



**LIVENSENSE**

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## **Presentation Material for New Investors**

March. 2013 Livesense Inc. (TSE: 6054)

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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</div> <div>Statutory Auditors</div> <div>                     Daisuke Katsura                      Yuichi Iwasaki                      Junichi Ehara                      Misao Akutsu                      Mitsuru Ozaki                 </div>
Capital	JPY 219 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	January - 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

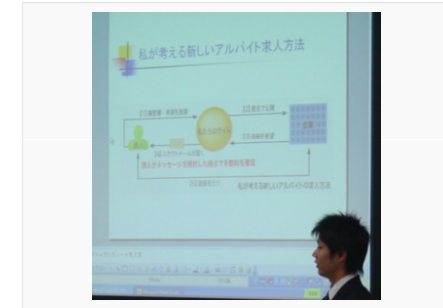
### | Listed on TSE Mothers (Dec. 7, 2011) Moved to TSE Section 1 (Oct. 1, 2012)

Taichi Murakami became the youngest President of a listed company in history (age 25)



### | 2005 (Taichi Murakami: Age 18/university freshman)

- Took the Entrepreneur Training Course at Waseda University.
- Winner of the Business Plan Contest.
- Internships at Daiwa Institute of Research and Internet-related ventures.



The Business Plan Contest

### | 2006 Established Livesense Inc.

- Two of the four founding members were engineers.



Livesense office at Waseda University

| 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 Corporate Vision

- This expresses Livesense's intention to develop new services that will become established as "the next 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 the next common. And we are committed to introducing these next common phenomena throughout society, steadily and thoroughly.



