

3Q FYE Dec. 2012
Financial Results

November 13, 2012
Livesense Inc.

No. 1 Financial Results, 3Q FY2012

No. 2 FY2012 Plan

No. 3 Reference Materials

- No. 1 **3Q FY2012 Highlights**
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- No. 8 **Trends in Operating Income**

❖ **Income doubled YoY, progressing largely as planned**

- Net sales JPY 1,593 million (up 100.0% YoY)
- Operating income JPY 762 million (up 106.5% YoY)

❖ **Cumulative number of companies implementing service grew steadily to 21,353**

- 10,376 more than end of 3Q FY2011 and 2,484 more than end of 2Q FY2012
- Stock listing has increased our name recognition. For this and other reasons, the number of companies implementing service continues to grow steadily

❖ **Finished revising service pricing system**

- Have applied new pricing for the Jobsense part-time employment information site and Jobsense Link regular employment information site

❖ **Broadcast Jobsense TV commercial**

- Broadcast our first TV commercial Sept. 3-17 (15 days) in Kanto region to increase market share, recorded production and broadcasting costs under 3Q FY2012

❖ **Moved to TSE Section 1 (Oct. 1, 2012)**

✦ Revenues and profits doubled year-on-year

(Thousands of JPY)

	3Q11	3Q12	YoY
Sales	796,892	1,593,837	+100.0%
Sales Cost	115,543	181,242	+56.9%
	14.5%	11.4%	▲3.1%
Gross Margin	681,348	1,412,595	+107.3%
	85.5%	88.6%	+3.1%
SG&A Expenses	312,072	650,104	+108.3%
	39.2%	40.8%	+1.6%
Operating Income	369,276	762,490	+106.5%
	46.3%	47.8%	+1.5%
Ordinary Income	367,186	759,061	+106.7%
	46.1%	47.6%	+1.5%
Current Net Pretax Profit	357,467	759,061	+112.3%
	44.9%	47.6%	+2.8%
Current net profit	207,997	408,180	+96.2%
	26.1%	25.6%	▲0.5%

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

✦ Business is also expanding steadily on a quarterly basis

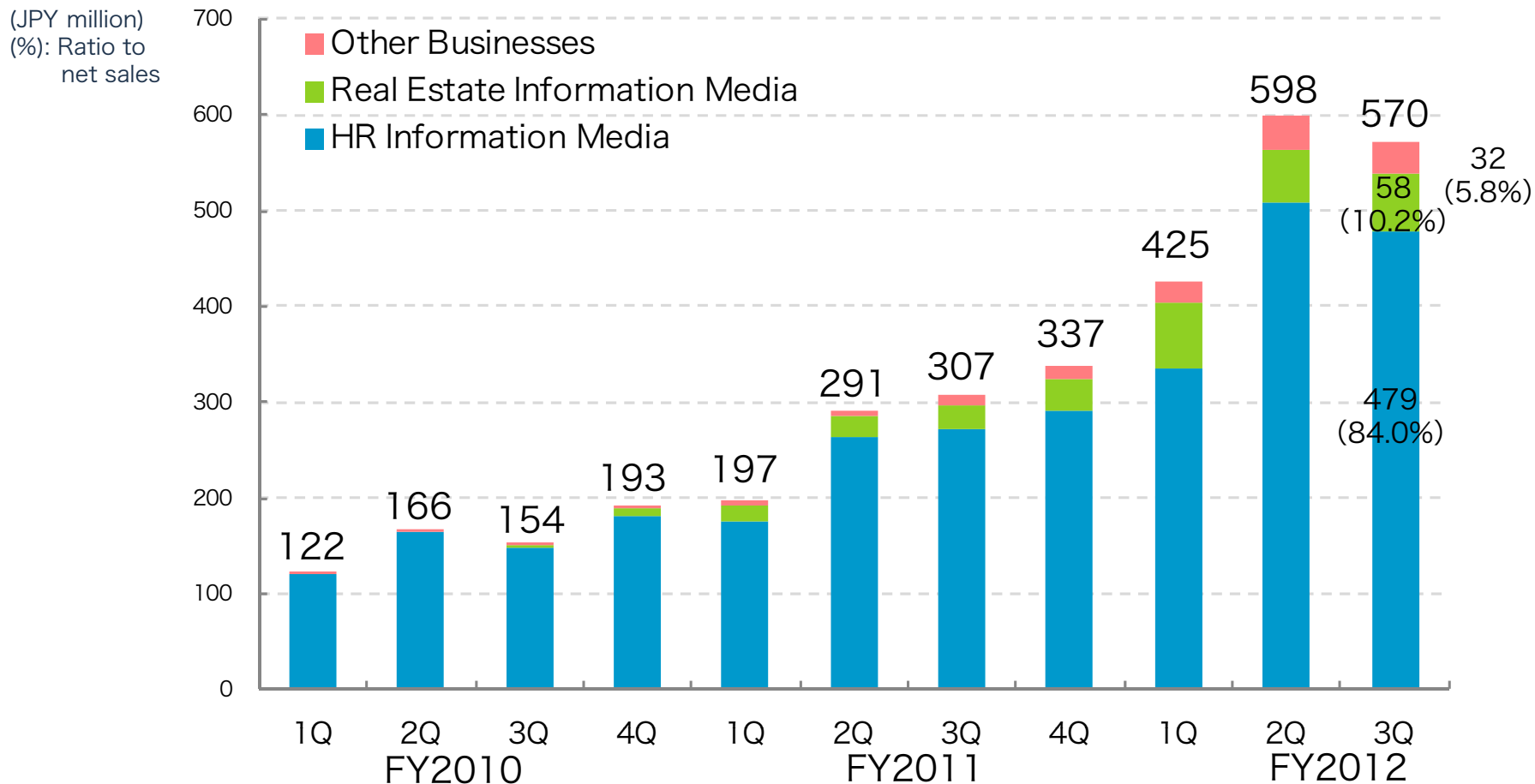
(Thousands of JPY)

