FY2015 Full-term Results Presentation Material

May 14, 2015

e-Seikatsu Co., Ltd.

TSE Mothers 3796

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1. Summary of Full-term Results for FYE March 31, 2015

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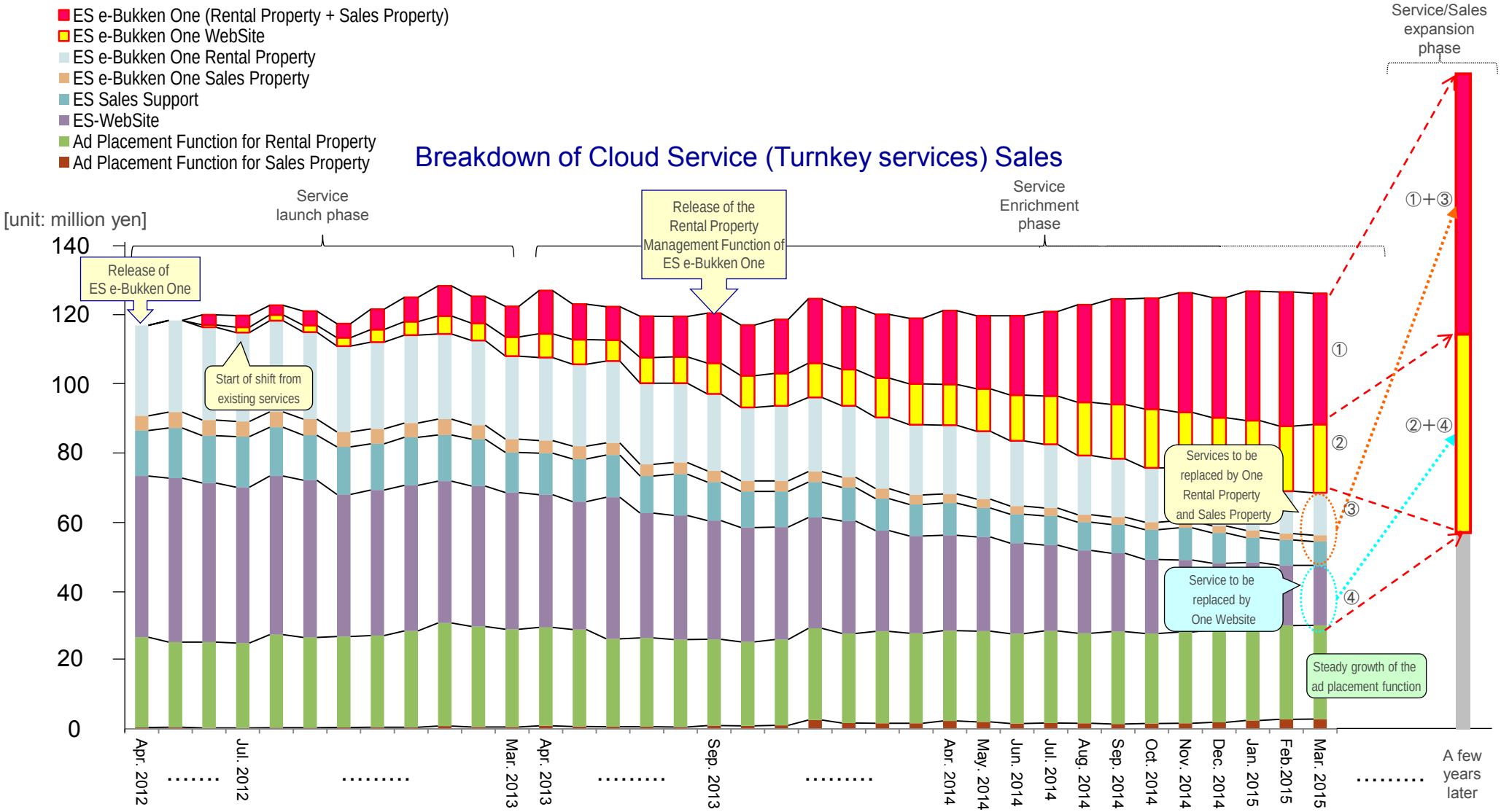
“ES e-Bukken One” is Becoming Our Core Cloud Service



* Each sales breakdown category is the total of initial and monthly fees.

