



LIVENSENSE

FY2012 Financial Results

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

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| We fell somewhat short of achieving our forecast, but earnings doubled compared to the same period of the previous year.

- Net sales JPY 2,264 million (up 99.6% year-on-year)
- Operating income JPY 1,130 million (up 118.0% year-on-year)

| Cumulative number of companies implementing service has grown sharply to 26,996

- 13,778 more than end of 4Q11 and 5,643 more than end of 3Q12
- Due to effects of TV commercials (in Sep.) and other publicity, 4Q12 results increased dramatically.

| We completed a thorough review of our service pricing system.

- For our part-time employment information site, JOBSENSE, and our career change employment information site, JOBSENSE Link, we completed application of new pricing for all customers.

| For our rental real estate information site “DOOR Chintai”, we entered into a business alliance with Recruit Sumai Company, Ltd. which operates “SUUMO”. (Dec. 20, 2012)

- We expanded our property listings by reprinting property information from SUUMO not previously listed in DOOR Chintai.

| We fell somewhat short of achieving our forecast, but earnings doubled compared to the same period of the previous year.

	FY2011	FY2012	YoY	(Thousands of JPY)
Sales	1,134,497	2,264,042	+99.6%	
Sales Cost	161,785	244,382	+51.1%	
	14.3%	10.8%	▲3.5%	
Gross Margin	972,712	2,019,660	+107.6%	
	85.7%	89.2%	+3.5%	
SG&A Expenses	453,947	888,816	+95.8%	
	40.0%	39.3%	▲0.8%	
Operating Income	518,764	1,130,844	+118.0%	
	45.7%	49.9%	+4.2%	
Ordinary Income	508,043	1,113,611	+119.2%	
	44.8%	49.2%	+4.4%	
Current Net Pretax Profit	498,325	1,109,582	+122.7%	
	43.9%	49.0%	+5.1%	
Current net profit	273,891	597,846	+118.3%	
	24.1%	26.4%	+2.3%	

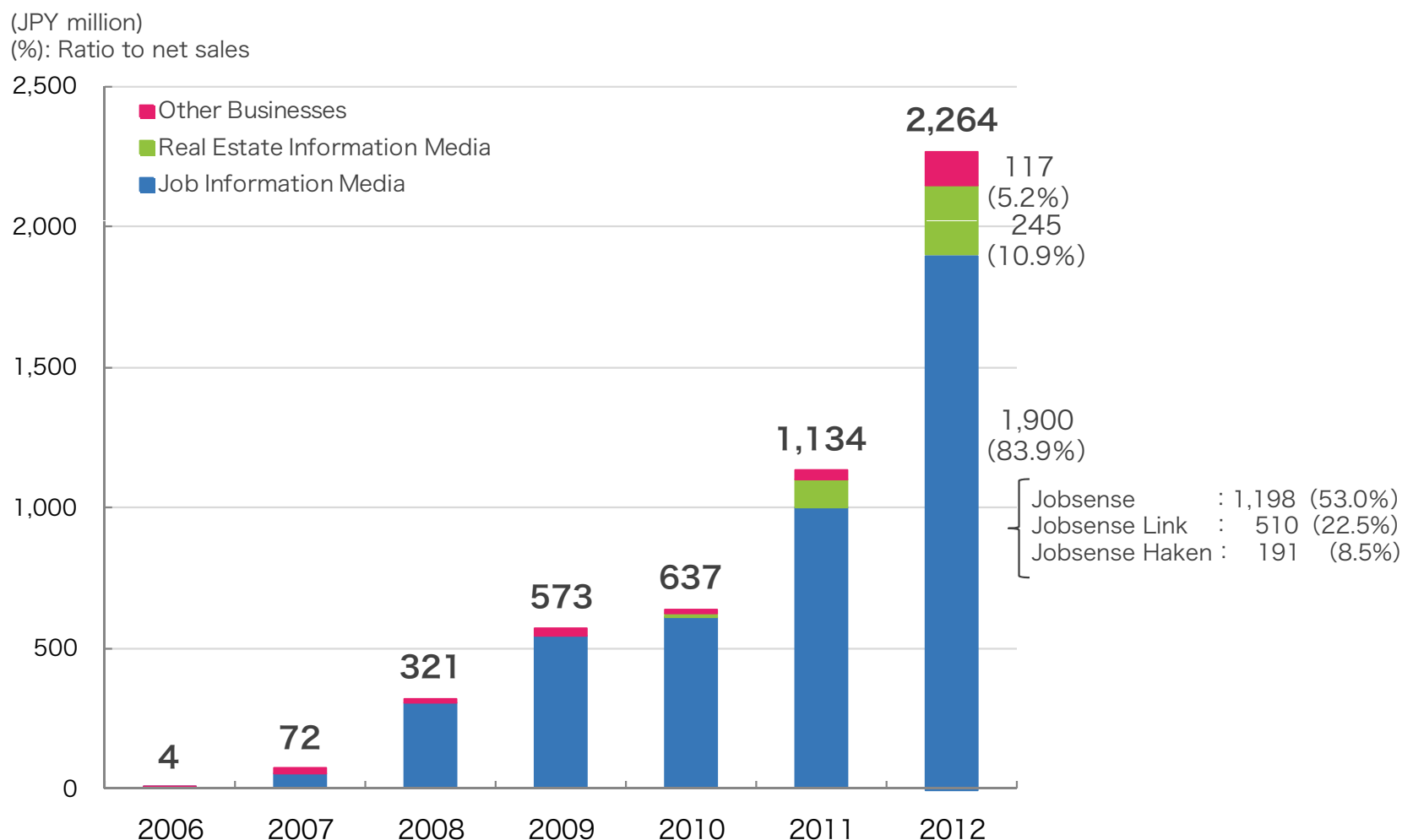
- Cost increases : The amount of “monetary gifts” and “cash back” that we pay grows as our scale of business expands
- SG&A expenses increase: Personnel expenses, etc., increase as our scale of business expands and Advertising costs stemming from TV commercial

Increased sales absorbed the increased expenses associated with expansion of business scale, resulting in a major increase over the previous year same quarter.

