



LIVENSENSE

**Japan/Korea Corporate Day 2013
Presentation Material**

November 18, 2013 Livesense Inc. (TSE: 6054)

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 border="0"> <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										

| 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

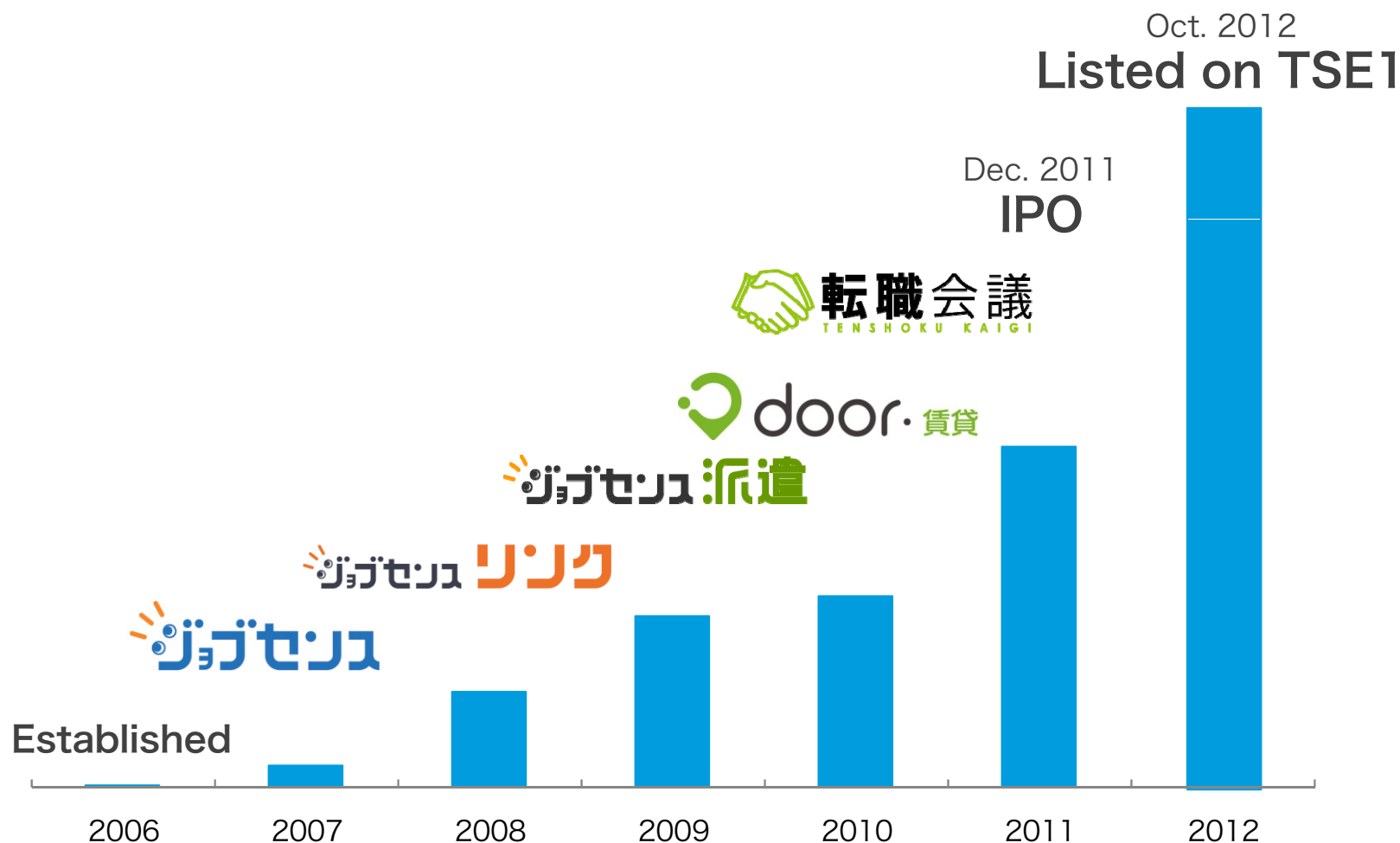
| 2006 Established Livesense Inc.

- Two of the four founding members were engineers.



Livesense office at Waseda University

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



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



**Business Model by
Affiliate System**



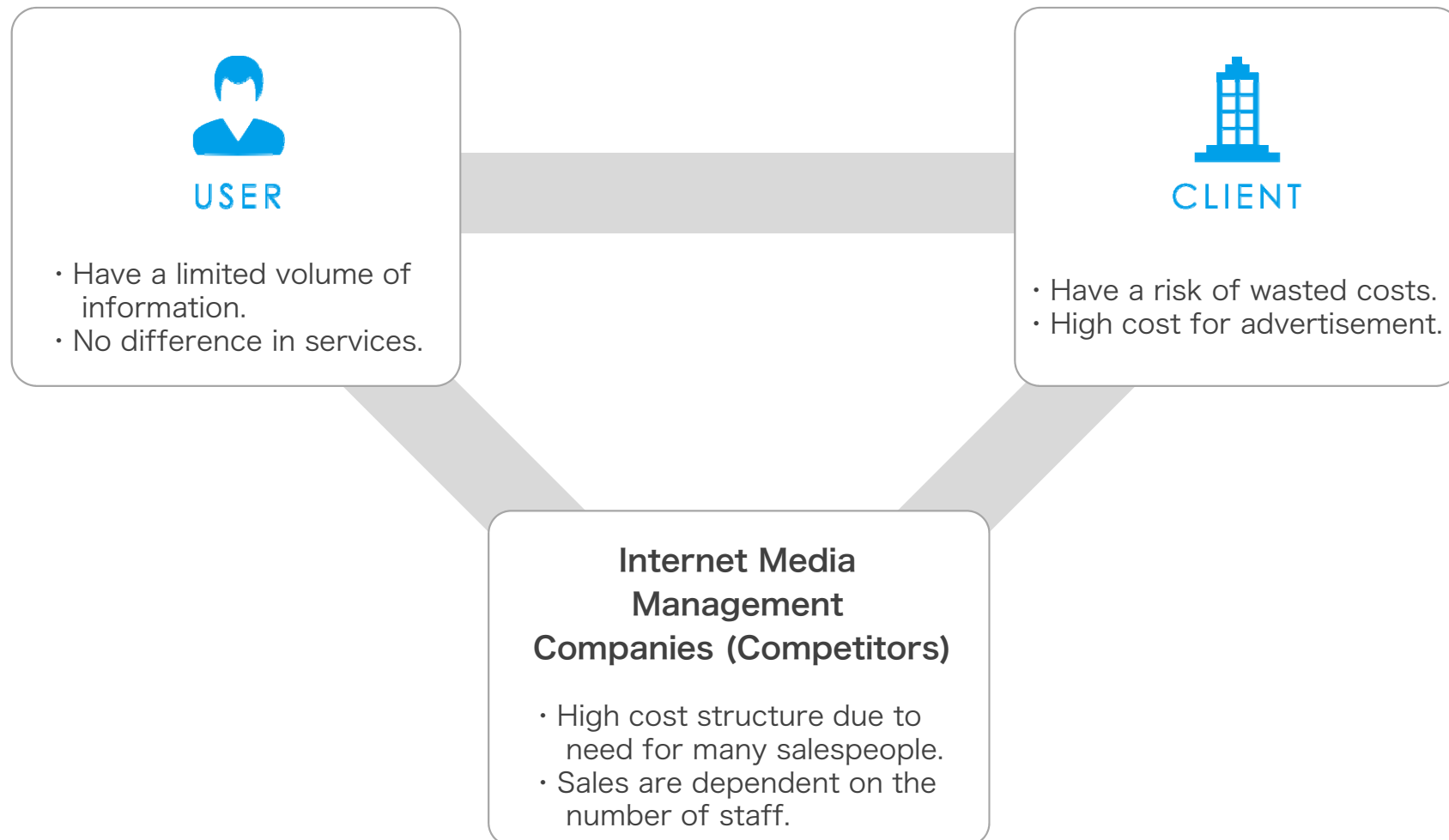
**Other New
Media**



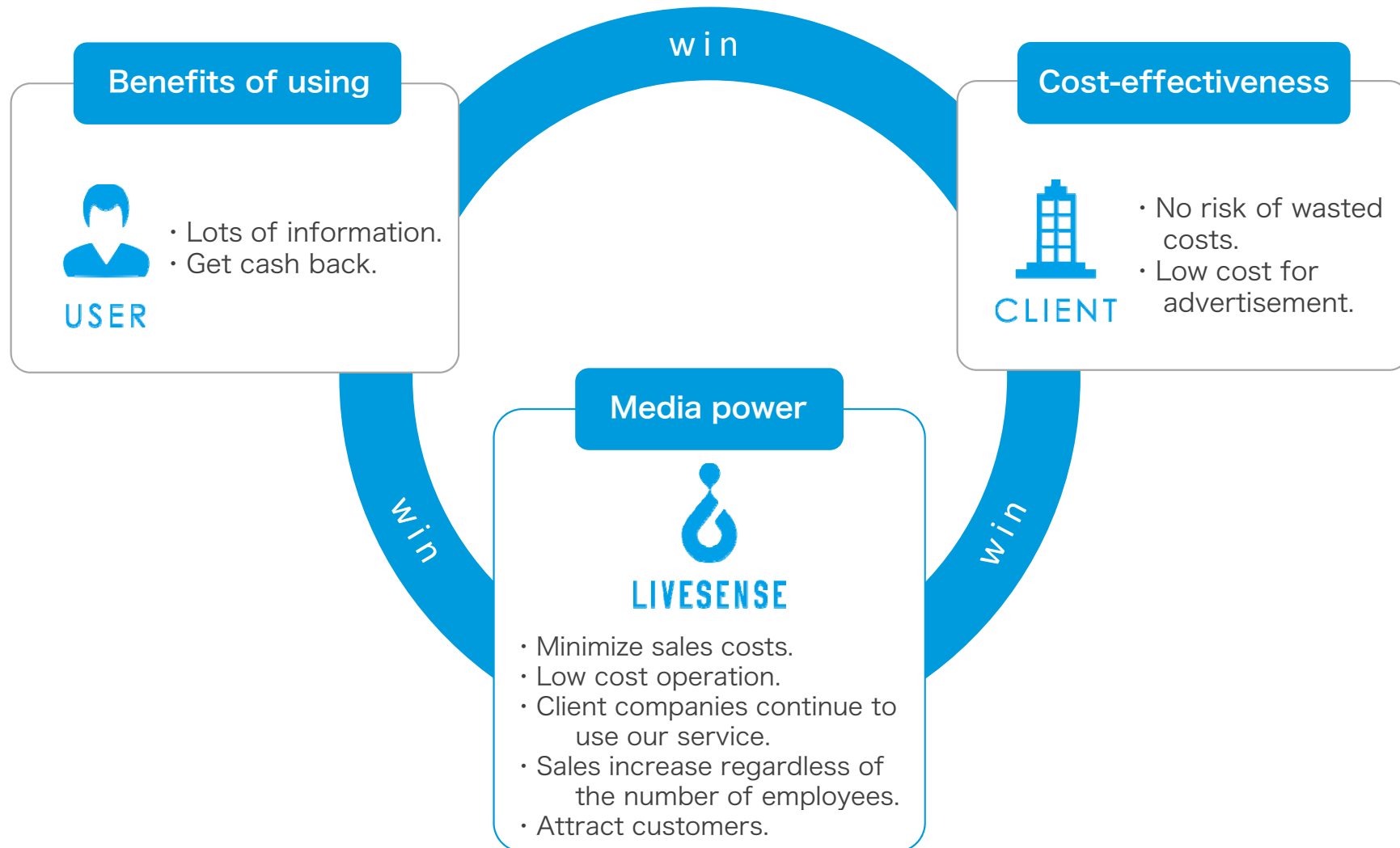
| Business Model by Affiliate System

	Publishing charge system	Affiliate system
Information listing Fee (Upfront fees)	Cost occurs	Free (Success fee only)
Monetary gifts, Cash back	None	Receivable