	3Q11	3Q12	YoY
Sales	307,656	570,597	+85.5%
Sales Cost	42,795	59,237	+38.4%
	13.9%	10.4%	▲3.5%
Gross Margin	264,860	511,359	+93.1%
	86.1%	89.6%	+3.5%
SG&A Expenses	124,098	315,697	+154.4%
	40.3%	55.3%	+15.0%
Operating Income	140,761	195,661	+39.0%
	45.8%	34.3%	▲11.5%
Ordinary Income	138,637	192,127	+38.6%
	45.1%	33.7%	▲11.4%
Current Net Pretax Profit	137,103	192,127	+40.1%
	44.6%	33.7%	▲10.9%
Current net profit	79,730	98,923	+24.1%
	25.9%	17.3%	▲8.6%

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

1-3 Quarterly Net Sales

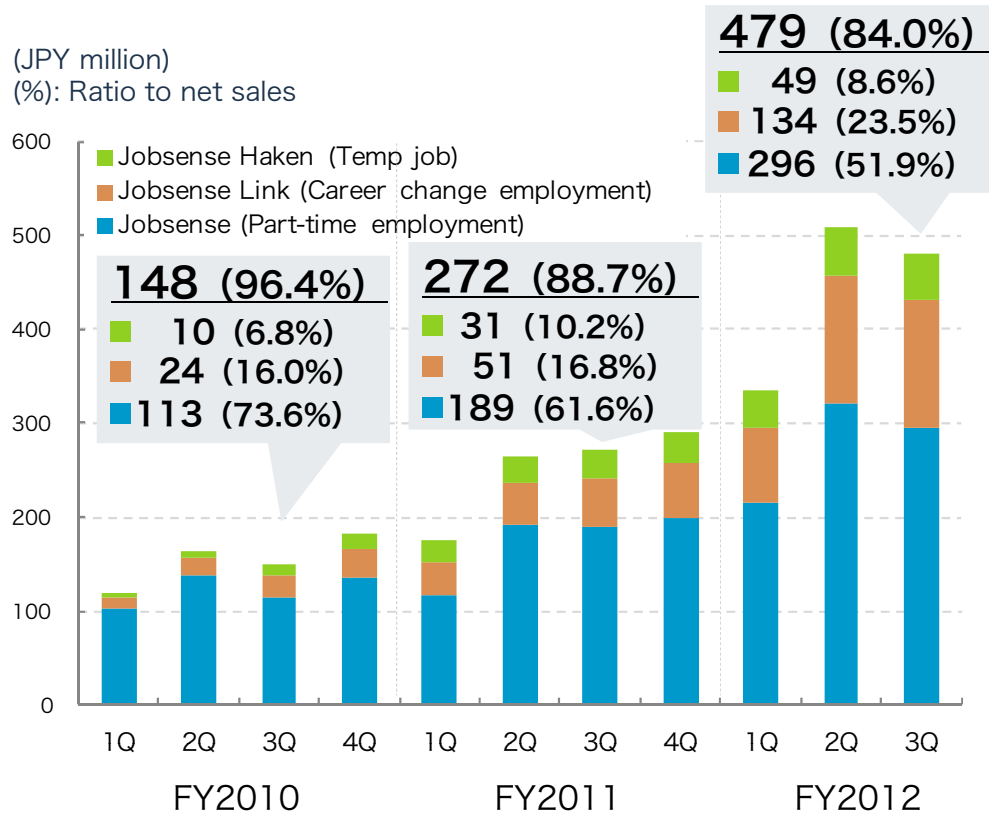
- ✦ Big increase in net sales YoY owing to continued growth in number of corporate customers and revision to service pricing system
- ✦ Employment information media business down since 2Q12 owing to seasonal factors



- ❖ As number of corporate customers increases, the number of job information postings increases each period
- Service pricing system revision complete for existing customers too
- Net sales down from 2Q12 because of seasonal factors