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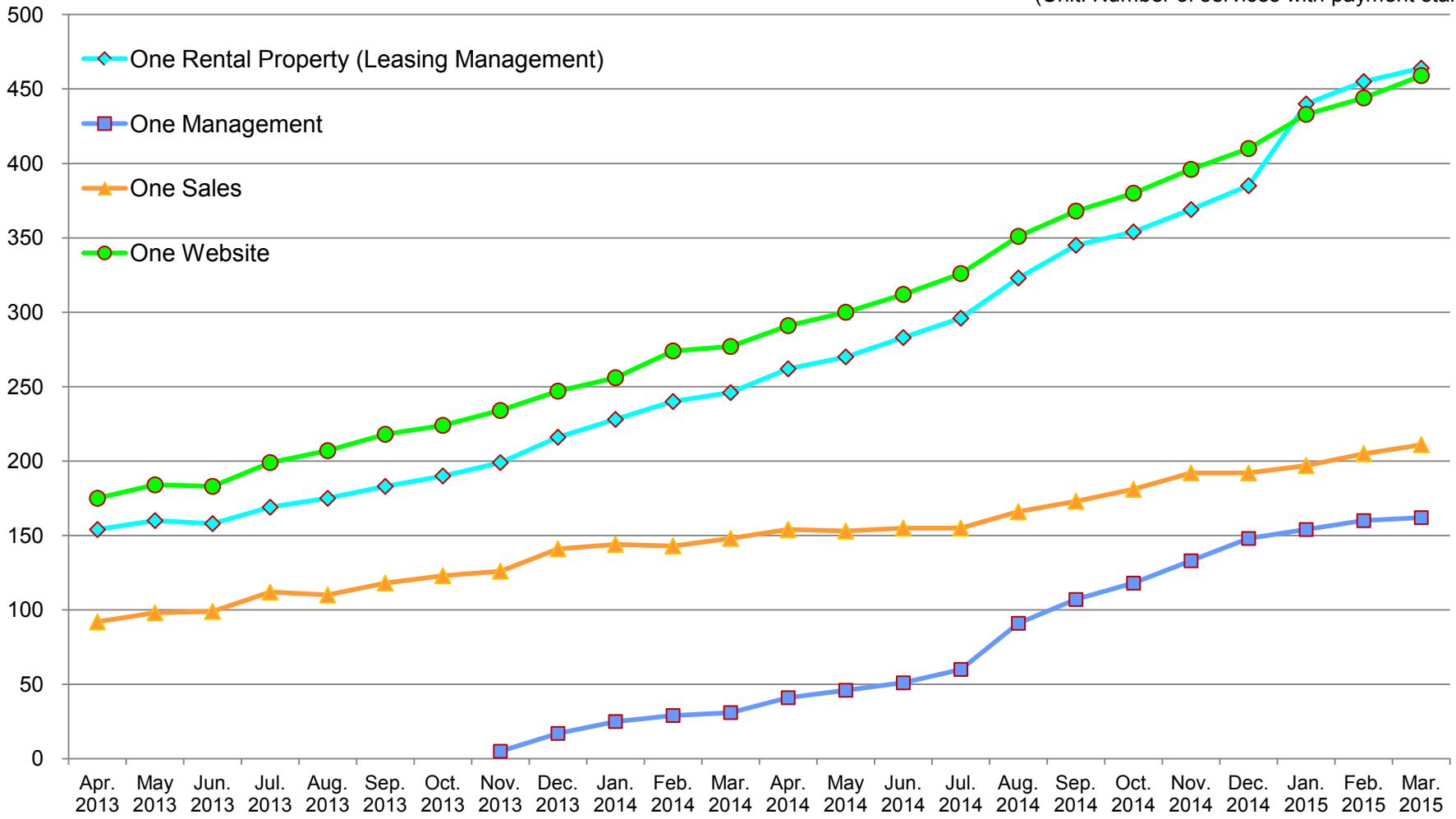
The Number of Licenses Provided is Increasing Steadily.

(Unit: Number of services with payment started)



∗ The number means the sum of the number of new contracts and the number of shifts from existing services. (For the breakdown, see Section 4. Appendix)

∗ Free accounts are not included in the above numbers.

∗ With the service restructuring in June 2014, “One Management Options” has become “One Rental (Exclusive Management)” and “One Rental (Rent Management)”, focusing on specific duties, and “One Management Options” are not currently being sold.

