.-Jun. 2015)
- Issued shares : 28,083,200
- Number of Shareholders : 11,372
- % of Shares by category



Name	Shares owned	%
Taichi Murakami (President and Representative Director)	13,744,600	48.94
Daisuke Katsura (Director)	2,698,000	9.61
Japan Trustee Services Bank, Ltd. (Trust Account)	279,700	1.00
Tadao Nakata	200,000	0.71
Yuichi Iwasaki	152,000	0.54
Japan Trustee Services Bank, Ltd. (Trust Account 1)	139,200	0.50
Japan Trustee Services Bank, Ltd. (Trust Account 2)	125,300	0.45
Japan Trustee Services Bank, Ltd. (Trust Account 5)	124,600	0.44
Japan Trustee Services Bank, Ltd. (Trust Account 3)	124,500	0.44
Japan Trustee Services Bank, Ltd. (Trust Account 6)	124,100	0.44

3-7 Corporate 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 Shin Nakajima Hiroyuki Honda (Outside Director)</p> <p>Statutory Auditors Junichi Ehara Mitsuru Ozaki (Outside Statutory Auditor) Nao Yoshizawa (Outside Statutory Auditor)</p>
Capital	231 million JPY (As of June 30, 2015)
Business Results	FY2014 Net Sales : 4,279 million JPY, OP : 634million JPY
Number of Employees	Full-time : 151, Part-time & Temp. : 229 (As of June 30, 2015)
Fiscal Term	December
Date listed	October 1, 2012 (TSE 1st Section) December 7, 2011 (TSE Mothers)
Auditing Firm	Deloitte Touche Tohmatsu LLC



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.