	4Q11	4Q12	YoY	(Thousands of JPY)
Sales	337,605	670,204	+98.5%	
Sales Cost	46,242	63,139	+36.5%	
	13.7%	9.4%	▲4.3%	
Gross Margin	291,363	607,065	+108.4%	
	86.3%	90.6%	+4.3%	
SG&A Expenses	141,874	238,711	+68.3%	
	42.0%	35.6%	▲6.4%	
Operating Income	149,488	368,353	+146.4%	
	44.3%	55.0%	+10.7%	
Ordinary Income	140,857	354,549	+151.7%	
	41.7%	52.9%	+11.2%	
Current Net Pretax Profit	140,857	350,521	+148.8%	
	41.7%	52.3%	+10.6%	
Current net profit	65,894	189,665	+187.8%	
	19.5%	28.3%	+8.8%	

- 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

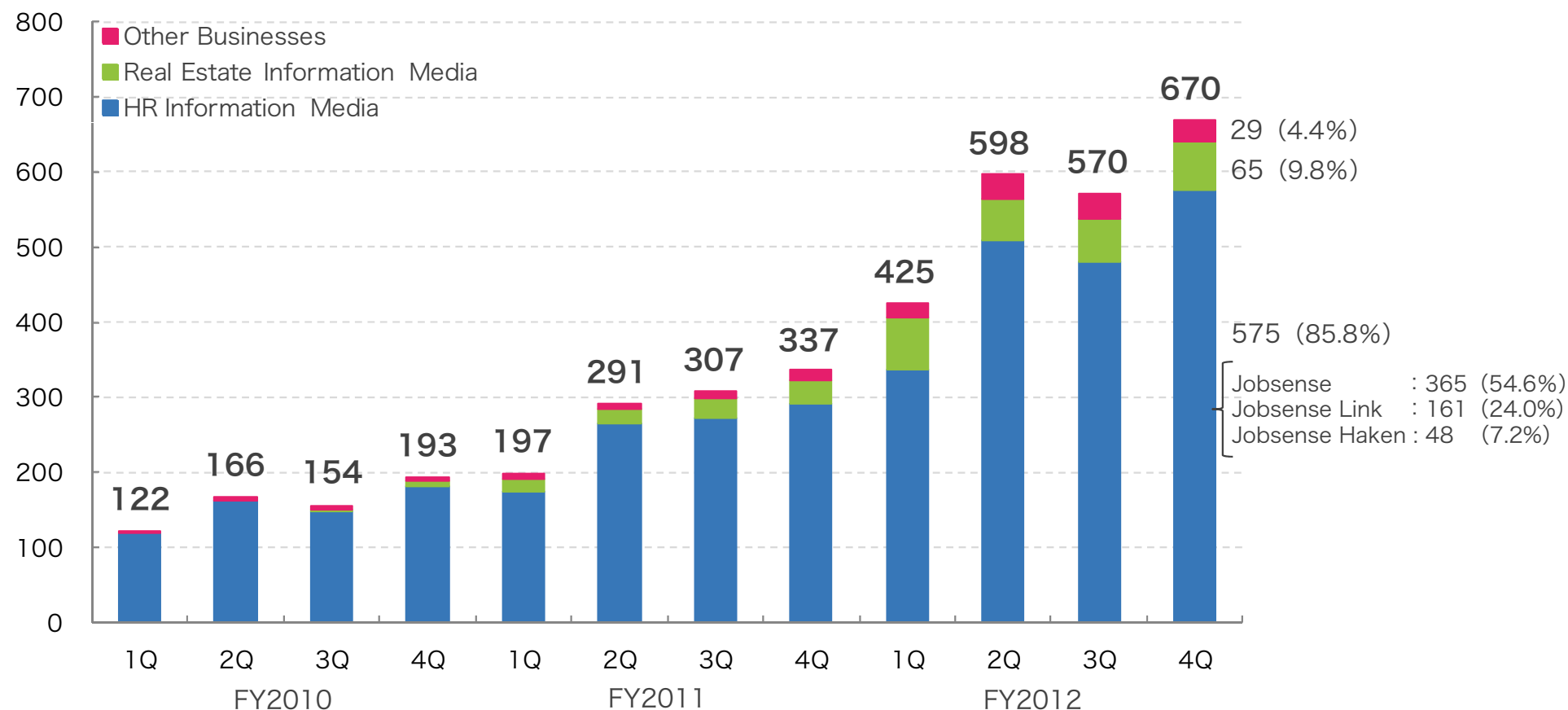
Our real estate information media business now exceeds 10% of net sales, confirming our success in diversifying our business portfolio.



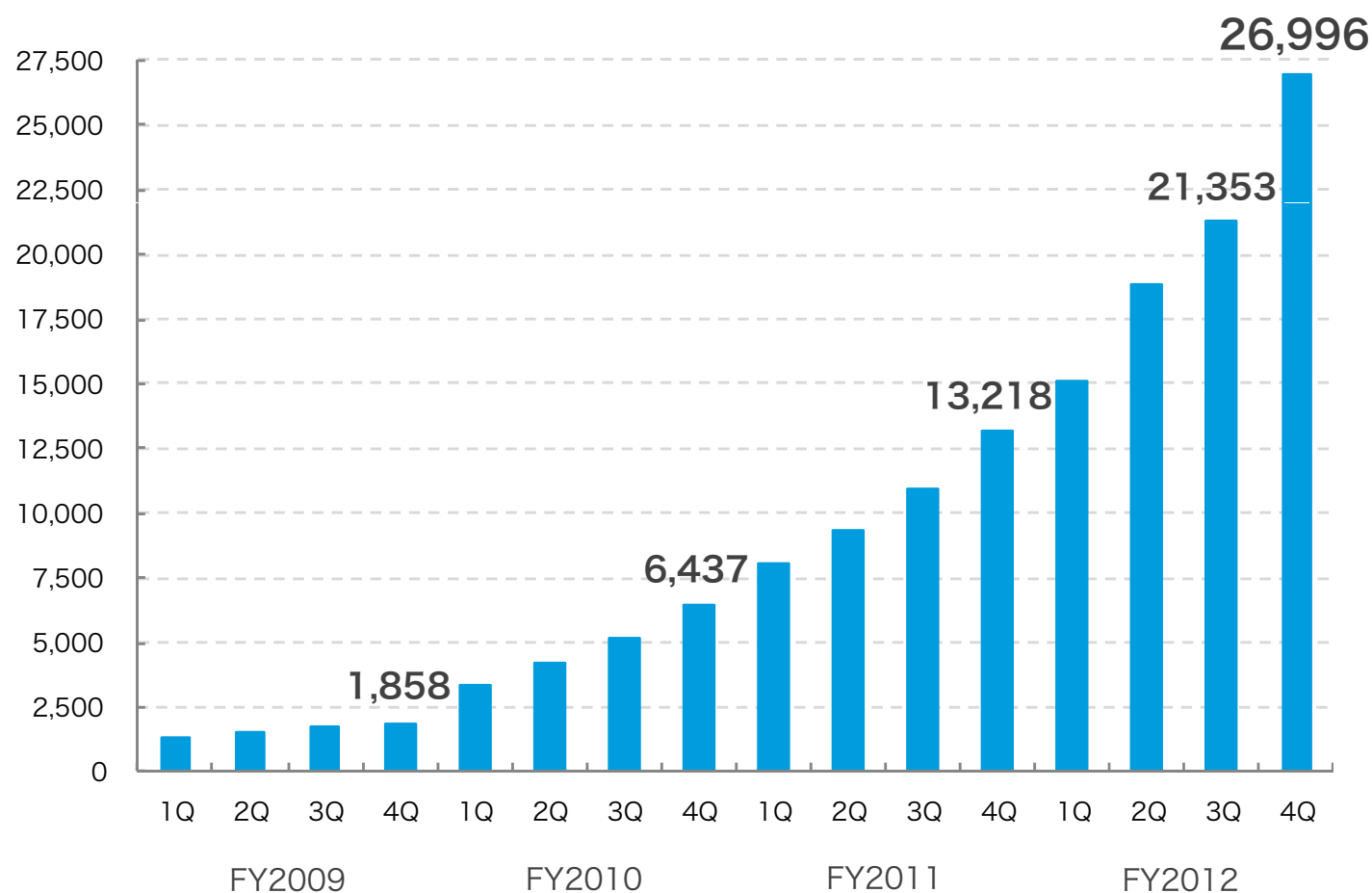
Net sales are steadily increasing due to changes to prices for service provision and the growing number of corporate customers.

