Second-quarter for FYE March 31, 2015
Presentation Material

November 6, 2014

e-Seikatsu Co., Ltd.

TSE Mothers 3796

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1. Summary of Second-quarter Results for FYE March 31, 2015

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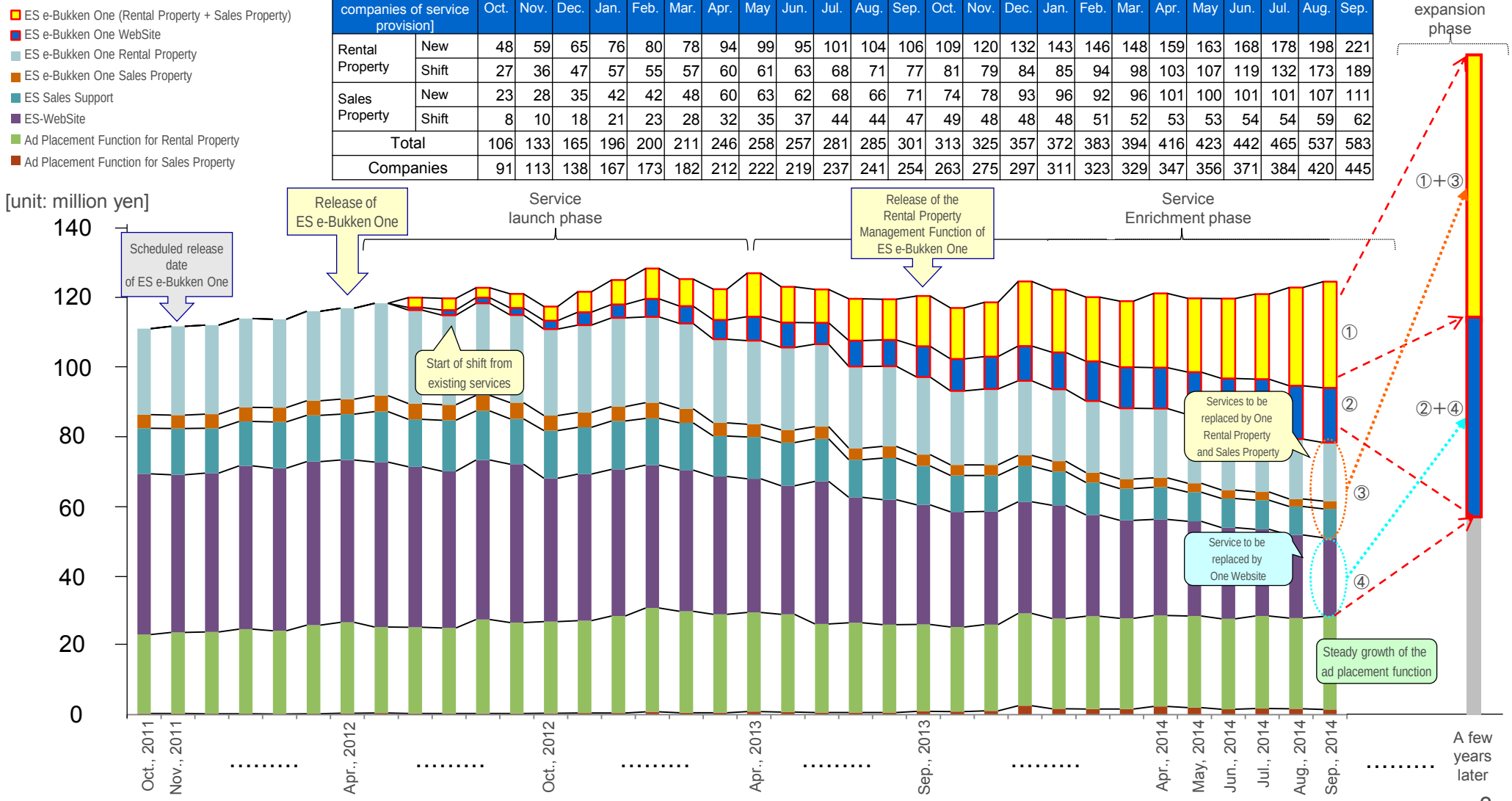
“ES e-Bukken One” is Becoming Our Core Cloud Computing Service

Sales are growing, while the new core service “ES e-Bukken One” is replacing existing services.

ES e-Bukken One [unit: # of contracts or companies of service provision]		2012 Oct.	Nov.	Dec.	2013 Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	2014 Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.
Rental Property	New	48	59	65	76	80	78	94	99	95	101	104	106	109	120	132	143	146	148	159	163	168	178	198	221
	Shift	27	36	47	57	55	57	60	61	63	68	71	77	81	79	84	85	94	98	103	107	119	132	173	189
Sales Property	New	23	28	35	42	42	48	60	63	62	68	66	71	74	78	93	96	92	96	101	100	101	101	107	111
	Shift	8	10	18	21	23	28	32	35	37	44	44	47	49	48	48	48	51	52	53	53	54	54	59	62
Total		106	133	165	196	200	211	246	258	257	281	285	301	313	325	357	372	383	394	416	423	442	465	537	583
Companies		91	113	138	167	173	182	212	222	219	237	241	254	263	275	297	311	323	329	347	356	371	384	420	445



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Recognized as a Service Subject to the Subsidy for Cloud Computing from the Ministry of Economy, Trade and Industry

Among firms that offer cloud computing services specializing in realty, only our company has been registered.

A subsidy is provided, when a firm that has installed ICT equipment by itself and operates information systems or a firm that uses information systems with the housing service of a data center shifts to the registered cloud computing service “ES e-Bukken One” .(＊)

＊ If a firm applies to the office for subsidy application (Sustainable Open Innovation Initiative) and satisfies the criteria for screening, the firm will receive a subsidy (up to one third of cost for small and medium-sized firms, up to one fifth of cost for other firms).

Screening criteria	Results of ES e-Seikatsu	
☑ Energy-saving property	Use of a data center with the PUE value* being less than 2.5	OK!
☑ Business continuity	Requirements satisfied as a listed company	TSE Mothers 3796 OK!
☑ Securing of security	ITSMS and ISMS obtained	ITSMS and ISMS obtained OK!
☑ Provision of the cloud service	1,285 companies and 2,355 stores as of Aug. 2014	OK!
☑ Data center facilities	Aseismic performance, entry control, emergency power sources	OK!

* PUE (Power Usage Effectiveness) value: indicator of electricity usage efficiency at a data center.



<Deadline for application>
Application must reach the office for subsidy application by Friday, November 28, 2014.

<Regarding target services>
ES e-Bukken One Rental Property, ES e-Bukken One Sales Property, ES e-Bukken One Website

<Conditions>
1. Businesses will be conducted inside Japan.
2. The information systems operated with ICT equipment, etc. owned by clients will be shifted to our cloud service, and the ICT equipment, etc. will be removed.
3. The information system shifted to the cloud service will be continued to be used for at least one year.
4. Some energy will be saved by shifting of the information system to the cloud service.

Up to one third of the cost for shift will be subsidized!

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Highlights

Profit increased considerably from the same period of the previous year, while sales decreased slightly.

- Consolidated sales: 902 million yen (FY2014 2Q 915 million yen, YOY change -13 million yen, -1.5%)
  - ・Cloud Service revenue: 845 million yen (FY2014 2Q 850 million yen YOY change -4 million yen -0.6%)
  - ・Including **monthly recurring revenue of Turnkey services: 737 million yen (FY2014 2Q 743 million yen, YOY change -6 million yen, -0.8%)**
- Consolidated operating profit: 51 million yen (FY2014 2Q 14 million yen, YOY change +37 million yen 3.7 times)
- Net income: 29 million yen (FY2014 2Q -2 million yen, YOY change +32 million yen)

Sales of our “Cloud Service” are steady.

- Focus on new client acquisitions as well as up-selling to existing Cloud Service clients. Solid growth in monthly ARPU.
  - ・Monthly ARPU: approx. 111,200 yen/company ※as of the end of Sep. 2014
    FY2014 2Q approx. 103,800 yen/company ※as of the end of Sep. 2013

The functions of “ES e-Bukken One” were upgraded and enriched, and the shift from existing services was promoted.

- Additional functions were added to “ES e-Bukken One Sales Property” and “ES e-Bukken One Website” to meet the requests of customers. Additional version of “Rental Property Management Function” and “Smart One Convert” were released and sales activities were strengthened.

＊Cloud Service revenue figures have not been adjusted for internal transactions.
＊Figures rounded down to the nearest million yen.
＊Ratios rounded to the nearest decimal place.

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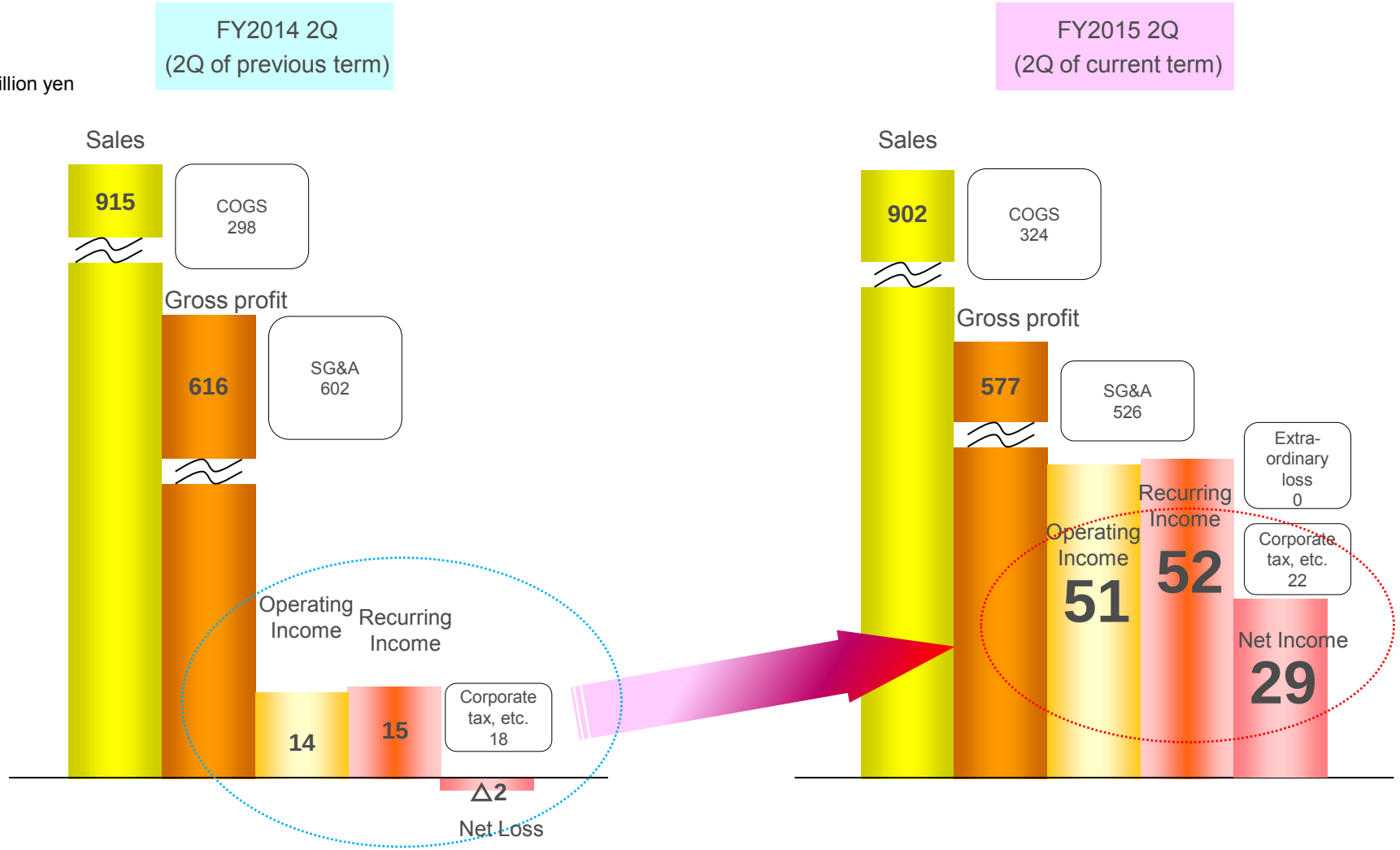
Consolidated Income Statement

Expenses were curtailed by streamlining business processes and profits increased.

Unit: Million yen



∗ Figures rounded down to the nearest million yen.
∗ '0' indicates an amount less than one million yen.