| 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

| Service Development Technology

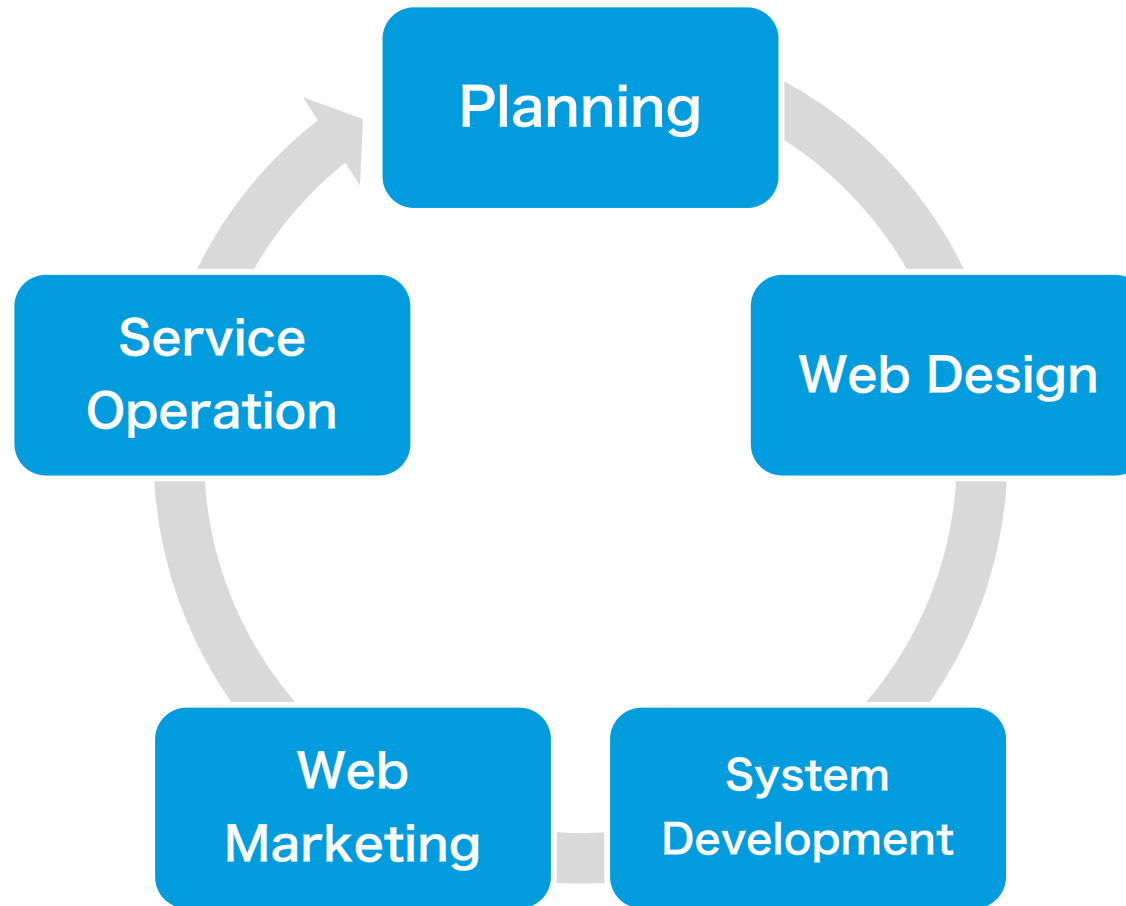
(Full internalized production, from planning to web marketing)



Our characteristic

| Efficient Business Management Structure

- | In-house service development enables consistency and efficiency. Utilize accumulated know-how to focus on new business development.



- Focused on web marketing since company establishment. Since 2013, we have strengthened our SEO and web promotions.

SEO (Search Engine Optimization)



Efficiently attracting users from search engines such as Google and Yahoo!

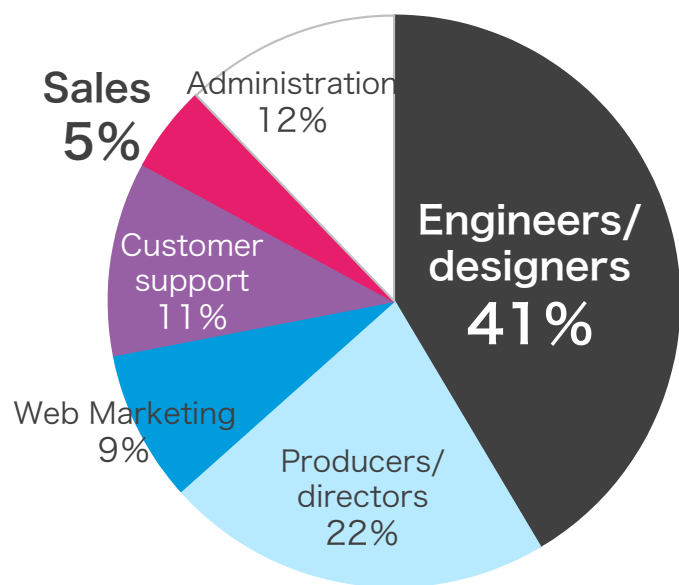
Web Promotions



Attracting users from a wide range of sites through web advertising strategies including listings and retargeting.

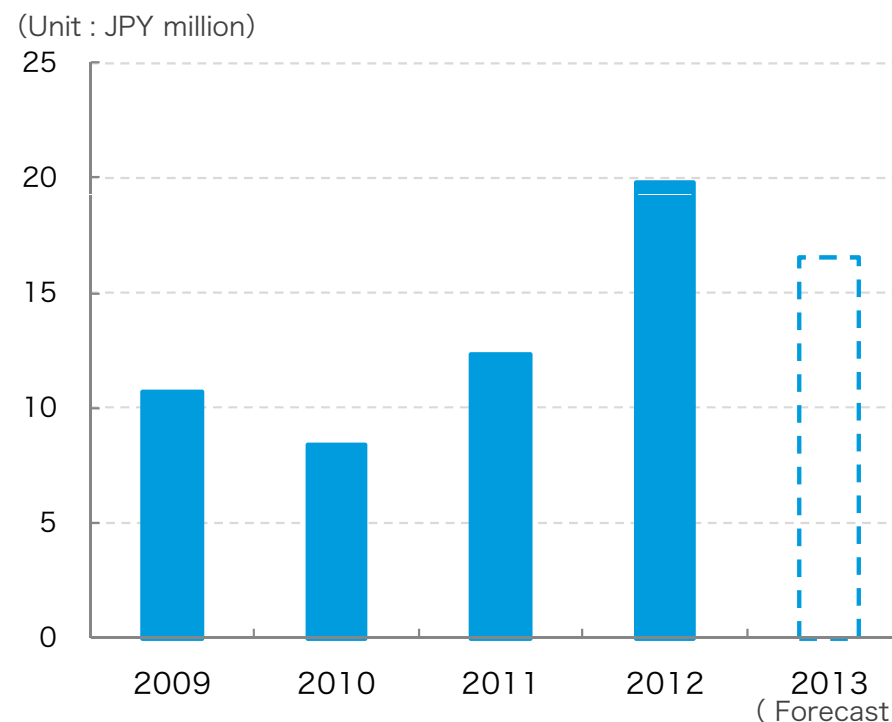
High profitability due to our business model, high drawing power and in-house development style.

Breakdown of regular employees



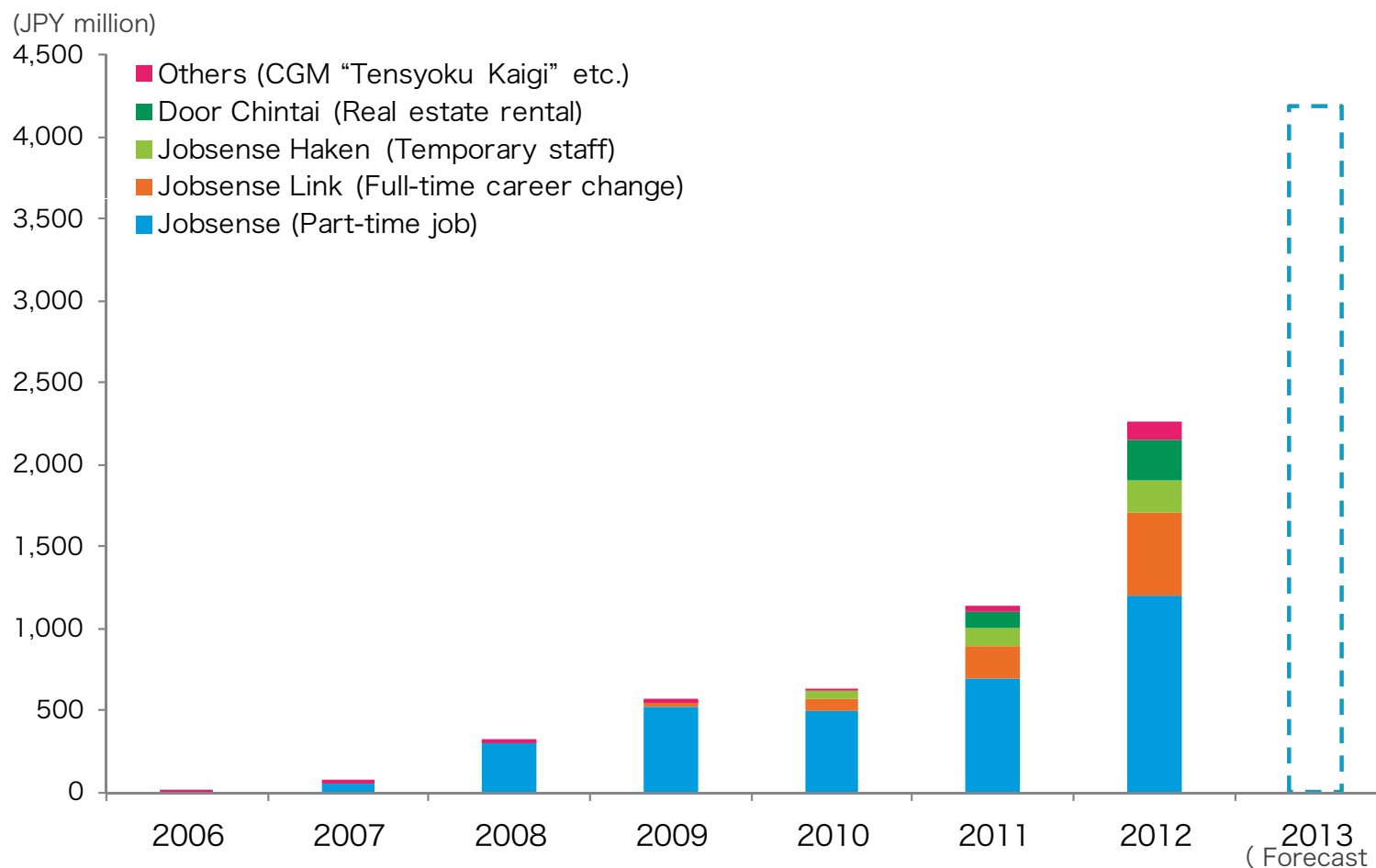
(As of September, 2013)