Trends in net sales

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



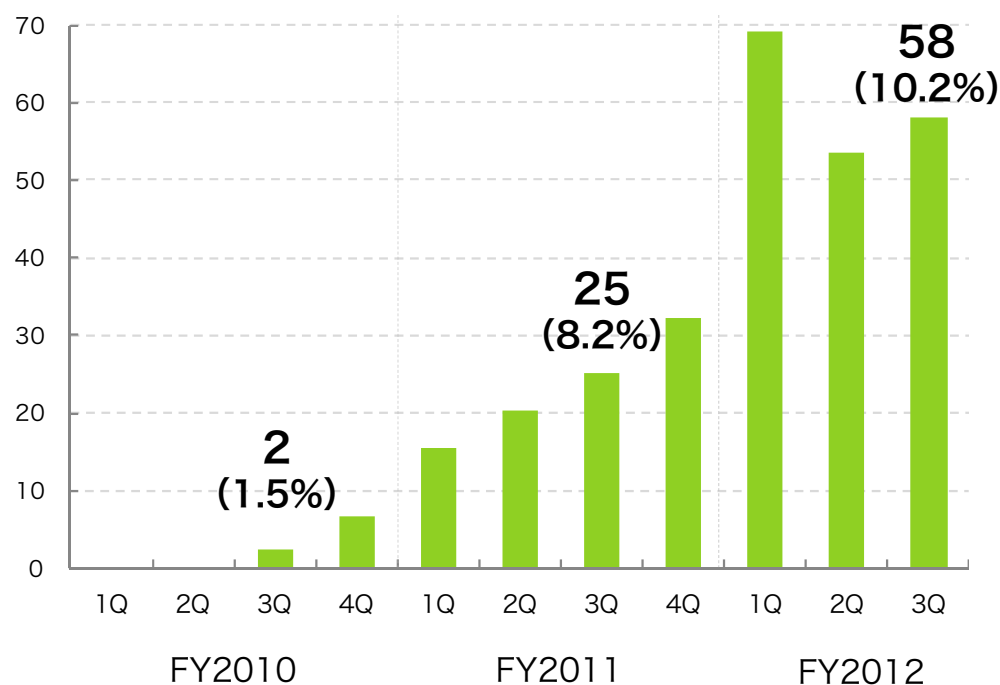
Trends in number of job information



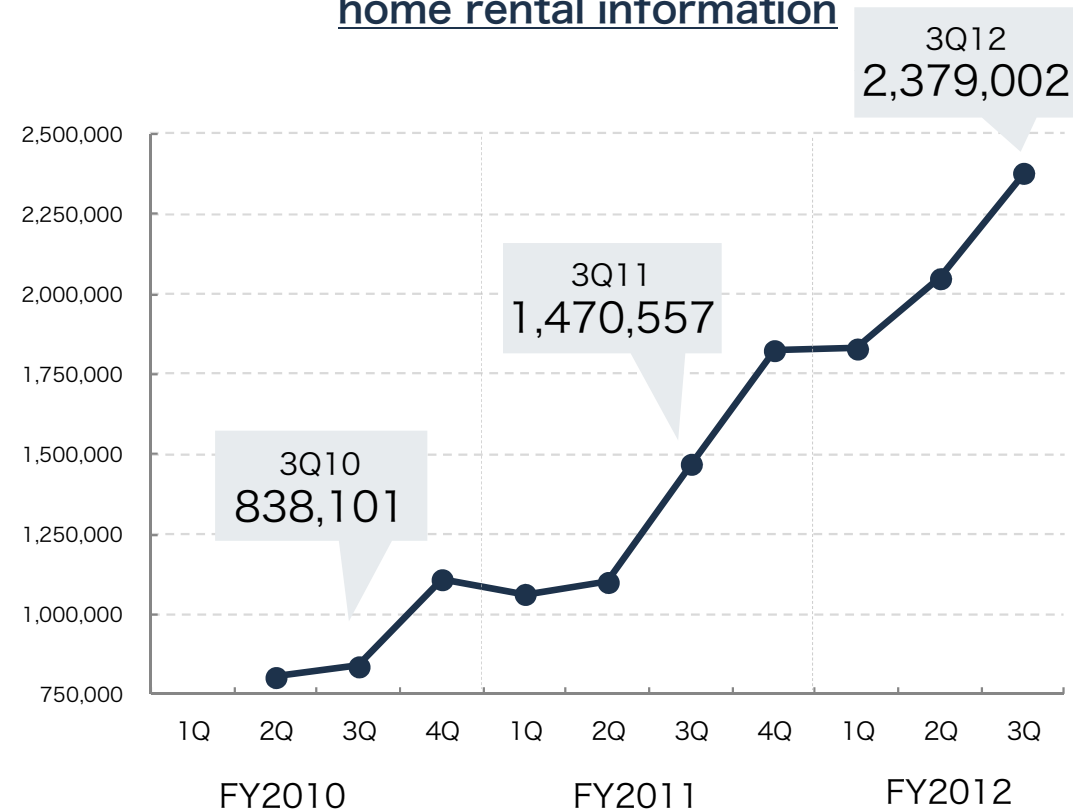
- Number of information postings steadily increasing
- Net sales steadily expanding in scale, growing 130.6% since 3Q11