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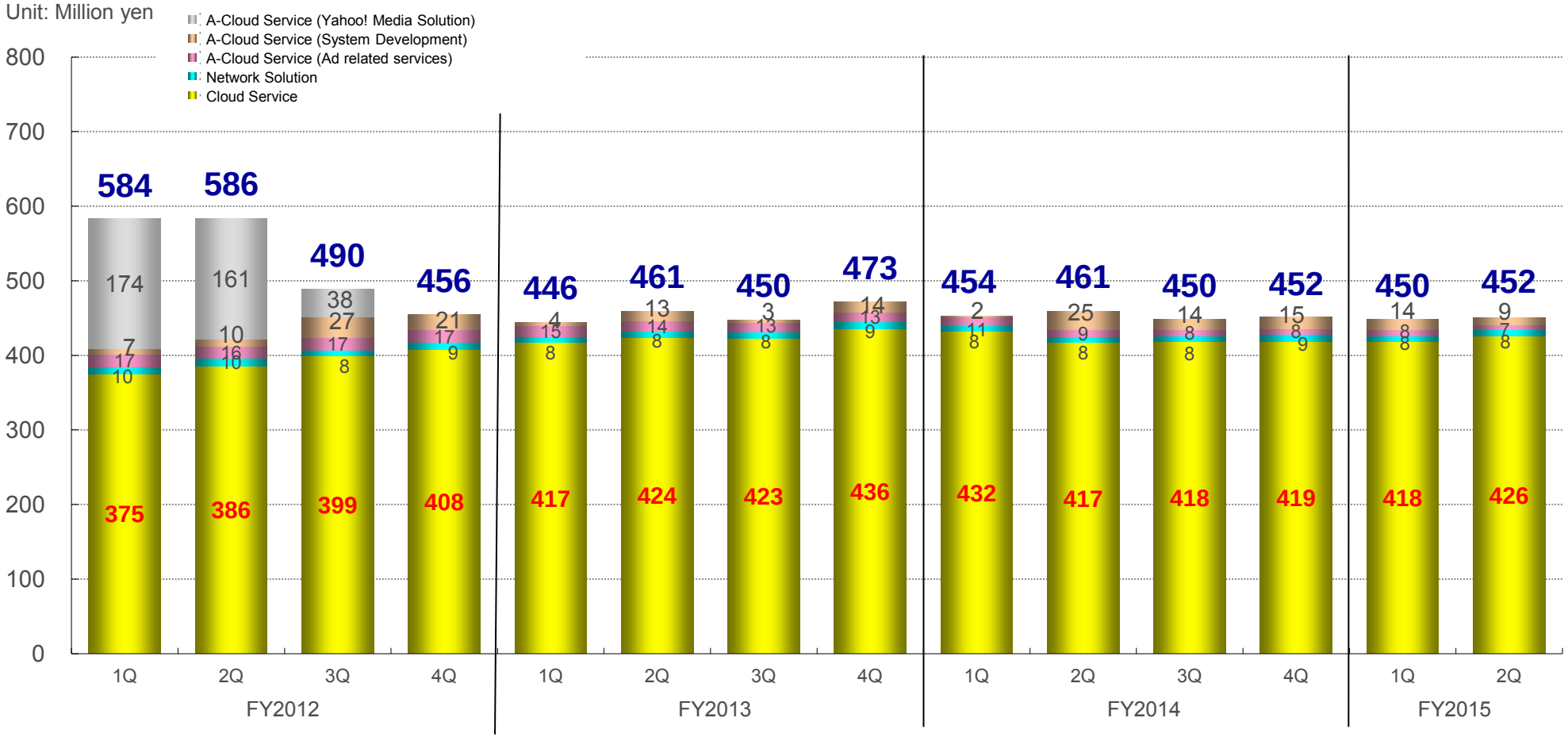
Cloud Solution Business Sales Category Breakdown

Increasing “Cloud Service” revenue



∗Advanced-Cloud Service (Yahoo! Media Solution) sales were concluded in FY2012 3Q (at the end of November, 2011).

∗Cloud Solution Business sales figures have not been adjusted for internal transactions.

∗Figures rounded down to the nearest million yen.

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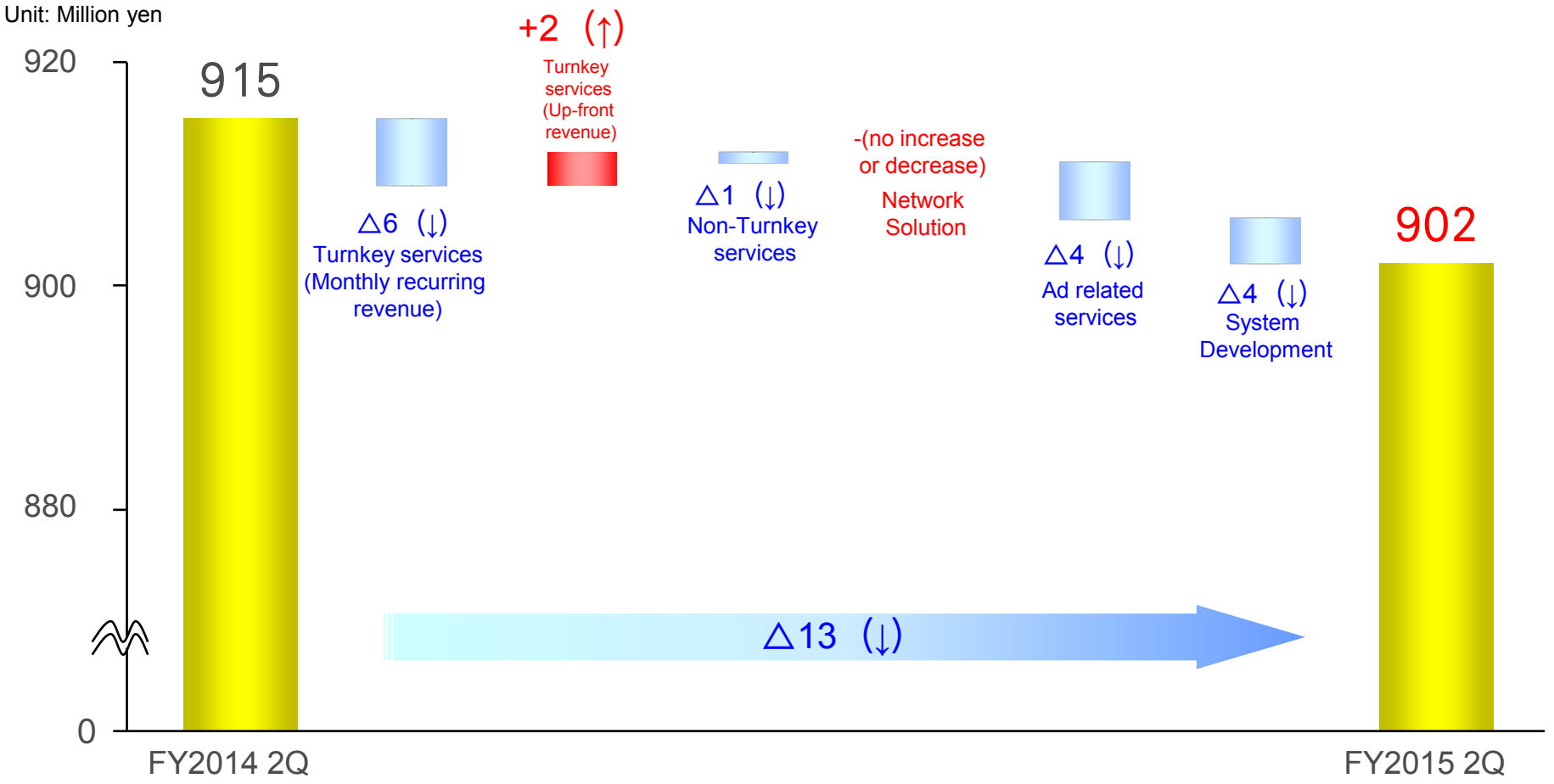
Cloud Solution Business Change in Revenue Breakdown



* Cloud Solution Business sales figures have not been adjusted for internal transactions.
* '-' indicates zero yen, '0' indicates an amount less than one million yen.
* Figures rounded down to the nearest million yen.

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Cloud Solution Business Revenues by Product

Item (Million yen)	Apr.-Sep. FY2014	Apr.-Sep. FY2015	YOY change	YOY change (%)
Cloud Service	850	845	△4	△0.6%
Turnkey services *	765	761	△3	△0.4%
Up-front revenue	21	24	2	13.8%
Monthly recurring revenue	743	737	△6	△0.8%
Non-turnkey services *	84	83	△1	△1.9%
Network Solution	17	17	—	—
Advanced-Cloud Service	48	39	△8	△17.9%
Ad related services	20	15	△4	△22.5%
System Development	27	23	△4	△14.5%
Total	915	902	△13	△1.5%

* Turnkey services ・・・・・・・・・・ Suite of standard system applications with up-front and monthly recurring revenue.
Non-turnkey services ・・・・・・・・ Customized system applications with one-time and monthly recurring revenue.

∗ Cloud Solution Business sales figures have not been adjusted for internal transactions.
∗ '-' indicates zero yen, '0' indicates an amount less than one million yen.
∗ Figures rounded down to the nearest million yen.

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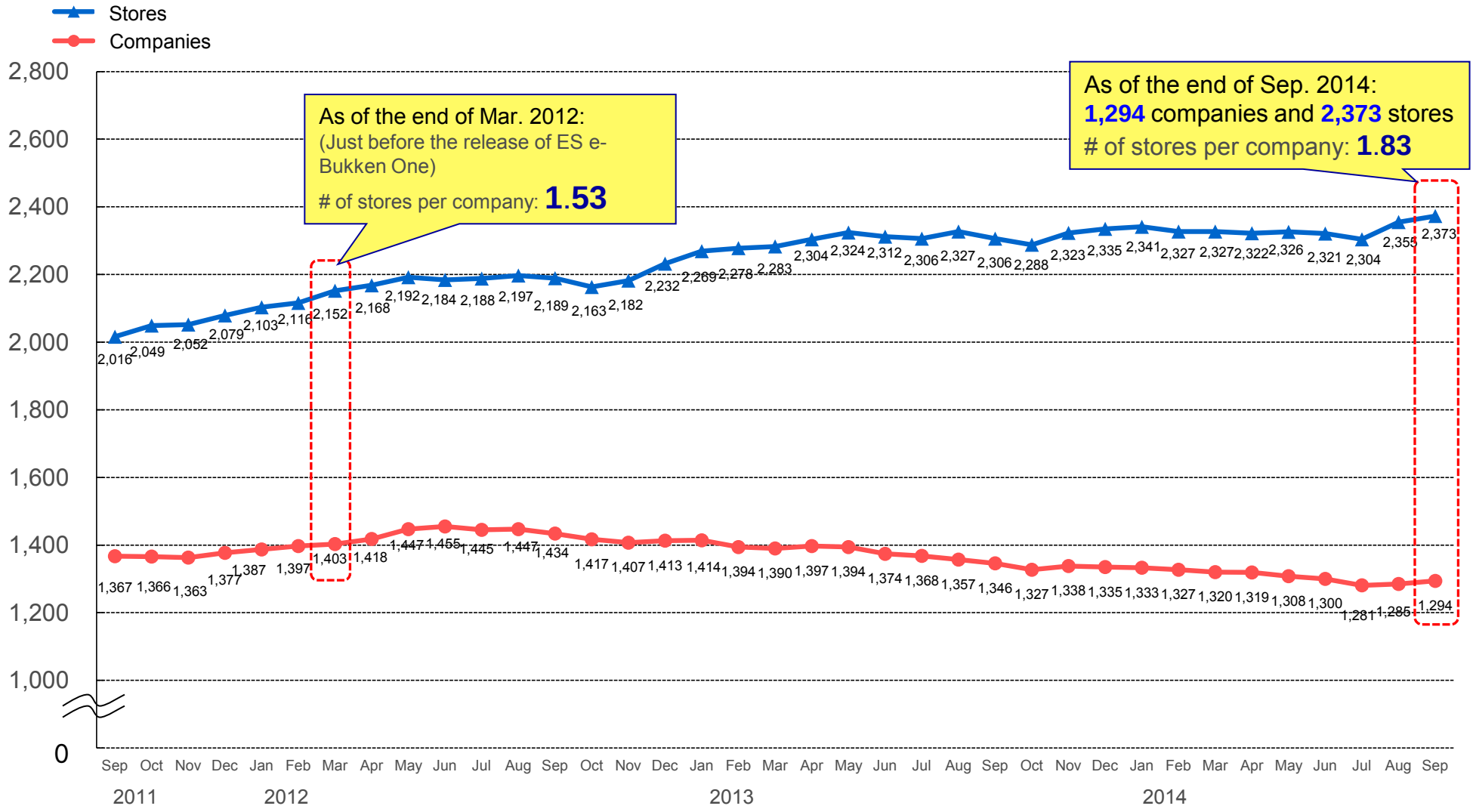
Number of Cloud Service Clients

Number of stores per company is expanding with the release of “ES e-Bukken One”.