Transitions in operating income per employee



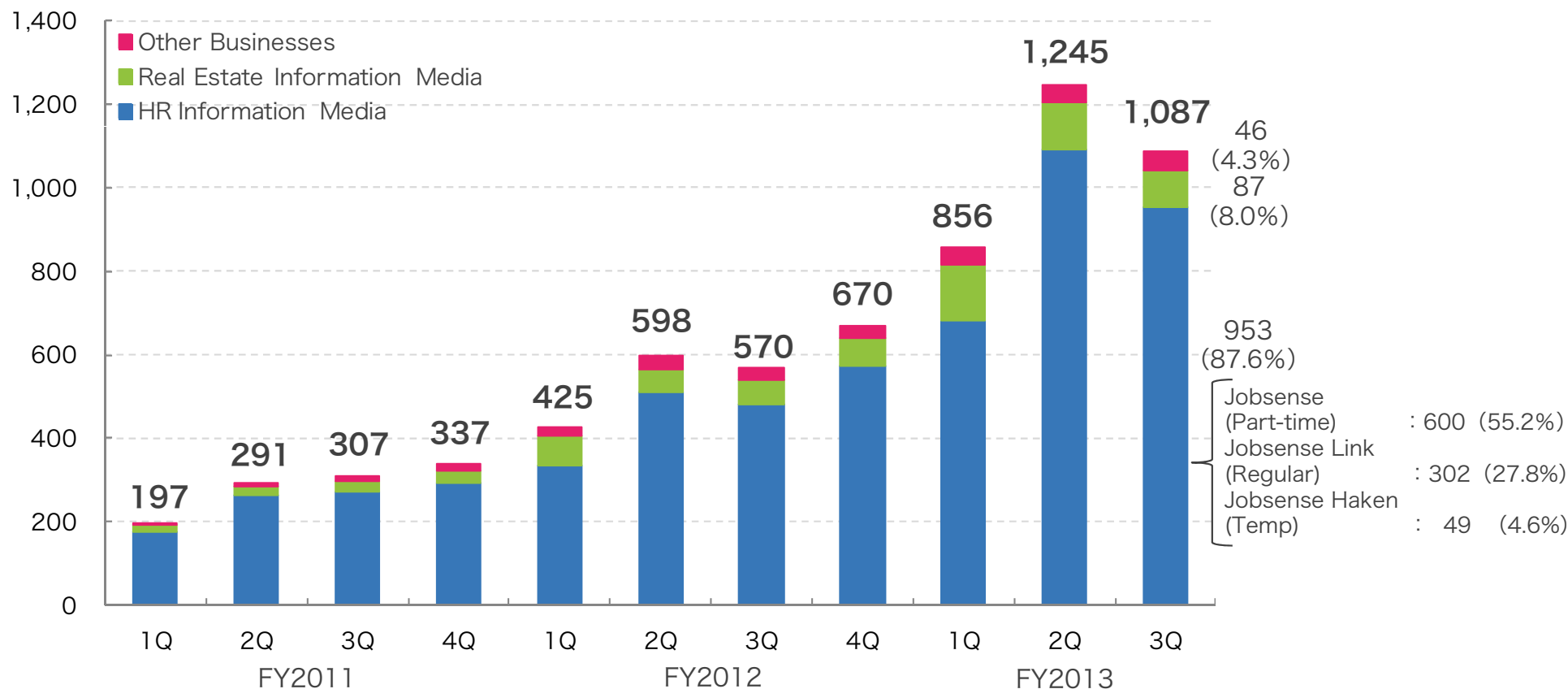
Engineer-centric employee structure. Per capita operating income remains at high level and in FY2013 we will increase hiring with focus on new businesses.

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

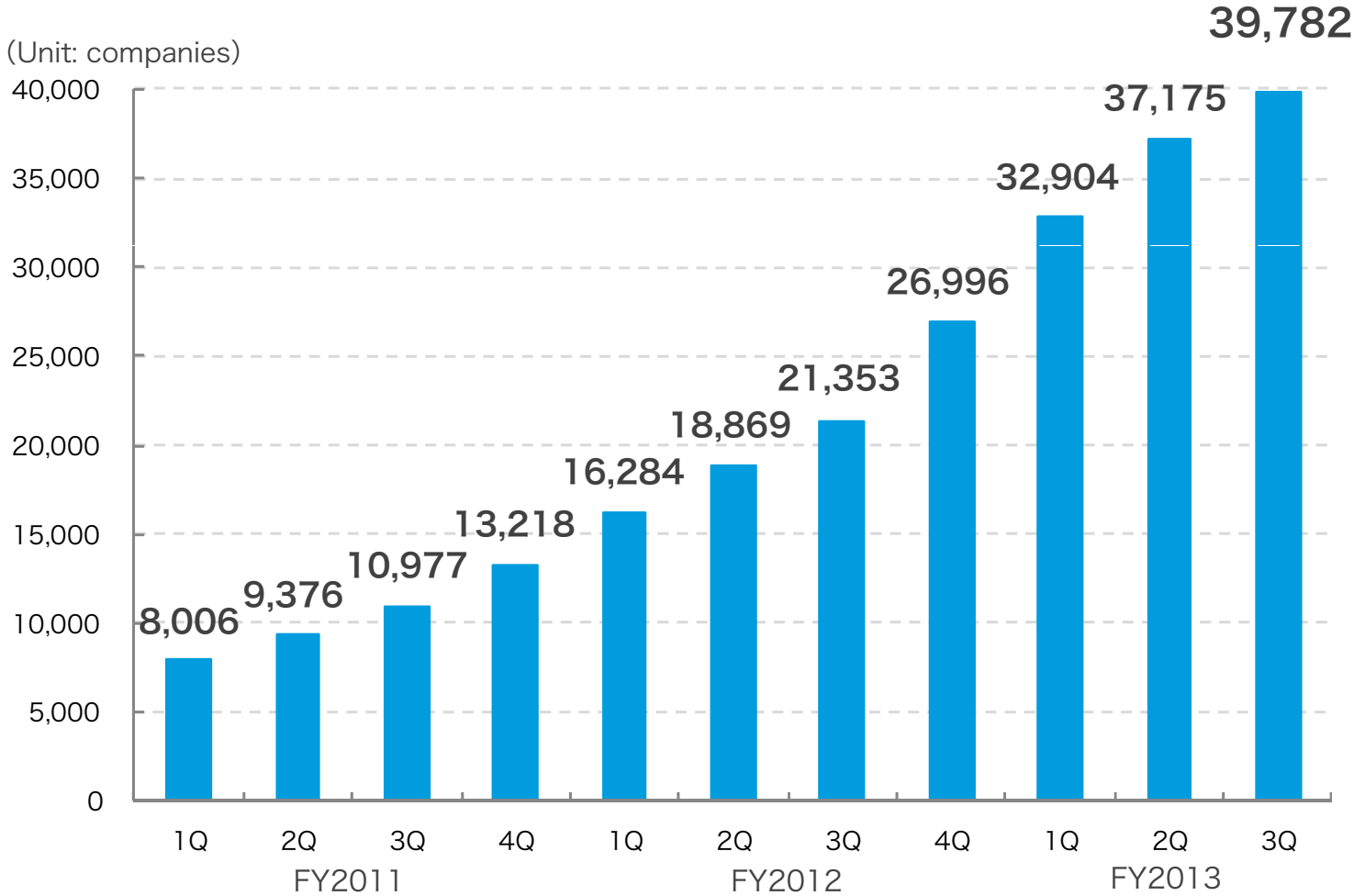


3Q13 HR sales doubled year-on-year but declined compared to 2Q13 due to seasonal factors.
Overall strong progress compared to plans.

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

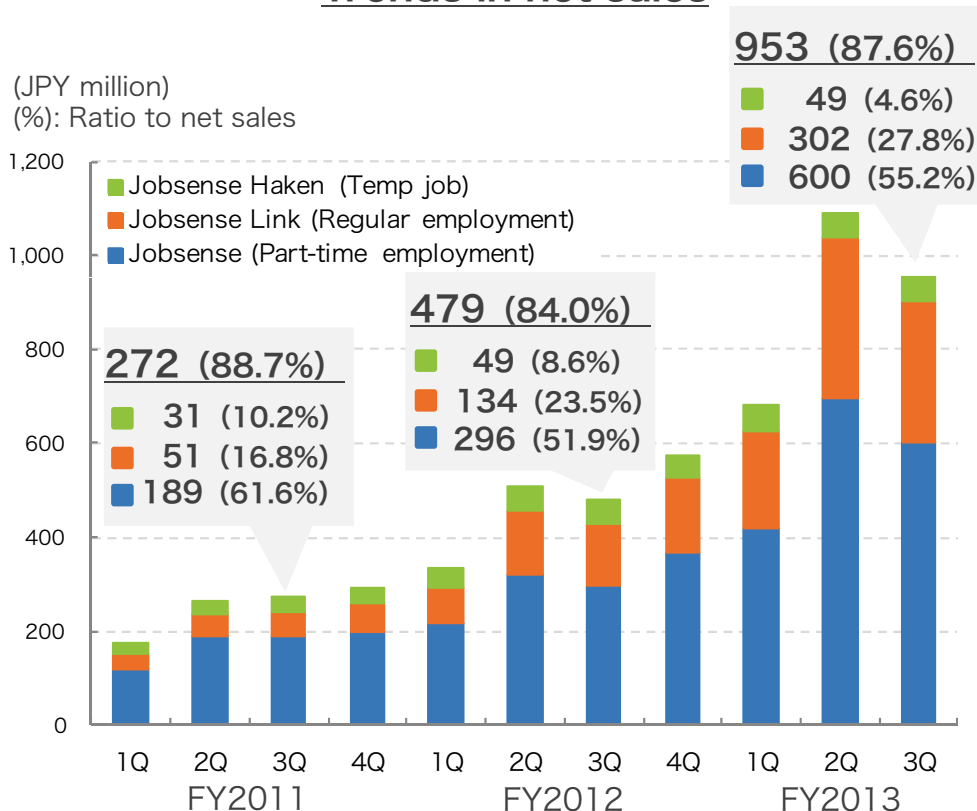


Overcoming any minus impact of the changes to prices for major services, the number of corporate service customers continues to grow.