Trends in net sales

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

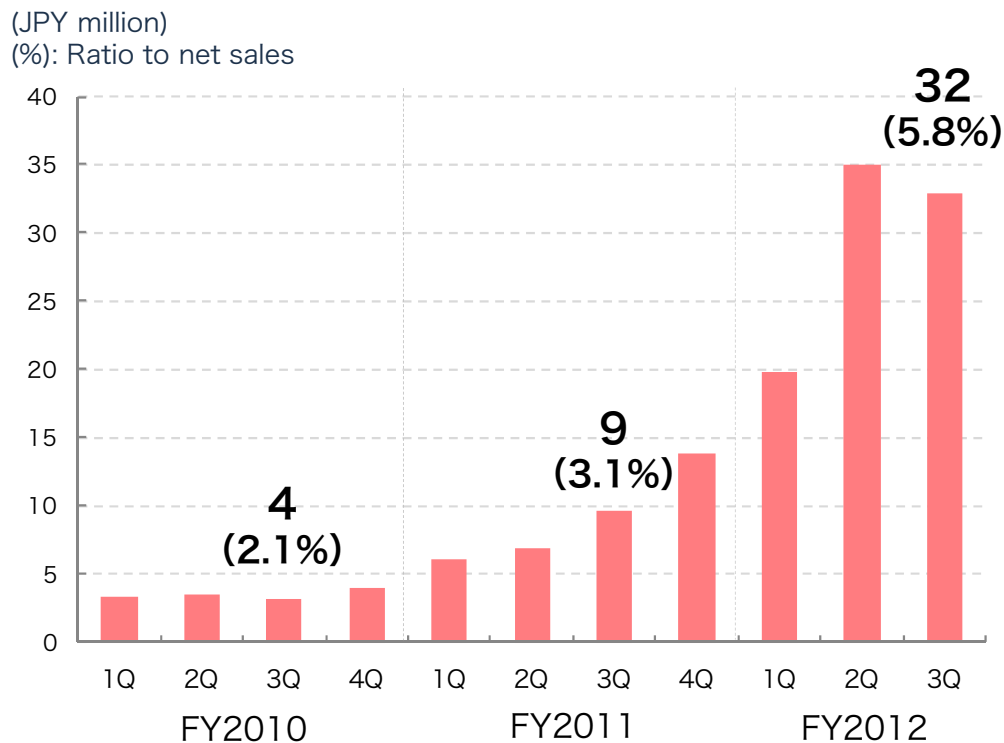


Trends in number of home rental information



- Net sales from career change discussion site “Tenshoku Kaigi” grew steadily, sales down for some businesses like web marketing consulting business

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 Oct. 2012>

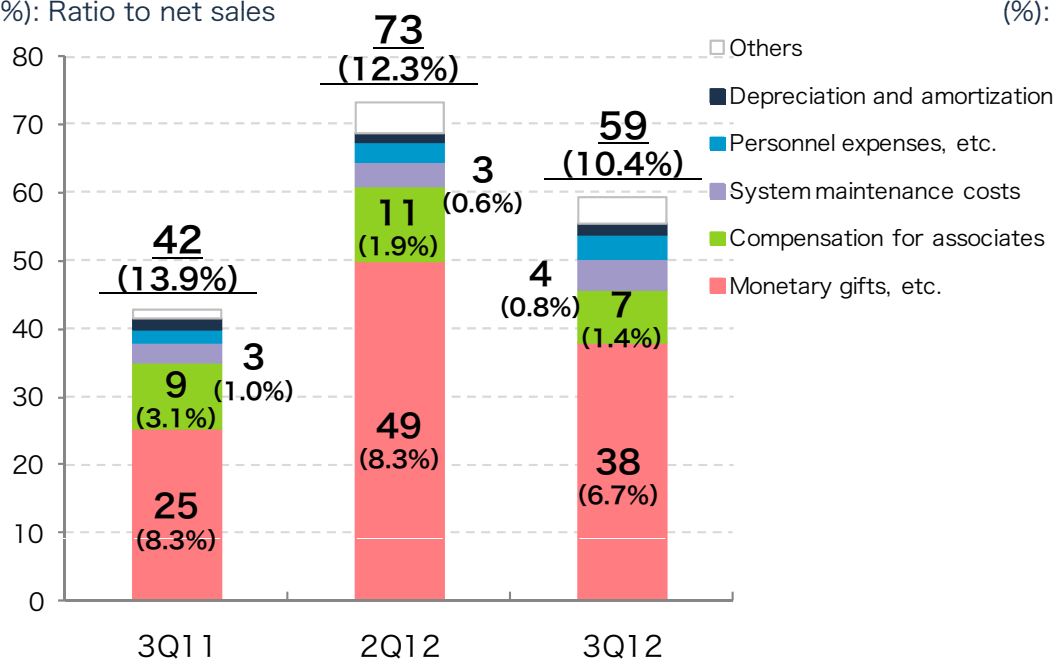
Number of messages posted: about 1.9 million

Number of monthly users: over 1.9 million

- ❖ Because of revision to service pricing system, the percentage of monetary gifts, etc., has fallen
- ❖ Recorded costs of broadcasting Jobsense TV commercial intended to increase market share