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Highlights

Increased Sales and Income Compared to the Previous Year

- Consolidated sales: 1,851 million yen (FY2014 1,820 million yen, YOY change +31 million yen, +1.7%)
  - ・Cloud Service sales: 1,717 million yen (FY2014 1,687 million yen YOY change +29 million yen +1.8%)
  - ・Including **monthly recurring sales of Turnkey services: 1,493 million yen (FY2014 1,479 million yen, YOY change +14 million yen, +1.0%)**
- Consolidated operating income: 119 million yen (FY2014 -11 million yen, YOY change +131 million yen)
- Net income: 66 million yen (FY2014 -36 million yen, YOY change +103 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. 116,600 yen/company ※as of the end of Mar. 2015
    FY2014 approx. 104,700 yen/company ※as of the end of Mar. 2014

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

- The additional functions for “Smart One Convert” and “Rental Property”, “Management”, “Sales”, and “Website” of “ES e-Bukken One” are released to enrich services.

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

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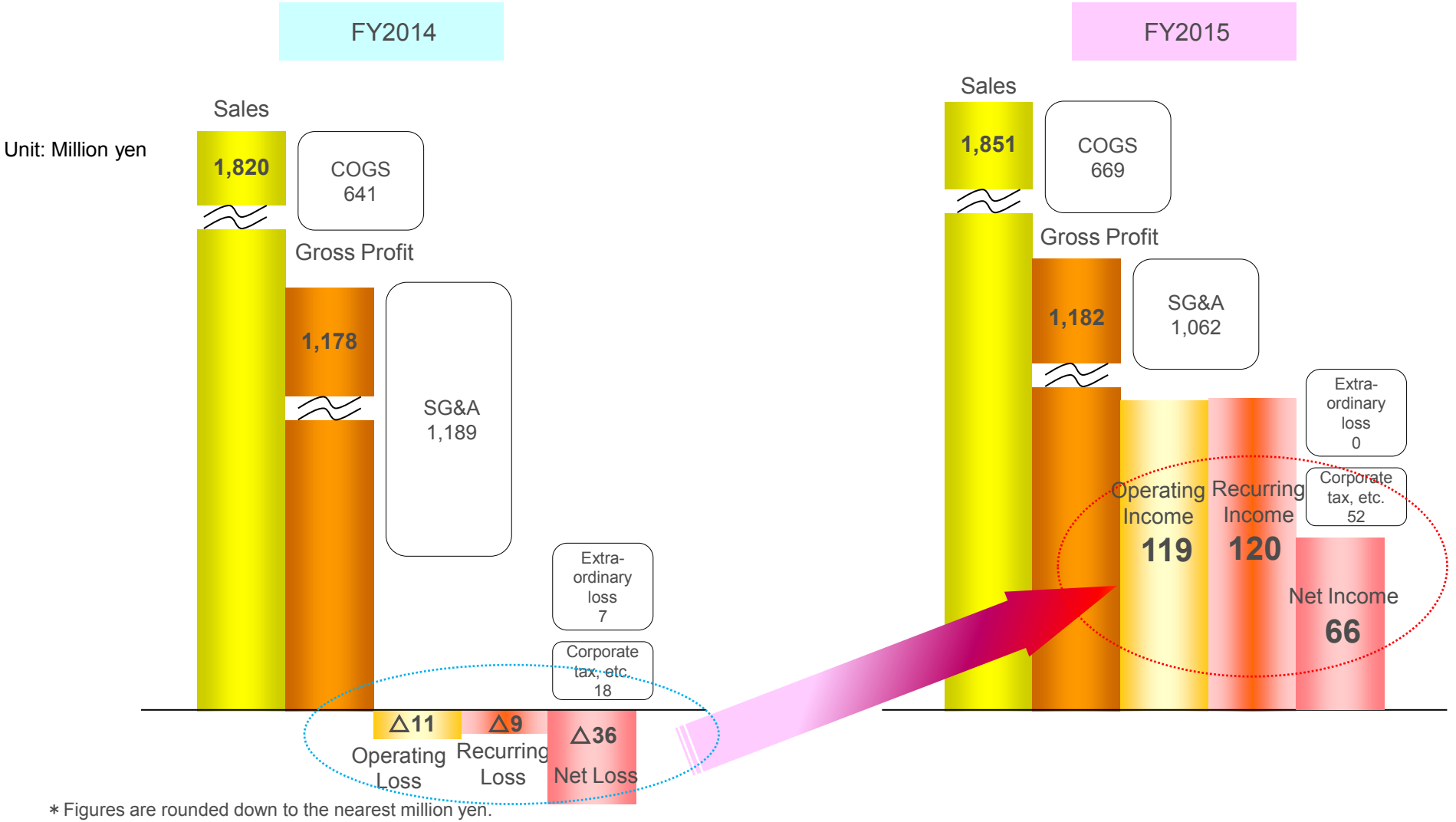
Increased Sales and Income Compared to the Previous Year

