



LIVENSENSE

3Q FYE Dec. 2013
Financial Results

November. 13, 2013 Livesense Inc.(TSE:6054)

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| Significant year-on-year increase in revenue and profit, progress nearly on target with corporate plan.

- Net sales JPY 3,189 million (up 100.1% year-on-year)
- Operating income JPY 1,289 million (up 69.2% year-on-year)

| Strong growth in corporate service customers with total number of corporate customers at 39,782 companies.

- 18,429 more than end of 3Q12 and 2,607 more than end of 2Q13
- Promotions include approaching regions with low usage levels and promoting use among current corporate customers.

| Changes in prices for service provisions are progressing according to plan.

- For JOBSENSE (from June) and JOBSENSE Link (from April), new prices are being applied to new corporate customers and we have begun sending notices and paperwork to existing corporate customers about the change to be implemented beginning with 3Q.

| Using continual web promotions to improve ability to attract more customers.

- During FY2013, mainly focusing on use of SEO and web promotions to improve ability to attract more customers and expand medium-term market share.

| Investment in Aratana inc. (announced on September 18)

- Investment (19 million yen) in unlisted company as part of efforts to explore new segments to develop medium to long-term growth.

Significant year-on-year increase in revenue and profit, progress nearly on target with plans.

(Thousands of JPY)

	3Q12	3Q13	YoY
Sales	1,593,837	3,189,223	+100.1%
Sales Cost	181,242	272,524	+50.4%
	11.4%	8.5%	(2.8%)
Gross Margin	1,412,595	2,916,698	+106.5%
	88.6%	91.5%	+2.8%
SG&A Expenses	650,104	1,626,767	+150.2%
	40.8%	51.0%	+10.2%
Operating Income	762,490	1,289,931	+69.2%
	47.8%	40.4%	(7.4%)
Ordinary Income	759,061	1,291,129	+70.1%
	47.6%	40.5%	(7.1%)
Net Pretax Profit	759,061	1,287,329	+69.6%
	47.6%	40.4%	(7.3%)
Net profit	408,180	724,072	+77.4%
	25.6%	22.7%	(2.9%)

Sales Cost : The amount of “monetary gifts” that we pay grows as our scale of business expands. (+ JPY 62 million)

SG&A : Increases of advertising costs (+ JPY 556 million) resulting from web promotions and personnel expenses, etc. (+ JPY 211 million) due to business expansion.

Significant year-on-year increase in revenue and profit, progress nearly on target with plans.

(Thousands of JPY)

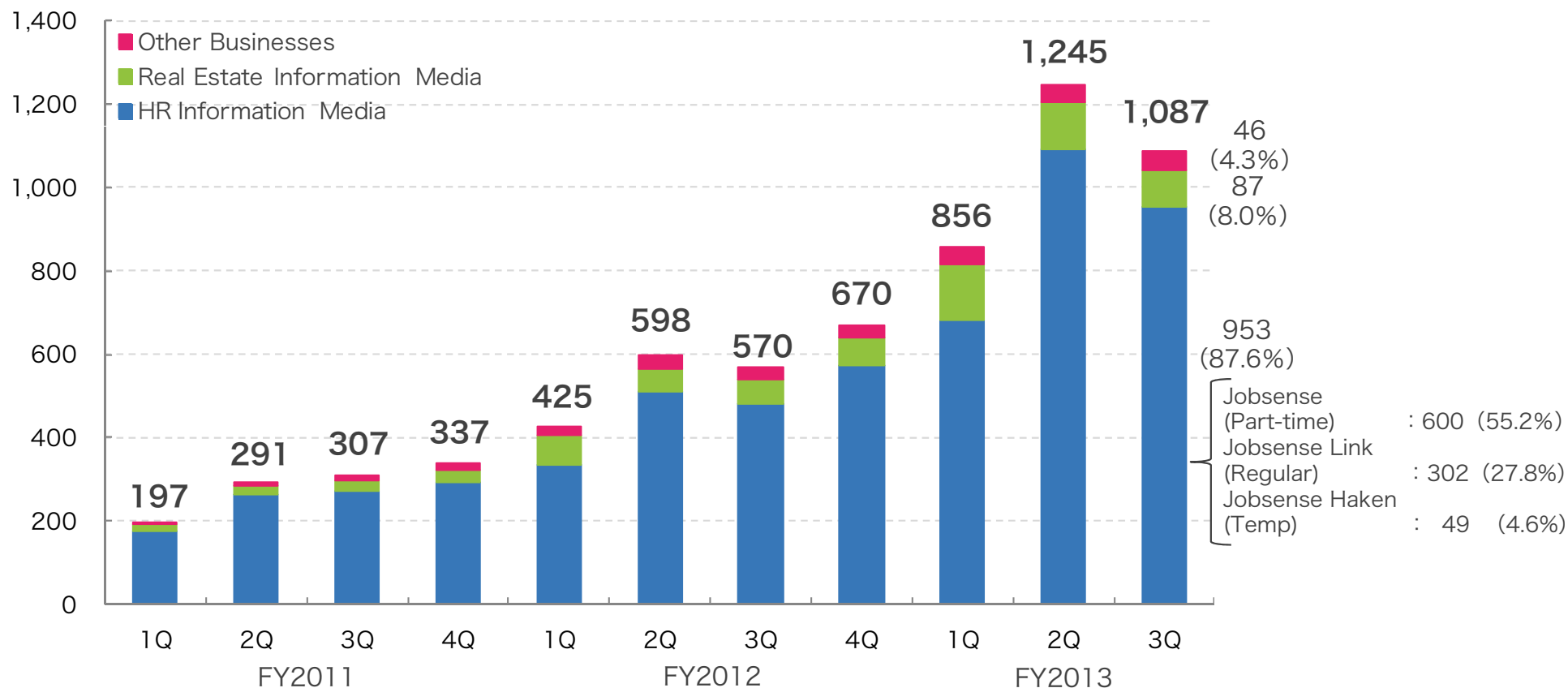
	3Q12	3Q13	YoY
Sales	570,597	1,087,311	+90.6%
Sales Cost	59,237	94,583	+59.7%
	10.4%	8.7%	(1.7%)
Gross Margin	511,359	992,728	+94.1%
	89.6%	91.3%	+1.7%
SG&A Expenses	315,697	633,713	+100.7%
	55.3%	58.3%	+3.0%
Operating Income	195,661	359,014	+83.5%
	34.3%	33.0%	(1.3%)
Ordinary Income	192,127	359,368	+87.0%
	33.7%	33.1%	(0.6%)
Current Net Pretax Profit	192,127	359,368	+87.0%
	33.7%	33.1%	(0.6%)
Current net profit	98,923	203,218	+105.4%
	17.3%	18.7%	+1.4%

Sales Cost : The amount of “monetary gifts” that we pay grows as our scale of business expands. (+ JPY 20 million)