＊ As for ES e-Bukken One, contracts are concluded and fees are charged for individual corporations. As for the number of stores, the total number of stores used and registered by clients (real estate companies) was counted.

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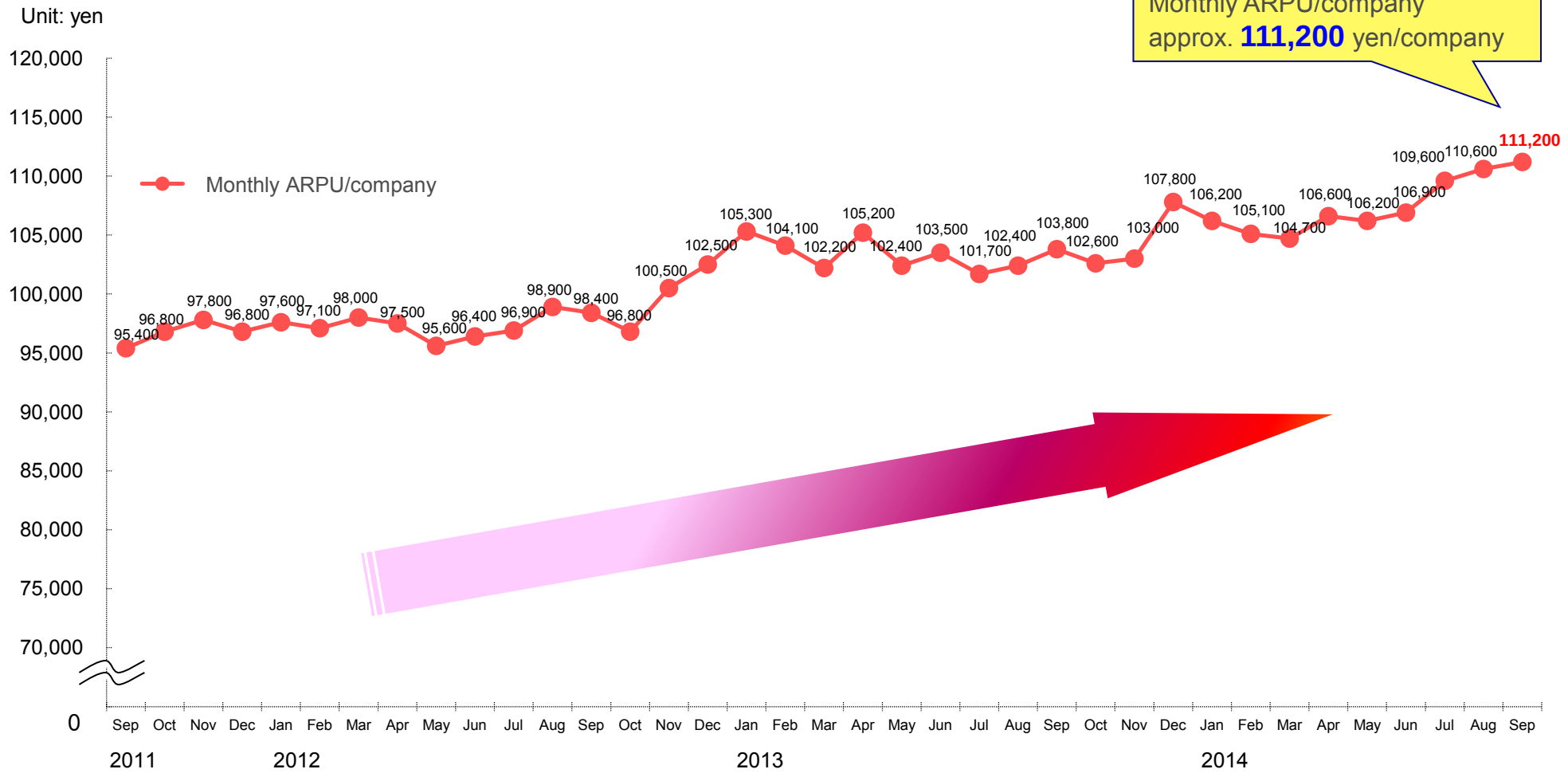
Cloud Service Monthly ARPU

Resulting in a steady increase in monthly ARPU

As of the end of Sep. 2014
Monthly ARPU/company
approx. **111,200** yen/company



∗ Monthly ARPU = $\frac{\text{Cloud Service revenue in a given month}}{\text{The number of companies 'Billed Clients' in a given month}}$

∗ Figures rounded down to the nearest hundred yen.

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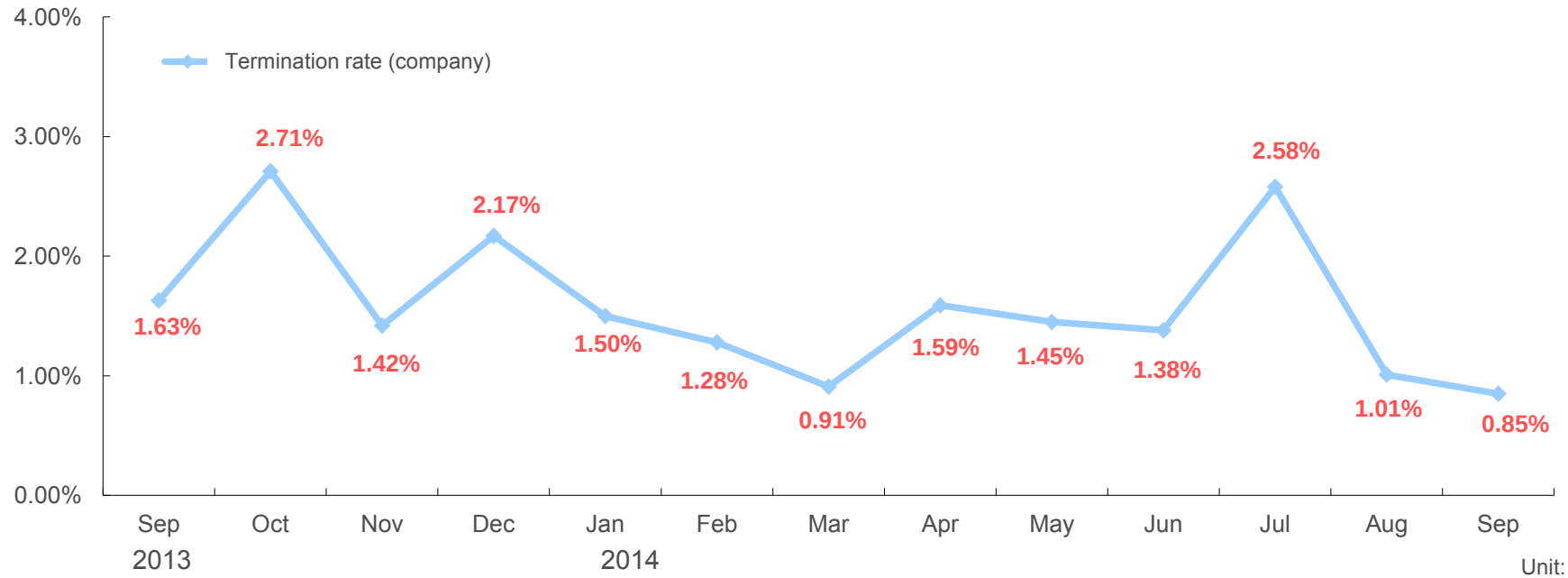
Cloud Service Client Termination Rate

The quality of support systems and services was enhanced, for raising customer retention rate.



Unit: companies

	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug	Sep.	Ave.
# of companies	22	36	19	29	20	17	12	21	19	18	33	13	11	20.8
Termination Rate	1.63%	2.71%	1.42%	2.17%	1.50%	1.28%	0.91%	1.59%	1.45%	1.38%	2.58%	1.01%	0.85%	—

＊Termination rate is obtained by dividing the number of companies that have cancelled our service in each month by the number of companies whom we have charged.

＊ “# of companies” means the number of companies that have cancelled our service and are no longer charged in the month concerned.

※ From the second quarter of the current term (Jul. 2014), the following definition of the number of cancelling companies has been used.
(Before revision) The number of cancelling companies means the number of companies that have cancelled all services in the month concerned.
(After revision) The number of companies means the number of companies that have cancelled all services and are no longer charged in the month concerned.
As for termination rate, the above table shows the values revised retroactively from Sep. 2013.

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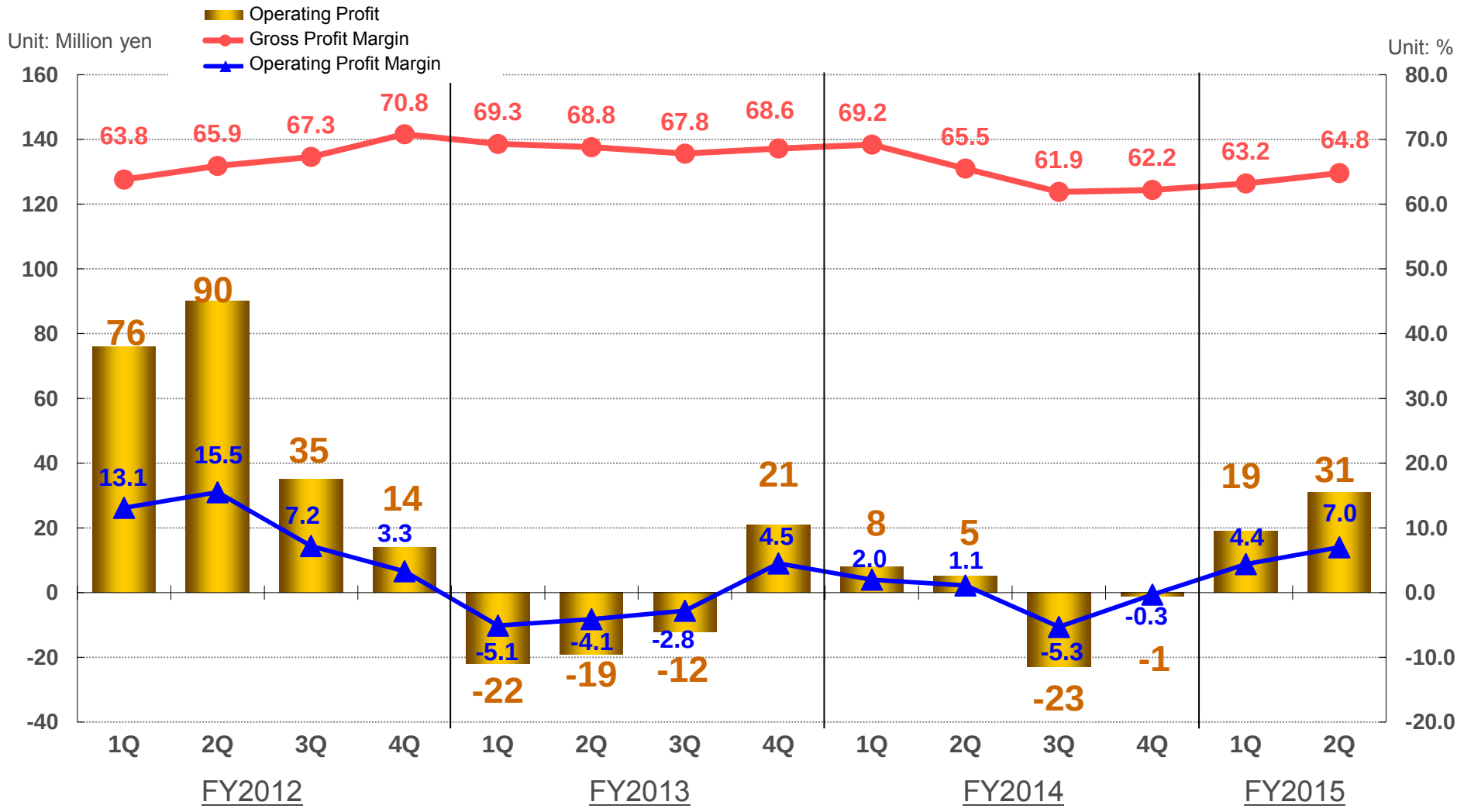
Consolidated Operating Income



∗ Figures rounded down to the nearest million yen.