(JPY million)

(%): Ratio to net sales



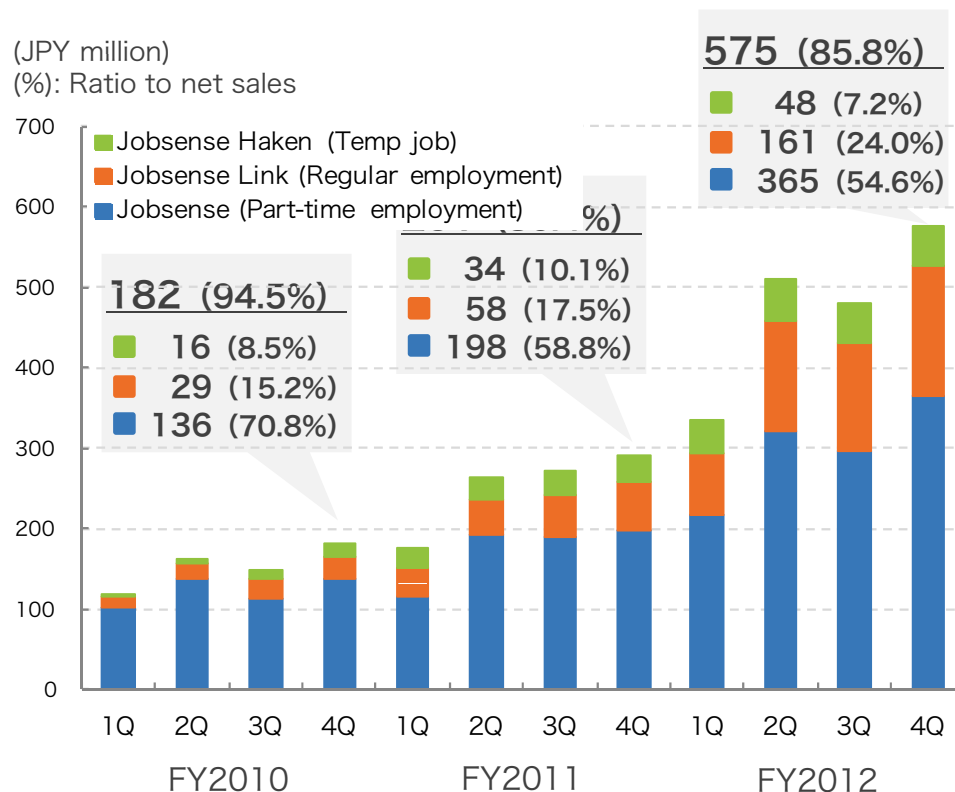
Due to effects of 3Q12 TV commercials and other publicity, the number of companies we provide service to increased dramatically.



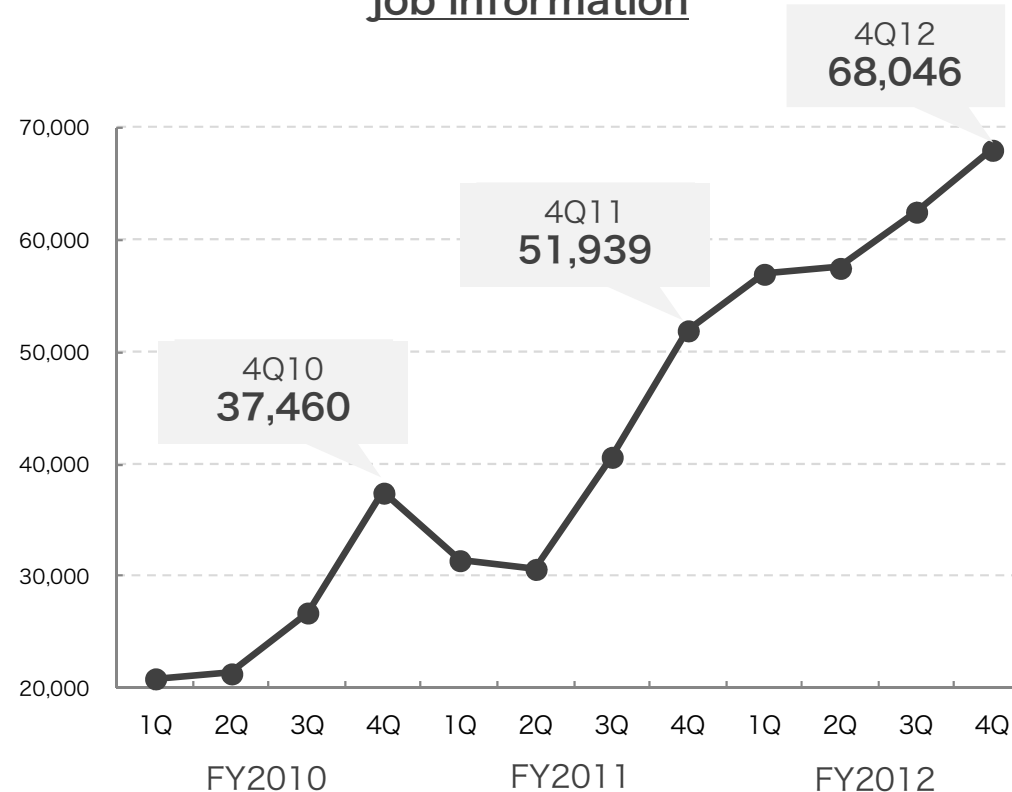
- Sales are steadily increasing due to changes to prices for service provision and the growing number of corporate customers. Sales at our domain for regular employees (Jobsense Link) have increased and now account for about 25% of totals net sales.**