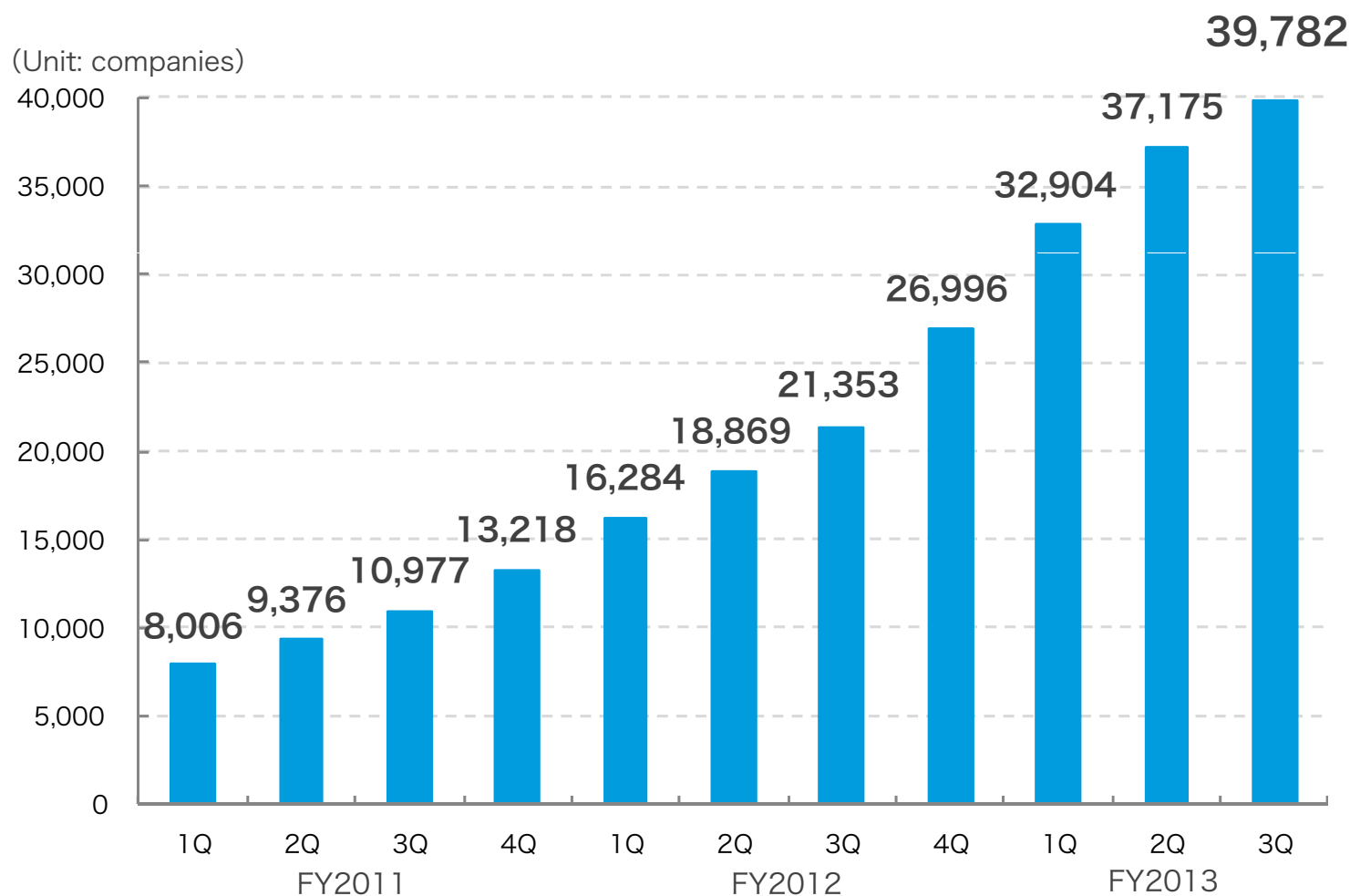
SG&A : Increases of advertising costs (+ JPY 160 million) resulting from web promotions and personnel expenses, etc. (+ JPY 86 million) due to business expansion.

3Q recruitment sales doubled year-on-year but declined compared to 2Q due to seasonal factors. Overall strong progress compared to plans.

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



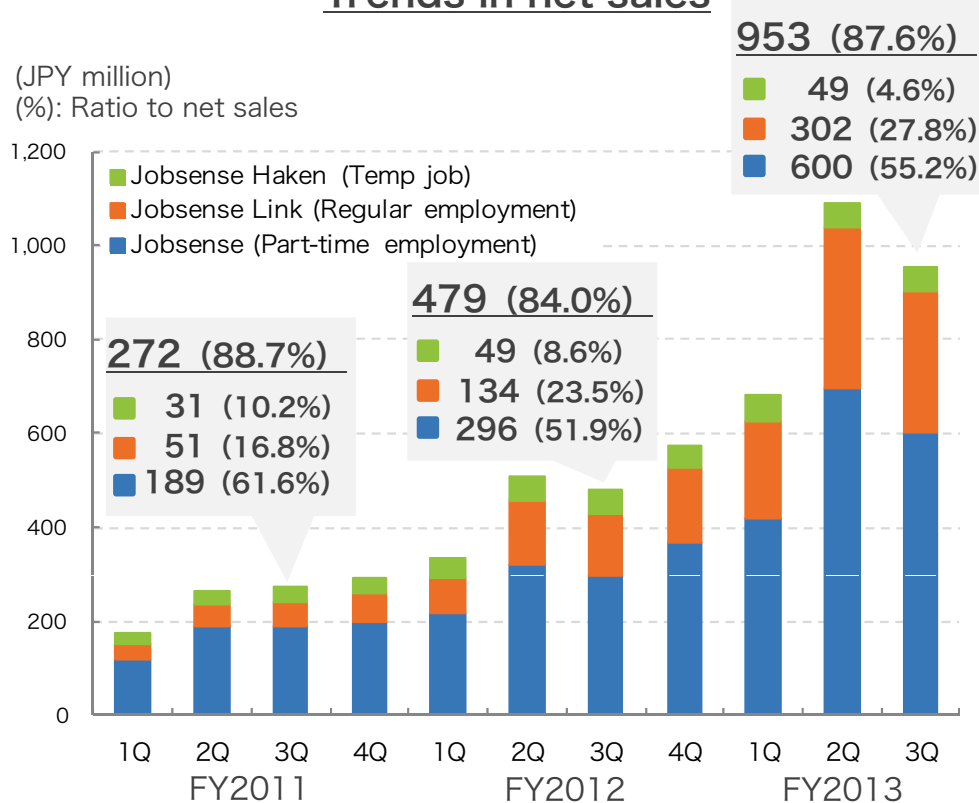
Overcoming any minus impact of the changes to prices for major services, the number of corporate service customers continues to grow.