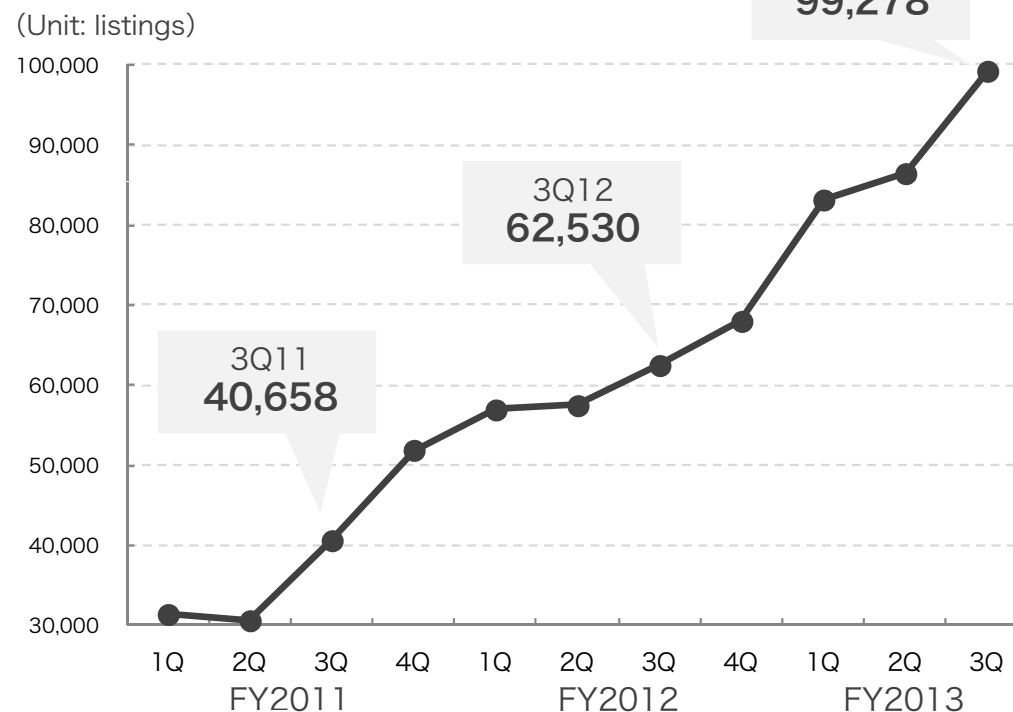


Through increased profitability and effective promotions, we aim to run the HR sites that lead to the most hires.

Trends in net sales



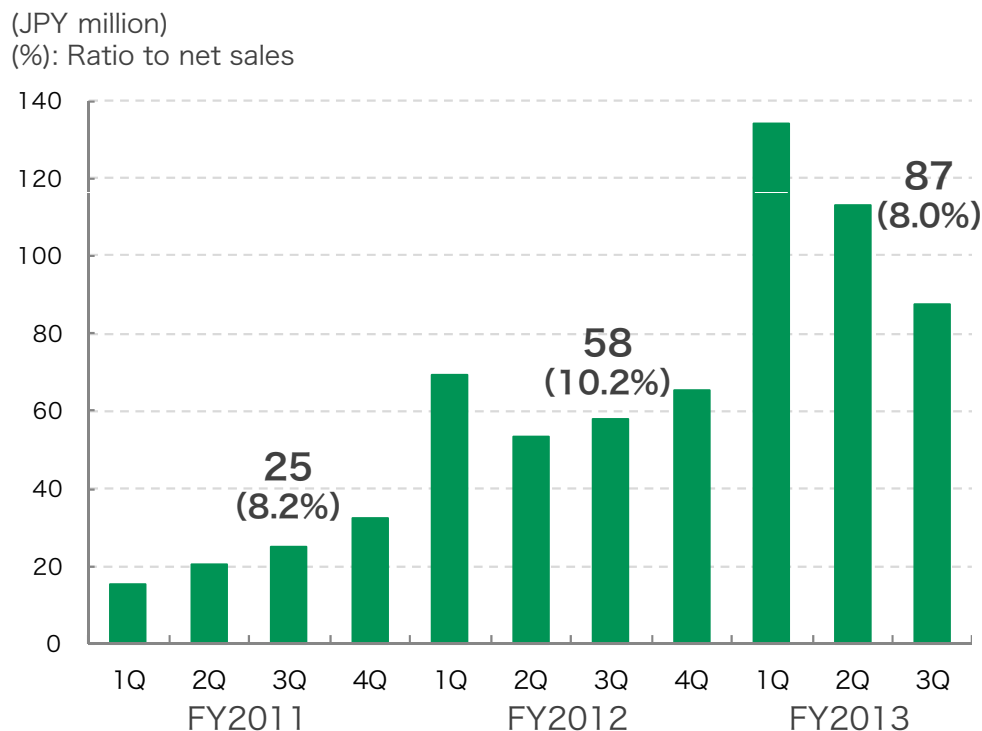
Trends in number of job information



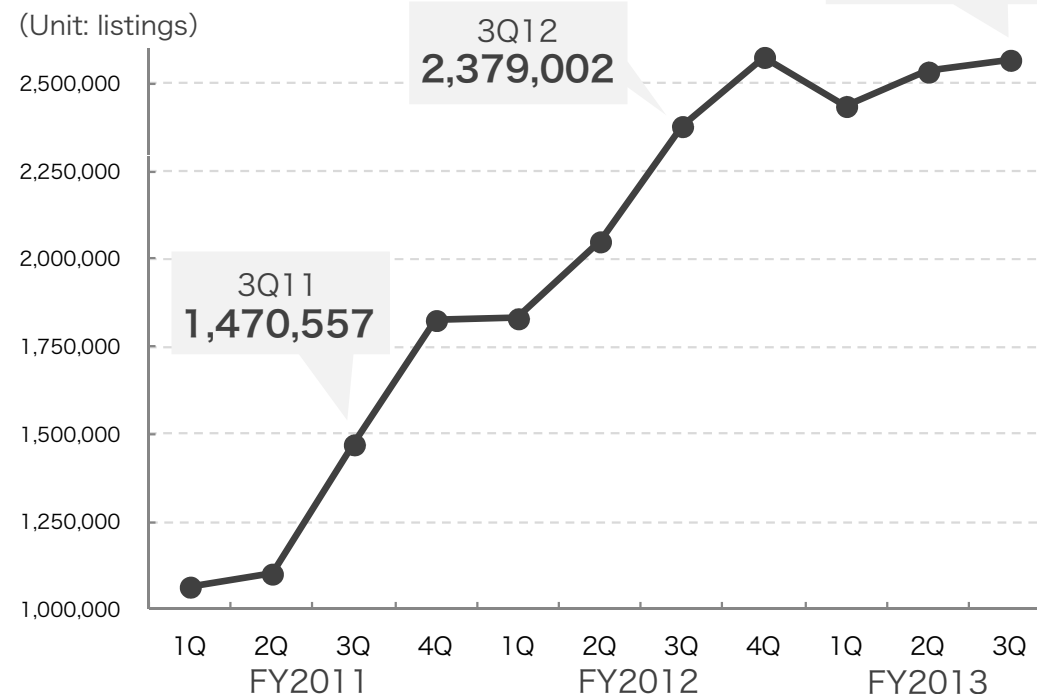
We operate three HR sites: Jobsense for part-time employment, Jobsense Link for full-time employment and Jobsense Haken for temporary employment. As the number of companies using these services increases, the number of job information postings is steadily rising. Part-time job applications tend to increase in the second and fourth quarters, and FY2013 third quarter figures were down compared to the second quarter due to seasonal factors.

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

Trends in net sales



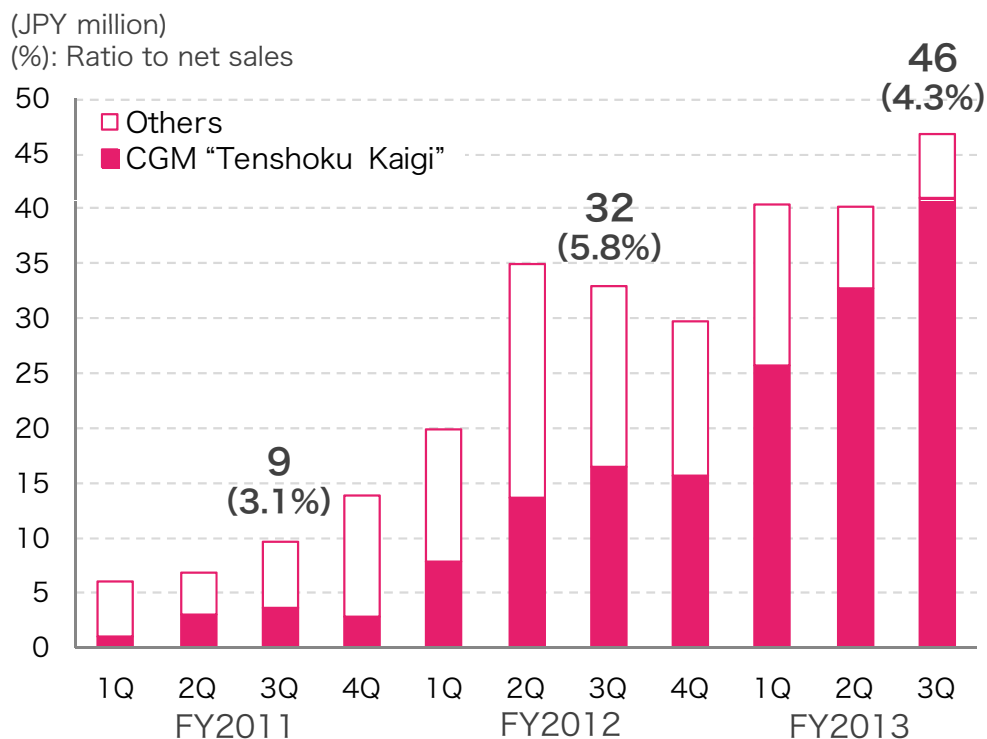
Trends in number of home rental information



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
3Q13 sales fell below plans due to delays in the smart phone website renewal.