Trends in net sales

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



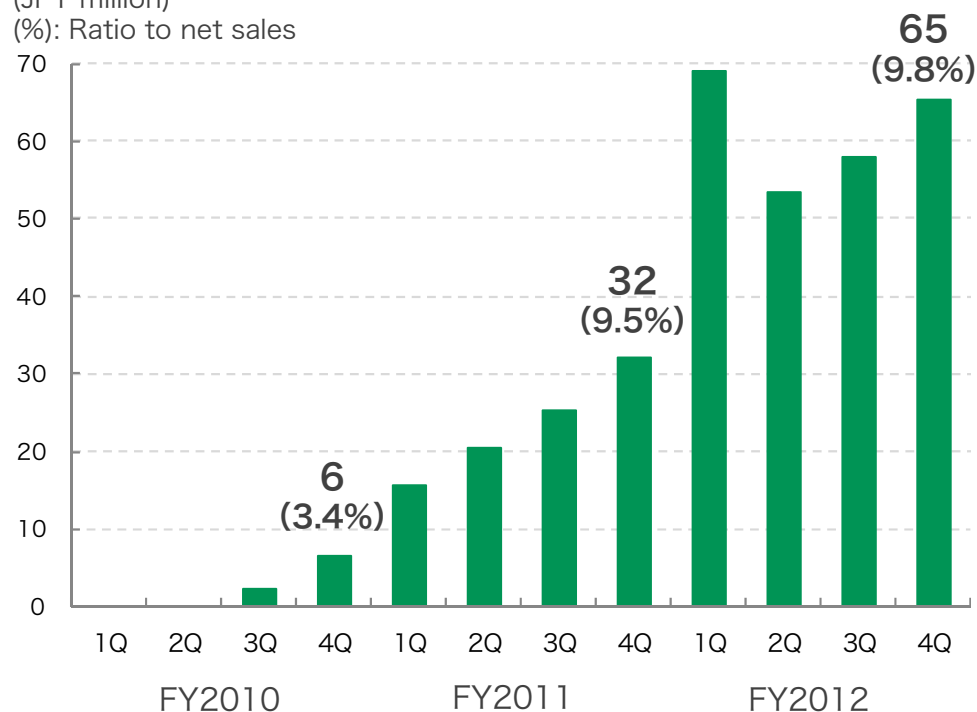
Trends in number of job information



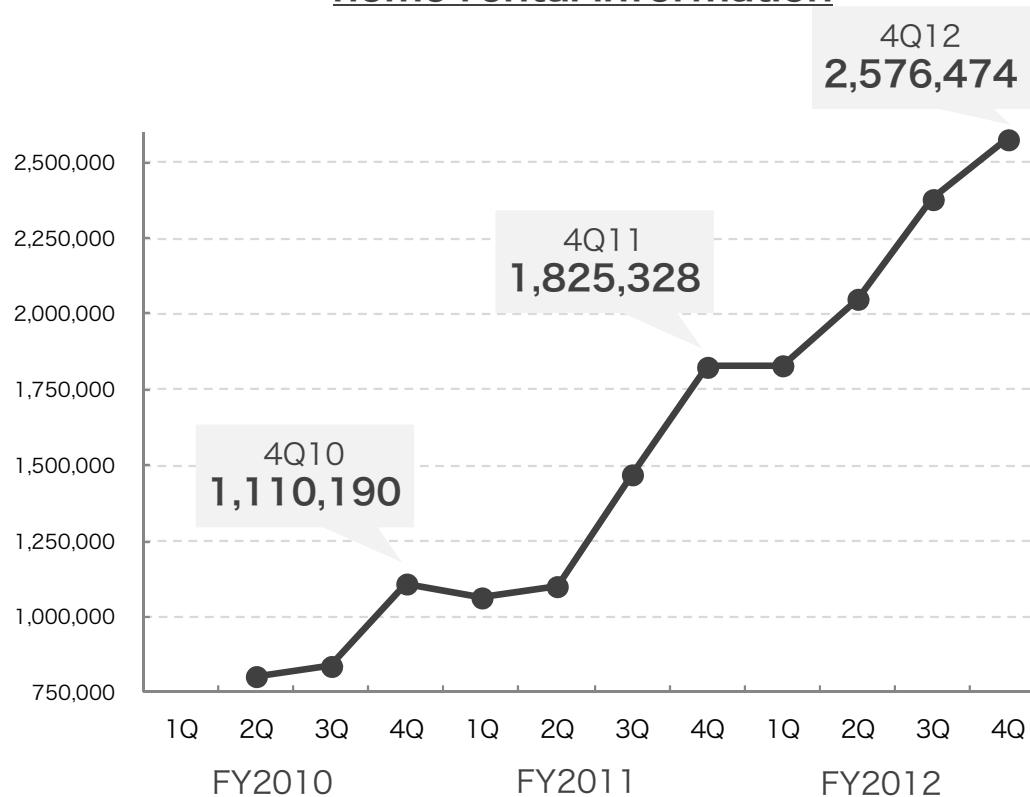
- In the area of listing home rental information, we entered into an alliance with “SUUMO” (effective Dec. 20, 2012). Sales and the number of listings both continued to increase.