#### **Falling drops carve the rock**

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

#### **Question ordinary thinking, and constantly ask yourself questions.**

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



# We manage Internet media with an Affiliate System in the business areas of HR and real estate.



**Business Model by  
Affiliate System**



**Other New  
Media**

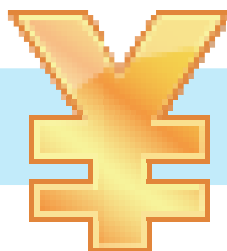


### | Business Model by Affiliate System

Client  
Companies



Publishing charge system



Affiliate system

FREE

Information listing



#### Job Information

職種	ホールスタッフ
勤務地	渋谷
給与	時給1,000円～
勤務時間	11:00～16:00 18:00～23:00

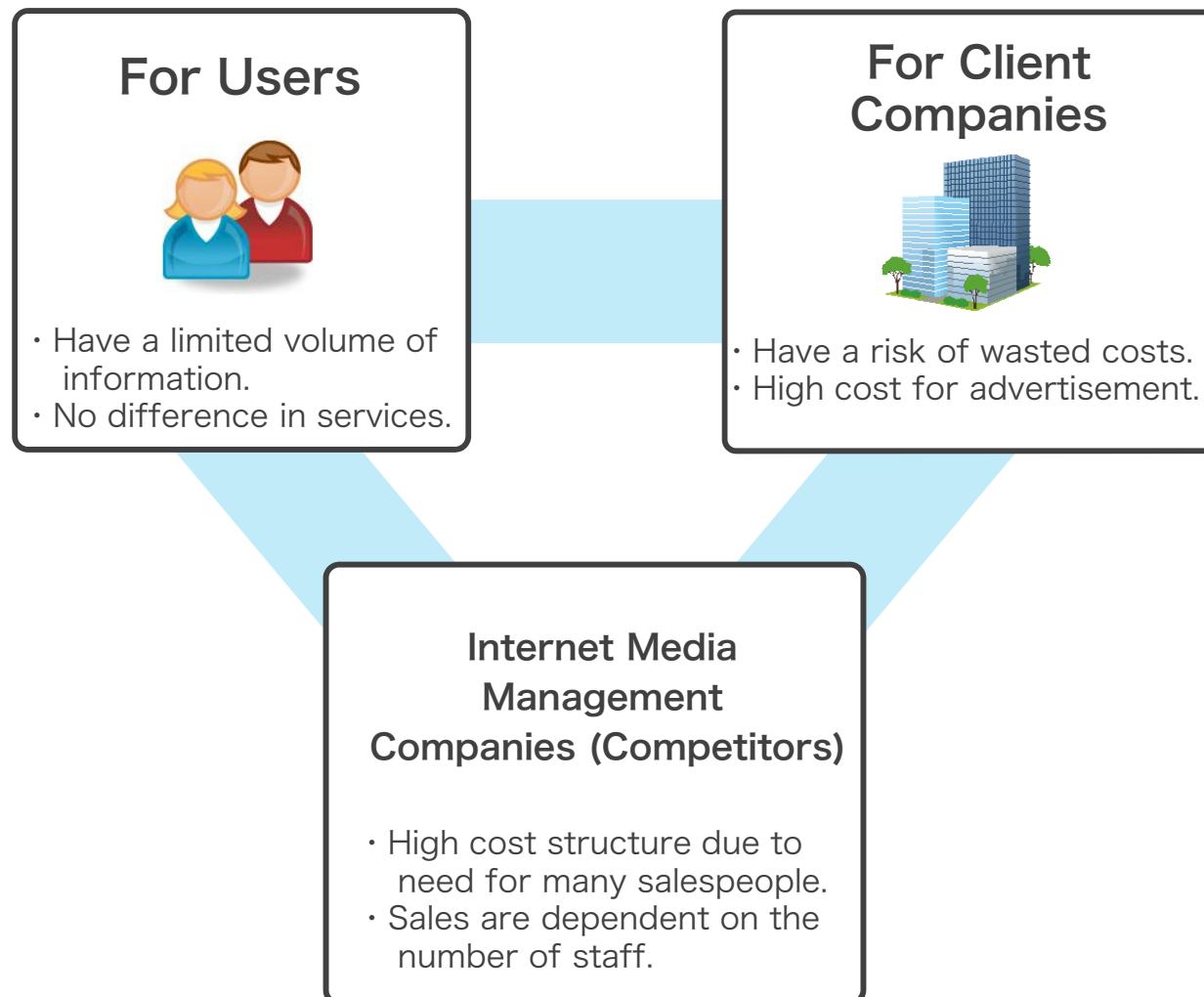
休日・休暇	
資格	
事業内容	
応募	

#### Rental House Information

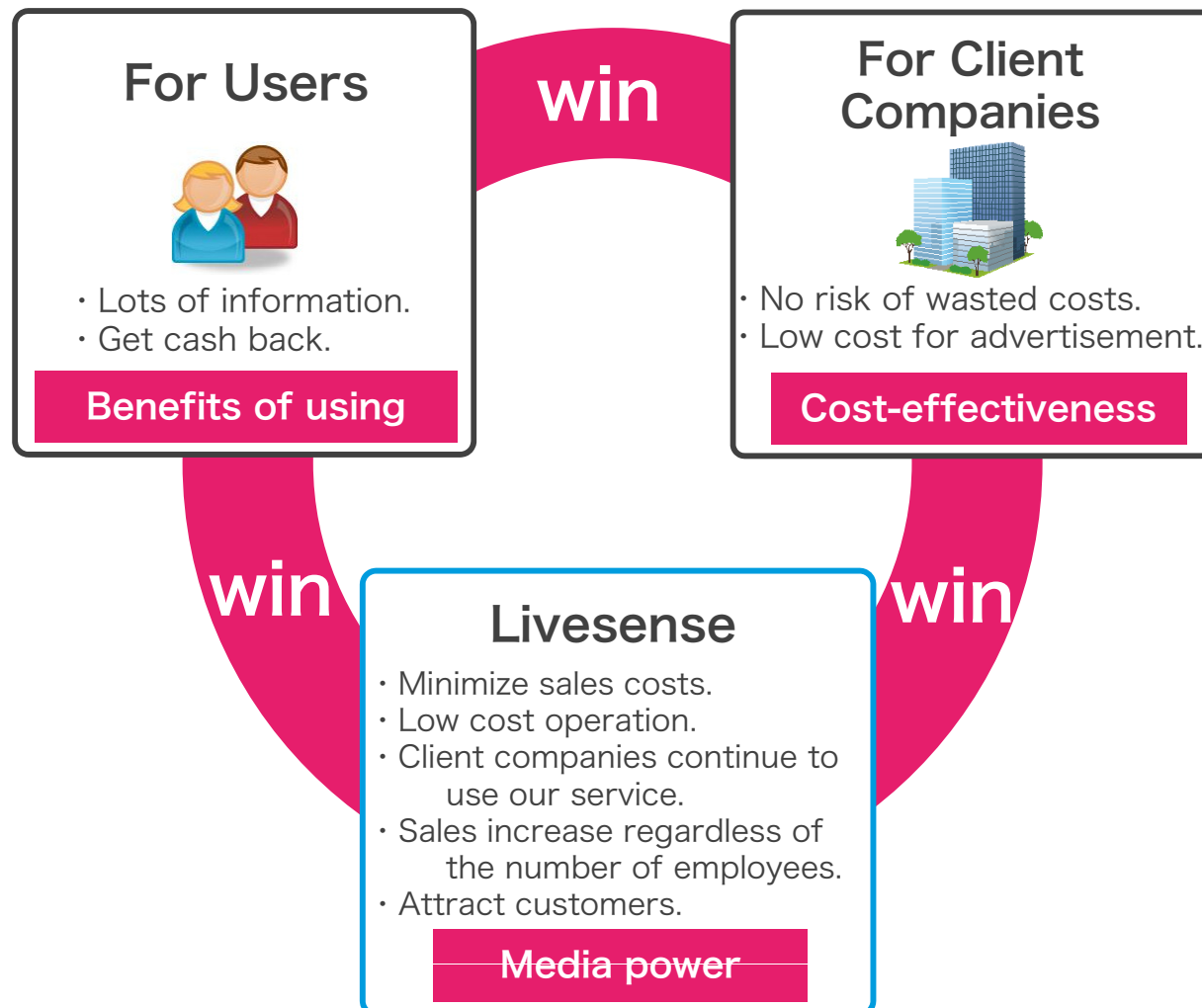
賃料	10.0万円
敷金/礼金	1ヵ月/1ヵ月
所在地	目黒
交通	JR山手線・東京メトロ南北線・都営地下鉄三田線目黒駅徒歩3分
築年数	7年(2006年3月)
専有面積	23.55㎡
間取り	1K、南向き
問い合わせ	問い合わせフォームよりご連絡



### | Disadvantages of the traditional business model (publishing charge system)



### | Our business model (affiliate system) creates a virtuous cycle



The virtuous circle model

| **Business Model by Affiliate System**



Our strengths

| **Web Marketing Technique**

| **Service Development Technology**



Our characteristic

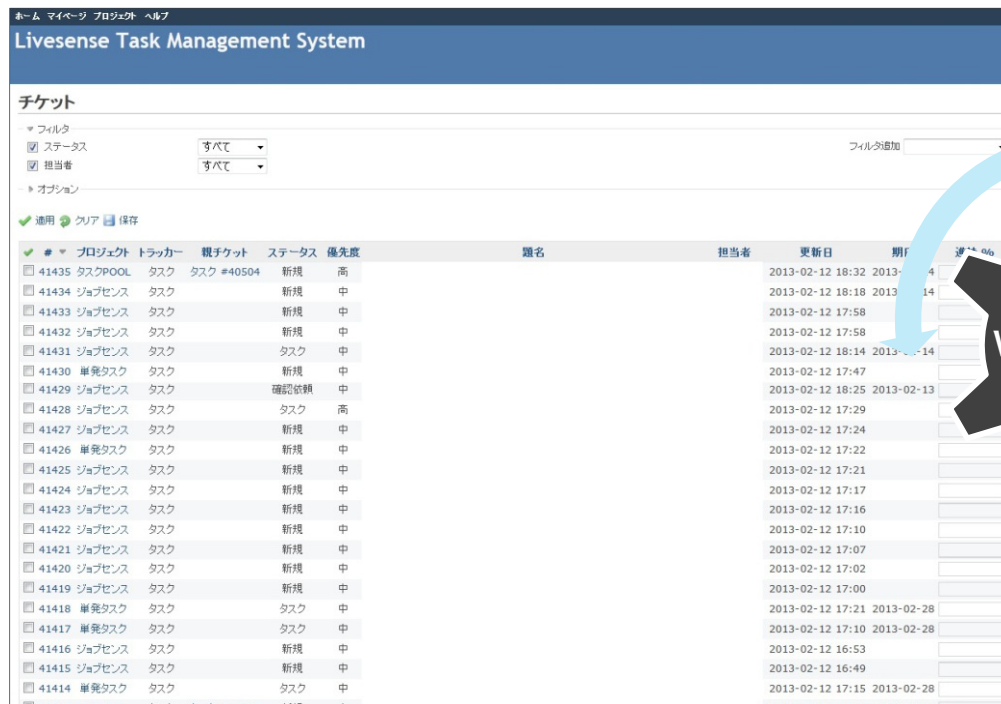
| **Efficient Business Management Structure**