- We have begun sending notices and paperwork to existing corporate customers about changes to prices for service provision, and the process is progressing nearly according to plan.**
- The number of listings achieved strong growth thanks to promotional efforts including approaching regions with low usage levels and promoting use among current corporate customers.**

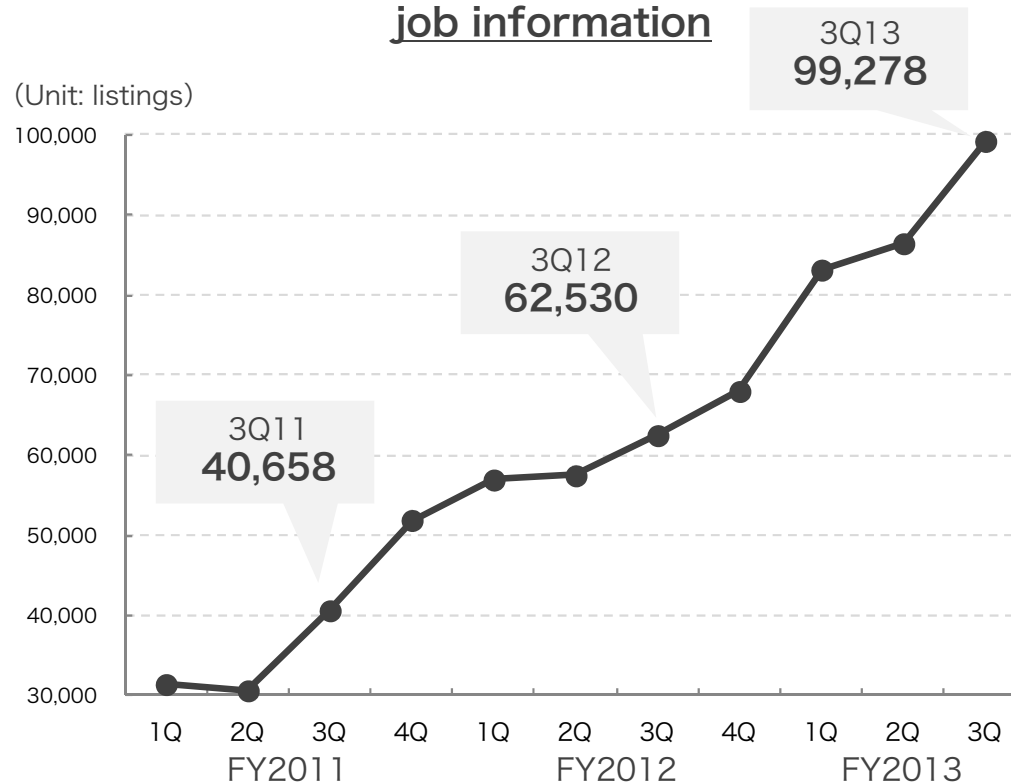
Trends in net sales

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



Trends in number of job information

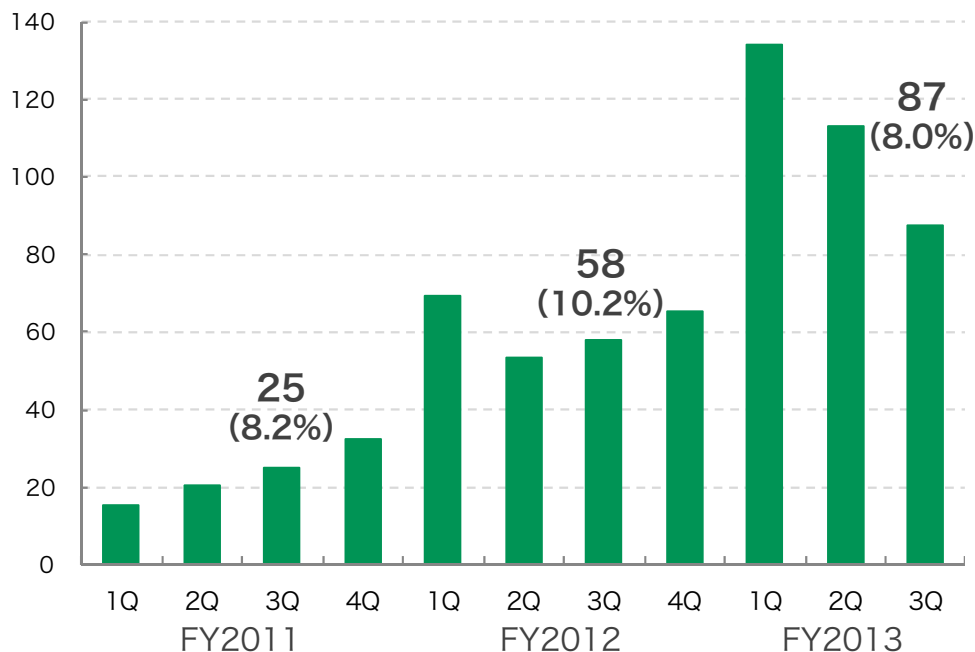
(Unit: listings)



3Q sales did not reach corporate plan figures in part due to full-scale renewal of the smart phone website (complete Oct.1) taking longer than expected. We will focus on enhancing our systems and reinforcing fundamental measures in order to increase both the number of listings and inquiries.