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”

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>

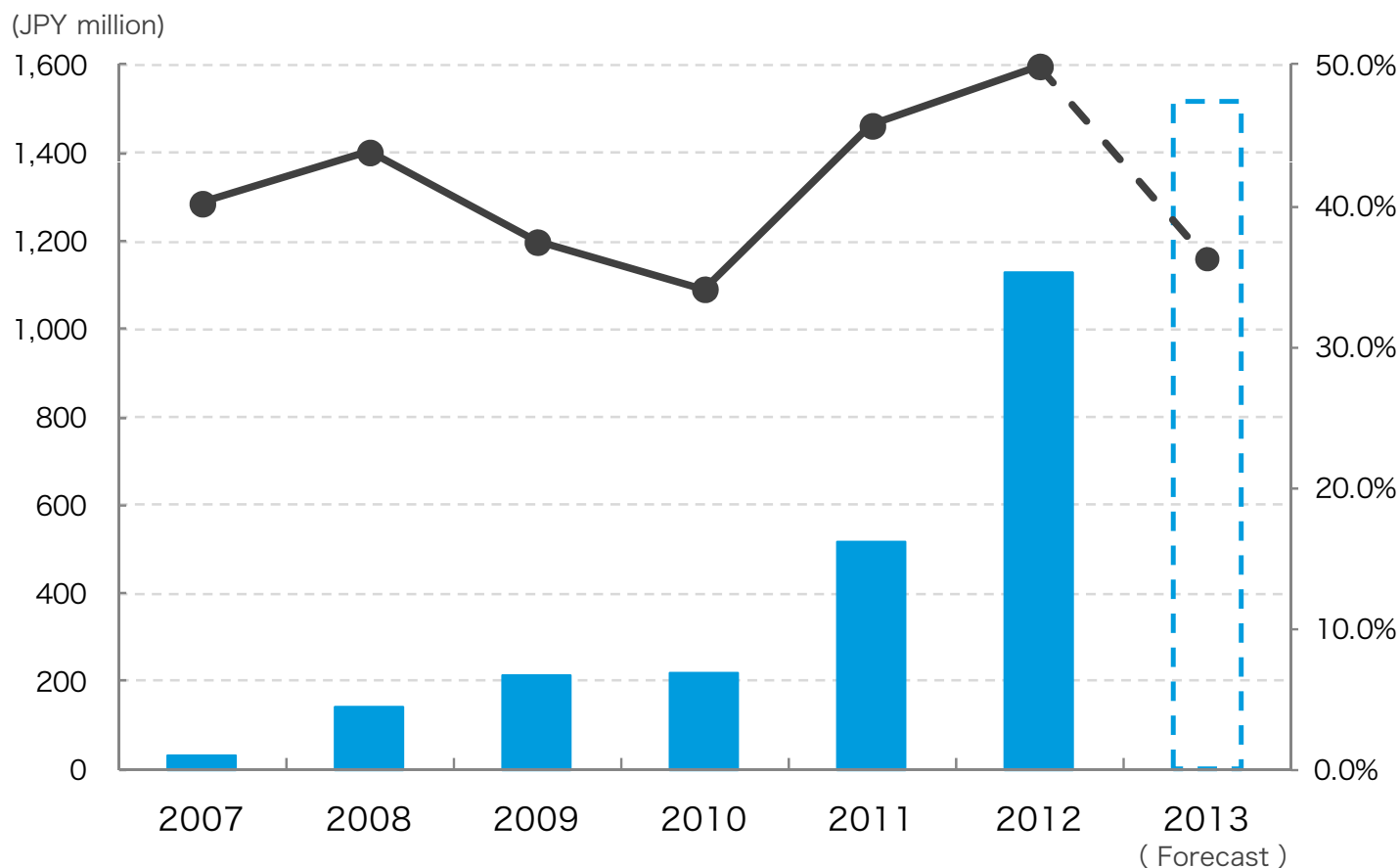
Number of messages posted: about 2,250,000

Number of members : about 750,000

Number of monthly users: about 3,500,000

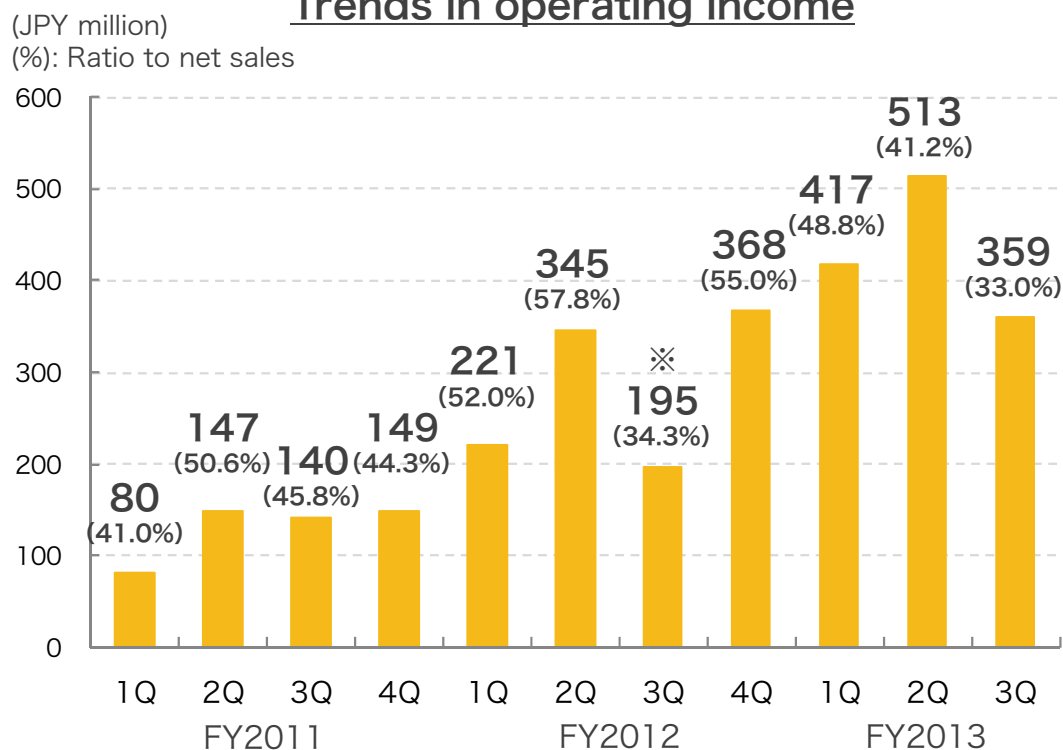
Partnered with a major employment information service company to provide career change information to Tenshoku Kaigi members and achieve profitability. New Livesense businesses are launched by just a few people (one - three persons). They start out small and keep growing through a process of continual improvement.

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

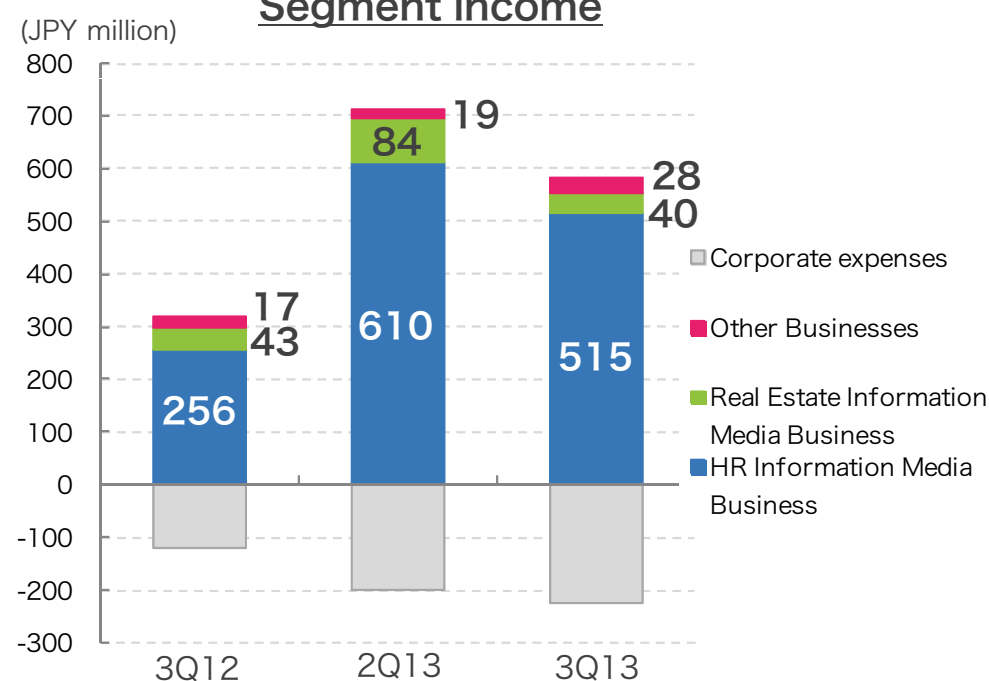


3Q operating income increased 83.5% year on year, which was strong progress in comparison to planned figures. A decline in net sales resulting from seasonal factors combined with increased expenses related to web promotions and personnel hiring resulted in a decrease compared to 2Q13.