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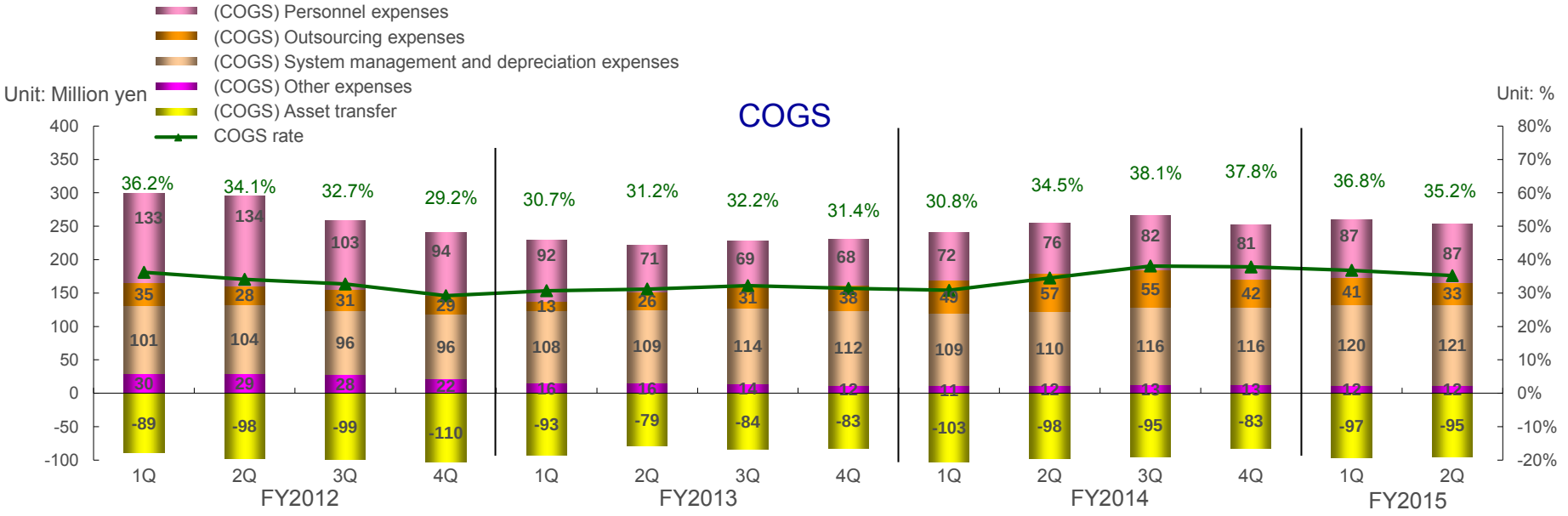
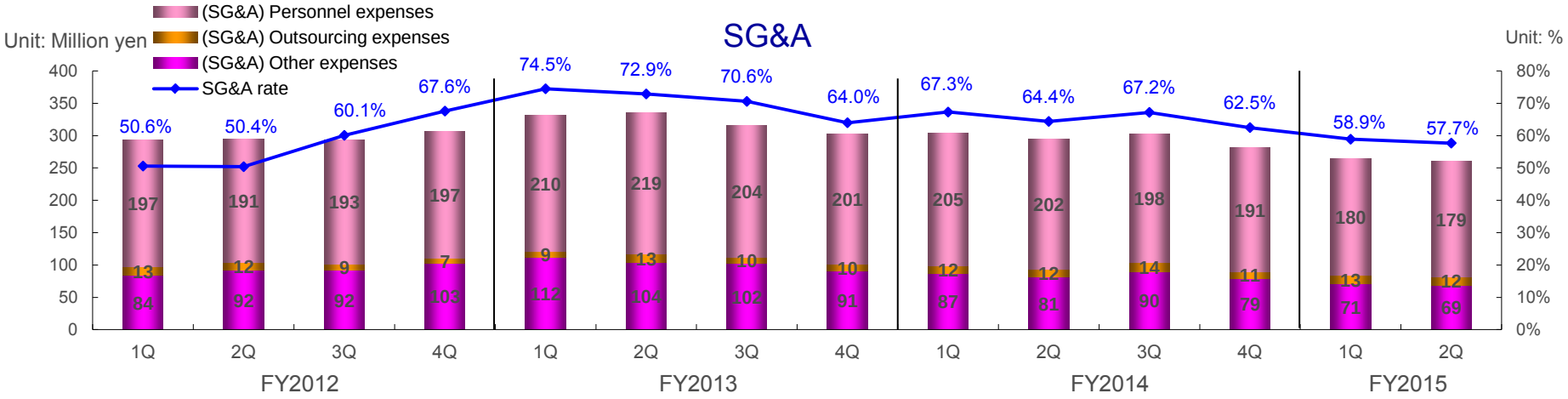
Consolidated COGS/SG&A





* (COGS) Outsourcing expenses: Outsourcing expenses, temporary recruitment expenses, procurement expenses, system usage expenses, etc.
  (COGS) Asset transfer: Inventory assets(goods in process), portion allowances for software under development listed under COGS
* (SG&A) Outsourcing expenses: Advertising expenses, recruitment related expenses, consultant fees, payment commission, etc.
* Figures rounded down to the nearest million yen.

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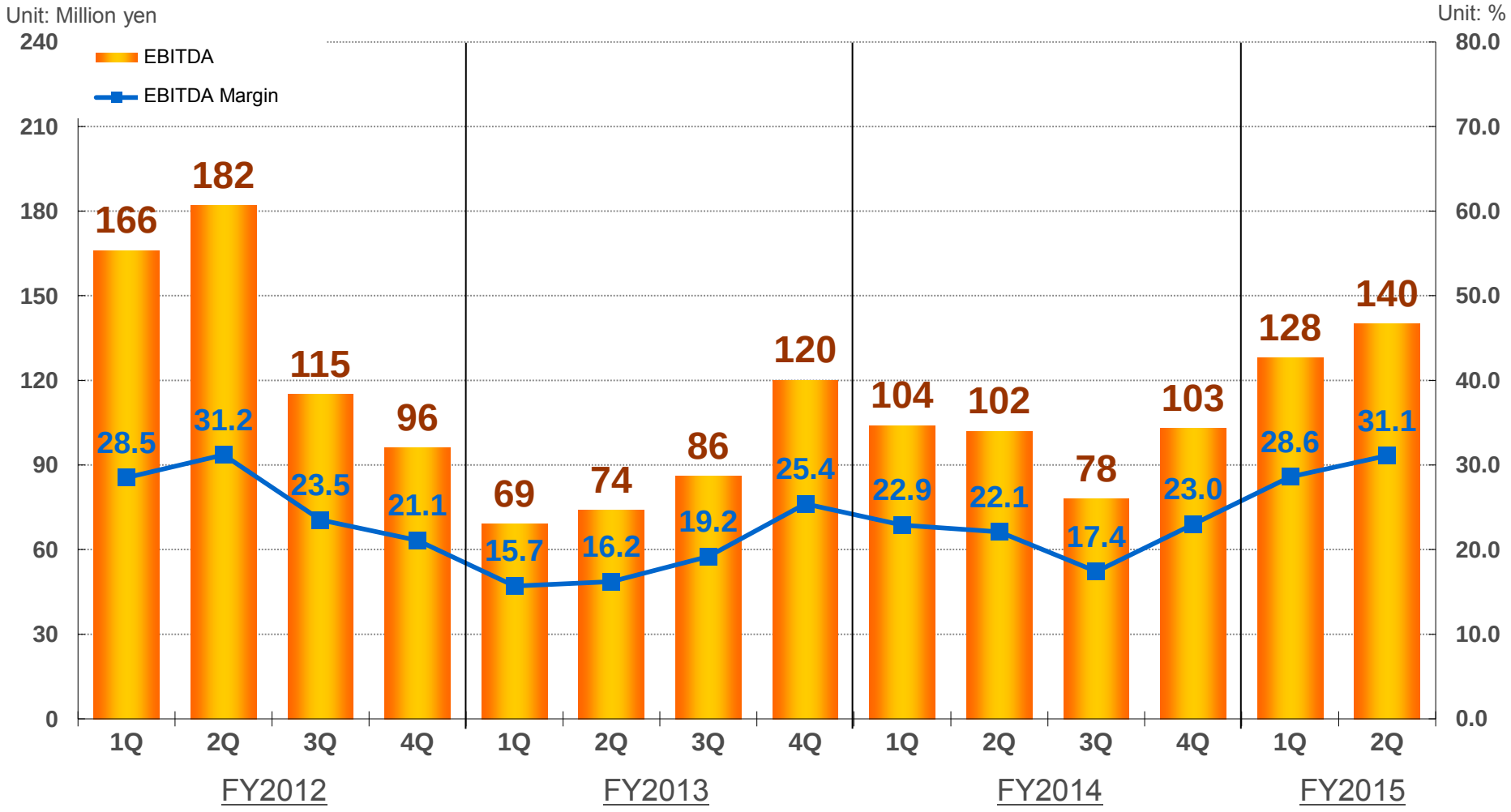
Consolidated EBITDA

Stable and growing EBITDA (operating profit + depreciation)



∗ Figures rounded down to the nearest million yen.

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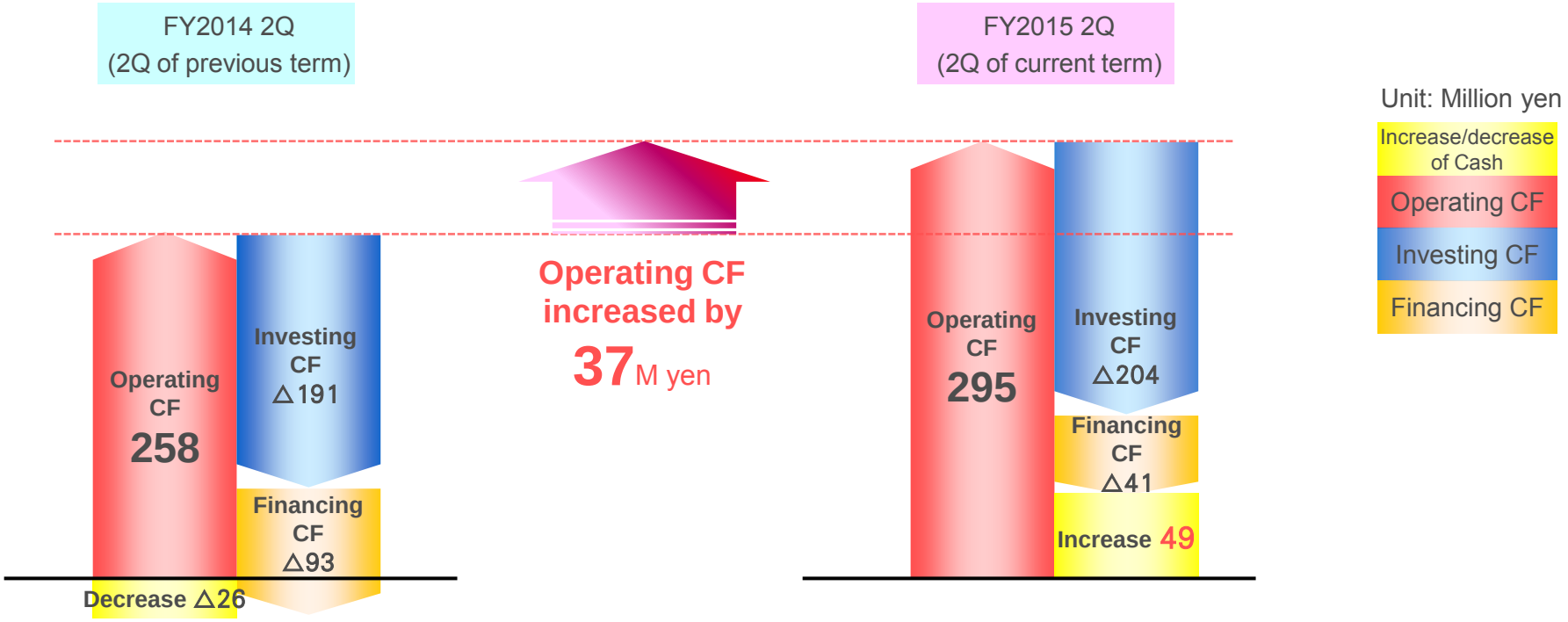
Consolidated Cash Flow



<Key Points>					
Operating Activities	① Income before tax + depreciation expenses	FY2014 2Q	207M yen	FY2015 2Q	269M yen
	② Payment of corporate tax, etc.	FY2014 2Q	△3M yen	FY2015 2Q	△25M yen
	③ Refund of corporate income tax, etc.	FY2014 2Q	42M yen	FY2015 2Q	—
Investing Activities	④ Expenses due to in-house software development	FY2014 2Q	△203M yen	FY2015 2Q	△193M yen
	⑤ Expenses due to the purchase of assets (HW/SW)	FY2014 2Q	△10M yen	FY2015 2Q	△6M yen
	⑥ Construction, equipment installation, etc.	FY2014 2Q	△0M yen	FY2015 2Q	△13M yen
Financing Activities	⑦ Payment of year-end dividend	FY2014 2Q	△75M yen	FY2015 2Q	△20M yen
	⑧ Expenses due to repayment of lease obligations	FY2014 2Q	△18M yen	FY2015 2Q	△20M yen

∗ Figures rounded down to the nearest million yen.
∗ '0' indicates an amount less than one million yen.