## Web marketing technique to provide high drawing power

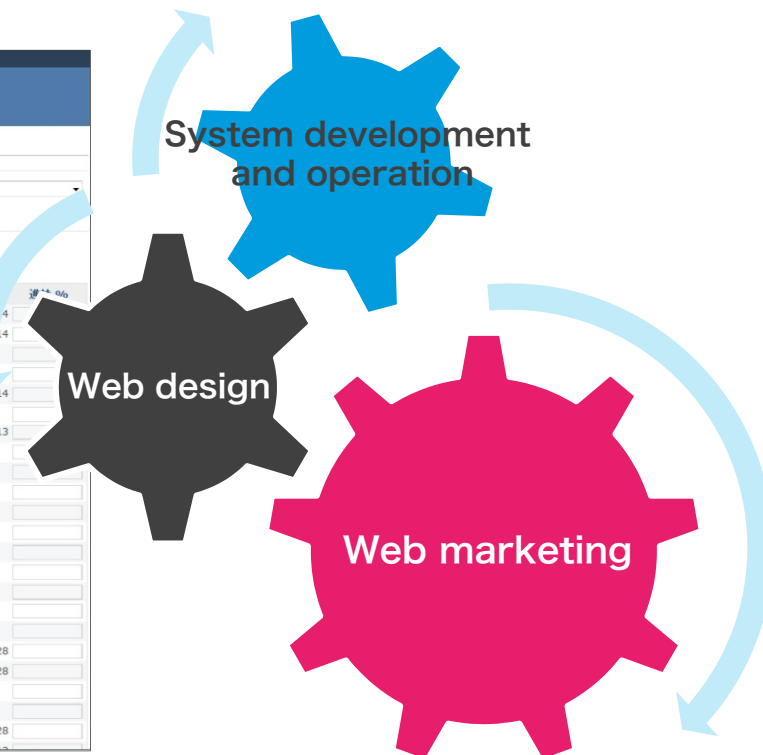


Ex.) “JOBSENSE” is displayed on the top if you search for words related to some part-time jobs, thanks to Search Engine Optimization.

**I Develop our services completely in-house, then focus on exacting site improvements and new service development.**



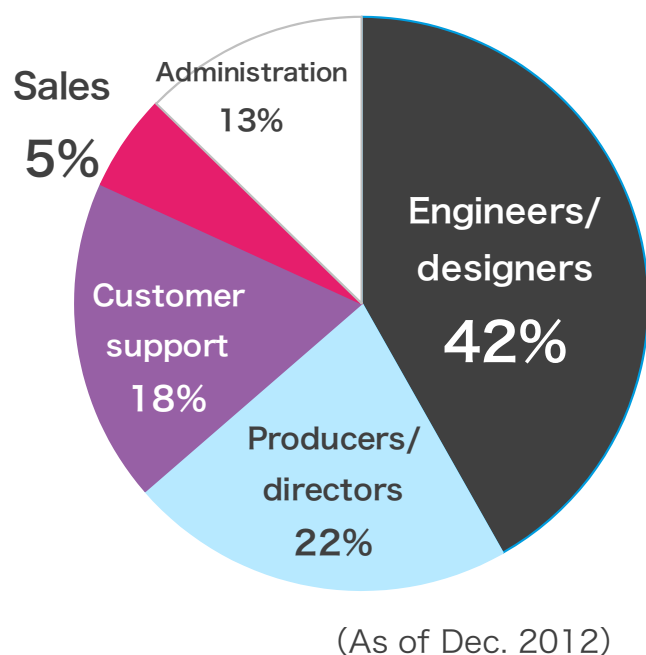
プロジェクト	トラッカー	親チケット	ステータス	優先度	題名	担当者	更新日	期日
41435	タスクPOOL	タスク #40504	新規	高			2013-02-12 18:32	2013-02-14
41434	ジョブセンス	タスク	新規	中			2013-02-12 18:18	2013-02-14
41433	ジョブセンス	タスク	新規	中			2013-02-12 17:58	
41432	ジョブセンス	タスク	新規	中			2013-02-12 17:58	
41431	ジョブセンス	タスク	新規	中			2013-02-12 18:14	2013-02-14
41430	単発タスク	タスク	新規	中			2013-02-12 17:47	
41429	ジョブセンス	タスク	確認依頼	中			2013-02-12 18:25	2013-02-13
41428	ジョブセンス	タスク	タスク	高			2013-02-12 17:29	
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41426	単発タスク	タスク	新規	中			2013-02-12 17:22	
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41424	ジョブセンス	タスク	新規	中			2013-02-12 17:17	
41423	ジョブセンス	タスク	新規	中			2013-02-12 17:16	
41422	ジョブセンス	タスク	新規	中			2013-02-12 17:10	
41421	ジョブセンス	タスク	新規	中			2013-02-12 17:07	
41420	ジョブセンス	タスク	新規	中			2013-02-12 17:02	
41419	ジョブセンス	タスク	新規	中			2013-02-12 17:00	
41418	単発タスク	タスク	タスク	中			2013-02-12 17:21	2013-02-28
41417	単発タスク	タスク	タスク	中			2013-02-12 17:10	2013-02-28
41416	ジョブセンス	タスク	新規	中			2013-02-12 16:53	
41415	ジョブセンス	タスク	新規	中			2013-02-12 16:49	
41414	単発タスク	タスク	タスク	中			2013-02-12 17:15	2013-02-28