Consolidated Income Statement

Unit: Million yen



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

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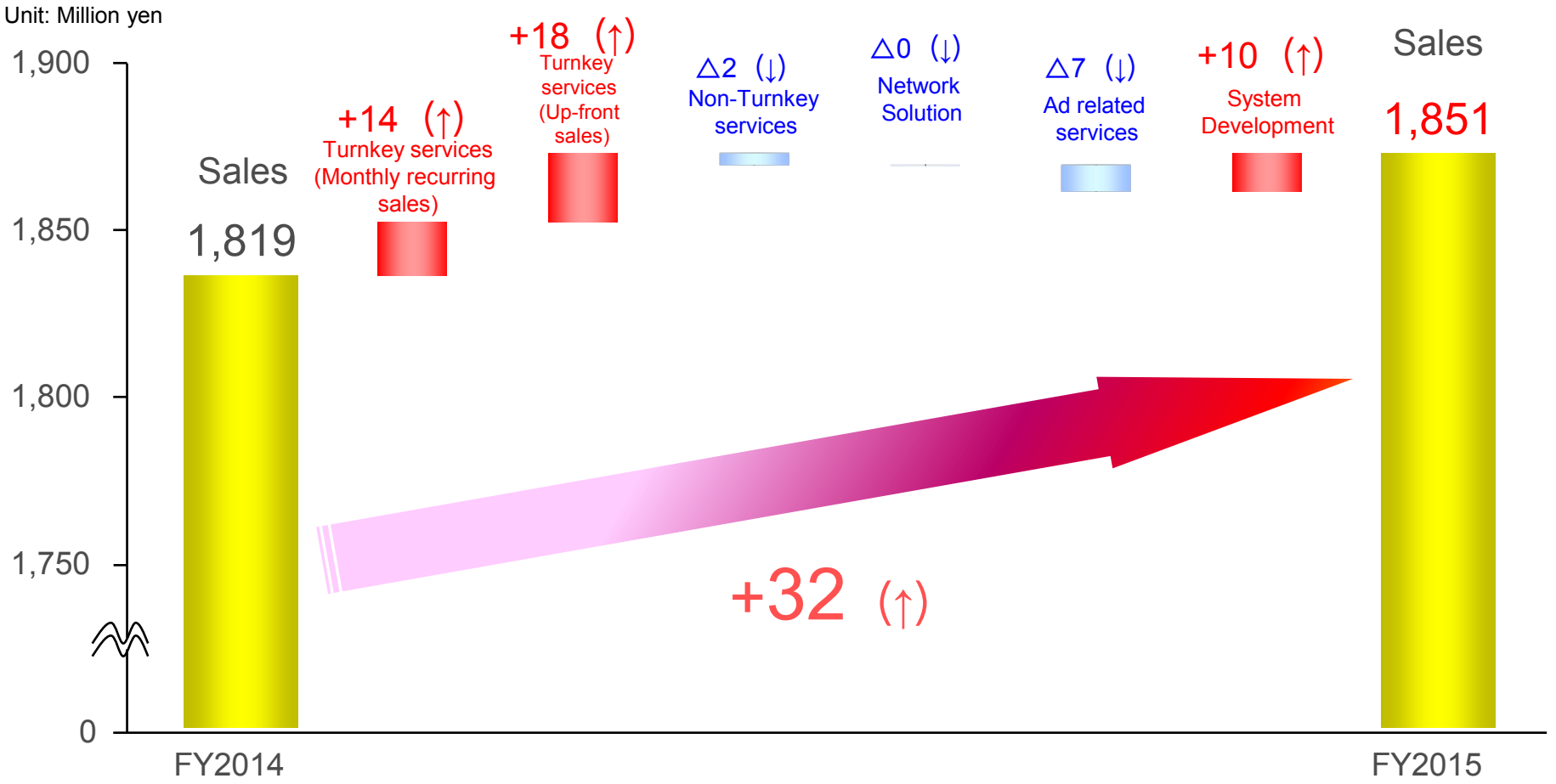
The Sales of the Turnkey Services and System Development Contribute to the Increase in Total Sales.