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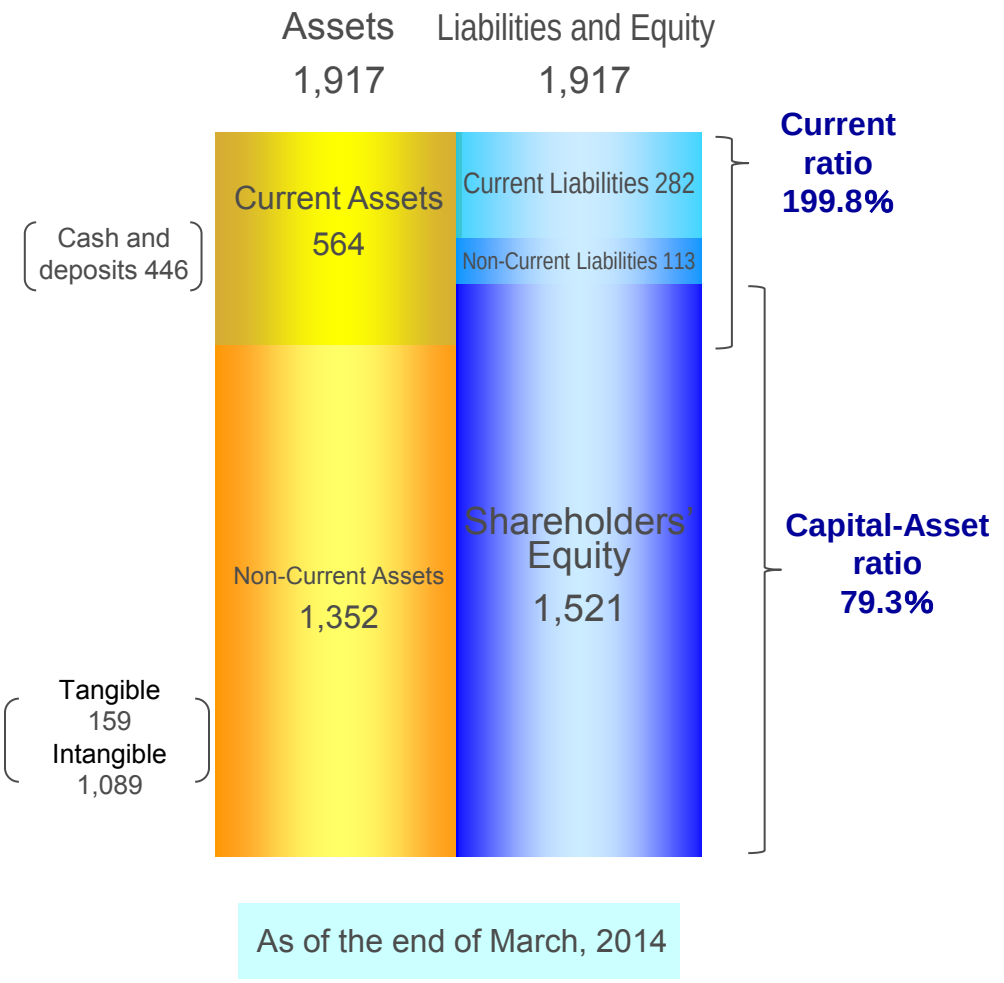
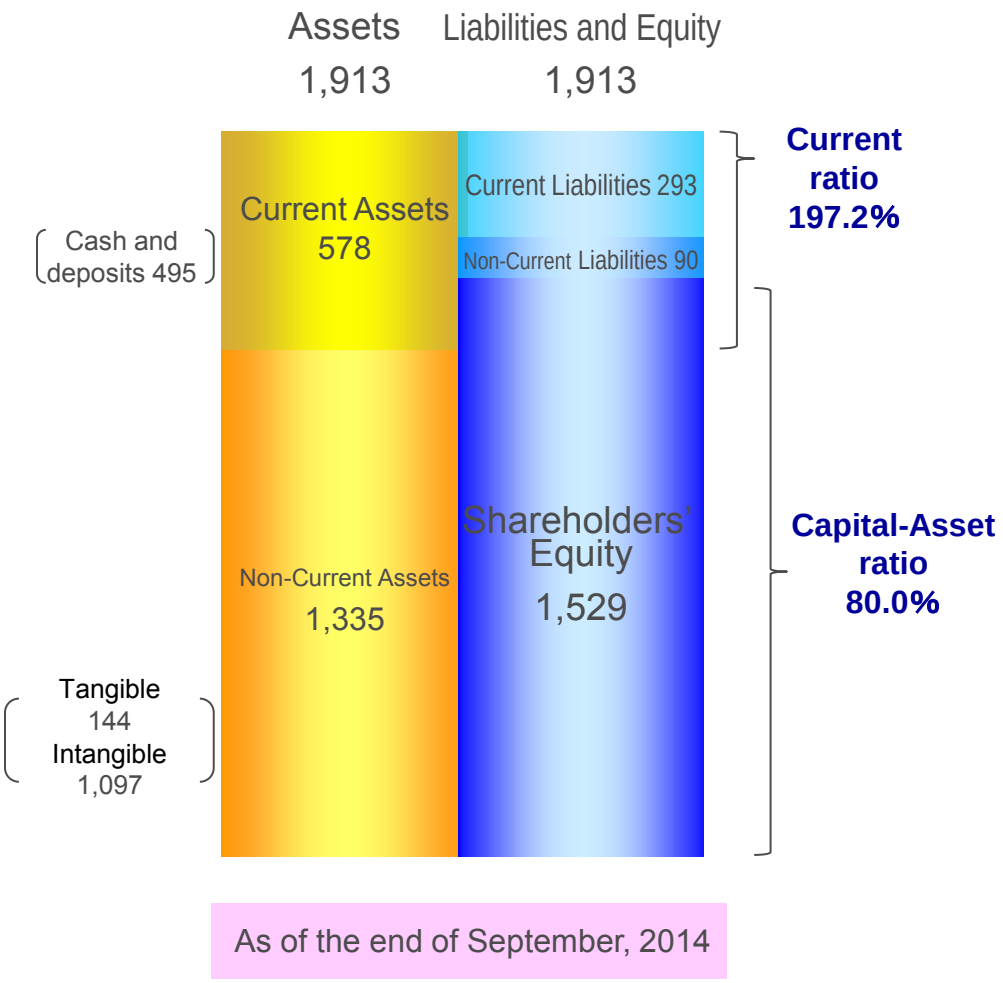
Consolidated Balance Sheet YOY Comparison

Financially sound



As of the end of March, 2014



As of the end of September, 2014

＊Figures rounded down to the nearest million yen.

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2. Business Forecast

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Revision to Consolidated Earnings Forecast (announced on Oct. 23, 2014)

The upward revision to the full-year consolidated earnings forecast (profits) was announced on Oct. 23, 2014.

(Million yen)	Latest Forecast (A)	Previous Forecast (B)	Increase/decrease (A-B)	Increase/decrease rate (%)	(Reference) Full-term Results FY2014
Sales	1,838	1,882	△44	△2.4%	1,820
Operating Profit	94	33	60	184.6%	△11
Recurring Profit	94	32	62	194.1%	△9
Net Income	52	12	40	328.3%	△36
Net Income per Share	Yen 7.63	Yen 1.78	—	—	Yen △5.32

※ The estimated dividend has not been revised.

Dividend per share	3 yen	3 yen	—	—	3 yen

＊Forecast figures above are based on information available at the time of this announcement.
Actual results may differ materially from the forecast figures.

＊Figures rounded down to the nearest million yen.

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Estimated profit is better than the original forecast.

Through the streamlining of business operation, expenses have been reduced.

→ Based on the results till the second quarter, all expense plans for the 3rd and 4th quarters have been revised.
(Total cost) original forecast: 1,849 million yen ⇒ revised forecast: 1,744 million yen

Sales are estimated to be slightly smaller than the target value, but increase from the previous term.

We focused on upgrading functions, meeting clients' requests, and supporting the shift to new services.

→ Sufficient time was consumed for improving the functions of services and satisfying clients' requests, slightly postponing the new release plan.

We engaged in follow-up activities for actualizing smoother shift from the existing services to "ES e-Bukken One."

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Cloud Solution Business Full-term Revenue Forecast Breakdown

Item (Unit: million yen)	FY2015 Forecast	Second-quarter Results FY2015	Progress Rate as % of Forecast	(Reference) Full-term Results FY2014
Cloud Service	1,718	845	49.2%	1,687
Turnkey services *	1,553	761	49.0%	1,519
Up-front revenue	51	24	47.8%	39
Monthly recurring revenue	1,502	737	49.1%	1,479
Non-turnkey services *	164	83	50.6%	168
Network Solution	34	17	50.0%	36
Advanced-Cloud Service	84	39	46.8%	95
Ad related services	31	15	50.1%	38
System Development	53	23	44.8%	57
Total	1,838	902	49.1%	1,819

* Turnkey services ・・・・・・・ Suite of standard system applications with up-front and monthly recurring revenue.
Non-turnkey services ・・・ Customized system applications with one-time and monthly recurring revenue.

* Forecast figures are based on information available at the time of this announcement.
Actual results may differ materially from the forecast figures.

* Cloud Solution Business sales figures have not been adjusted for internal transactions.

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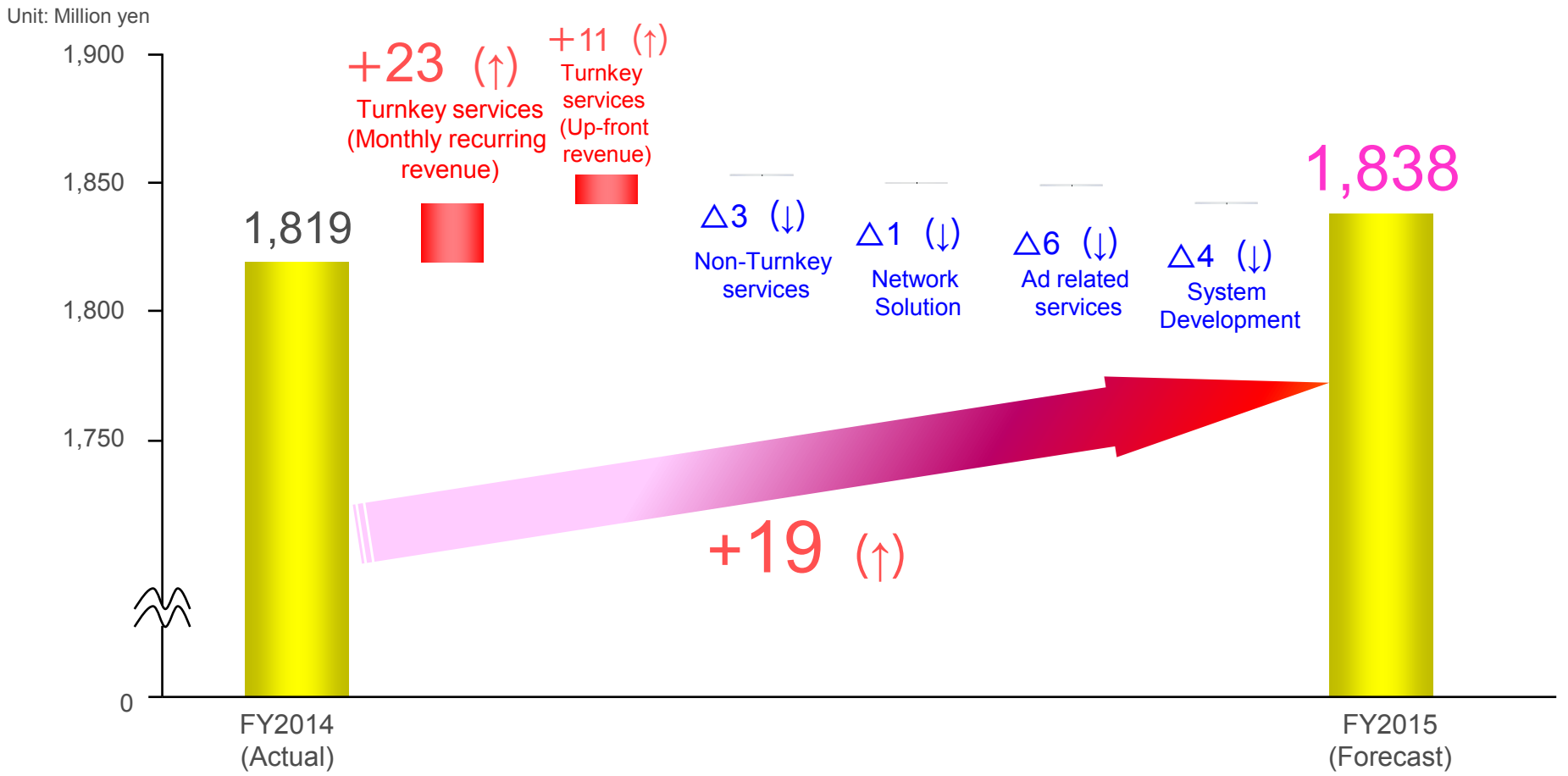
Cloud Solution Business Change in Revenue Breakdown



<Key Points>

Further promoting “ES e-Bukken One,“ our ”turnkey services (monthly recurring revenue)” revenue is expected to increase by about 23 million yen YOY, and the total sales of the cloud solution business are estimated to increase by about 19 million yen.