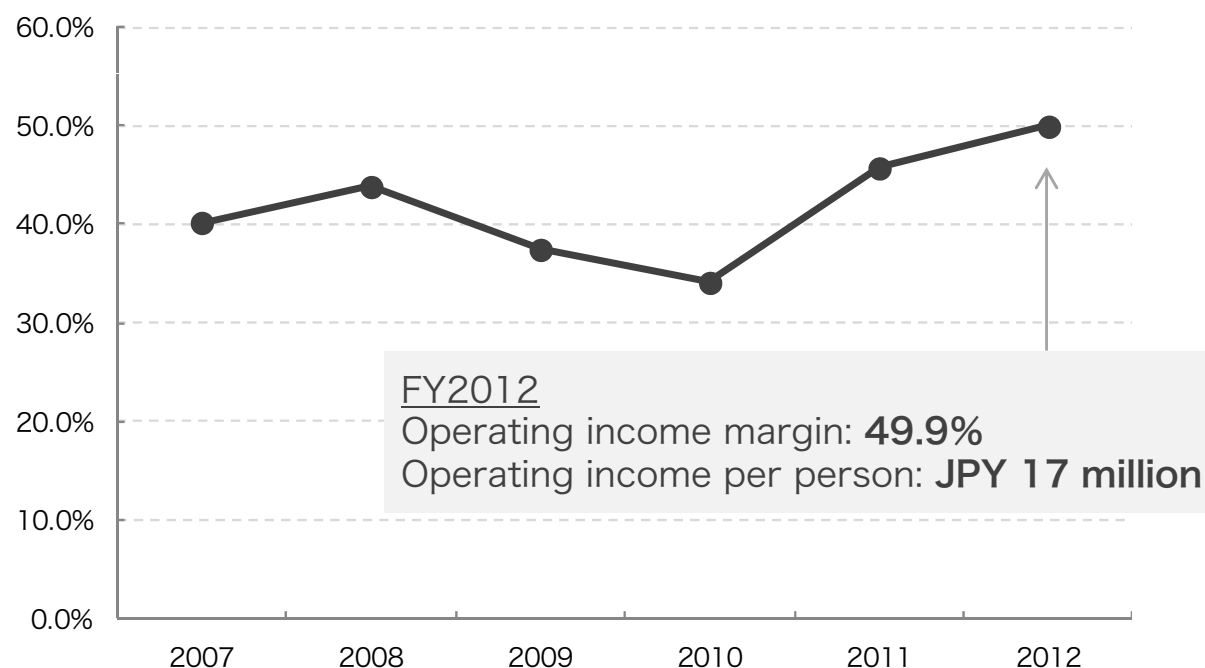
**Ex.) Our project management structure integrates system development and operation, web design and web marketing. Our task management system has more than 40,000 historical cases of service developments and improvements.**