(Cloud Solution Business)



∗ 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 are rounded down to the nearest million yen.

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Cloud Solution Business Sales by Product

Item (Million yen)	FY2014	FY2015	YOY change	YOY change (%)
Cloud Service	1,687	1,717	29	1.8%
Turnkey services *	1,519	1,551	32	2.1%
Up-front sales	39	57	18	45.5%
Monthly recurring sales	1,479	1,493	14	1.0%
Non-turnkey services *	168	165	△2	△1.5%
Network Solution	36	35	△0	△0.1%
Advanced-Cloud Service	95	98	2	2.7%
Ad related services	38	30	△7	△20.7%
System Development	57	68	10	18.2%
Total	1,819	1,851	32	1.8%

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

* 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 are rounded down to the nearest million yen.

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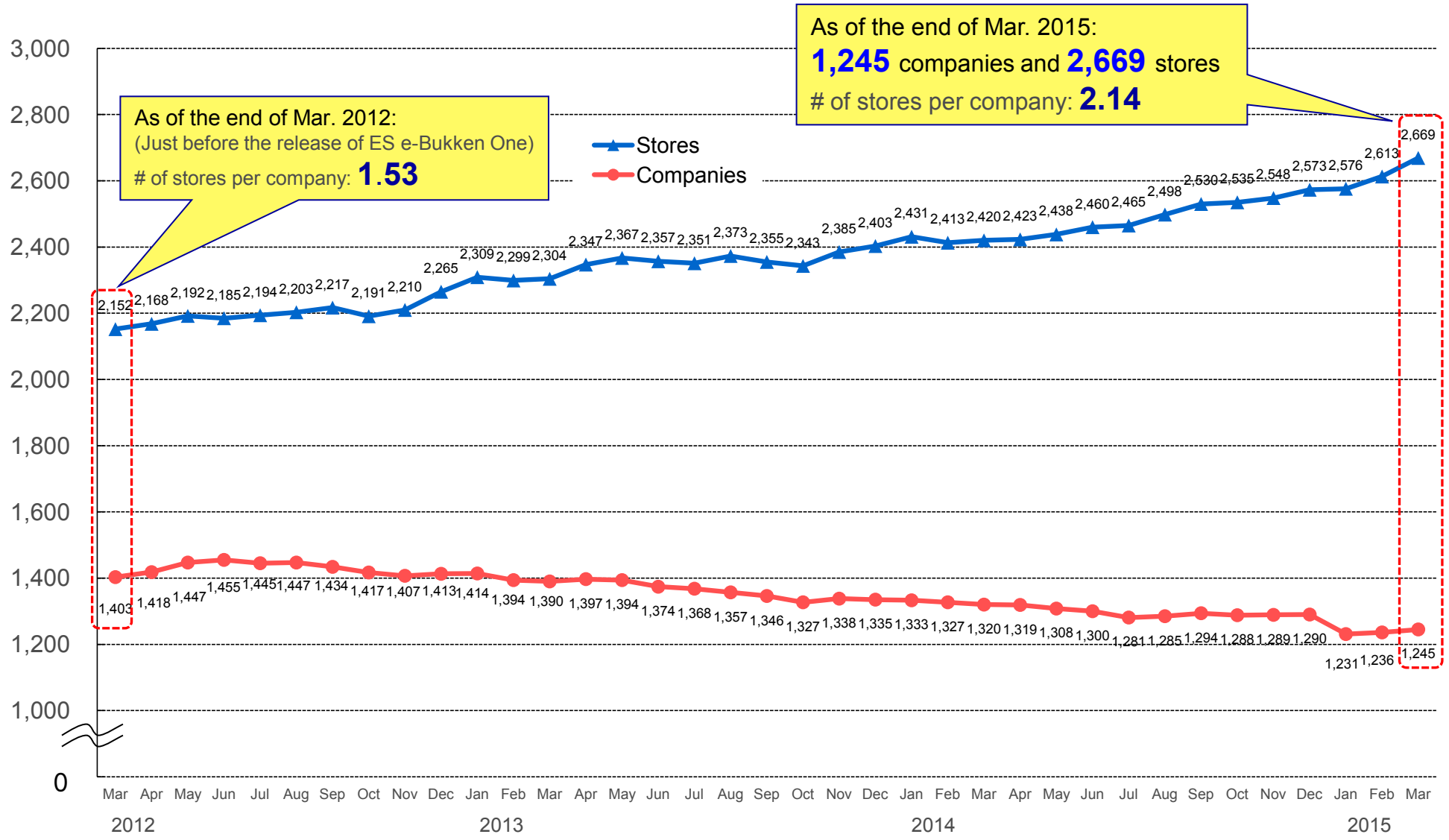
Number of Stores per Company (Clients Having Multiple Stores) is Expanding



* 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.
* In previous store counts, the number of stores for some corporations was underestimated. Accordingly, the number of stores from Jun. 2012 has been corrected retroactively.