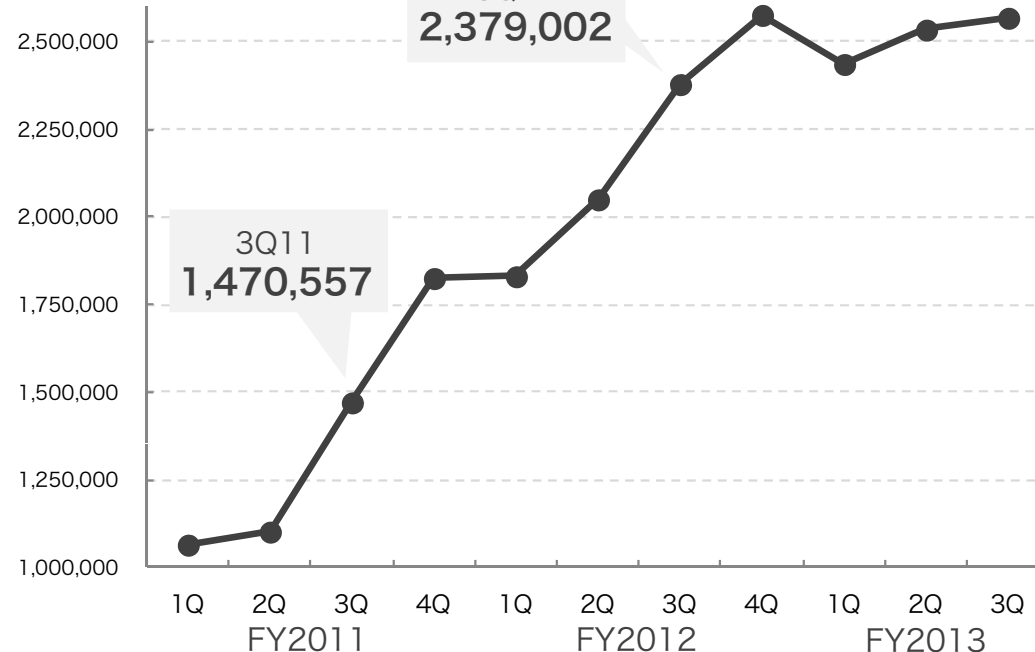
Trends in net sales

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



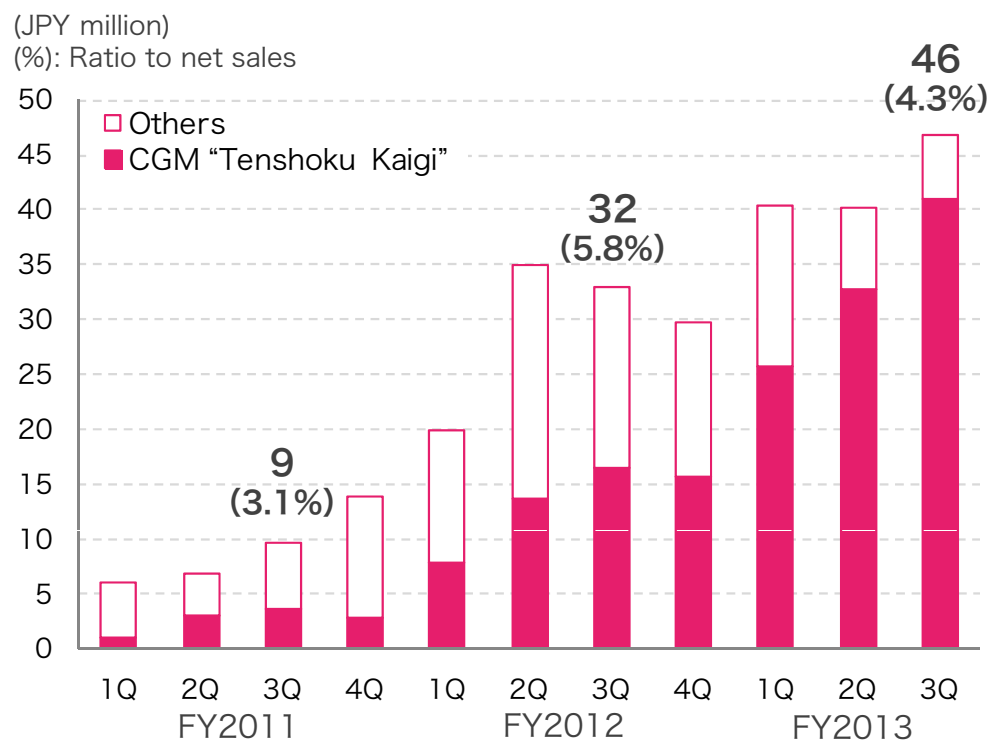
Trends in number of home rental information

(Unit: listings)



Tenshoku Kaigi is seeing a continual increase in the number of members and the number of discussion postings. Net sales are strong thanks to an increase in the number of customer referrals to major recruitment information sites, improved monetization measures, and continued site functionality improvement measures.

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 September 2013>

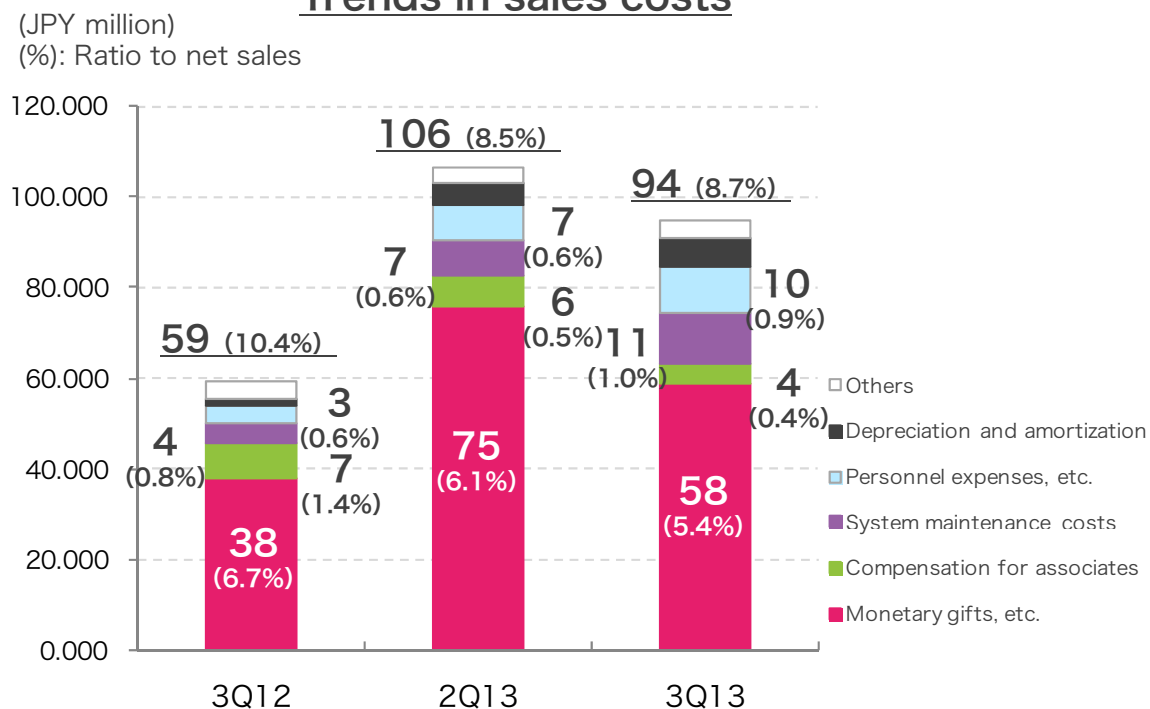
Number of messages posted: about 2,250,000

Number of members : about 750,000

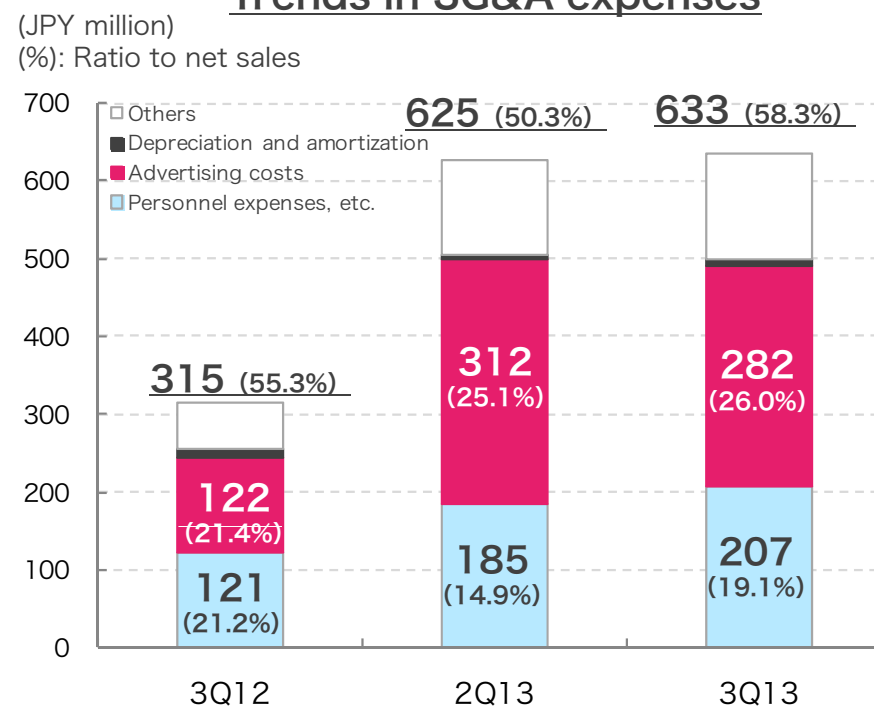
Number of monthly users: about 3,500,000

Monetary gifts (Sales costs) decreased compared to 2Q13 due to sales scope tie-ups. Personnel costs continue to increase due to the expansion of the scope of business. Advertising costs (SGA) declined slightly compared to 2Q13. We will continue aggressive web promotion based on a combination of user response analysis and consideration to profitability.