Trends in operating income

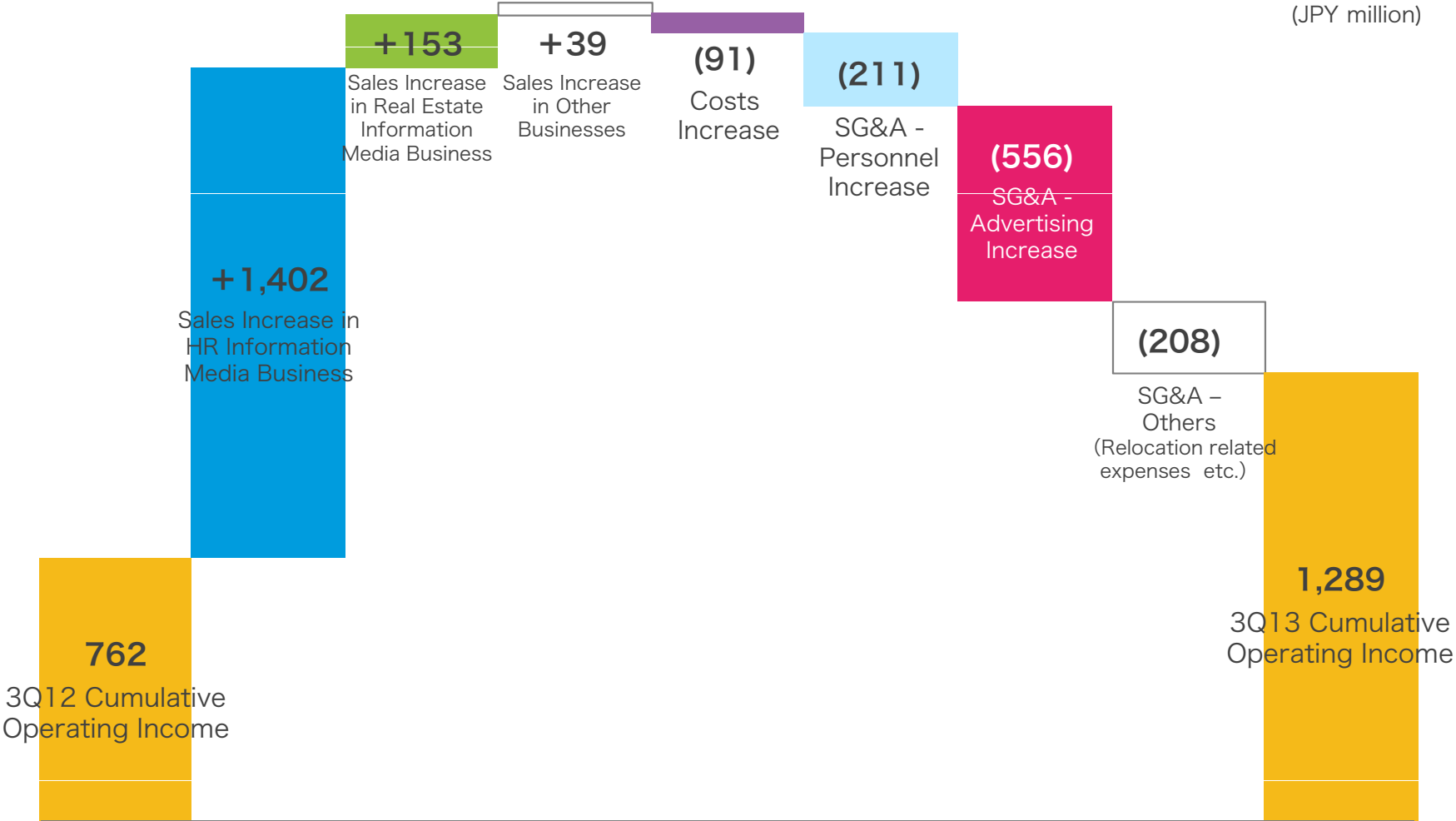


Segment income



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

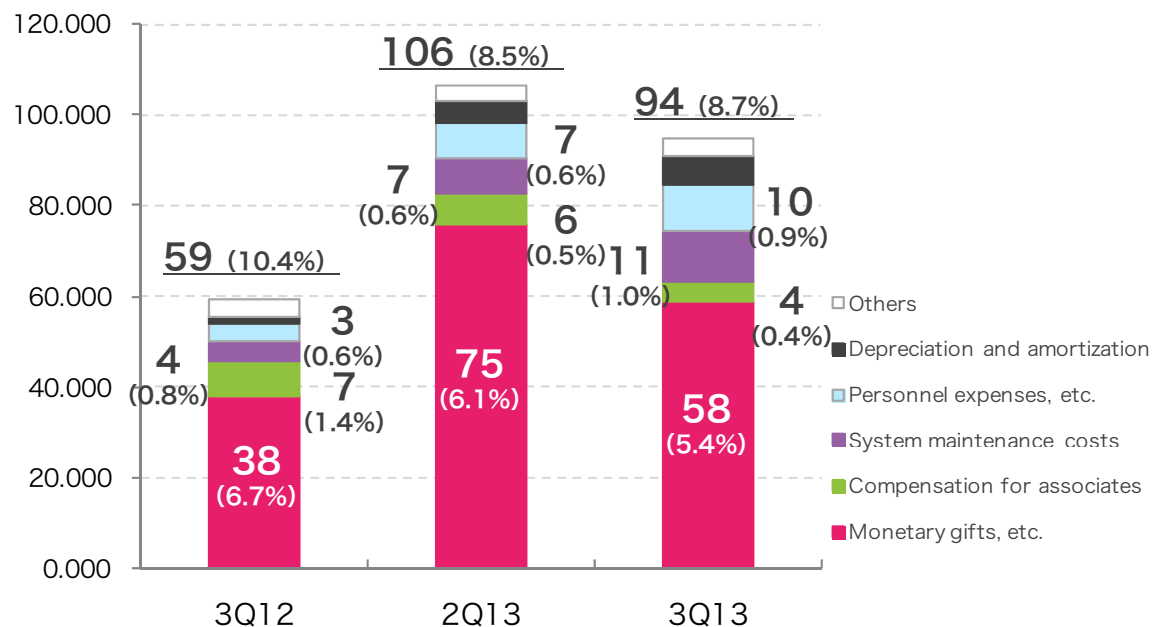
Increases in costs were absorbed mainly by increases in net sales from the employment information media business, which greatly contributed to the year-on-year increase in operating income of 69.2%



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.

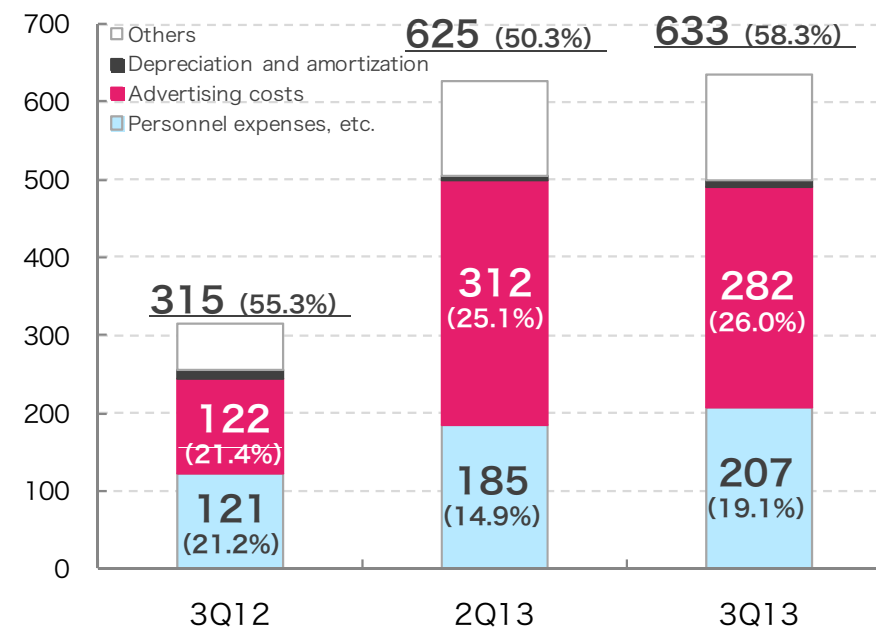
Trends in sales costs

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



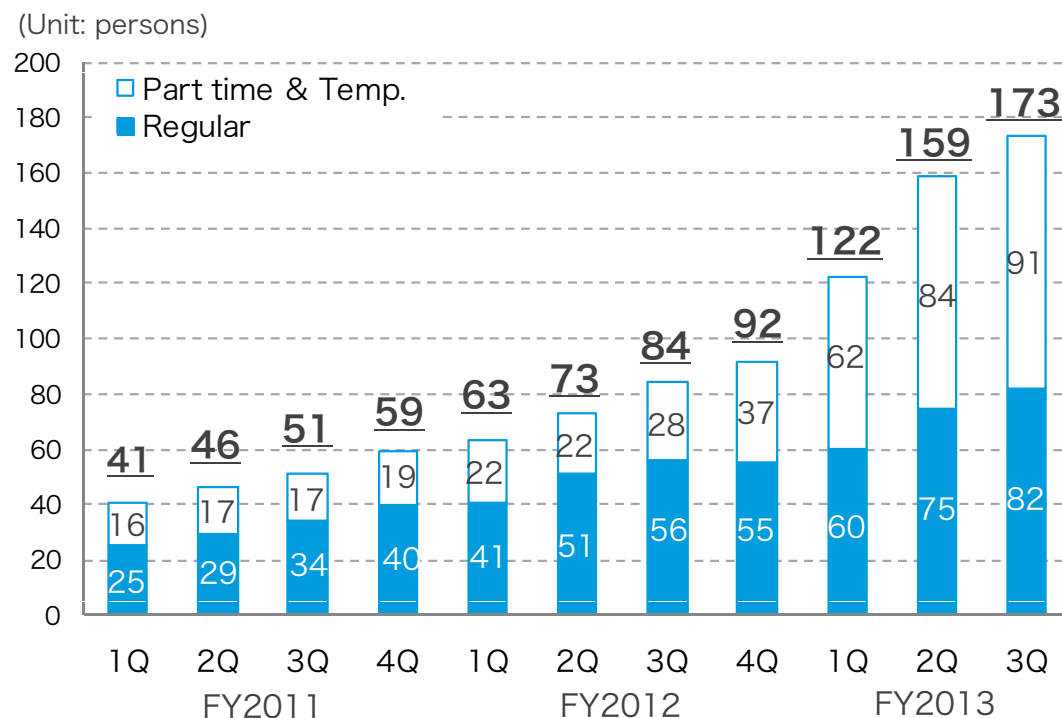
Trends in SG&A expenses

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

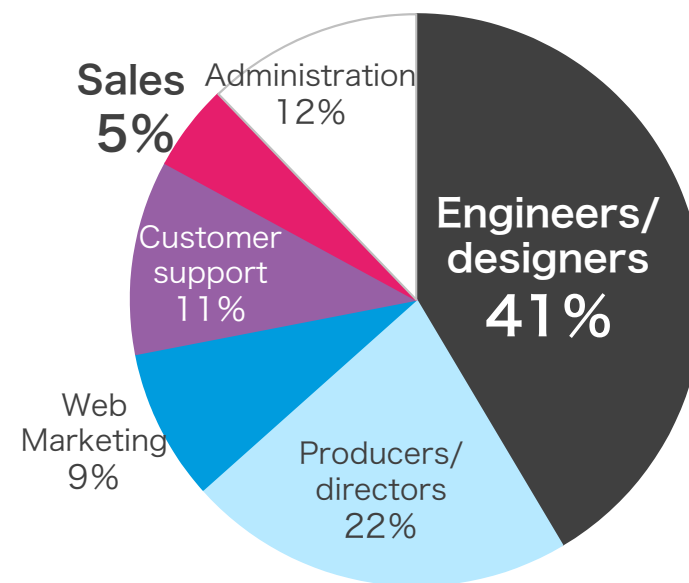


While continuing to practice efficient operations, we will hire new personnel in order to improve business development speed. During 3Q13, we hire 7 full-time employees and 7 new part-time and temporary staff to handle customer call support.