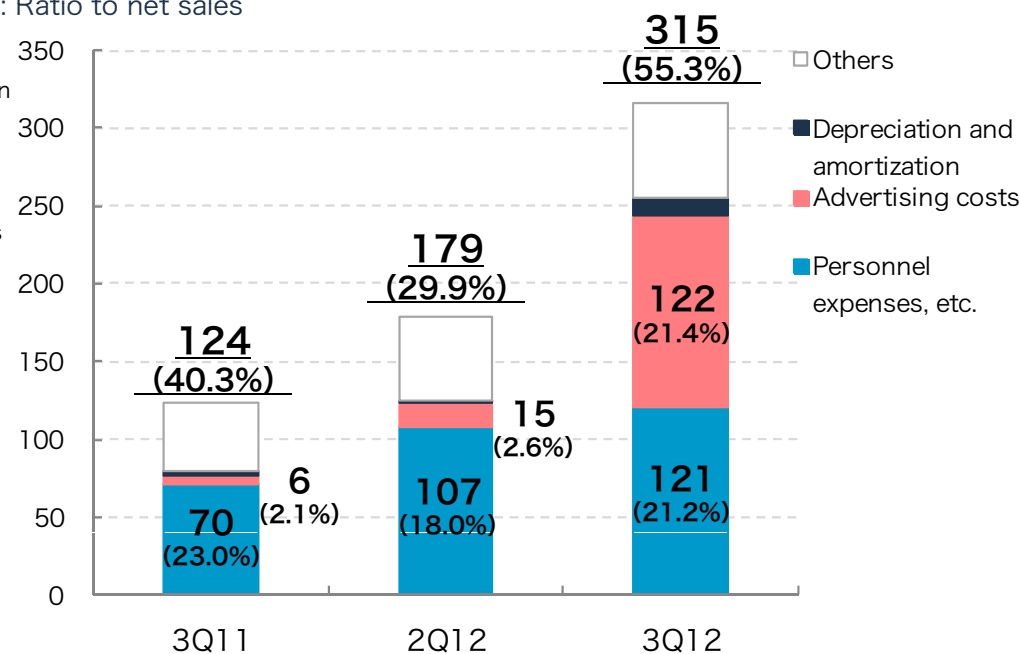
Trends in sales costs

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



Trends in SG&A expenses

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

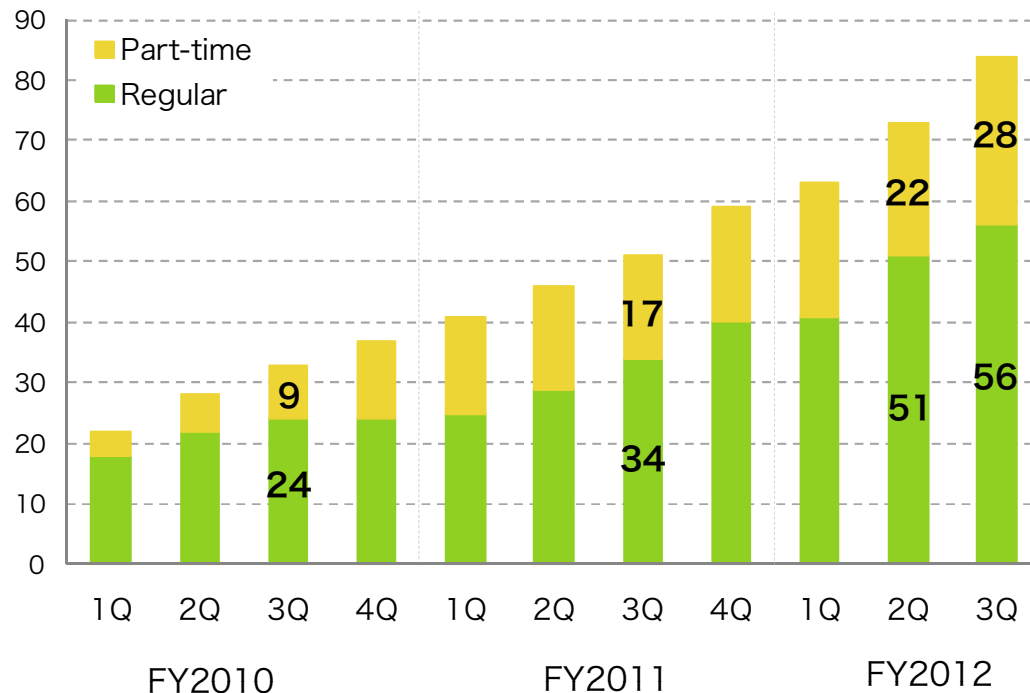


*Compensation for associates: Costs for outsourcing client introductions

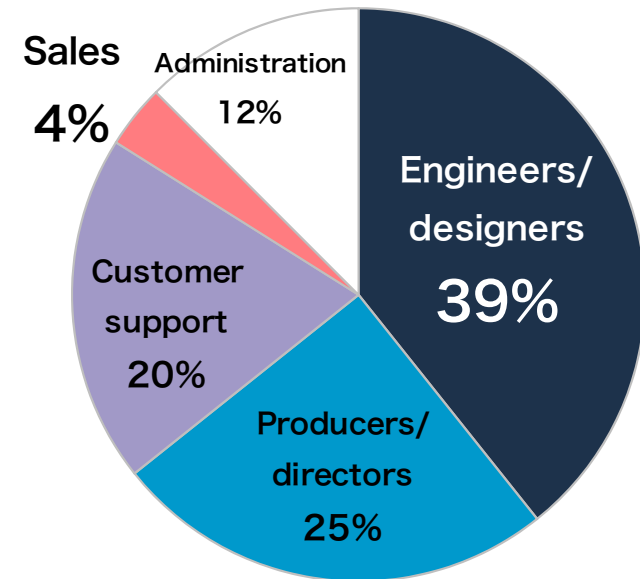
- ✦ We hired more employees to keep up with the expanding scale of our business
- We continued to operate efficiently with staff consisting heavily of engineers

Trends in number of employees

(Unit: persons)