Trends in sales costs

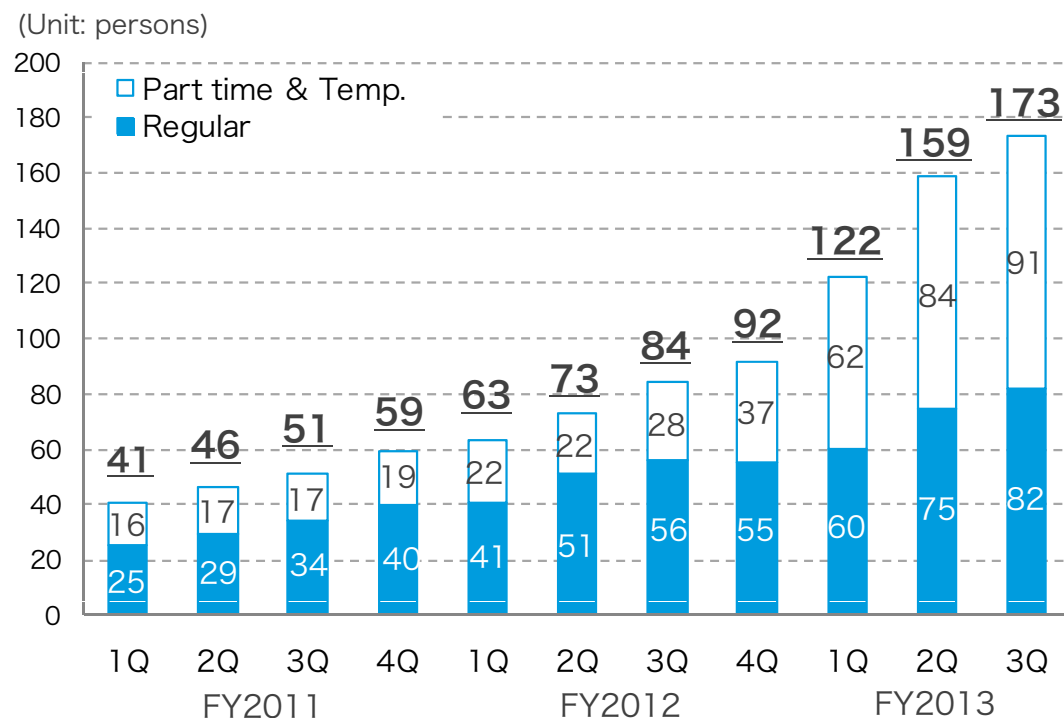


Trends in SG&A expenses

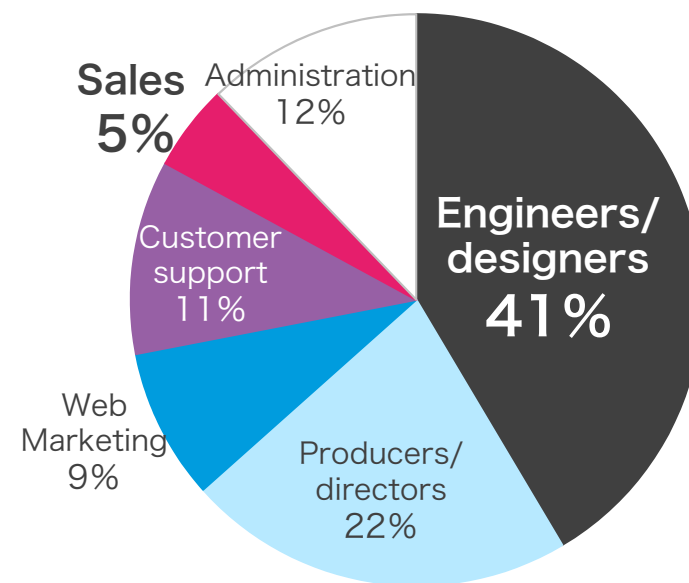


While continuing to practice efficient operations, we will hire new personnel in order to improve business development speed. During 3Q13, we hire 7 full-time employees and 7 new part-time and temporary staff to handle customer call support.

Trends in number of employees

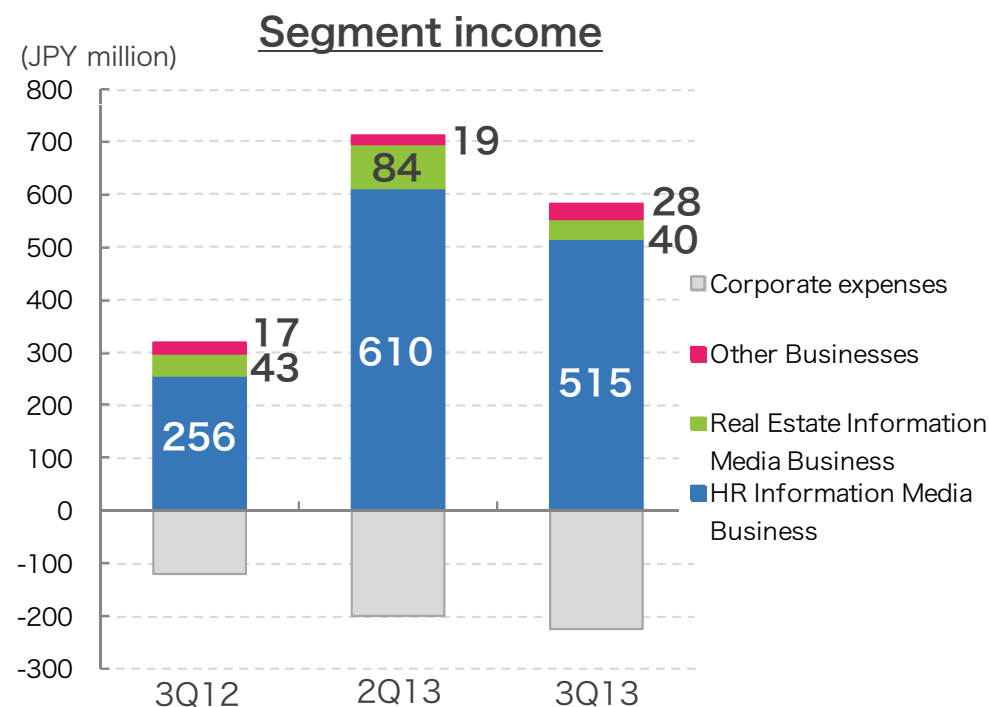
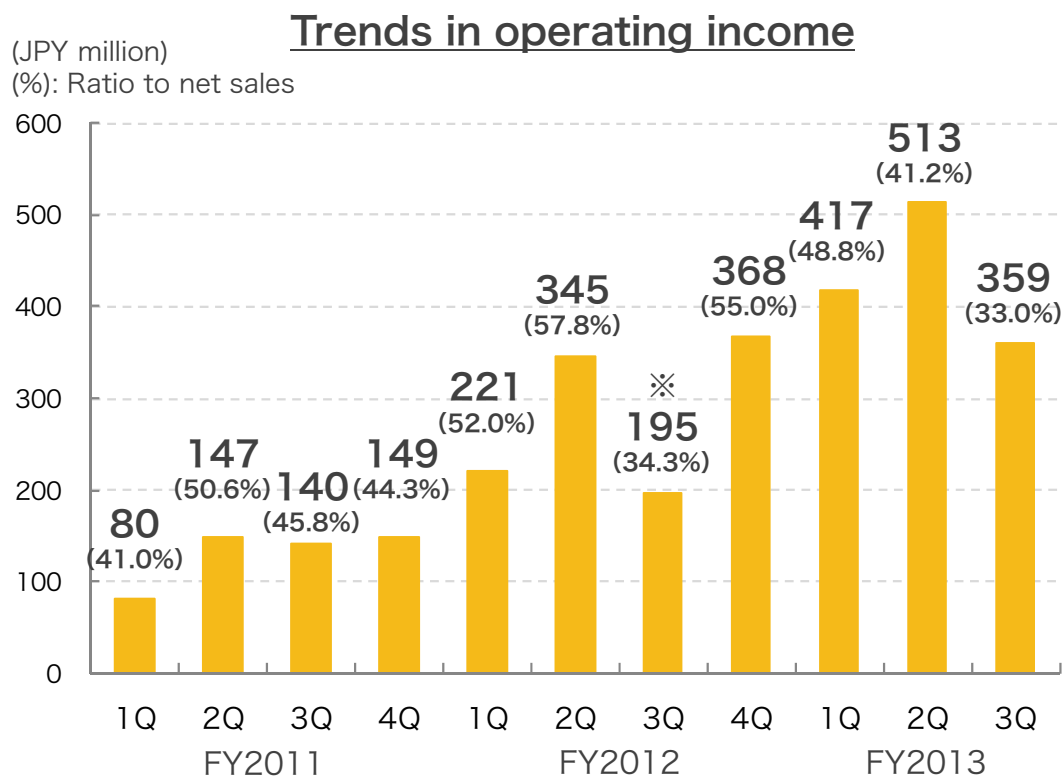