Trends in net sales

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

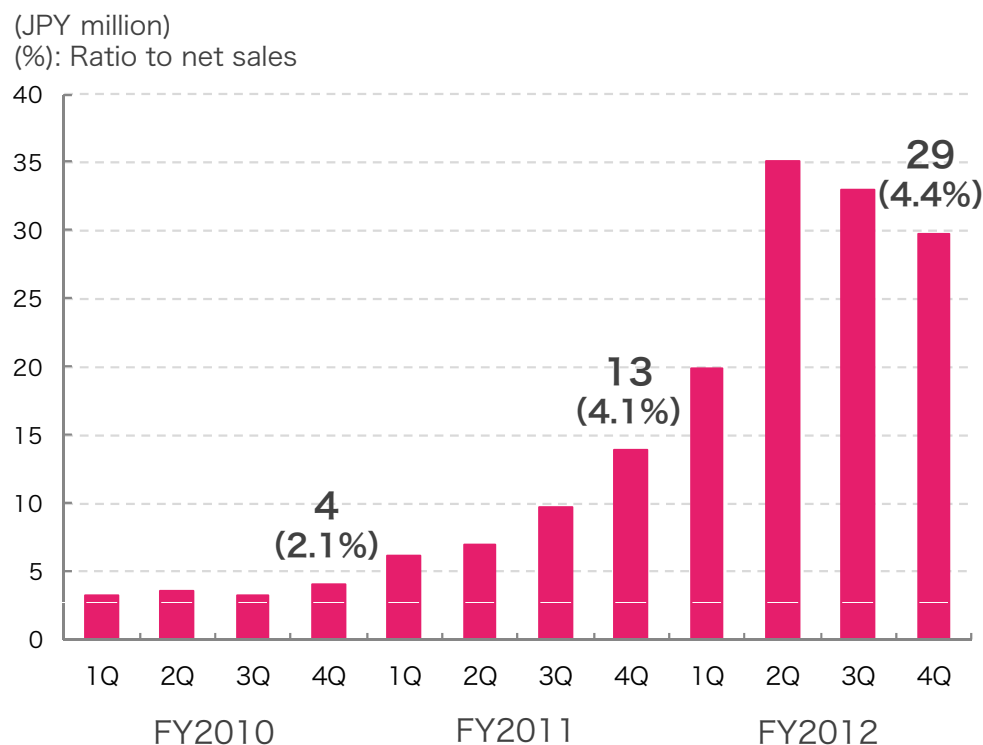


Trends in number of home rental information



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 Dec. 2012>

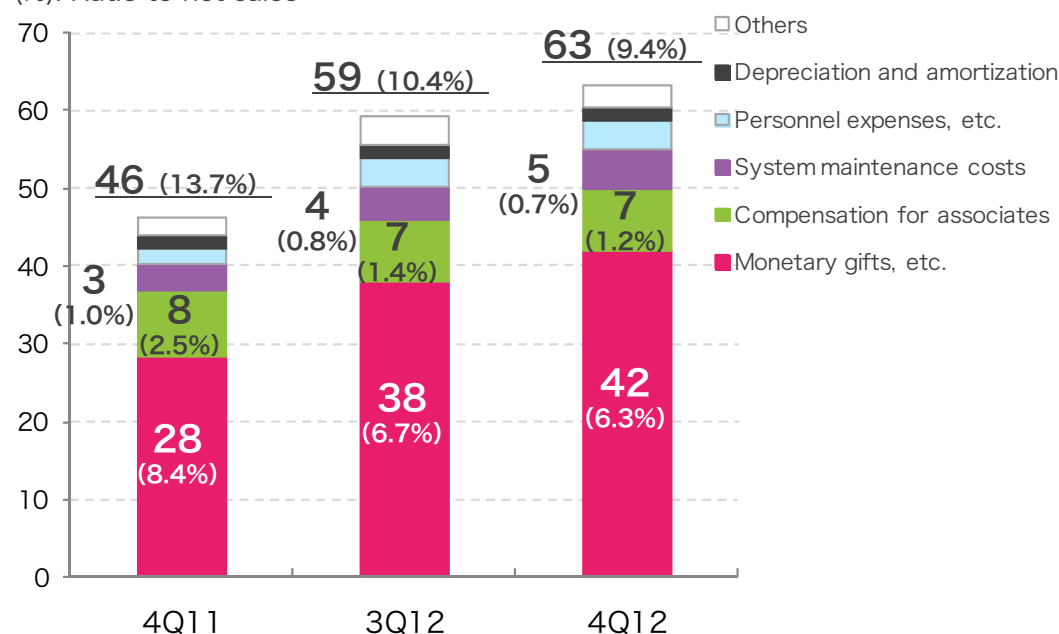
Number of messages posted: about 1,950,000

Number of monthly users: about 1,900,000

Accompanying the expansion of business scale, monetary gifts (cost of sales) and personnel costs (SG&A Expenses) increased.