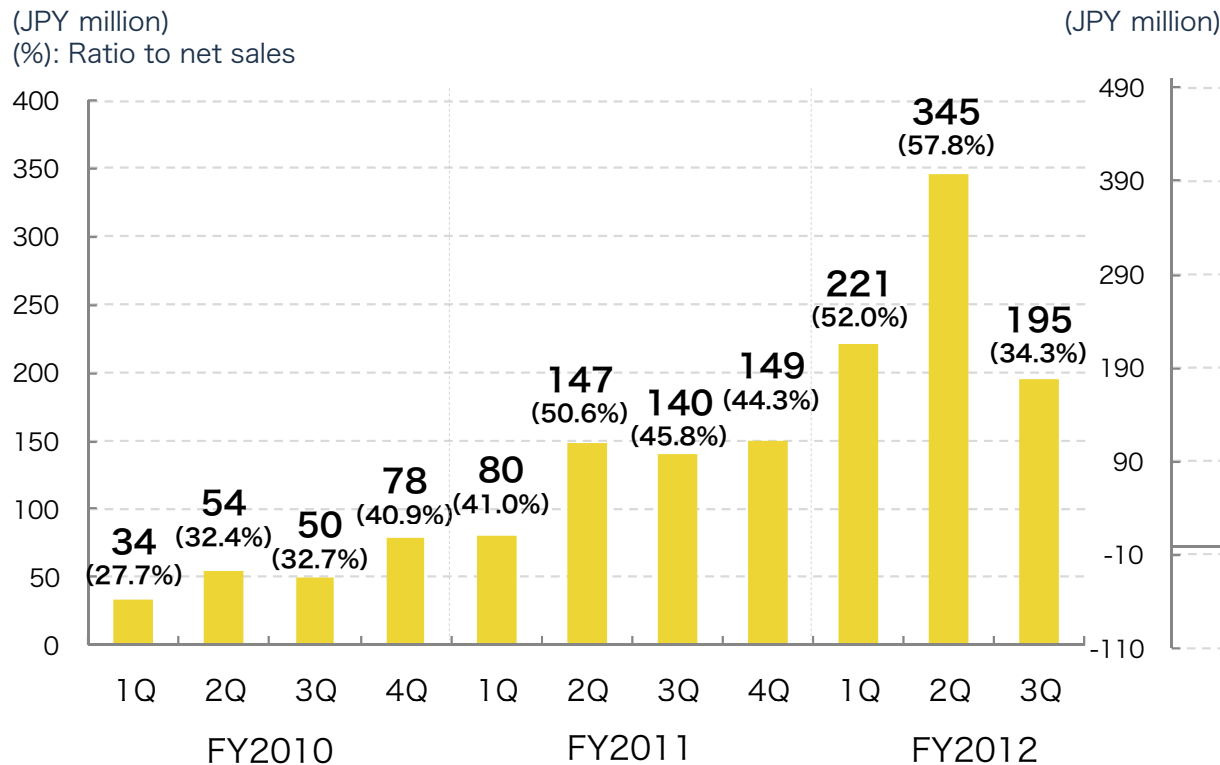
Breakdown of regular employees



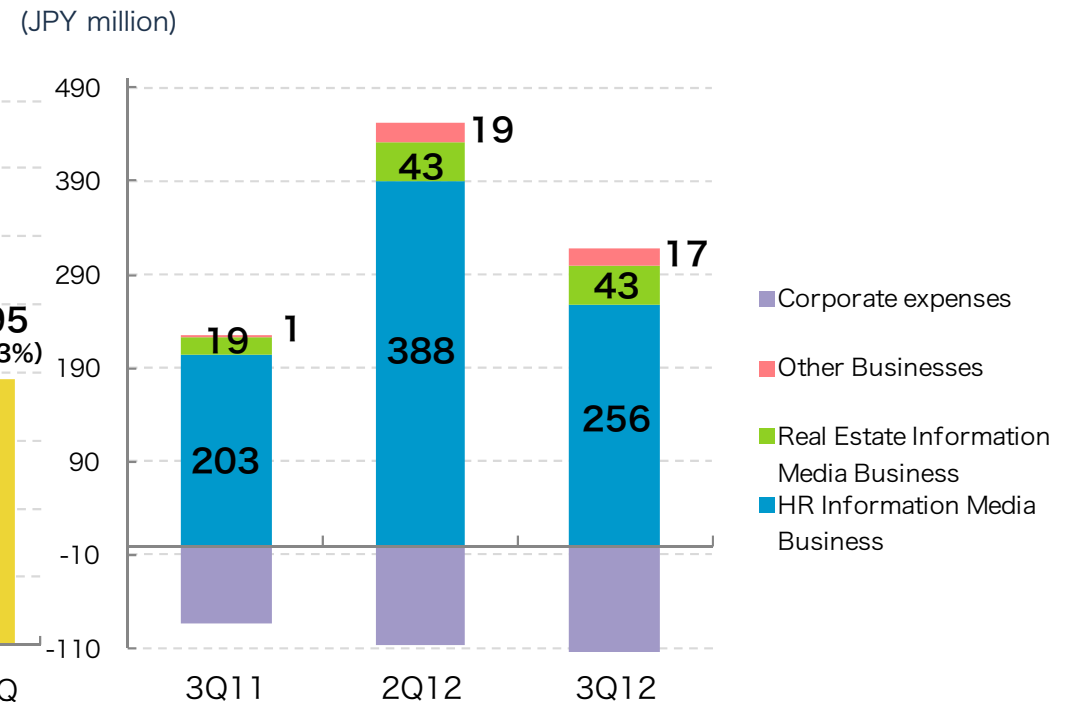
(As of Sep. 2012)

- ✦ We recorded advertising costs related to our TV commercial, but operating income was up since 3Q11
- ✦ The increased costs coincided with lower net sales owing to seasonal factors, so on a quarterly basis operating income margin was down

Trends in operating income



Segment income



No. 1 FY2012 Plan

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

No. 3 Introduction to Jobsense TV Commercial

No. 4 Growth Strategy

2-1 FY2012 Plan (No change since Aug. 14 announcement) **LIVESENSE**

- ❖ Cumulative progress through 3Q12 is largely as planned
To achieve our fiscal year plan, we are primarily focusing on expanding the scale of existing businesses
- ❖ Because we are increasing the number of employees as we expand our business scale, we plan to add office space and expect to record part of the moving costs in 4Q12

(Thousands of JPY)

	FY2011	FY2012				3Q12	
	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%	1,593,837	68.6%
Operating Income	518,764	719,238	1,133,770	+118.6%	+57.6%	762,490	67.3%
	45.7%	40.5%	48.8%	3.1%	+8.3%	47.8%	-
Ordinary Income	508,043	719,538	1,113,307	+119.1%	+54.7%	759,061	68.2%
	44.8%	40.5%	47.9%	3.1%	+7.4%	47.6%	-
Net profit	273,891	398,075	605,681	+121.1%	+52.2%	408,180	67.4%
	24.1%	22.4%	26.1%	1.9%	+3.7%	25.6%	-
EPS (JPY)	45.18	57.69	87.78	+94.3%	+52.2%	59.16	67.4%