**High profitability due to our business model, high drawing power and in-house development style.**

Breakdown of regular employees

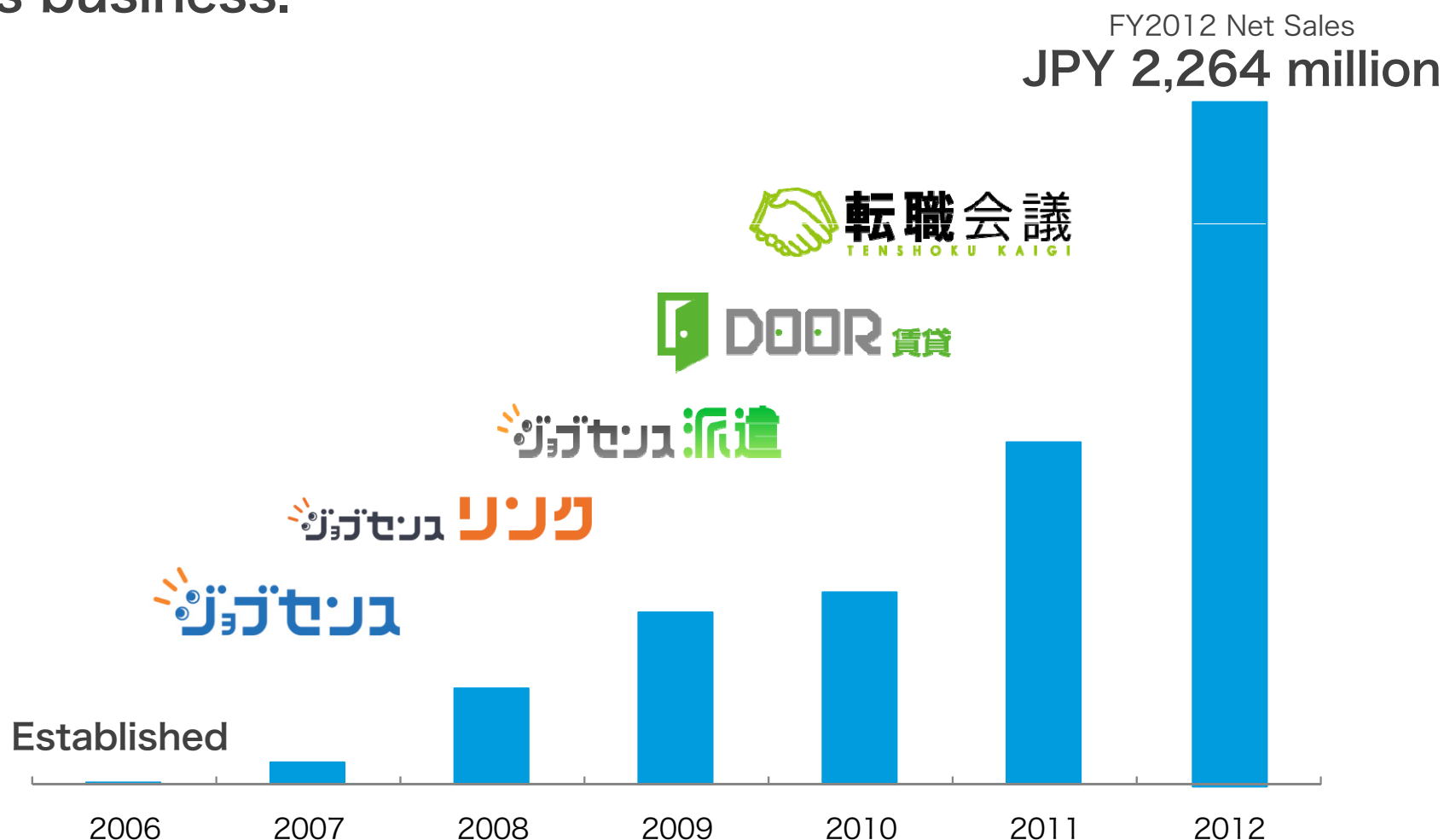


Operating income margin trend

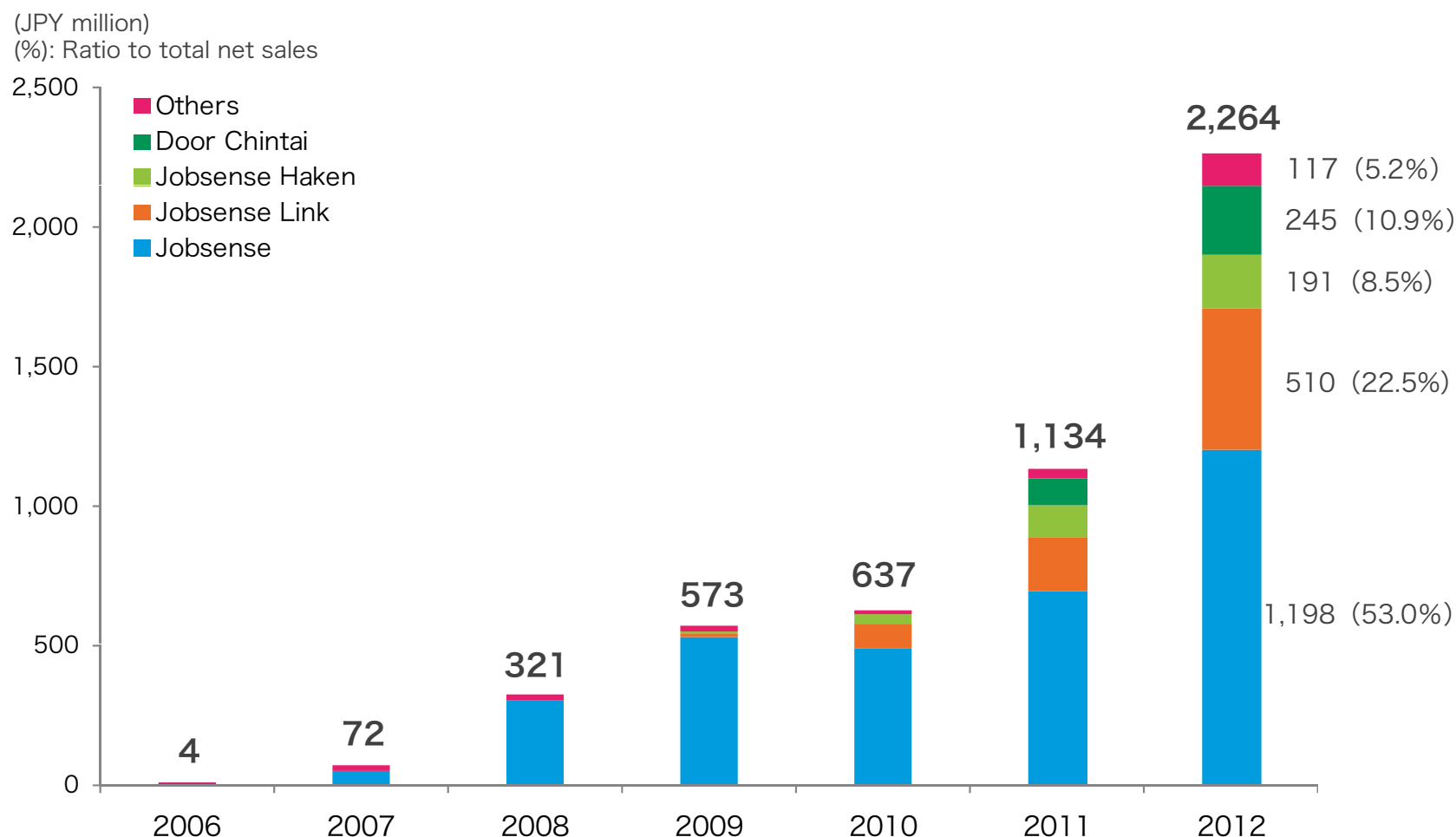




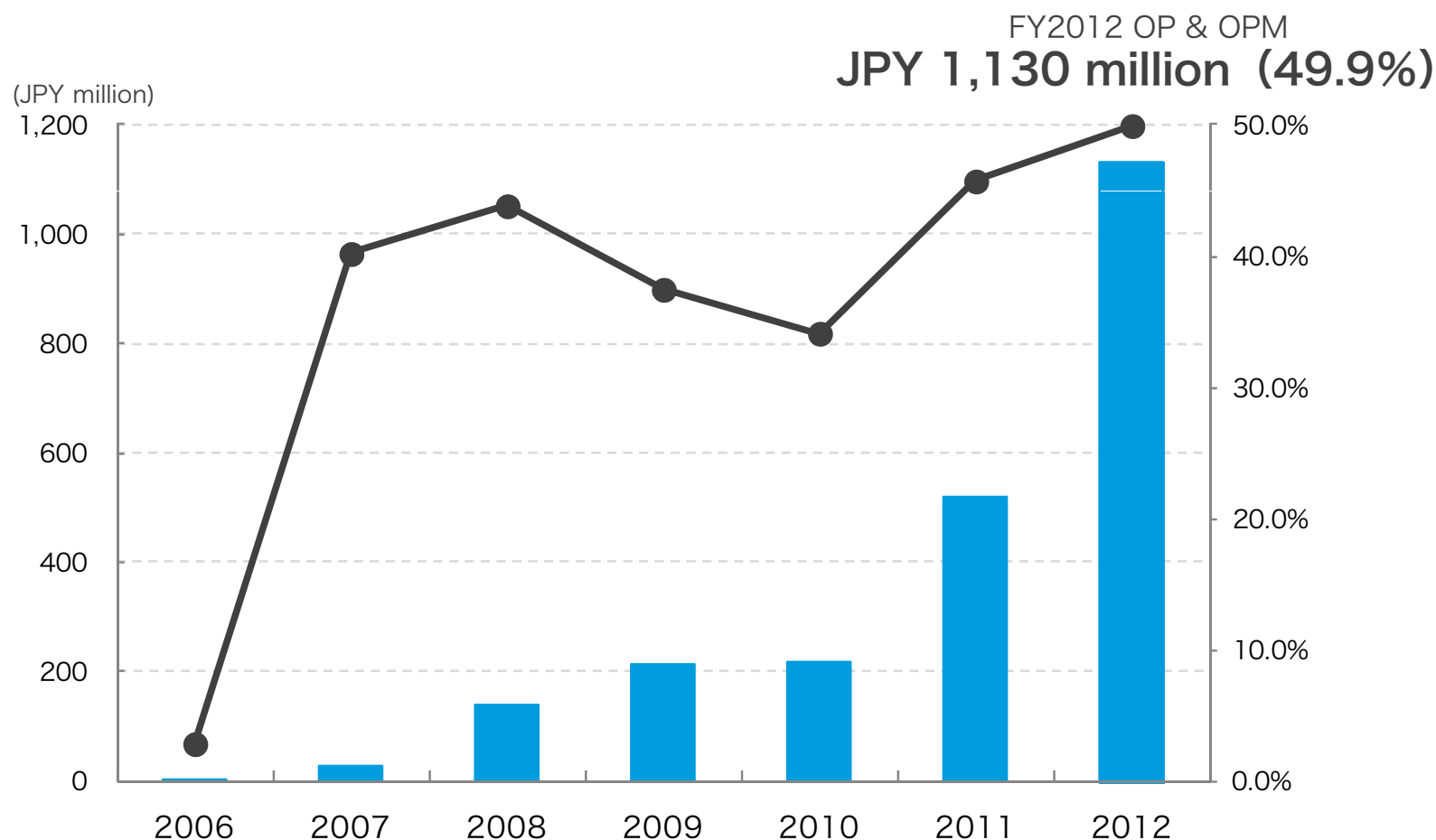
- Since its establishment, Livesense has steadily continued to develop services and expand the scale of its business.



