

Company name	Livesense Inc.
Representative	Taichi Murakami, President and Representative Director
(Code number: 6054 TSE)	
Contact	Motoi Nakazato, Director
Phone: (81)-3-6275-3330	

Notice of Transfer of (Shares of) Consolidated Subsidiary

At the meeting of the Board of Directors held today, Livesense Inc. (hereinafter the “Company”) decided to transfer some of the shares of consolidated subsidiary waja Co., Ltd. (“waja”). The details are provided below. With the transfer of these shares, waja will no longer be a consolidated subsidiary.

1. Reason for the transfer of shares

Waja operates overseas fashion EC site, “waja,” and others including outlet EC site “REASON Outlet” for import fashion brands.

Since it was made a part of the Livesense Group in 2015, we have played a role in the improvement of waja’s EC sites and business growth by injecting our unique know-how related to web marketing and other services.

At the same time, looking to further accelerate growth, waja released a proprietary fulfillment system in the form of an SaaS-type cloud-based service called PANAMA Studio as a new business, which is also one of its strengths, and the plan is for that business to serve as a pillar of future growth to take the place of the EC business.

In light of these circumstances and from the standpoint of business select and concentration within the Livesense Group, we determined that having waja achieve business growth based on a new strategy with a higher level of freedom will lead to maximization of value for both waja and the Livesense Group. As such, we decided to transfer some of the shares.

2. Outline of transferring subsidiary

(1)	Company name	waja Co., Ltd.	
(2)	Address	2F Azabu S Bldg., 3-4-11 Azabudai, Minato-ku, Tokyo	
(3)	Representatives	Takahiro Murata, Chairman, Representative Director & CEO Koji Koyasu, President, Representative Director & COO	
(4)	Business	Operation of online marketplace	
(5)	Capital	¥90 million	
(6)	Established	May 6, 2003	
(7)	Major Shareholders	Livesense Inc. 70.3% Takahiro Murata 13.4% Koji Koyasu 12.3% Kenichi Tanaka 2.6% Keigo Fukuyama 1.3%	
(8)	Relationships between the listed company and the company	Capital relationship	The listed company holds 70.3% of the company’s shares.
		Human relationship	One of the listed company’s directors also serves as director of the company.
		Business relationship	There is no significant business relationship to note.

(9) Non-consolidated operating results and non-consolidated financial position of the company for the past three (3) years (Thousands of yen)			
Fiscal year	Year ended September 30, 2015	Year ended September 30, 2016	Year ended September 30, 2017
Net assets	70,050	47,523	69,907
Total assets	231,077	207,268	261,656
Net assets per share (yen)	117,141.58	77,907.34	114,602.12
Net sales	444,833	439,443	577,112
Operating income	-22,763	-37,661	850
Ordinary income	-16,050	-16,726	22,497
Net income	-7,736	-28,527	22,383
Net income per share (yen)	-13,384.47	-46,997.01	36,694.77
Dividend per share	-	-	-

3. Outline of major acquirers of shares

Name	Takahiro Murata
Address	Suginami-ku, Tokyo
Relationships between the listed company and the individual	The individual is Chairman, Representative Director & CEO of waja.

Name	Koji Koyasu
Address	Minato-ku, Tokyo
Relationships between the listed company and the individual	The individual is President, Representative Director & COO of waja.

Name	Masahiro Ito
Address	Meguro-ku, Tokyo
Relationships between the listed company and the individual	The individual is a member of the waja Audit & Supervisory Board.

4. Number of shares to be transferred, transfer price, and shares held before and after the transfer

Shares held before the transfer	70.3%
Shares to be transferred	55.5%
Shares held after the transfer	14.8%

*Based on the strong wishes of the acquiring parties, the transfer price will not be disclosed as part of a non-disclosure agreement.

5. Schedule

Resolution by board of directors	September 13, 2018
Signing of transfer agreement	September 13, 2018
Transfer of shares	September 30, 2018 (tentative)

6. Forecast

Waja's financial year ends in September. The way that the financial results are handled is that waja operating results from October 1, 2017 to September 30, 2018 are reflected in the consolidated results of the Company for the period from January 1, 2018 to December 31, 2018. For that reason, the impact of the transfer of shares on the Company's consolidated results for the year ending December 31, 2018 is expected to be immaterial.

In conjunction with the transfer of the shares, waja will be removed from the scope of the Company's consolidation as of the year ending December 31, 2019.