Breakdown of regular employees



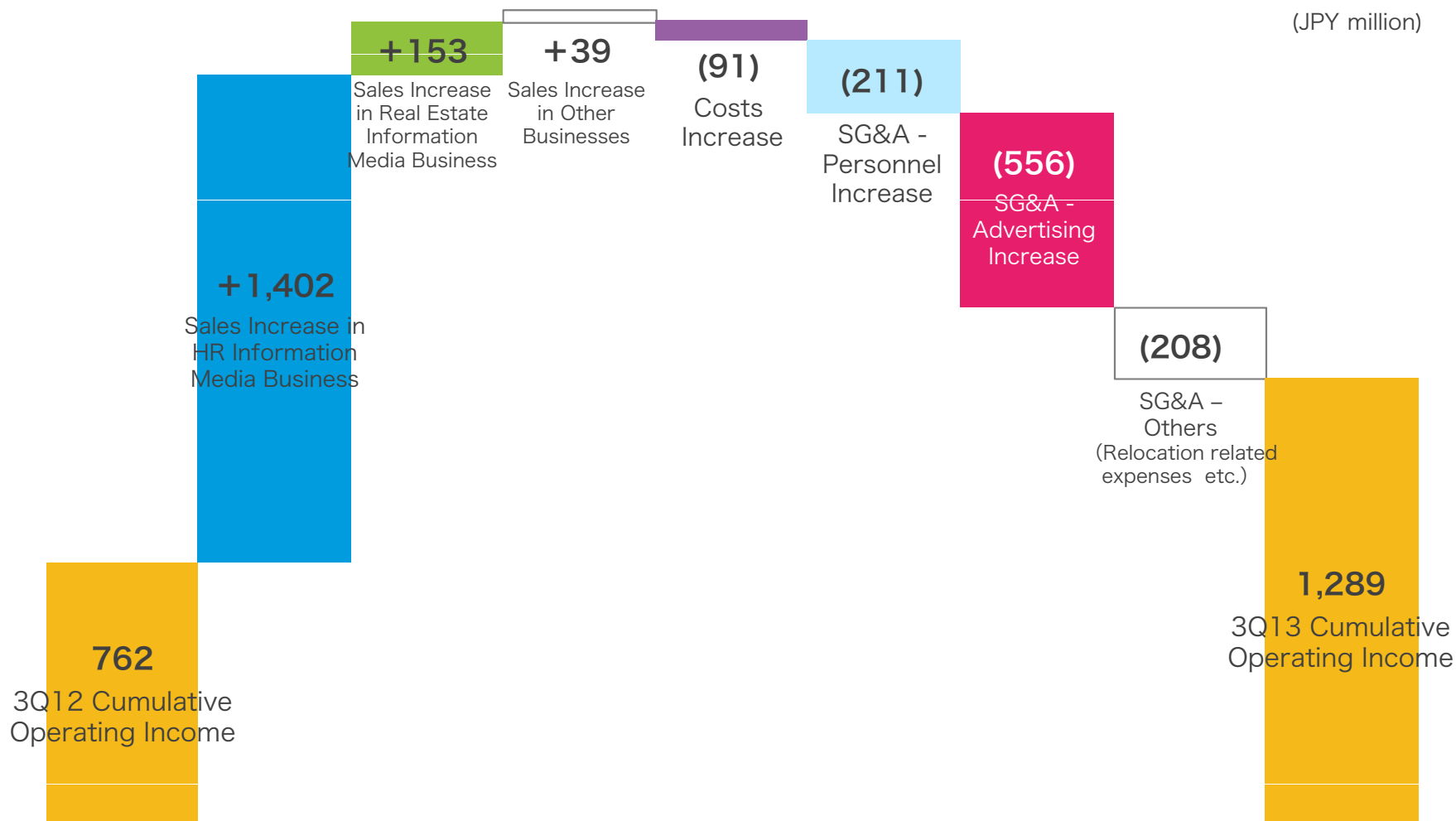
(As of September. 2013)

3Q operating income increased 83.5% year on year, which was strong progress in comparison to planned figures. A decline in net sales resulting from seasonal factors combined with increased expenses related to web promotions and personnel hiring resulted in a decrease compared to 2Q13.



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

Increases in costs were absorbed mainly by increases in net sales from the employment information media business, which greatly contributed to the year-on-year increase in operating income of 69.2%