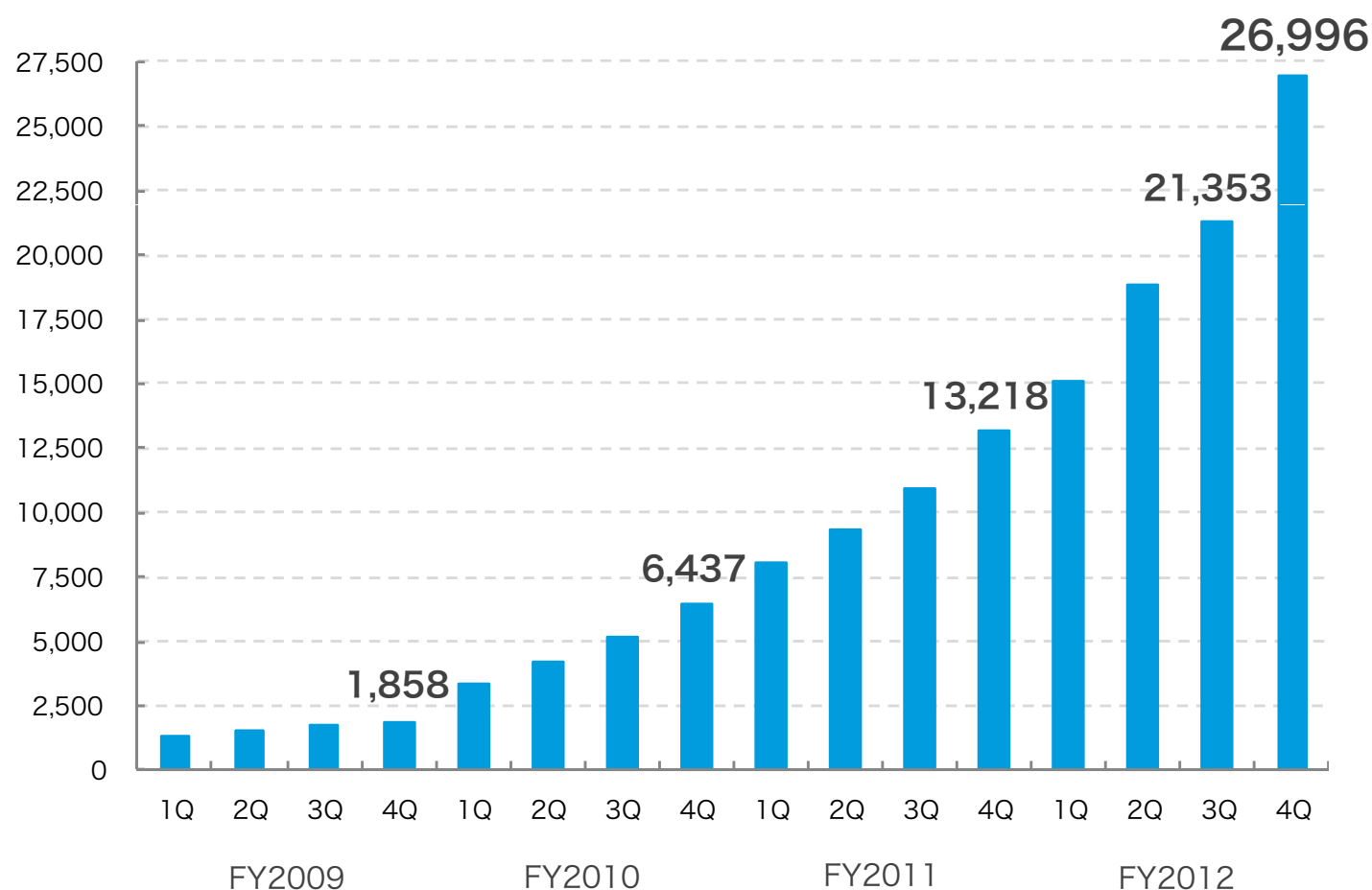
**Services other than Jobsense are also enjoying strong sales growth. Our business portfolio is gradually decentralizing.**



- Operating income has grown strongly since the year after company establishment.
- OP margin has stayed at a high level of around 40%.



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



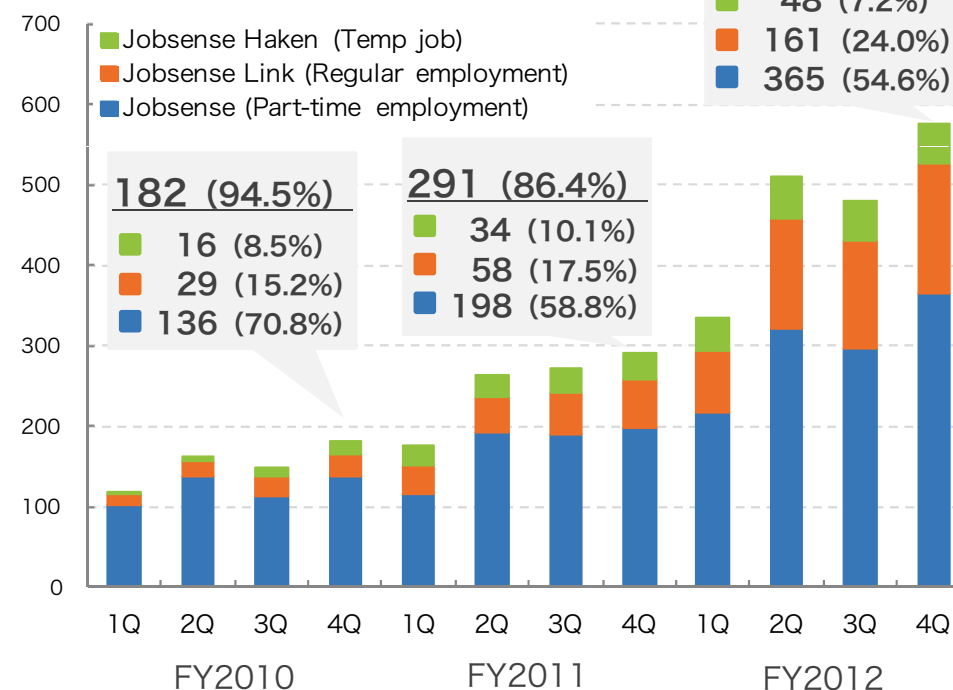
Through increased profitability and effective promotions, we aim to run the HR sites that lead to the most hires