Trends in number of employees



Breakdown of regular employees



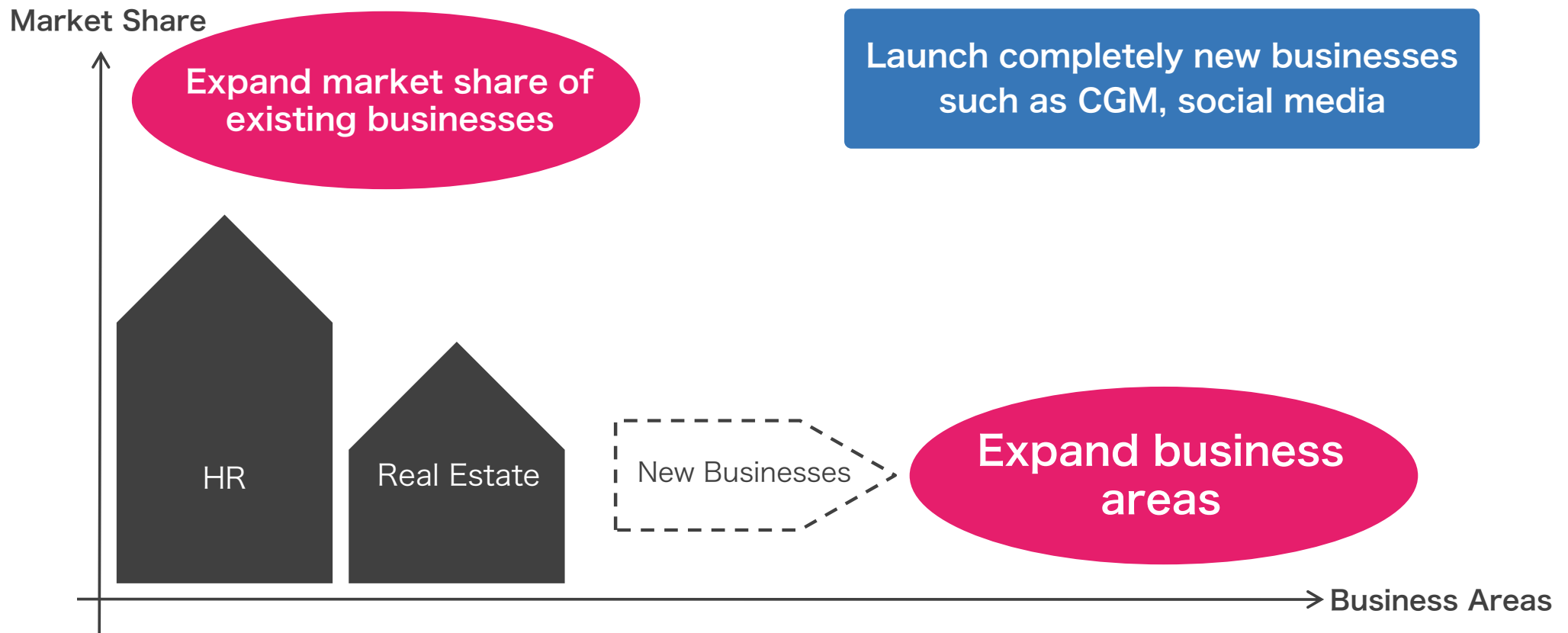
(As of September. 2013)

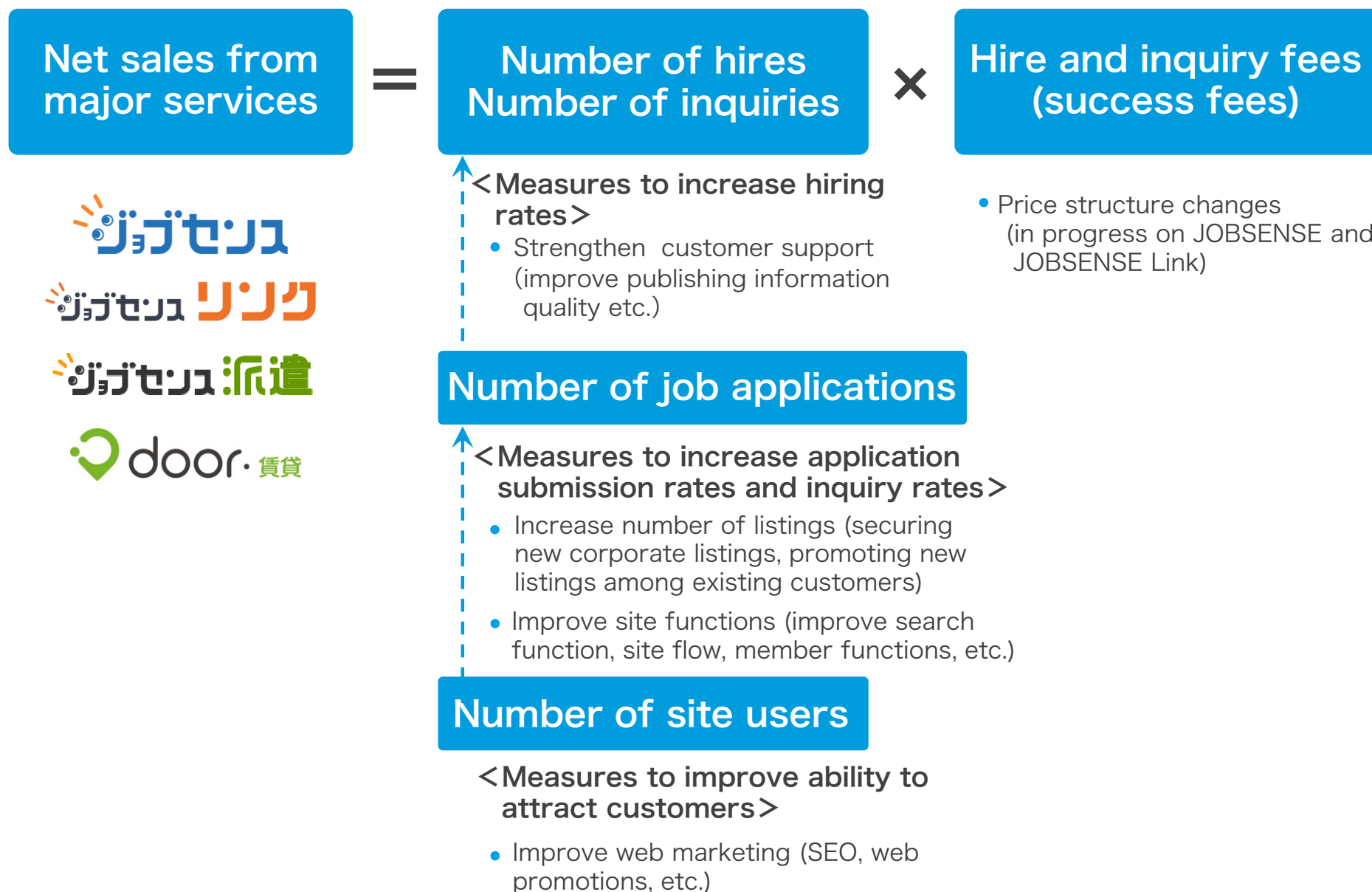
- | Cumulative results through 3Q were strong against forecasts for the year.
- | Costs increased due to an expansion of office space in 4Q (portion of costs also recorded for 3Q). Total office space will allow for approximately 270 staff.
- | Will continue to focus on expanding existing market share 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)

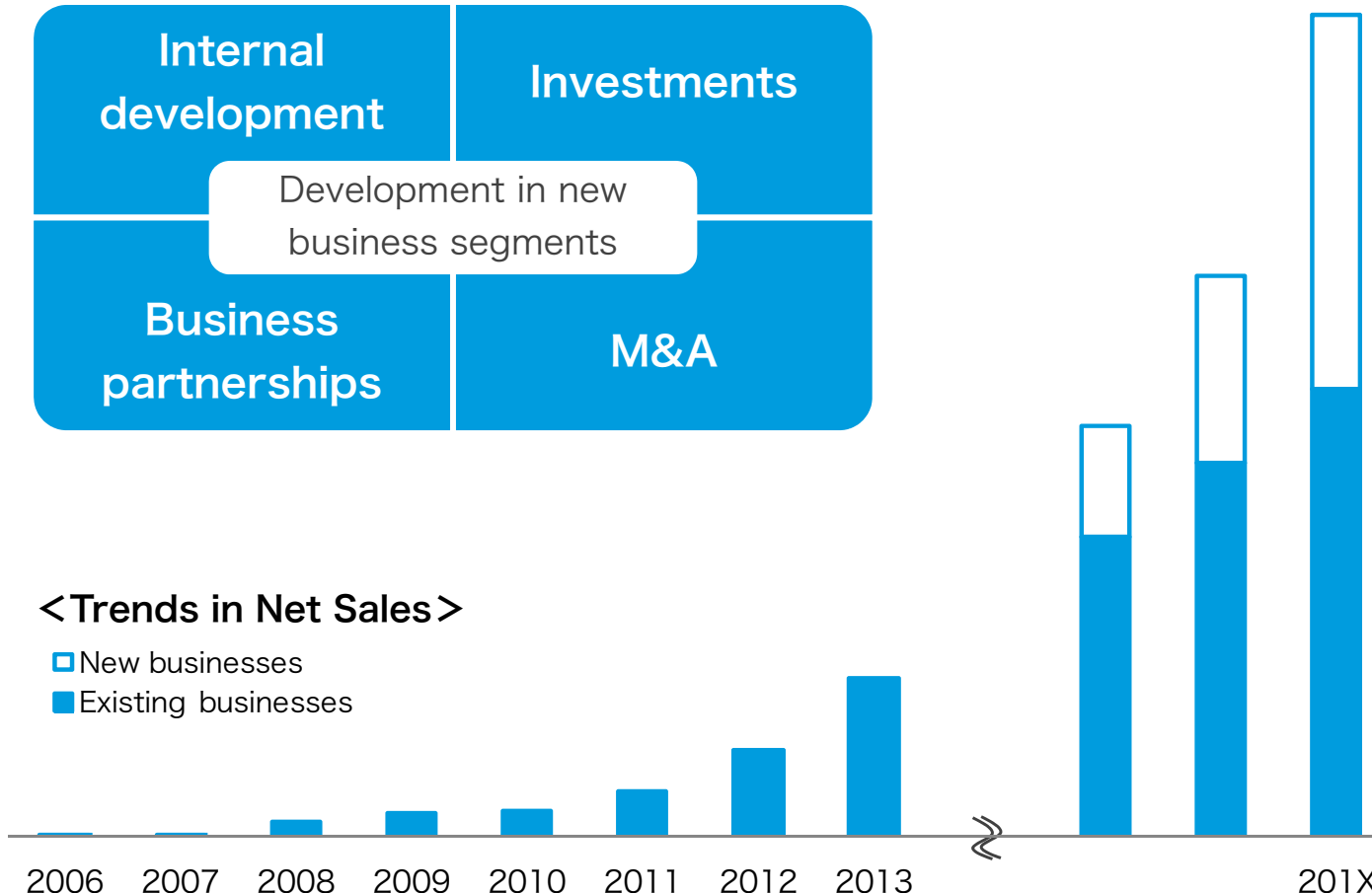
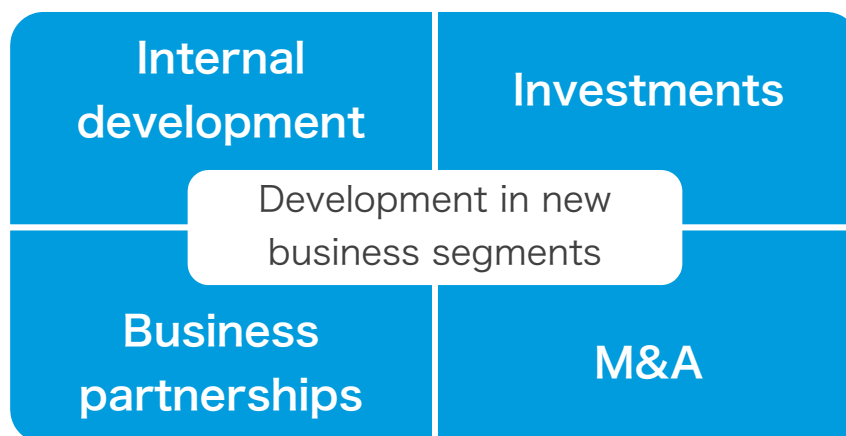
	FY2012	FY2013			
	Results	Forecast	YoY	3Q Results (Cumulative)	Progress rate
Sales	2,264,042	4,182,473	+84.7%	3,189,223	+76.3%
Operating Income	1,130,844	1,517,901	+34.2%	1,289,931	+85.0%
	49.9%	36.3%	(13.7%)	40.4%	-
Ordinary Income	1,113,611	1,518,898	+36.4%	1,291,129	+85.0%
	49.2%	36.3%	(12.9%)	40.5%	-
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%