* Cloud Solution Business sales figures have not been adjusted for internal transactions.
* Figures rounded down to the nearest million yen.

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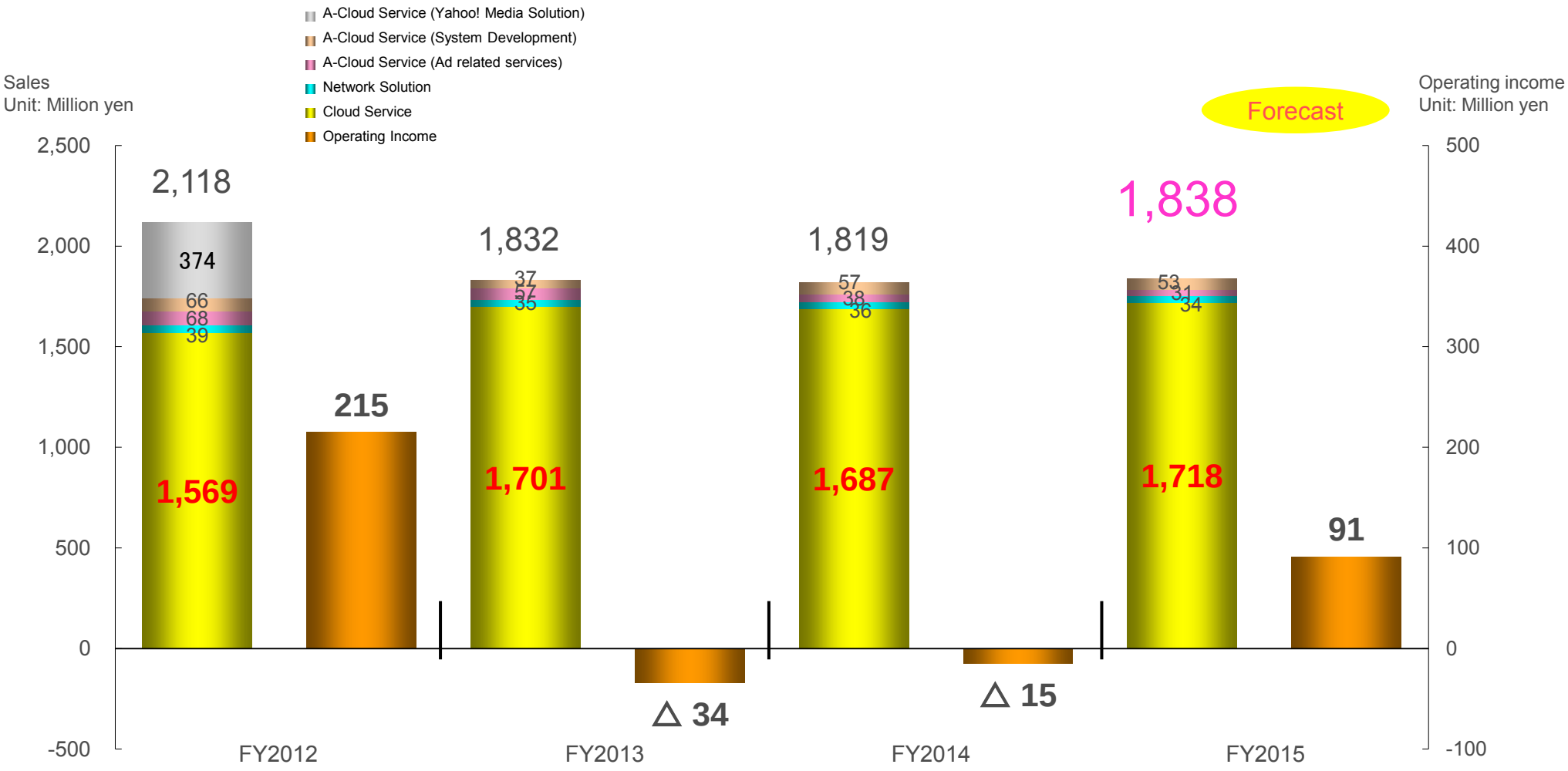
Cloud Solution Business Revenue and Operating Profit Forecast



∗ “Yahoo! Media Solution” operations were concluded in FY2012 (at the end of November, 2011).
∗ Cloud Solution Business sales figures have not been adjusted for internal transactions.
∗ Figures rounded down to the nearest million yen.

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3. Business Overview

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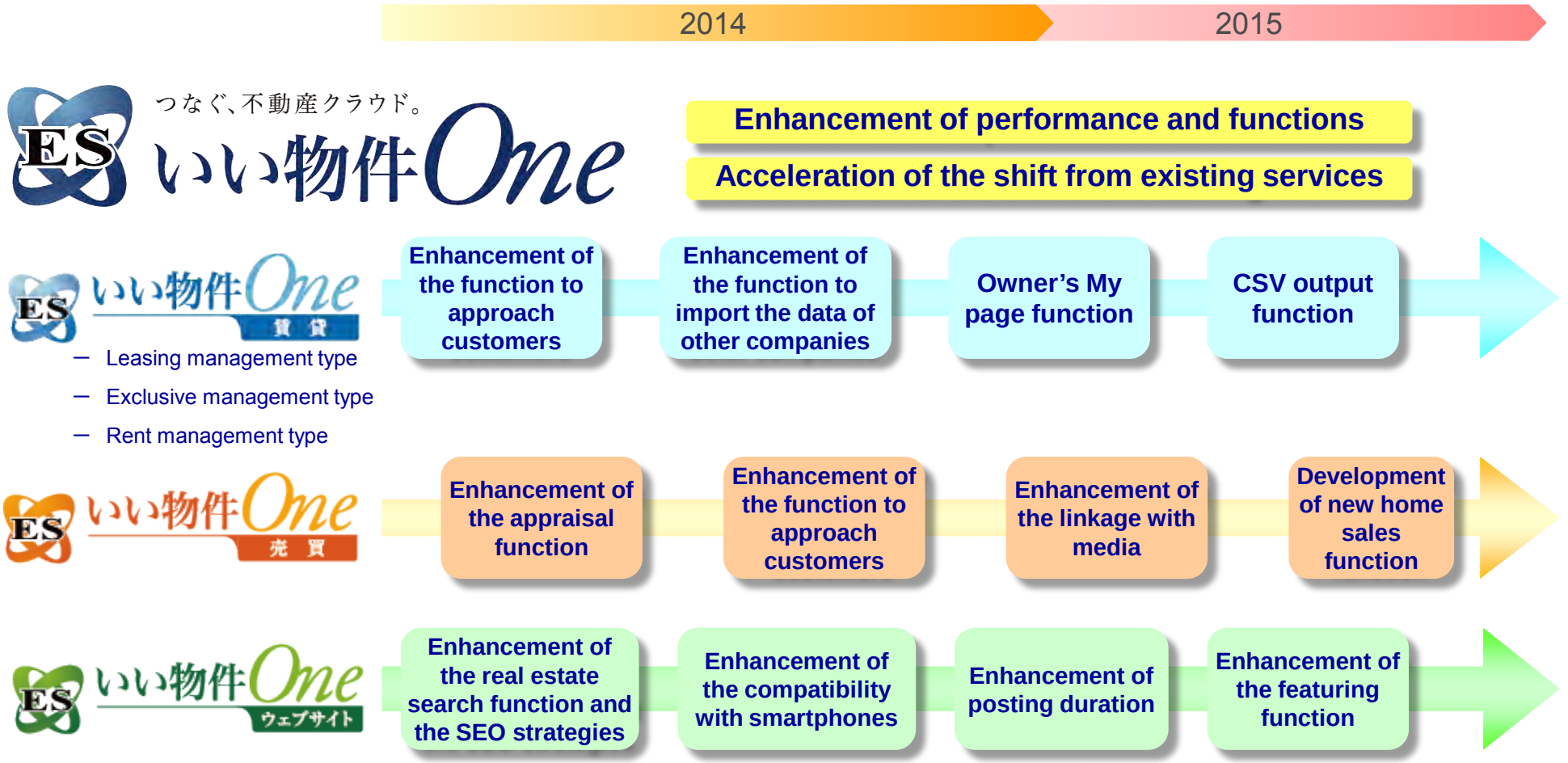
New options and features for “ES e-Bukken One” to follow



* We plan to have existing customers upgrade to “ES e-Bukken One” as offered.
* Development and product launch schedule subject to change.

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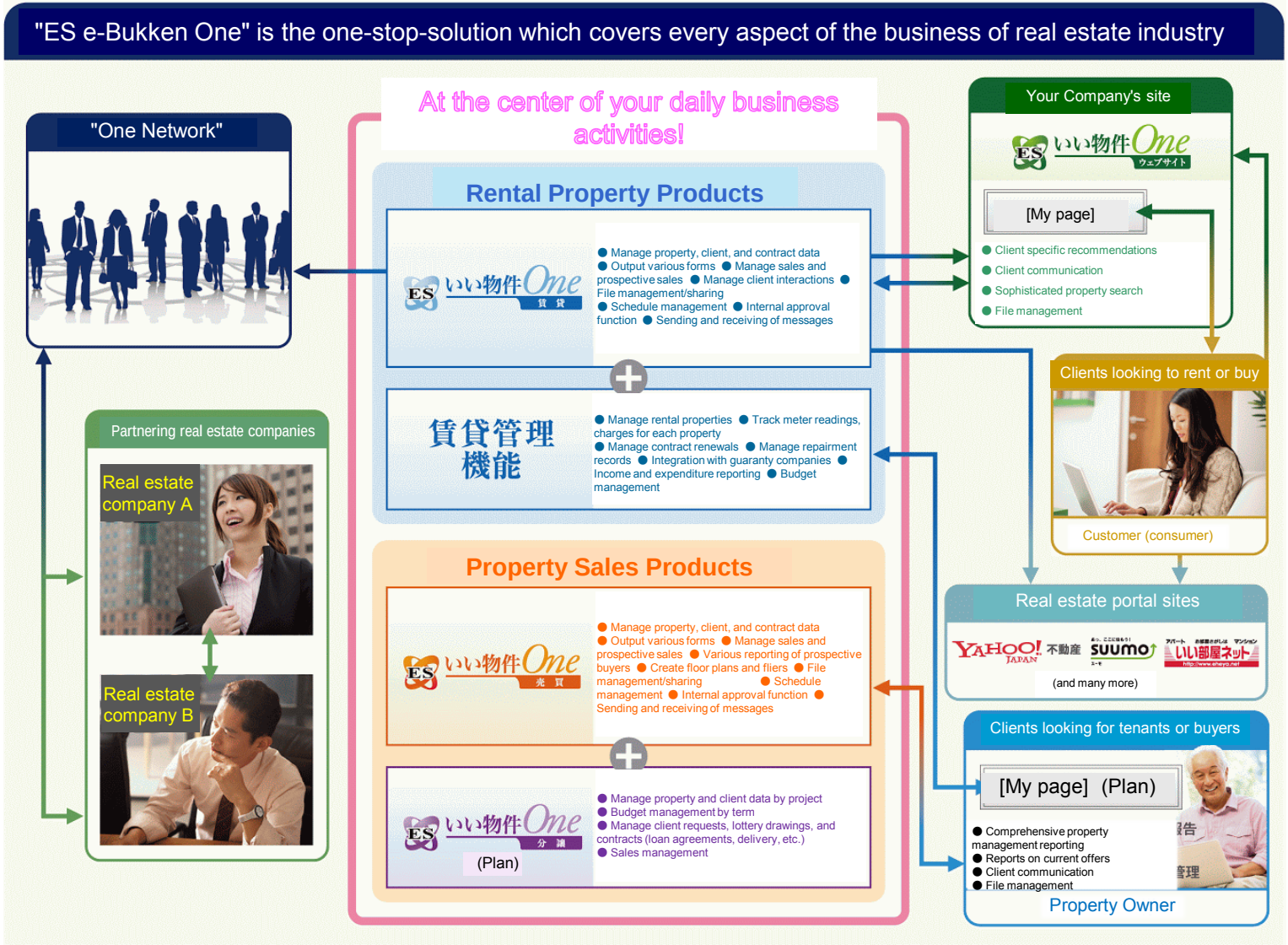
Outline of "ES e-Bukken One"



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“ES e-Bukken One” for Supporting Real Estate Businesses



All businesses of real estate can be started from this window!
“Search and registration” window



You can grasp necessary info at a glance!
“Dashboard”
that can be customized

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Real Estate Businesses to Be Evolved with “ES e-Bukken One”



* Some functions can be used in the trial version.
* The function to post at once is an option.