Trends in sales costs

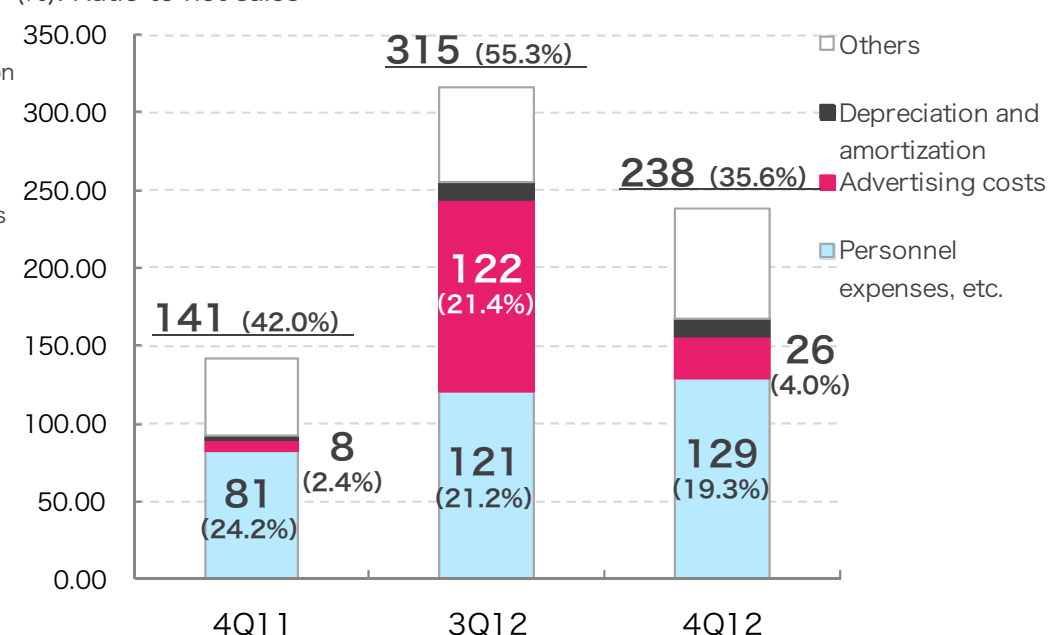
(JPY million)
(%): Ratio to net sales



*Compensation for associates: Costs for outsourcing client introductions

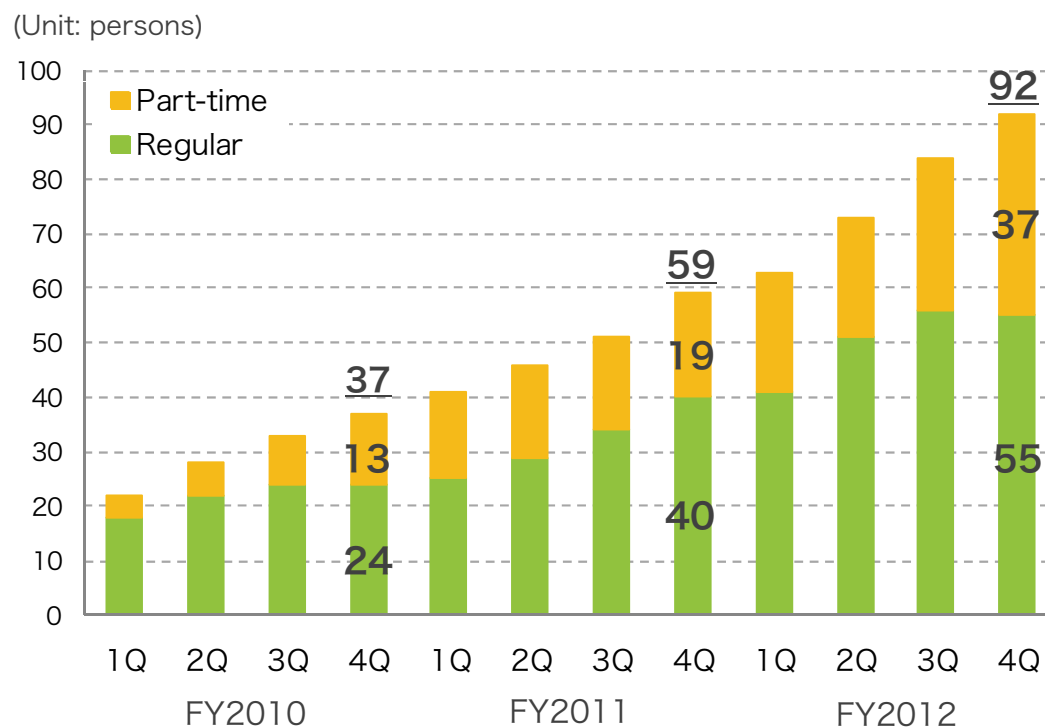
Trends in SG&A expenses

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

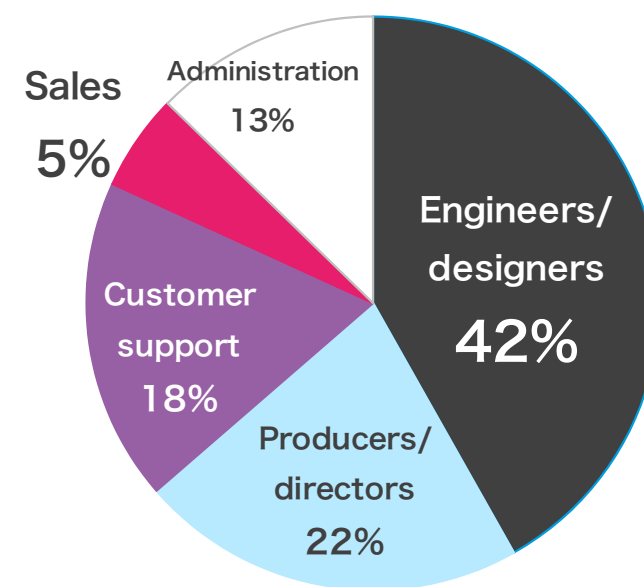


While continuing efficient operations, we are hiring employees commensurate with our business scale. In FY 2012, we added 15 regular employees and 18 part-time staff.

Trends in number of employees



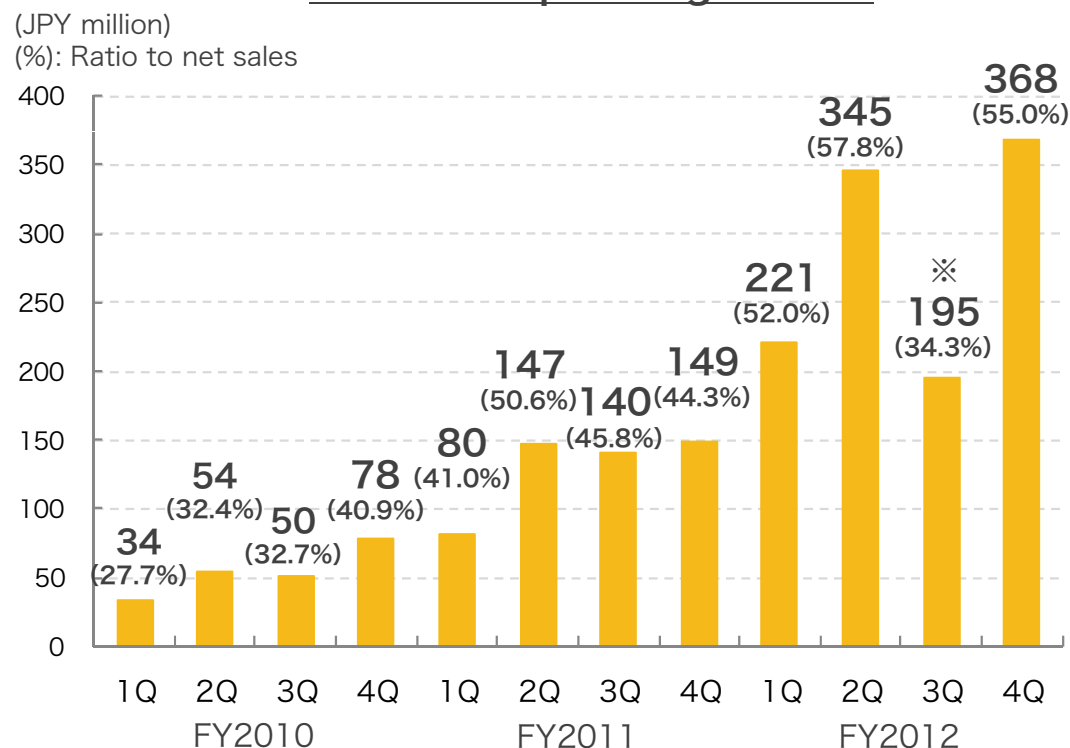
Breakdown of regular employees



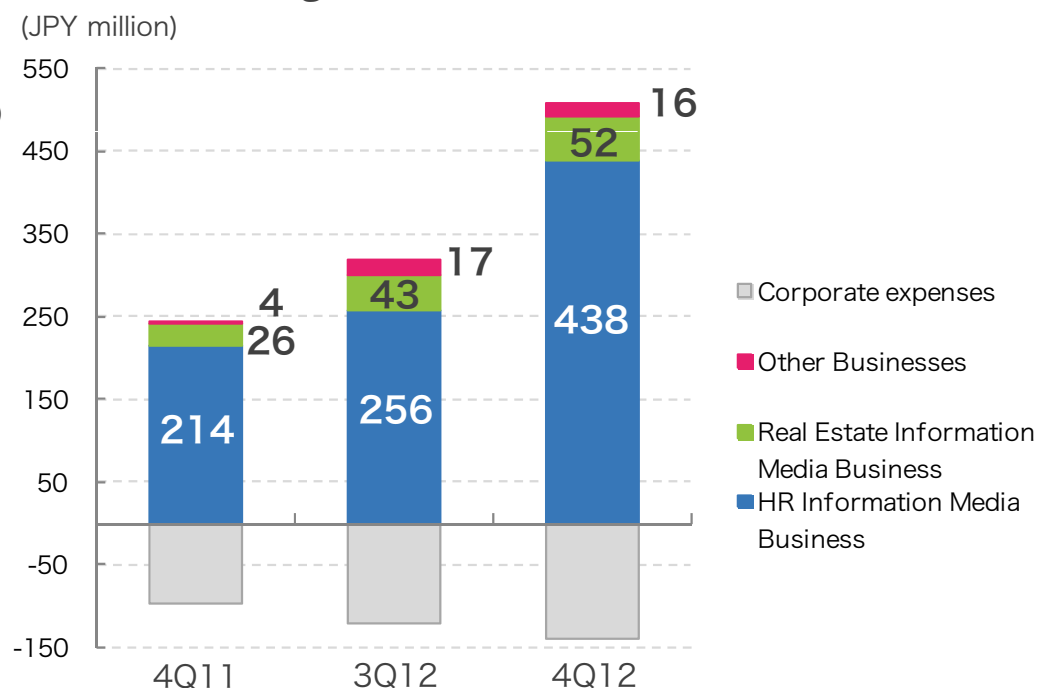
(As of Sep 2012)

Increased net sales absorbed the increased expenses associated with expansion of business scale, enabling operating income margin to progress at a high level.