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





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 Hamauzu

Location : Miyazaki-shi, Miyazaki

Established: May 1, 2007

Capital : 282,735,000 yen

Accounting month : April

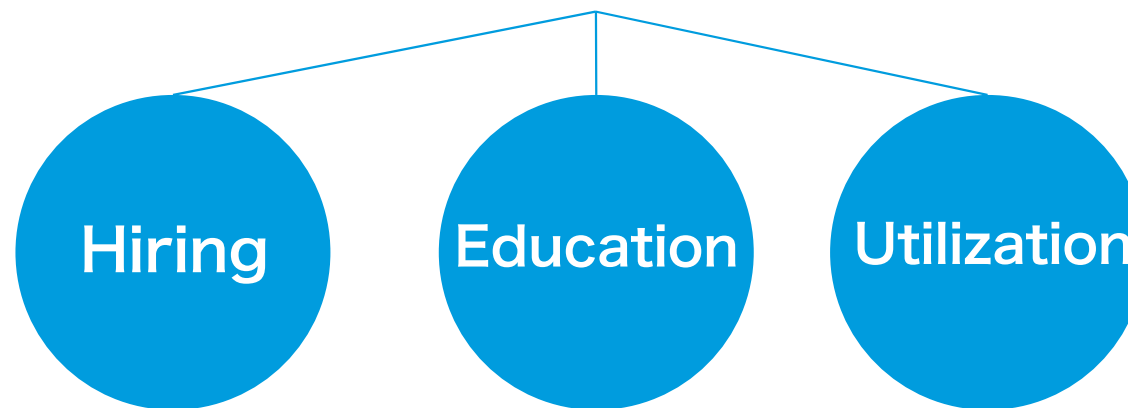
No. of employees : 95

(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.

Organizational enhancements

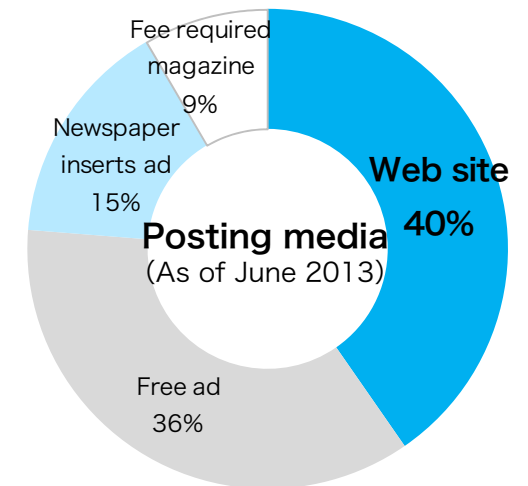


Invent the next common.

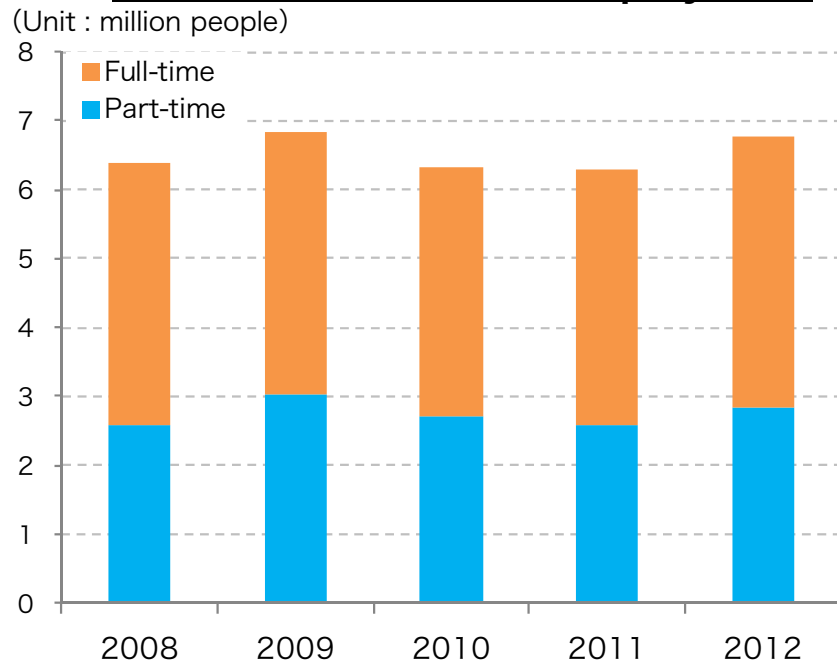
Medium-term goals in 201X

- 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.

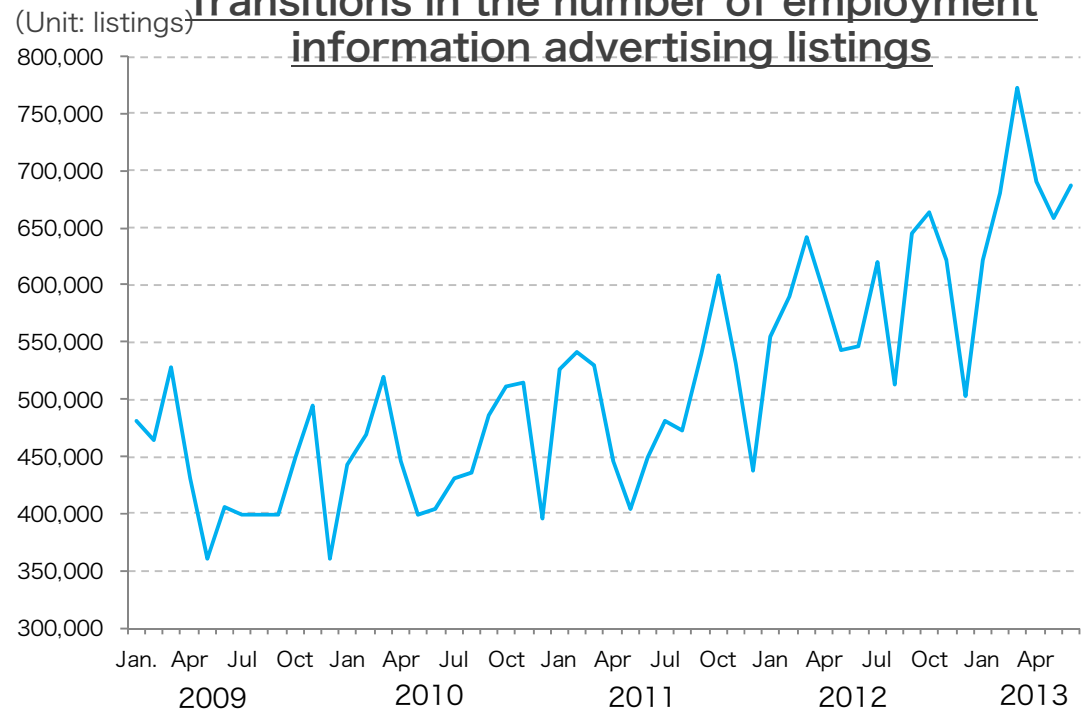
- The number of employment information advertising listings has grown annually.
- The number of part-time hires is approx. 2.85 million people annually and the number of regular employee hires is approx. 3.91 million people.
- It is estimated that the employment market for part-time jobs is approx. 100 billion yen and the market for career change services is approx. 146 billion yen.



Transitions in worker employment



Transitions in the number of employment information advertising listings



(Source) Ministry of Health, Labour and Welfare, Association of Job Information, Yano Research Institute

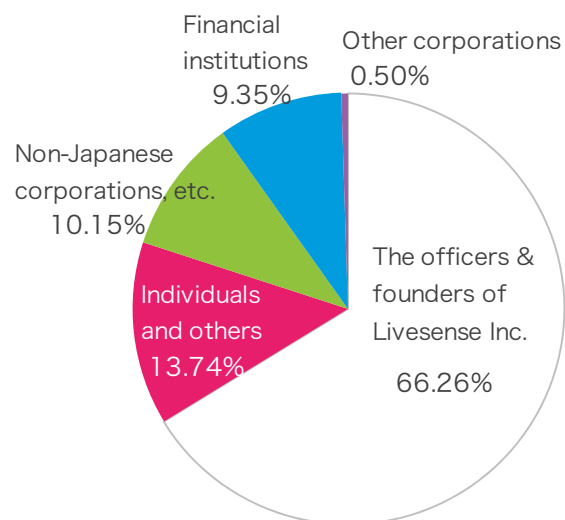
(Thousands of JPY)

	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%

Reference : 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)

- Trends in our stock price
 - Lowest listed price : JPY 447 (Dec. 7, 2011)
 - Highest listed price : JPY 6,510 (Jul. 2, 2013)
 - Average volume : 116,040 stock/day (Jan. – Jun. 2013)
- Issued shares : 6,900,000 (13,864,800 / as of Sep. 2013)
- Shareholders : 3,284
- % of Shares by category



Major Shareholders

Name	Shares owned	%
Taichi Murakami (CEO)	3,695,000	53.55
Daisuke Katsura (Director)	674,500	9.77
Japan Trustee Services Bank, Ltd. (Trust Account)	173,600	2.51
The Master Trust Bank of Japan, Ltd. (Trust Account)	166,800	2.41
Kentaro Yoshida (Employee)	160,000	2.31
State Street Bank and Trust Company	74,100	1.07
JPMorgan Chase Bank 380084	66,100	0.95
Bank of New York GCM Client Accounts EILM	62,361	0.90
MSIP CLIENT SECURITIES	58,000	0.84
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	54,600	0.79



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.