❖ 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



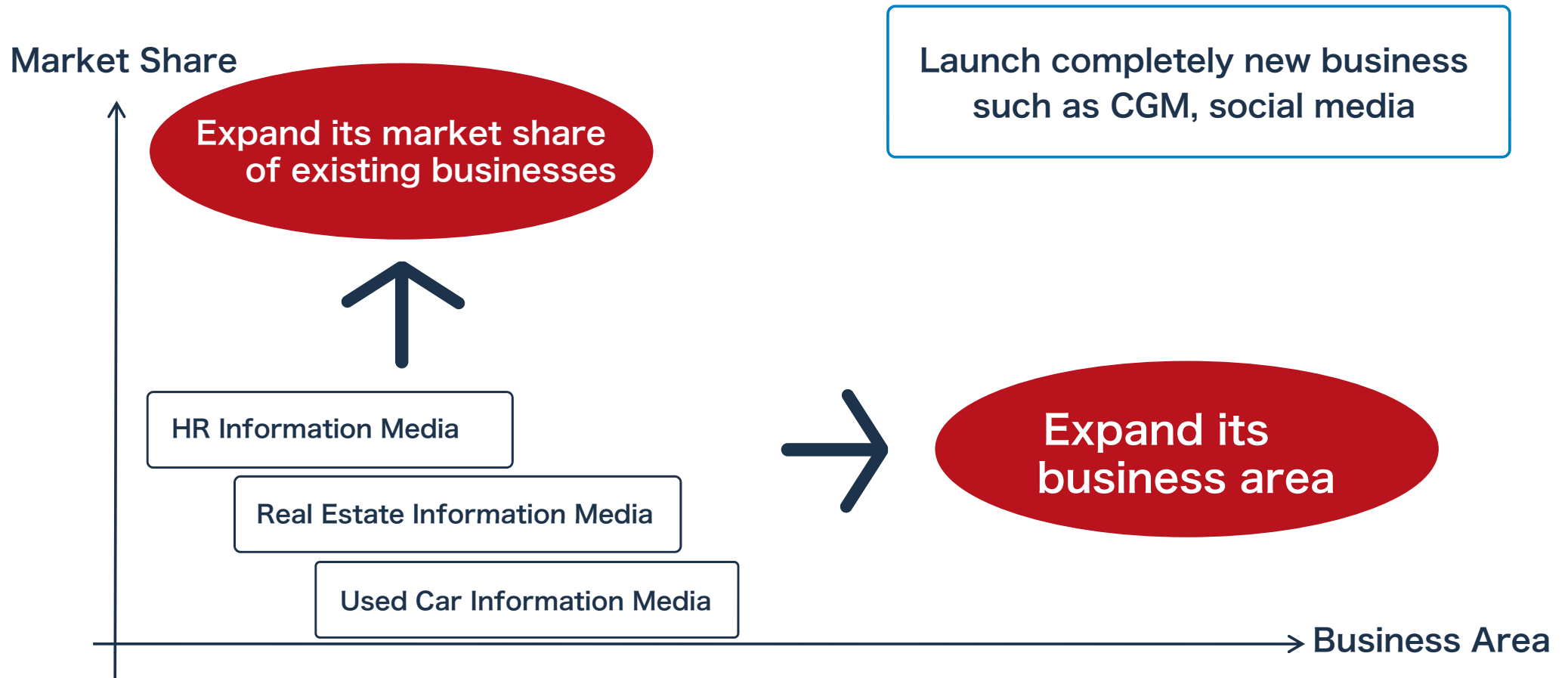
- ❖ Take thorough basic measures: Increase usability and matching rate by strengthening site functions and SEO and expanding services
- ❖ Increase the number of information postings by getting new corporate customers posting them and by forming business partnerships

- ✦ Broadcast Sept. 3-17 (15 days) in Kanto region
 - ✦ Used official character Job-Sensuke and mainly targeted core users (people in upper teens and 20s)
- Introduced the service name and advertised the advantages of using it



TV commercial: "Job-Sensuke's Monetary Gift Dance"

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



We build a new culture with web services.

ジゴセンズ

ジゴセンズ リンク

ジゴセンズ 派遣

DOOR 賃貸

MOTORS'net

転職会議
TENSHOKU KAIGI

COMING SOON

COMING SOON

COMING SOON

LIVESENSE

No. 1 Balance Sheet Statement

No. 2 Record of Recent Major Publicity Events

No. 3 Company Profile

3-1 Balance Sheet Statement

LIVESENSE

(Thousands of JPY)

	4Q11	3Q12	QoQ
Current assets	1,229,634	1,698,951	+38.2%
Cash and deposits	1,059,625	1,427,140	+34.7%
Accounts receivable	144,862	247,644	+71.0%
Fixed assets	94,308	210,731	+123.4%
Tangible fixed assets	39,405	28,941	▲26.6%
Intangible fixed assets	5,716	7,603	+33.0%
Investments and other assets	49,186	174,186	+254.1%
Total assets	1,323,943	1,909,682	+44.2%
Current liabilities	270,282	441,934	+63.5%
Accounts payable	23,406	132,459	+465.9%
Income taxes payable	202,423	240,740	+18.9%
Fixed liabilities	-	-	-
Total liabilities	270,282	441,934	+63.5%
Shareholders' equity	1,053,660	1,461,841	+38.7%
Capital	219,930	219,930	-
Capital reserve	204,930	204,930	-
Accumulated earnings	628,800	1,036,981	+64.9%
Stock warrants	-	5,905	-
Total net assets	1,053,660	1,467,747	+39.3%