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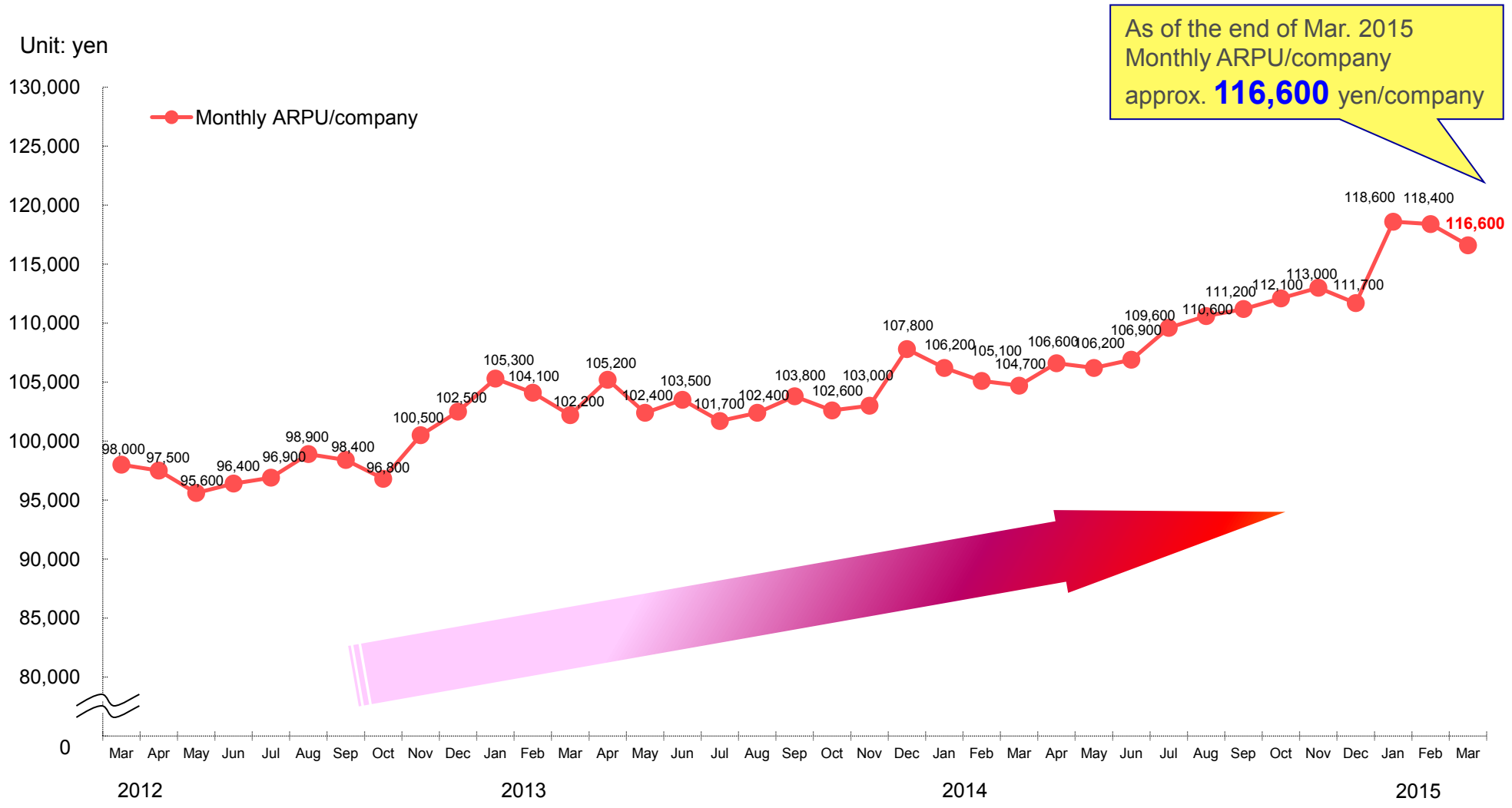
Resulting in a Steady Increase in Monthly ARPU



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

∗ Figures are rounded down to the nearest hundred yen.