Trends in operating income



Segment income



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

- ① FY2013 Plan
- ② Key Points Focus Efforts on in FY2013
- ③ Growth Strategy

- We continue to plan share expansion in our existing business areas of HR and real estate.
 - Following on our CGM (Tenshoku Kaigi) venture, we are focusing on the development of new businesses and cultivating them as the next “earning pillars” in the medium to long term.
 - Commensurate with expansion of our business scale, we are hiring staff and strengthening our organization.
- In FY 2013 we are forecasting operating income per employee to be about ¥17 million.

(Thousands of JPY)

	FY2012	FY2013	
	Results	Forecast	YoY
Sales	2,264,042	3,307,333	+46.1%
Operating Income	1,130,844	1,509,804	+33.5%
	49.9%	45.7%	▲ 4.3%
Ordinary Income	1,113,611	1,510,004	+35.6%
	49.2%	45.7%	▲ 3.5%
Net profit	597,846	834,907	+39.7%
	26.4%	25.2%	▲ 1.2%
EPS (JPY)	86.64	121.00	+39.7%

| HR Information Media Business

- Revise service pricing system for better profitability
- We are improving our ability to attract customers through pro-active Web marketing (promotions).
- Take thorough basic measures: Increase usability and matching rate by strengthening site functions and SEO and expanding services

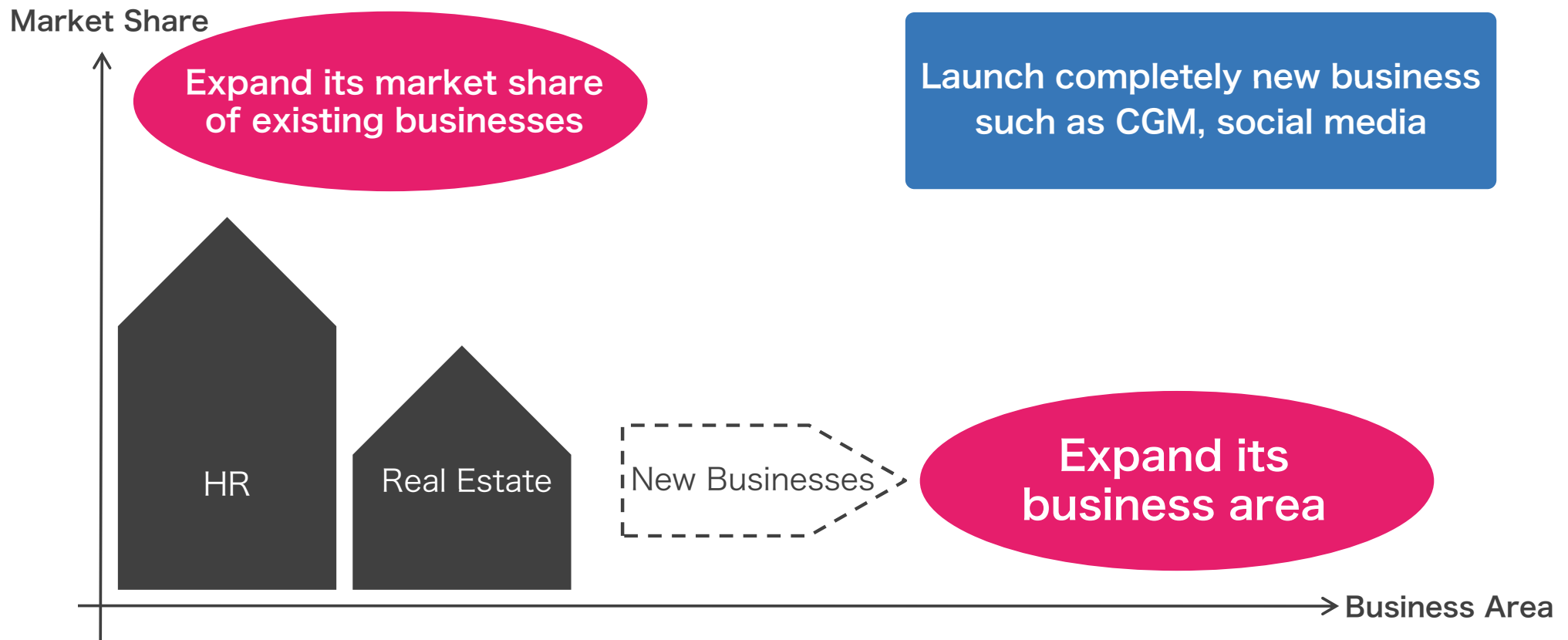
| Real Estate Information Media Business

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

| 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



- 1 About the change in our vision and logo
- 2 About our office move to accommodate expanded business

| On February 8, 2013 (the anniversary of the company founding) we changed the corporate vision and logo. Our goal is to achieve even greater growth.

| The new company vision

- This expresses Livesense's intention to develop new services that will become entrenched as “new common” throughout the world. We will accomplish this through new ways of seeing and doing things.

Invent the next common.

I New corporate logo

- Embracing new concepts, the source of all new business, we will spawn new services that will become new commons. And we are committed to introducing them throughout society, steadily and thoroughly.



Falling drips carve out the rock

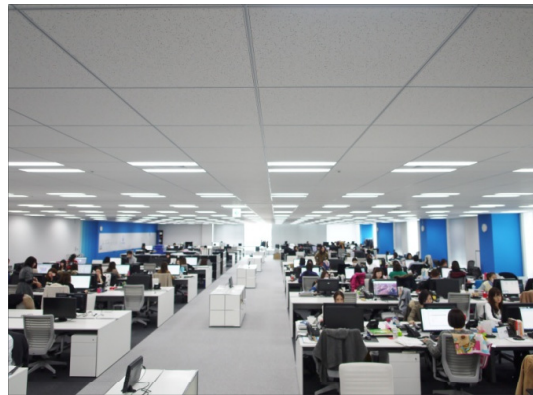
The ancient Japanese proverb says “falling drips carve out the rock,” and those falling drips express Livesense’s daily and thorough efforts. Through them we will permeate society with new services and new ways of thinking and even change the way the world exists.

Question ordinary thinking, and constantly ask yourself questions.