3-2 Record of Recent Major Publicity Events

LIVENSENSE

2012.11.07	Nihon Keizai Shimbun morning edition
2012.10.29	Nihon Keizai Shimbun morning edition
2012.10.29	Magazine Shukan Gendai Nov. 10 issue (on sale Oct. 29)
2012.10.26	TOKYO FM “Yonpachi 48 hours”
2012.10.23	Magazine Shukan ASCII Nov. 6 issue (on sale Oct. 23)
2012.10.21	Nikkei Money Apr. edition
2012.10.21	BS-TBS “Sunday Scope Business”
2012.10.15	FM J-WAVE “TOKYO MORNING RADIO” (broadcast Oct. 15-18)
2012.10.15	Nikkei Business Oct. 15 issue “Interview with the Editor-in-Chief”
2012.10.14	BS-11 “Leader & Innovation Kenja no Sentaku”
2012.10.13	Fuji Sankei Business Eye
2012.10.10	Magazine Bungei Shunju Nov. issue (on sale Oct. 10)
2012.10.08	Magazine PRESIDENT (Oct. 29, 2012 issue)
2012.10.08	Nihon Keizai Shimbun morning edition
2012.10.07	Fuji TV “Back up”
2012.10.06	FM J-WAVE “Make IT 21”
2012.10.03	FM J-WAVE “JAM THE WORLD”
2012.10.02	Yomiuri Shimbun morning edition
2012.10.01	STOCK VOICE “Tokyo Market Wide”
2012.10.01	Tokyo Shimbun, Chunichi Shimbun
2012.10.01	Nihon Keizai Shimbun morning edition
2012.09.19	TV Tokyo “News Morning Satellite”
2012.09.19	Nihon Keizai Shimbun morning edition
2012.09.14	Nikkei MJ
2012.09.08	Nihon Keizai Shimbun morning edition
2012.08.20	Shukan Toyo Keizai Aug. 25 issue
2012.08.19	Nihon Keizai Shimbun morning edition
2012.08.15	Nihon Keizai Shimbun morning edition
2012.08.10	Magazine THE21 Sept. issue (on sale Aug. 10)
2012.07.20	Nihon Keizai Shimbun morning edition
2012.07.10	Nikkei Business Associé Aug. issue (on sale July 10)
2012.07.09	Shukan Jutaku Shinbun

3-3 Company Profile (as of September 2012)

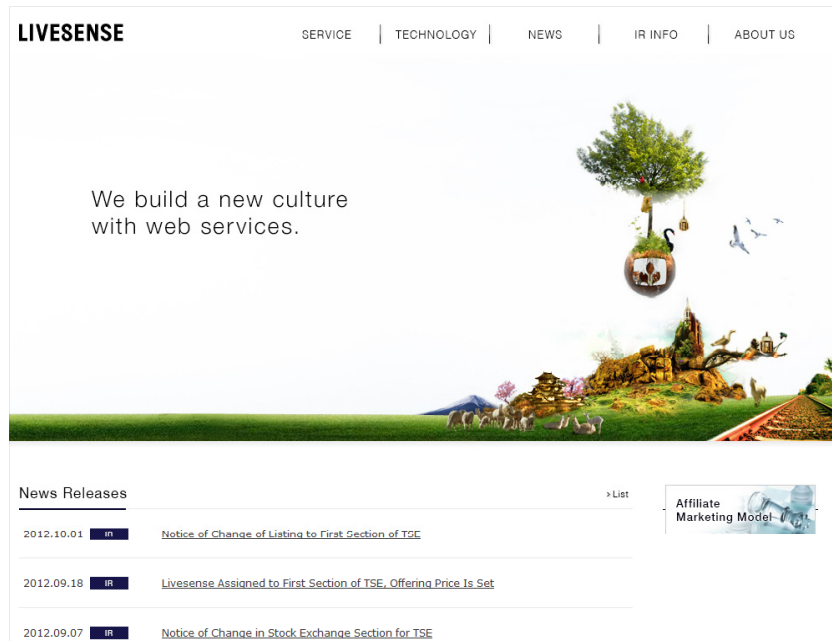
LIVENSENSE

Company Name	Livesense Inc.				
Business Objective	Internet Media Management Business				
Address	GLASS CITY SHIBUYA, 16-28 Nanpeidai-cho, Shibuya-ku, Tokyo				
Established	February 8, 2006				
President	Taichi Murakami				
Management Team	<table> <tr> <td>Managing Director</td> <td>Daisuke Katsura Yuichi Iwasaki</td> </tr> <tr> <td>Statutory Auditors</td> <td>Junichi Ehara Misao Akutsu 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	FY2010 Sales : JPY 637 million, OP : JPY217 million (OPM : 34.1%) FY2011 Sales : JPY1,134 million, OP : JPY518 million (OPM : 45.7%)				
Number of Employees	Full-time : 56, Part-time : 28				
Fiscal Term	December				
Major Shareholders (Equity stake*)	Taichi Murakami (53.5%) Daisuke Katsura (9.7%)				
Auditing Firm	Deloitte Touche Tohmatsu LLC				

*As of October 1, 2012; shows stake after equity offering

Livesense English web site open

→ <http://en.livesense.co.jp/>



Book “Livesense: The Meaning of Living” on sale



Author: Toru Uesaka
Publisher: Nikkei Business Publications
On sale: Aug. 30, 2012

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.