### Net sales

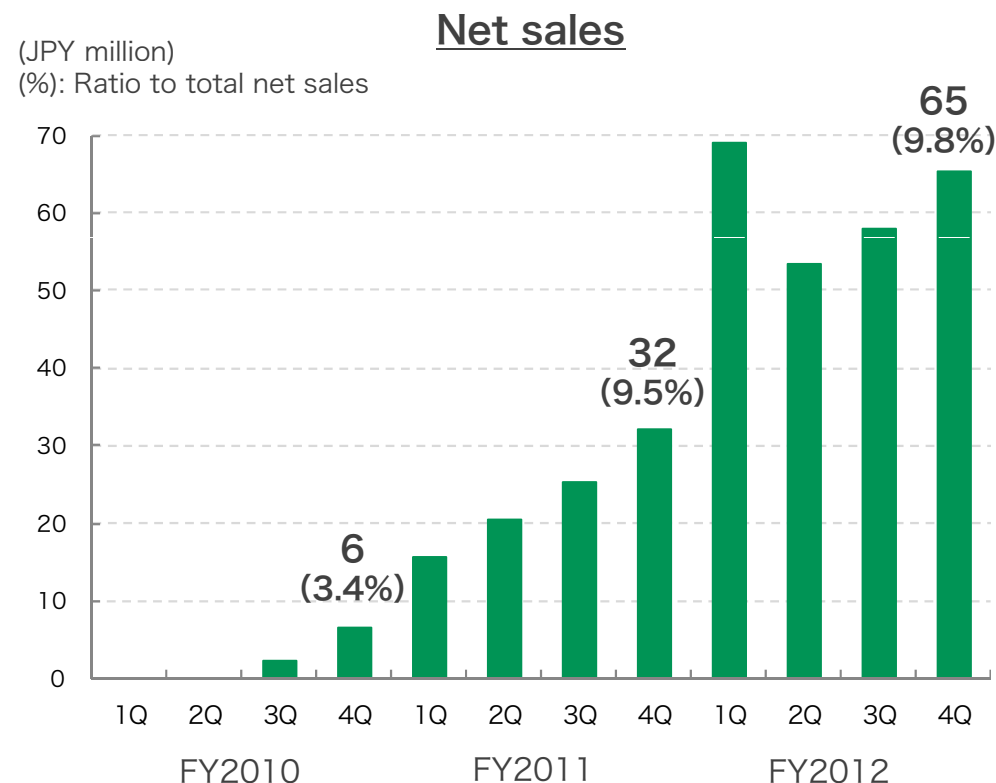
(JPY million)

(%): Ratio to total net sales



We operate three HR sites: Jobsense for part-time employment, Jobsense Link for full-time employment and Jobsense Haken for temporary employment. As the number of companies using these services increases, the number of job information postings is steadily rising

- This business was profitable just one year after its launch in 2010, and by expanding steadily it is growing into a second “earning pillar”



We operate the real estate rental information site DOOR CHINTAI. We have successful business partnerships with Recruit Sumai Company, Ltd. (operator of the service SUUMO) and Next Co., Ltd. (operator of the service HOME'S), which are helping increase the number of real estate listings



**I We are putting our effort into new business areas like career change discussion site Tenshoku Kaigi to turn them into our next “earning pillar”**



Tenshoku Kaigi is our first consumer generated media (CGM). We are growing it into one of the industry's largest discussion sites

We have partnerships with several large HR information service companies, like the operators of Mynavi Tenshoku, eCareer and @type. These provide information for Tenshoku Kaigi members and give it a revenue stream

New Livesense businesses are launched by just a few people (one - three persons). They start out small and keep growing through a process of continual improvement

### | HR Information Media Business

- Revise service pricing system for better profitability
- Improve our ability to attract customers through proactive 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

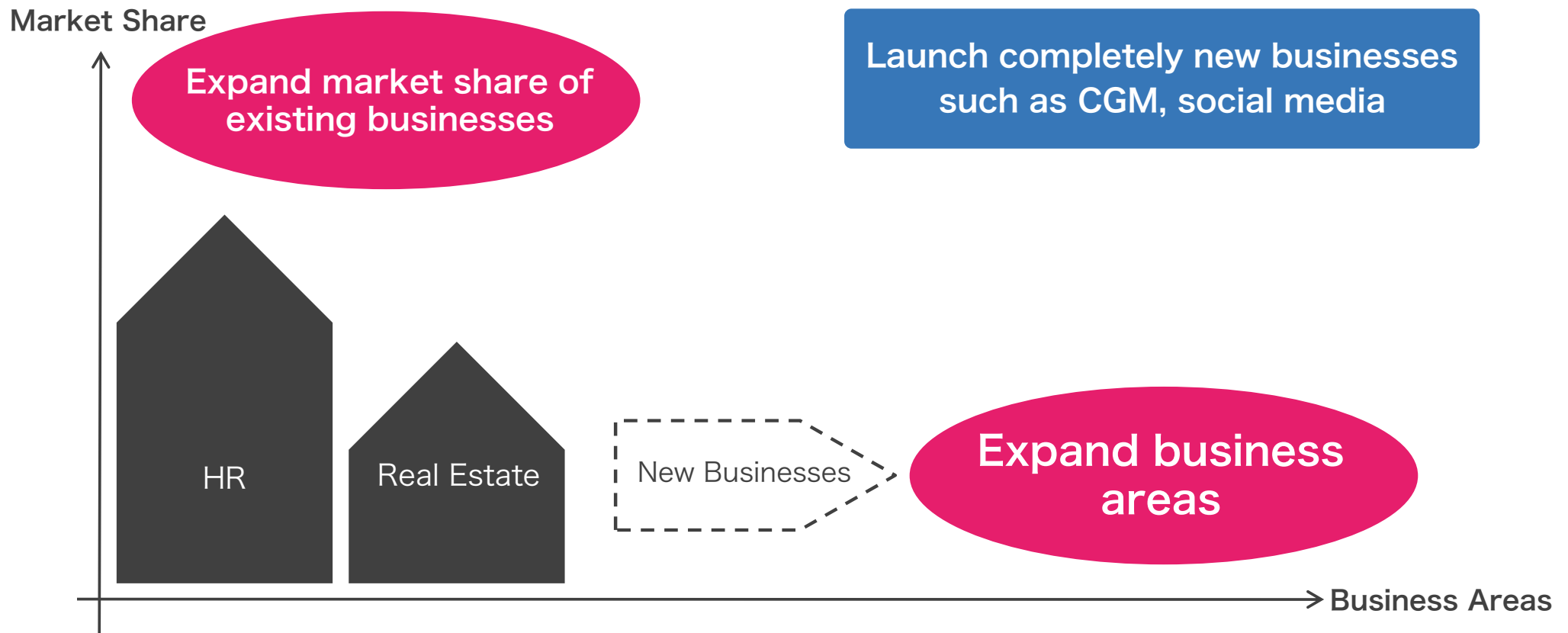
- Take thorough basic measures: Increase usability by strengthening site functions and SEO and expanding services
- Increase profit opportunities by expanding service and forming business partnerships

- We continue to plan share expansion in our existing business areas of HR and real estate.
- Following on our CGM venture Tenshoku Kaigi, 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 FY2013 we are forecasting operating income per employee to be about JPY 17 million.