Our new logo combines up and down drips. Flip it over and it’s a question mark. By questioning ordinary thinking, we display the attitude that gives birth to new essentials and spawns new ideas.

| We moved to the new offices in January, 2013

- Office space will double (capacity for approximately 200 employees)



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

4-1. Balance Sheet Statement

(Thousands of JPY)

	FY2011	FY2012	YoY
Current assets	1,229,634	2,002,084	+62.8%
Cash and deposits	1,059,625	1,685,906	+59.1%
Accounts receivable	144,862	272,761	+88.3%
Fixed assets	94,308	216,457	+129.5%
Tangible fixed assets	39,405	25,741	▲34.7%
Intangible fixed assets	5,716	12,803	+124.0%
Investments and other assets	49,186	177,912	+261.7%
Total assets	1,323,943	2,218,541	+67.6%
Current liabilities	270,282	558,598	+106.7%
Accounts payable	23,406	46,395	+98.2%
Income taxes payable	202,423	425,000	+110.0%
Fixed liabilities	-	-	-
Total liabilities	270,282	558,598	+106.7%
Shareholders' equity	1,053,660	1,651,507	+56.7%
Capital	219,930	219,930	-
Capital reserve	204,930	204,930	-
Accumulated earnings	628,800	1,226,647	+95.1%
Stock warrants	-	8,436	-
Total net assets	1,053,660	1,659,943	+57.5%

4-2. Cash Flow Statement

(Thousands of JPY)

	FY2011	FY2012	YoY
Cash flows from operating activities	432,152	791,379	+83.1%
Depreciation and amortization	15,912	33,212	+108.7%
Increase (decrease) in allowance for doubtful accounts	58	2,261	+3798.3%
Head office relocation expenses	-	4,028	-
Decrease (increase) in notes and accounts receivable	(60,910)	(128,048)	+110.2%
Increase (decrease) in accounts payable	10,518	15,805	+50.3%
Increase (decrease) in accrued consumption taxes	17,381	28,003	+61.1%
Income taxes paid	(78,775)	(324,667)	+312.1%
Cash flows from investing activities	(54,558)	(143,168)	+162.4%
Payments for purchase of tangible fixed assets	(29,809)	(11,292)	(62.1%)
Payments for purchase of intangible fixed assets	(1,386)	(8,696)	+527.4%
Payments of lease and guarantee deposits pledged	(20,782)	(126,139)	+507.0%
Cash flows from financing activities	400,717	(21,929)	(105.5%)
Proceeds from issuance of common stock	409,860	-	-
Payments for issuance of common stock	(4,773)	(450)	(90.6%)
Payment of public offering expenses	(4,369)	(1,430)	(67.3%)
Payment of listing expenses	-	(20,048)	-

4–3. Record of Recent Major Publicity Events

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)
2012.12.24	Magazine PRESIDENT (Jan. 14, 2013 issue)
2012.12.20	Nihon Keizai Shimbun morning edition
2012.12.18	AERA Dec. 24 edition
2012.12.13	Cambria palace (TV Tokyo)
2012.12.08	Nihon Keizai Shimbun morning edition
2012.12.05	Depth of News (Asahi Newster)
2012.11.29	Nikkei Top Leader Dec. edition
2012.11.28	Markets sunset (Radio NIKKEI)
2012.11.27	NEWS ZERO (Nippon Television)
2012.11.25	Gacchiri Monday (TBS)
2012.11.21	Nikkei Money Jan. edition
2012.11.13	Shukan Toyo Keizai Nov. 17 issue
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	Yonpachi 48 hours (TOKYO FM)
2012.10.23	Magazine Shukan ASCII Nov. 6 issue (on sale Oct. 23)
2012.10.21	Nikkei Money Apr. edition
2012.10.21	Sunday Scope Business (BS-TBS)
2012.10.15	TOKYO MORNING RADIO (broadcast Oct. 15-18) (FM J-WAVE)
2012.10.15	Nikkei Business Oct. 15 issue "Interview with the Editor-in-Chief"
2012.10.14	Leader & Innovation Kenja no Sentaku (BS-11)
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	Back up (Fuji TV)

4-4. Company Profile (As of Dec. 31, 2012)

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	<div>Managing Director Daisuke Katsura</div> <div> Yuichi Iwasaki</div> <div>Statutory Auditors Junichi Ehara</div> <div> Misao Akutsu</div> <div> Mitsuru Ozaki</div>
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 : 55, Part-time : 37
Fiscal Term	December
Date listed	October 1, 2012 (TSE 1st Section) December 7, 2011 (TSE Mothers)
Auditing Firm	Deloitte Touche Tohmatsu LLC

※ The address after relocation in January, 2013

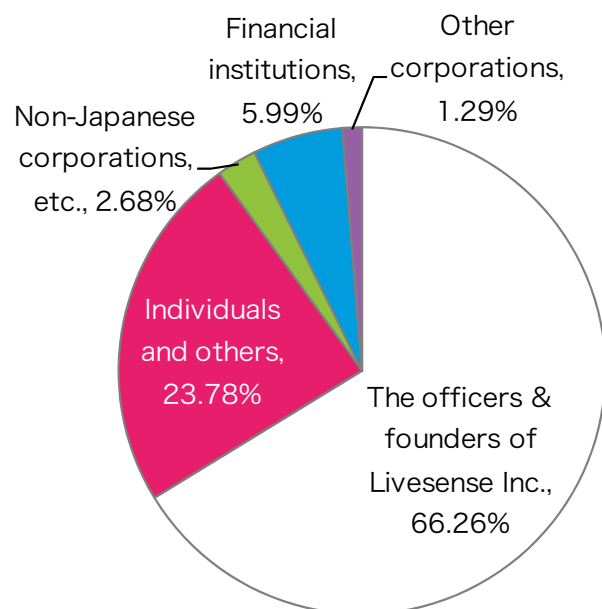
- Trends in our stock price

- Lowest listed price : JPY 894 (Dec. 7, 2011) ※
- Highest listed price : JPY 5,030 (Sep. 27, 2012)
- Monthly average volume
 - : 130,555 stock/day
 - : 463 million yen/day

※ It takes stock split (1:2) into consideration.



- Issued shares : 6,900,000
- Shareholders : 4,751
- % of Shares by category



- Major Shareholders

Name	Shares owned	%
Taichi Murakami /President and Representative Director	3,695,000	53.55
Daisuke Katsura /Directors	674,500	9.77
Kentaro Yoshida /Employee	160,000	2.31
Japan Trustee Services Bank, Ltd. : Trust Account	99,200	1.43
The Master Trust Bank of Japan, Ltd. : Trust Account	74,100	1.07
MASUOKA Hideki Office Co., Ltd.	61,100	0.88
Yuichi Yamada/Individual investor	30,600	0.44
Kazuoki Toba/Individual investor	30,200	0.43
Credit Suisse Securities (Europe) Limited main account	28,715	0.41
MSIP CLIENT SECURITIES	26,000	0.37



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.