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Topics for the 2nd Quarter: Expansion of the “Lease Management Function”

Lease brokerage and agency businesses

To receive requests for solicitation

I want to lend

・To store transaction records

To advertise real estate

Solicitation for rental

・To post ads in their website
・To insert ads into the websites exclusively for dealers
・To insert ads into portal sites
・To print flyers
・Inter-dealer distribution
・To produce room layouts
・Management of surrounding facilities

- いい物件One ウェブサイト
- B2B 賃貸
- スマートOneコンバート

To respond to feedbacks

I want to rent

・To deal with inquiries
・To automatically save feedbacks
・To manage the records of approaches to customers
・To produce rent estimates

To newly conclude lease contracts

Lease contracts

・Application forms
・Leaflets for explaining important items and contracts
・Settlement notes
・Transaction ledgers
・Progress management
・Storage of electronic files

■ Merits of conducting all tasks with a single system

つなぐ、不動産クラウド。
ES いい物件One

Contract update

To update lease contracts

Lease contracts

・Explanation of contract update
・Update settlement notes
・Record management
・Progress management
・To store electronic files

Contract cancellation

To cancel lease contracts

Lease contracts

・To receive requests for cancellation
・Cancellation settlement notes, restoration to the original state
・Record management
・Progress management
・To store electronic files

Rent collection

To collect rents, etc.

Rent management

・Money transfer to bank accounts
・Cooperation with factoring firms
・Cooperation with guarantee firms
・Management of reminders
・To charge variable expenses

To send money to outsourcers

・To offset expenses
・To conduct payments on behalf of payers
・Guarantee against delinquency
・A variety of methods for calculating remunerations
・Allocation to several owners
・Sublease indemnification management
・To produce comprehensive data of wire transfer

To report to outsourcers

・To liberalize the design for the statements of incomes and expenditures
・Plan to develop webpages that can be personalized by individual clients

Operation and coordination

To conclude and update contracts for management entrustment

Management entrustment

・Sublease
・To undertake operation
・Full-time management
・Real estate owned by companies

To deal with inquiries, including requests for repair

Transactions

・Inquiries from occupants
・Inquiries from owners
・Record of communications with governmental offices, etc.
・Management of orders for repair received and placed
・To store electronic files

To manage keys

Keys

Business administration

To manage sales, deposits and withdrawals

Deposits and withdrawals

Sales

Journali-zation

To manage tasks

Schedule

ToDo

Approval

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Topics for the 2nd Quarter (Part 2): Expansion of the Function to Post Data at Once

Data can be posted at once easily with a single button! A larger number of compatible sites.



*Random order

＊ Through the release of “Smart One Convert,” it became possible to post data into the sites in the lower 2 rows. The other sites are covered by the existing service.

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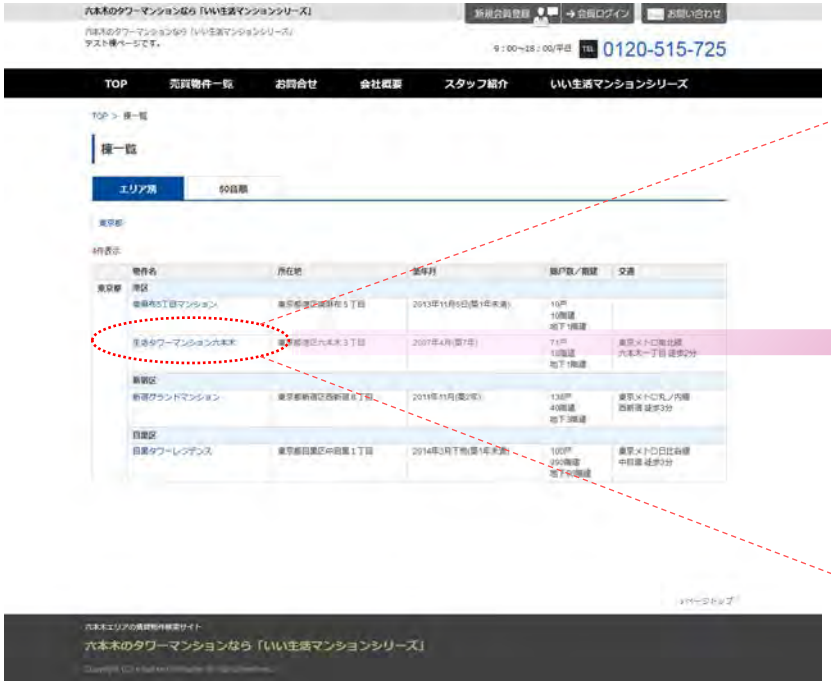
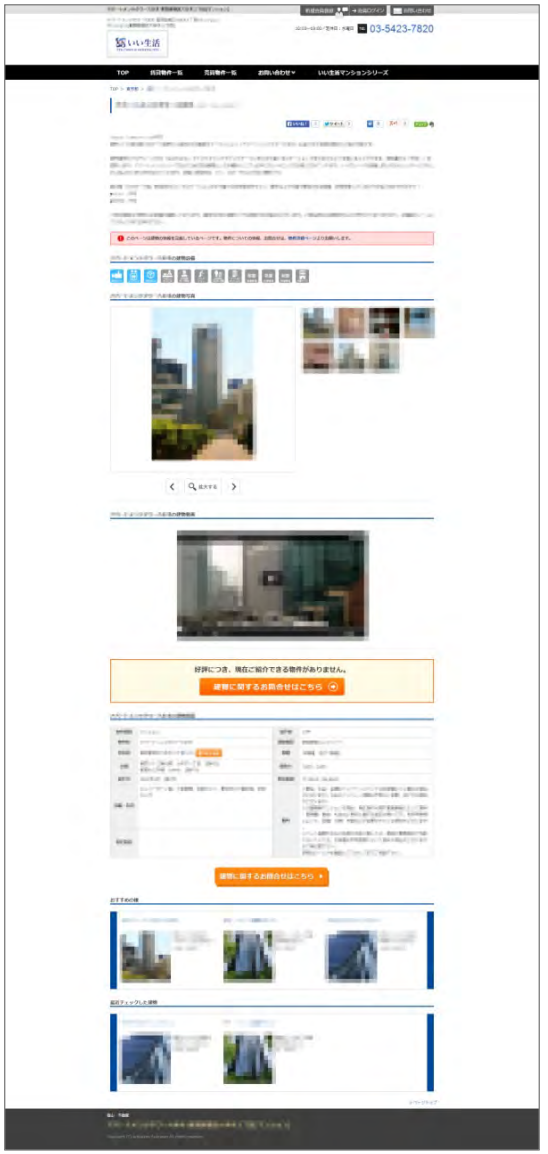
Topics for the 2nd Quarter (Part 3): Function to Produce a Static Page for Describing Each Building

いい物件One ウェブサイト

Page showing the list of buildings



Page showing the details of a building



- Customers can search for real estate by building name.
- To promote the “increase in access to the website” and “the lengthening of the time spent by visitors in the website.”
- You can produce static (fixed) pages “anytime, anywhere, easily” as you want.

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We achieved centralized information management and operational efficiency.



http://www.yshome.jp/

YS-HOME Co., Ltd.

"We used to spend too much time and too many staff to update and manage real estate property information. It also took us a lot of time and effort to make contract documents.
We also had difficulties sharing information among stores and between the head office and stores.
e-Seikatsu provided the ideal solution, and we can now operate our business more smoothly and efficiently."

Utilized services and key benefits

いい物件One 賃貸
いい物件One ウェブサイト
物件情報の一括入稿サービス

- ☑ **Dramatic reduction in time to enter data** into the real estate portal site.
- ☑ **Reduction in time to make** contract-related documents.
- ☑ **Enhanced operational efficiency** via information sharing among stores and departments.
- ☑ **Increased inquiries** from Web Site.

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We achieved successful information sharing among our many stores.



http://www.apple-co.jp/

Apple Real Estate Co., Ltd.

"Our major issue was not being able to share information,
especially property information, among stores, as the number of stores increase and our sales area expand.
To verify bank account activity, we also used to cross check deposits and withdrawals and manually update and reconcile the bank books.
In order to solve these issues, we migrated from our existing system to e-Seikatsu, and we are very satisfied."

Utilized services and key benefits

いい物件One 賃貸
物件情報の一括入稿サービス
いい物件One ウェブサイト

- ☑ **Enhanced operational efficiency** via real estate property information sharing.
- ☑ **Simplified sales management work** by using a transaction ledger.
- ☑ **Saved troublesome deposit management work by integrating with** firm banking system.
- ☑ **Smooth transfer from the old system** thanks to free-style format.

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We Aim to Increase the Number of Clients to 5,000.

Expand and grow our client base

To keep increasing clients by enriching the systems for the support for installation and clients

Improve sales and operation efficiency

To increase the average spending per client by improving additional values and lengthen the period of use by upgrading services

Future growth

To create information and commercial distribution in our platform (market place).

We will become an information infrastructure platform company for real estate industry.

Mile stone/ Target indicators

Number of clients : 5,000 companies　ARPU : ≧ ¥100,000/month　Cloud Service : Gross profit margin > 70%

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4. Appendix

Financial Data

Business Outline

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Financial Data

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Consolidated Income Statement

(Million yen)	FY2013				FY2014				FY2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales	446	461	450	473	454	461	451	452	450	452		
Gross Profit	309	317	305	324	314	302	279	281	284	292		
Gross Profit Margin	69.3%	68.8%	67.8%	68.6%	69.2%	65.5%	61.9%	62.2%	63.2%	64.8%		
Operating Profit	△22	△19	△12	21	8	5	△23	△1	19	31		
Operating Profit Margin	△5.1%	△4.1%	△2.8%	4.5%	2.0%	1.1%	△5.3%	△0.3%	4.4%	7.0%		
Recurring Profit	△22	△18	△13	21	8	6	△23	△1	20	32		
Recurring Profit Margin	△5.0%	△4.0%	△2.9%	4.5%	1.9%	1.5%	△5.3%	△0.3%	4.5%	7.1%		
Extraordinary Income	—	—	—	—	—	—	—	—	—	—		
Extraordinary Loss	—	7	1	1	—	0	4	3	0	0		
Quarter Net Income	△21	△22	△17	2	△1	△1	△25	△8	11	17		
Net Income Margin	△4.7%	△4.9%	△3.8%	0.4%	△0.3%	△0.4%	△5.7%	△1.8%	2.5%	3.9%		

∗ Quarterly figures are not audited (cumulative figures are audited).

∗ '-' indicates zero yen, '0' indicates an amount less than one million yen.

∗ Figures are rounded down to the nearest million yen.

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Consolidated Balance Sheet

(Million yen)	FY2013				FY2014				FY2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Current Assets Total	709	699	670	691	635	619	573	564	526	578		
Non-Current Assets Total	1,350	1,357	1,333	1,324	1,311	1,329	1,339	1,352	1,349	1,335		
Assets Total	2,060	2,057	2,003	2,016	1,947	1,949	1,912	1,917	1,876	1,913		
Current Liability Total	263	270	243	264	274	288	274	282	264	293		
Non-Current Liability Total	124	137	128	117	115	105	107	113	99	90		
Liability Total	388	408	371	381	390	394	382	395	364	383		
Net Assets Total	1,671	1,649	1,631	1,634	1,556	1,555	1,529	1,521	1,512	1,529		
Liability & Net Assets Total	2,060	2,057	2,003	2,016	1,947	1,949	1,912	1,917	1,876	1,913		

＊Figures are rounded down to the nearest million yen.

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Consolidated Cash Flow Statement

(Million yen)	FY2013				FY2014				FY2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
CF from Operating Activities	75	107	17	120	103	154	63	70	132	162		
CF from Investing Activities	△100	△80	△74	△88	△82	△109	△95	△100	△115	△88		
CF from Financing Activities	△69	△18	△7	△7	△71	△21	△8	△9	△28	△13		
Net increase in cash and cash equivalents (△decrease)	△94	8	△63	24	△50	23	△40	△39	△11	60		
Cash and Cash Equivalents (end of term)	583	592	528	553	502	526	485	446	434	495		

＊ Quarterly cash flow figures are not audited (cumulative period cash flow figures are audited).

＊ '-' indicates zero yen, '0' indicates an amount less than one million yen.

＊ Figures are rounded down to the nearest million yen.