(Thousands of JPY)

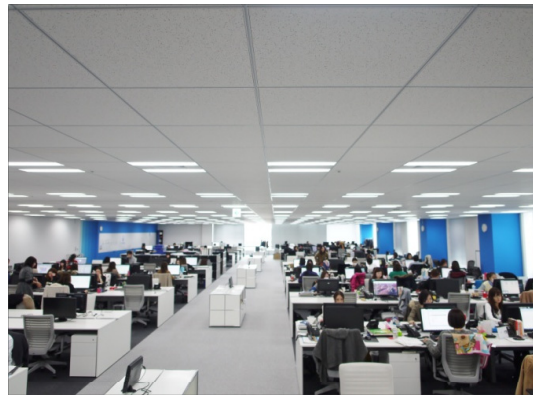
	FY2012	FY2013	
	Results	Forecast	YoY
Sales	2,264,042	<b>3,307,333</b>	+46.1%
Operating Income	1,130,844	<b>1,509,804</b>	+33.5%
	49.9%	45.7%	(4.3%)
Ordinary Income	1,113,611	<b>1,510,004</b>	+35.6%
	49.2%	45.7%	(3.5%)
Net Profit	597,846	<b>834,907</b>	+39.7%
	26.4%	25.2%	(1.2%)
EPS (JPY)	86.64	<b>121.00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

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



## | We moved to a new office in January 2013

- Office space doubled (capacity for about 200 employees)



**| 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	<b>2,264,042</b>	+99.6%	
Sales Cost	161,785	<b>244,382</b>	+51.1%	
	14.3%	10.8%	(3.5%)	
Gross Margin	972,712	<b>2,019,660</b>	+107.6%	
	85.7%	89.2%	+3.5%	
SG&A Expenses	453,947	<b>888,816</b>	+95.8%	
	40.0%	39.3%	(0.8%)	
Operating Income	518,764	<b>1,130,844</b>	+118.0%	
	45.7%	49.9%	+4.2%	
Ordinary Income	508,043	<b>1,113,611</b>	+119.2%	
	44.8%	49.2%	+4.4%	
Net Pretax Profit	498,325	<b>1,109,582</b>	+122.7%	
	43.9%	49.0%	+5.1%	
Net profit	273,891	<b>597,846</b>	+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 increased because of TV commercial



(Thousands of JPY)

	FY2011	FY2012	YoY
<b>Current assets</b>	1,229,634	<b>2,002,084</b>	+62.8%
Cash and deposits	1,059,625	<b>1,685,906</b>	+59.1%
Accounts receivable	144,862	<b>272,761</b>	+88.3%
<b>Fixed assets</b>	94,308	<b>216,457</b>	+129.5%
Tangible fixed assets	39,405	<b>25,741</b>	(34.7%)
Intangible fixed assets	5,716	<b>12,803</b>	+124.4%
Investments and other assets	49,186	<b>177,912</b>	+261.7%
<b>Total assets</b>	1,323,943	<b>2,218,541</b>	+67.6%
<b>Current liabilities</b>	270,282	<b>558,598</b>	+106.7%
Accounts payable	23,406	<b>46,395</b>	+98.2%
Income taxes payable	202,423	<b>425,000</b>	+110.0%
<b>Fixed liabilities</b>	-	-	-
<b>Total liabilities</b>	270,282	<b>558,598</b>	+106.7%
<b>Shareholders' equity</b>	1,053,660	<b>1,651,507</b>	+56.7%
Capital	219,930	<b>219,930</b>	-
Capital reserve	204,930	<b>204,930</b>	-
Accumulated earnings	628,800	<b>1,226,647</b>	+95.1%
<b>Stock warrants</b>	-	<b>8,436</b>	-
<b>Total net assets</b>	1,053,660	<b>1,659,943</b>	+57.5%

(Thousands of JPY)

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

## Reference: Record of Recent Major Publicity Events

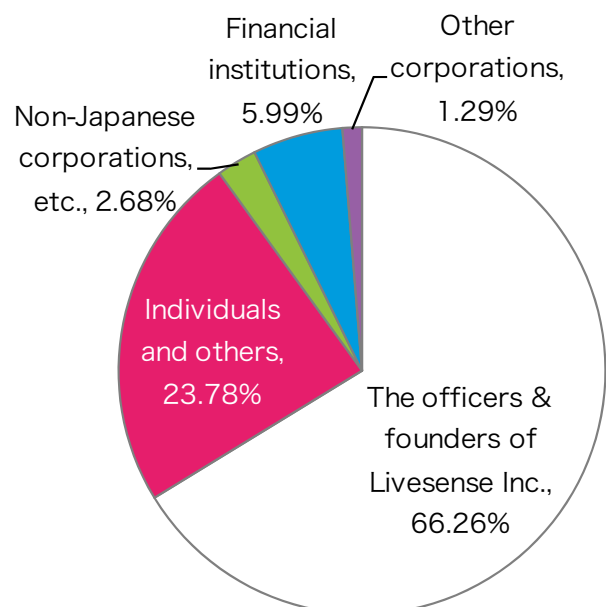
2013.02.05	Nihon Keizai Shimbun morning edition
2013.02.01	NIKKEI×BS LIVE 7PM (BS-Japan)
2013.01.11	Yomiuri Shimbun morning edition
2013.01.10	Shigotogaku no susume (NHK)
2013.01.10	NIKKEI Premium PLUS (vol.4)
2013.01.10	Nikkei Business Associé Feb. edition
2013.01.06	Gacchiri Monday (TBS)
2012.12.24	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 Dec. 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)

## • 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 shares/day
    - : JPY 463 million/day
- \* After adjusting for stock split (1:2).



- 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.