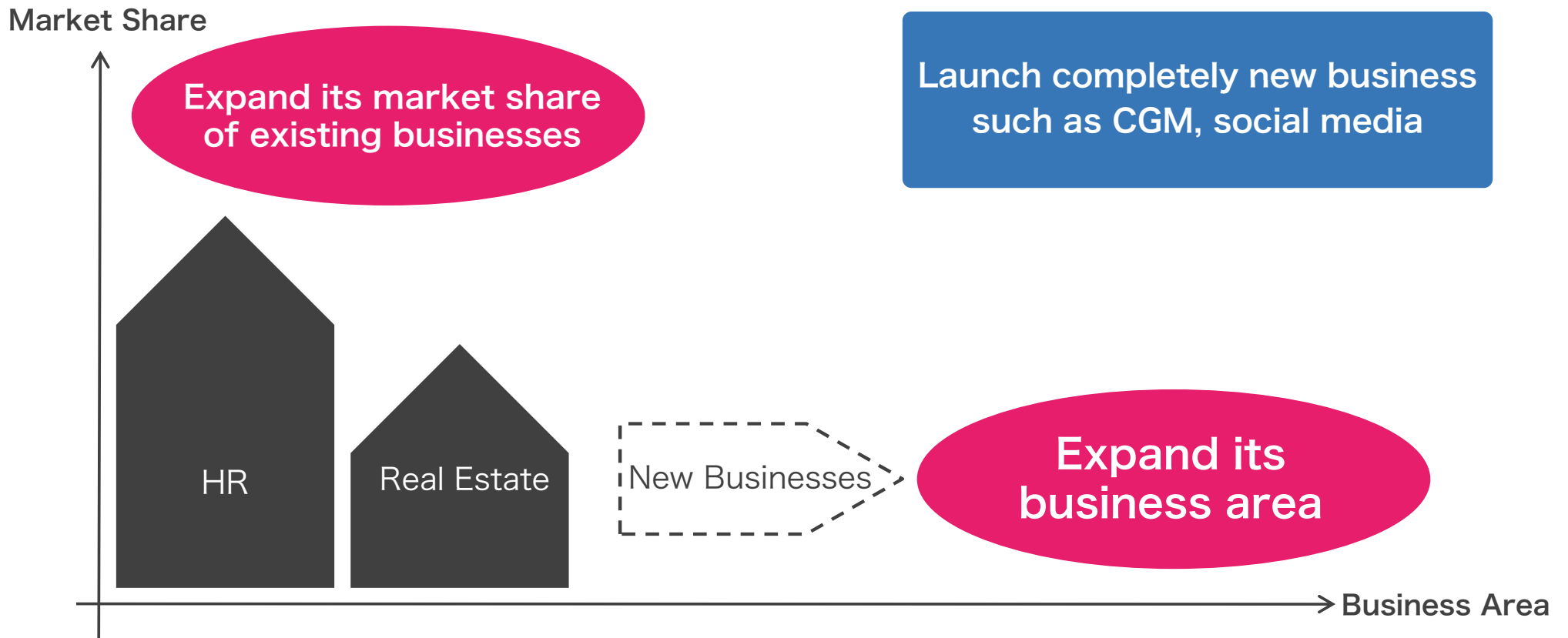
- | Cumulative results through 3Q were strong against forecasts for the year.
- | Costs increased due to an expansion of office space in 4Q (portion of costs also recorded for 3Q). Total office space will allow for approximately 270 staff.
- | Will continue to focus on expanding existing market share while exploring new business segments. Will reinforce fundamental measures and work to strengthen organization as we look to achieve medium-term goals.

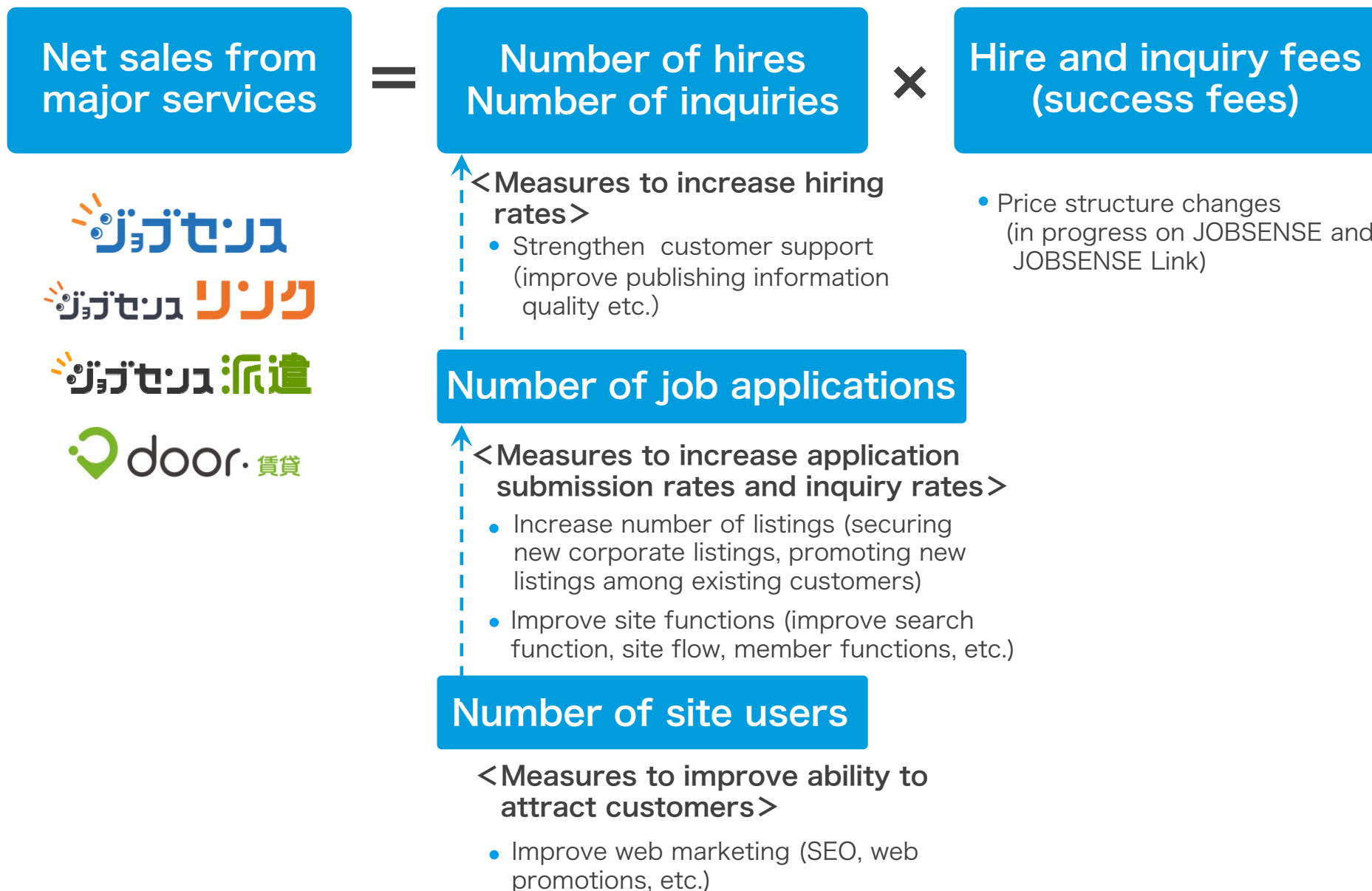
(Thousands of JPY)

	FY2012	FY2013			
	Results	Forecast	YoY	3Q Results (Cumulative)	Progress rate
Sales	2,264,042	4,182,473	+84.7%	3,189,223	76.3%
Operating Income	1,130,844	1,517,901	+34.2%	1,289,931	85.0%
	49.9%	36.3%	(13.7%)	40.4%	-
Ordinary Income	1,113,611	1,518,898	+36.4%	1,291,129	85.0%
	49.2%	36.3%	(12.9%)	40.5%	-
Net Profit	597,846	872,608	+46.0%	724,072	83.0%
	26.4%	20.9%	(5.5%)	22.7%	-
EPS (JPY)	43.32	63.23	+46.0%	52.38	82.8%