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Cloud Solution Business

	FY2013				FY2014				FY2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Cloud Service	417	424	423	436	432	417	418	419	418	426		
Turnkey services	371	379	380	393	389	375	376	377	376	384		
Up-front revenue	10	13	15	11	11	10	12	6	9	14		
Monthly recurring revenue	360	366	364	381	377	365	364	371	367	370		
Non-turnkey services	45	44	43	43	42	42	41	41	41	41		
Network Solution	8	8	8	9	8	8	8	9	8	8		
Advanced-Cloud Service	20	28	17	27	13	34	23	23	22	17		
Ad related services	15	14	13	13	11	9	8	8	8	7		
System Development	4	13	3	14	2	25	14	15	14	9		
Sales Total	446	461	450	473	454	461	450	452	450	452		
COGS	136	143	145	148	139	158	171	171	165	159		
SG & A	332	336	318	303	306	297	305	283	265	261		
Cost Total	469	480	463	452	446	456	476	454	431	421		
Operating Profit	△23	△19	△13	21	8	4	△26	△2	18	31		
Recurring Profit	△22	△18	△13	21	8	6	△26	△2	19	31		
Number of Cloud Service clients (Companies)	1,455	1,434	1,413	1,390	1,374	1,346	1,335	1,320	1,300	1,294		
Number of employees (Non-consolidated)	154	147	142	137	140	138	137	133	138	140		

* Turnkey services ・・・・・・・ Suite of standard system applications with up-front and monthly recurring revenue.
  Non-turnkey services ・・・ Customized system applications with one-time and monthly recurring revenue.
* Quarterly income figures are not audited (cumulative figures are audited).
* Cloud Solution Business sales figures have not been adjusted for internal transactions.
* Figures are rounded down to the nearest million yen.

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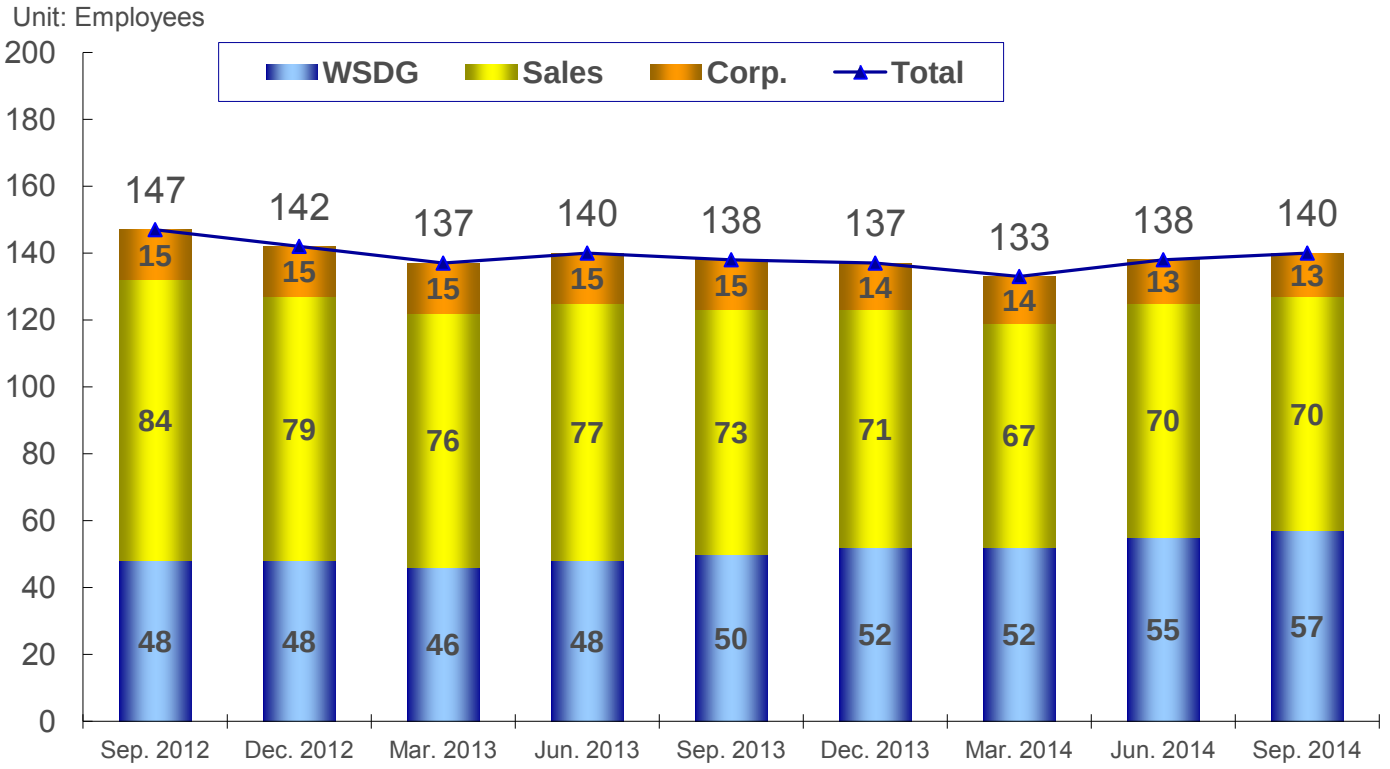
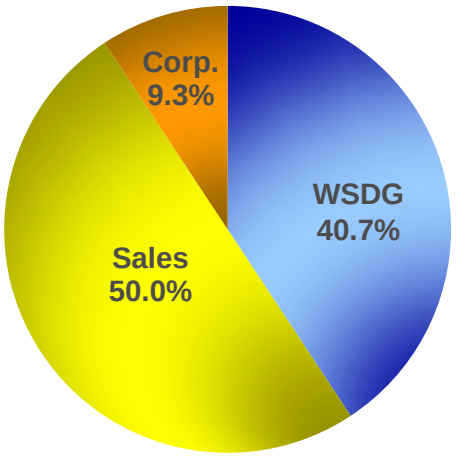
Number of Employees



Number of Employees



Breakdown by Division
(September, 2014)

∗ Excluding directors, advisors, and part-time workers.

∗ WSDG: Web Solution Development Group, Sales: excluding MS, MS: Media Solution, Corp: Corporate staff

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Business Outline

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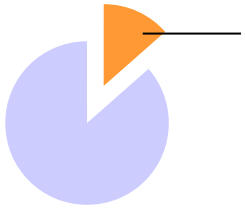
Focused on the Large Real Estate Industry

The real estate industry represents 13.6% (2012) of GDP (416 trillion yen (nominal))



Real estate industry
13.6%
(56 trillion yen)

Source: National Accounts for 2012 (GDP by economic activity)

Total real estate assets equals 1,690 trillion yen (2012)

Residential
339 trillion yen



Non-residential 207 trillion yen



Land 1,143 trillion yen

Source: National Accounts for 2012 (National assets)



Number of homes
60.63 million units

Source: The 2013 Housing and Land Survey, Ministry of Internal Affairs and Communications Statistics Bureau (preliminary)



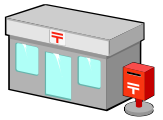
There are 122,100 real estate agencies (as of the end of Mar. 2014)

Source: Real Estate Transaction Improvement Organization

much more than…



Convenience stores
49,930 stores (March 2014)



Post offices
24,224 offices (As of the end of Mar 2014)

Source: JFA Convenience Store (monthly statistic report)
Source: Japan Post Network Co., Ltd.

The number of potential clients is enormous.

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The Real Estate Industry is an “Information Industry”

Utilizing a database is essential to succeed!

A database that can manage the information on property, customers, and contracts together is essential.



Diversified consumer needs!

In order to satisfy a variety of preferences of consumers, it is essential to glean comprehensive information on real estate.

The first contact point with consumers is not stores, but the Internet!

It is indispensable to respond to consumers’ needs for collecting information that changed due to the Internet.



Use of mobile devices has become mainstream!

It is indispensable to make our services compatible with mobile terminals, such as smartphones and tablets.



Real estate info is the most suitable to databases, among commercial ones!

The real estate industry is evolving from the “paper”-dominated to the “IT”-dominated.

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“Cloud Service” is Ideal for the Real Estate Industry



Benefits of Cloud Services (Shift from the age of buying systems to the age of renting systems)

- No need for initial investment in servers, etc.
- Short lead time.
- No need to update (the latest version is always available).
- Saved data is safe and secure (security systems).
- Ideal part of BCP (Business Continuity Planning).

Real estate firms are scattered nationwide.

The industry is not oligopolistic, but small and medium-sized firms are dominant.

Work flow can be united into some patterns.

Master info (such as addresses and railroad names) is frequently updated.

Cloud services specializing in real estate businesses are anticipated!

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To pursue a single (large) field and offer “indispensable” systems for business

Our development staff who are versed in real estate businesses develop systems (accumulating know-how).

Direct sales force = tight relationship with clients, deep industry knowledge

Stock Business = Stable source of monthly recurring revenue based on ongoing contracts

Obtained the certificates of international standards in order to improve our service level and customer satisfaction further.

No bank borrowing and financially sound

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Housing as an essential part of our daily life, our mission is

“To improve the level of satisfaction for all participants of the real estate market.”

In order to fulfill this mission, we move forward with the following vision:

“As the leading provider of cloud services supporting the daily business activities of real estate companies, we will contribute to the growth and development of a more effective real estate market by providing the necessary IT infrastructure and becoming the leading force for a more active distribution of information.”

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Obtained “ISO/IEC20000-1:2011” (international standards) for improving our service level.

- 「ISO/IEC27001:2005」(International standard of information security management system)
  (Initial certification in August, 2006)
- 「ISO/IEC20000-1:2011」(International standard of IT service management system)
  (Initial certification in October, 2009)

Higher customer satisfaction with high quality services

Outline of ITSMS (ISO/IEC20000-1:2011) Registration

Company Name	: e-Seikatsu Co., Ltd.
Registration number	: JMAQA-T001
Applicable standard	: ISO/IEC20000-1:2011
Range of registration	: Cloud Service for the real estate industry (Excluding individual client system development business.)
Registrar	: Japan Management Association
Registration date	: October 15, 2009
Registration revision date	: August 1, 2014

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Business and Revenue Breakdown

Business	Service Category	Element Type	Contract Type	Revenue Recognition	Service and Revenue Details
Cloud Solution Business	Cloud Service	Stock (MRR)	Annual	Monthly amount	**System usage fees for cloud service** Turnkey services Operation services of customized solutions (resulting from A-cloud system development work)
	Network Solution	Stock (MRR)	Annual	Monthly amount	**System operation and management fees.** Operating and managing our various systems utilizing client assets (i.e. operating on HW and SW owned by clients).
	Advanced-Cloud Service (Ad related services)	Stock (MRR)	Quarterly	Monthly amount	**Advertisement sales commission.** Monthly commission on「Yahoo! Real Estate」listing service sales. ※Recognized revenue is NET (not GROSS) ※Based on quarterly contracts (ending Mar., Jun., Sep., Dec.)
	Advanced-Cloud Service (System Development)	Flow	From time to time	% of Completion / One time	**System development revenue.** Mostly client customization work done on our turnkey solution systems.
Related Business	Others (Real estate Brokerage)	Flow / Stock	From time to time / Annual	One time / Monthly amount	**Real estate brokerage fees (rental property/sales property) and related fees (supporting employees search for homes).** ※Business operated by e-Seikatsu Fudosan Co. Ltd. (100% owned subsidiary)

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Company Profile

Established :	January 21, 2000
Paid-in capital :	628 million 411 thousand 540 yen (As of the end of September 2014)
Listing :	Mothers section of the Tokyo Stock Exchange (Code: 3796)
Relationship banks :	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Resona Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation
# of employees :	140 (As of the end of September 2014)



Officers :	President & CEO	Kiyotaka Nakamura	Standing Corporate Auditor	Akira Hirano
	Executive Vice President & Co-CEO	Zenichi Maeno	Corporate Auditor	Masahito Omachi
	Executive Vice President & CFO	Hiroyuki Shiokawa	Corporate Auditor	Shinichi Shamoto
	Executive Vice President & COO	Hiroyoshi Kitazawa	Corporate Auditor	Masayasu Takahara
	Director, CTO	Akira Matsuzaki		

Audit Corporation : The Kisaragi Accounting Office

Offices : (Headquarters) 2-32, Minamiazabu 5-chome, Minato-ku, Tokyo

(Osaka office) GRAND FRONT OSAKA TOWER A, 4-20 Ofukacho, Kita-ku, Osaka

(Fukuoka office) 11-17, Tenjin 1-chome, Chuo-ku, Fukuoka-shi, Fukuoka

(Nagoya office) 4-3, Nishiki 2-chome, Naka-ku, Nagoya-shi, Aichi

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The real estate industry will grow with cloud services.

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You are cautioned that a number of factors could cause actual results to differ materially from those discussed in the forward looking statements.

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