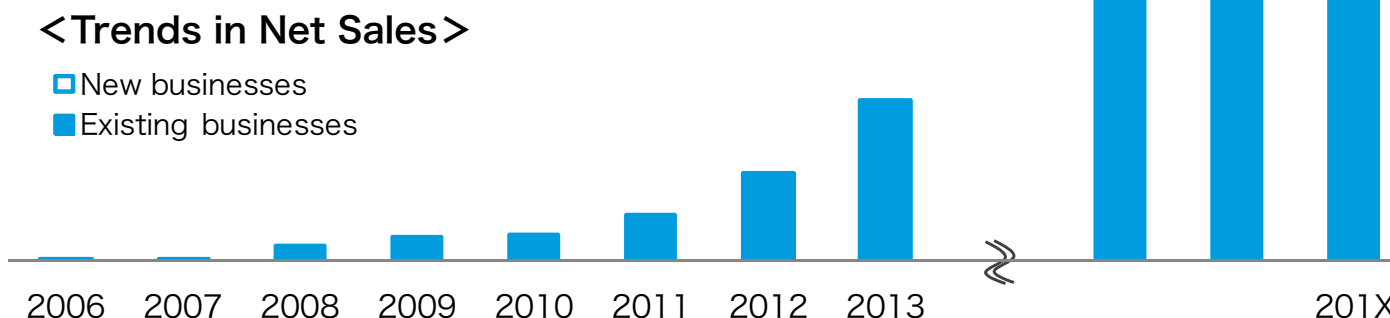
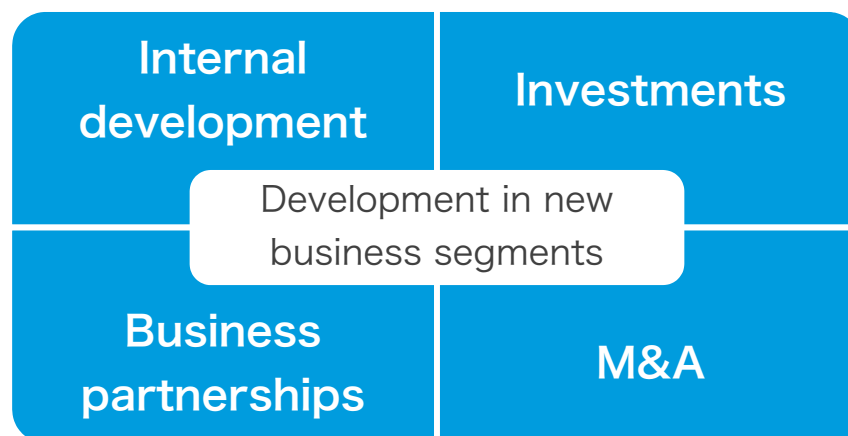
- 1 Growth Strategy
- 2 Initiatives of existing operated media
- 3 Development in new business segments
- 4 Initiatives for medium to long-term growth

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





| Aggressive investment and partnership activities in addition to internal new business development efforts.
Aim for drastic medium to long-term growth through development of new business segments.



| As our first investment venture, we invested 19.6 million yen in Aratana Inc., a company involved in e-commerce site production and management services.



Strong in technology and support services focusing on e-commerce

- **Commerce technology business**

Developing applications such as “Cagolab,” an e-commerce platform that allows customization for each shop, and “SketchPage,” which makes the management of e-commerce sites more convenient and efficient.

- **EC management services and consulting business**

Services including EC site management (photography, page creation, advertising management), consulting, etc.

<About Aratana Inc. (as of Sep. 2013) >

Representative director and president :
Shinji Hamazu

Location : Miyazaki-shi, Miyazaki

Established: May 1, 2007

Capital : 282,735,000 yen

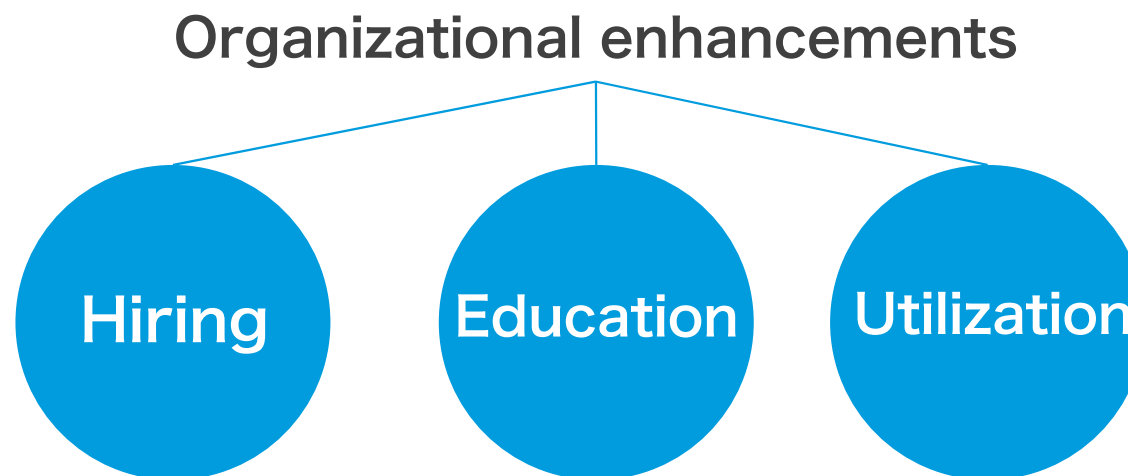
Accounting month : April

No. of employees : 95

(including contract and part-time workers)



- | Strengthen organization to create system that can invent “the next common”.
- | Improve service development expertise, web marketing skills, and ability to achieve efficient management in order achieve medium-term goals.



Invent the next common.

Medium-term goals in 201X

- **Existing businesses :**
Becoming the No. 1 site in terms of hiring and property inquiries.
- **New businesses :**
Establish multiple revenue platforms as follow-up to employment and real estate.

- 1 Balance Sheet Statement
- 2 Record of Recent Major Publicity Events
- 3 Company Profile

3-1. Balance Sheet Statement

(Thousands of JPY)

	4Q12	3Q13	QoQ
Current assets	2,002,084	2,686,938	+34.2%
Cash and deposits	1,685,906	2,230,409	+32.3%
Accounts receivable	272,761	419,546	+53.8%
Fixed assets	216,457	356,372	+64.6%
Tangible fixed assets	25,741	123,495	+379.8%
Intangible fixed assets	12,803	36,514	+185.2%
Investments and other assets	177,912	196,362	+10.4%
Total assets	2,218,541	3,043,310	+37.2%
Current liabilities	558,598	649,027	+16.2%
Accounts payable	46,395	197,482	+325.7%
Income taxes payable	425,000	341,079	(19.7%)
Fixed liabilities	-	-	-
Total liabilities	558,598	649,027	+16.2%
Shareholders' equity	1,651,507	2,378,254	+44.0%
Capital	219,930	221,647	+0.8%
Capital reserve	204,930	206,647	+0.8%
Accumulated earnings	1,226,647	1,950,720	+59.0%
Stock warrants	8,436	16,028	+90.0%
Total net assets	1,659,943	2,394,283	+44.2%

3-2. Record of Recent Major Publicity Events

2013.10.10	Nikkei Business Associé Nov. edition
2013.10.07	Magazine Shukan Economist (on sale Oct. 7)
2013.08.16	Magazine DIME Oct. edition
2013.08.15	Nihon Keizai Shimbun morning edition
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)

3-3. Company Profile (As of September 2013)

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	JPY221 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 : 82, Part-time & Temp. : 91										
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.