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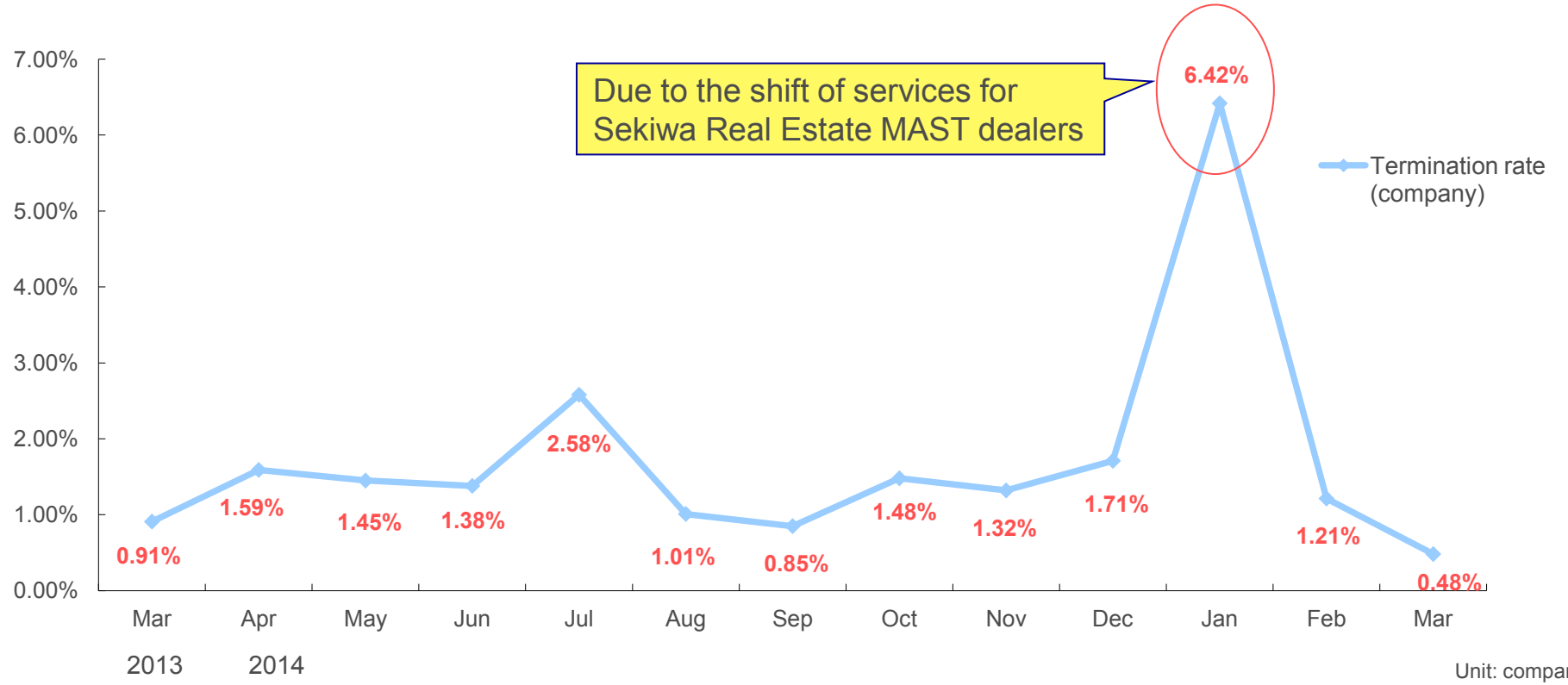
The Services was Enhanced, for Raising Customer Retention Rate.



Unit: companies

	Mar.	Apr.	May	Jun.	Jul.	Aug	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Ave.
# of companies	12	21	19	18	33	13	11	19	17	22	79	15	6	21.9
Termination Rate	0.91%	1.59%	1.45%	1.38%	2.58%	1.01%	0.85%	1.48%	1.32%	1.71%	6.42%	1.21%	0.48%	—

* 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.
* Sekiwa Real Estate MAST dealers had used our existing service for posting real estate information in Sekiwa Real Estate's website. As we started offering the same kind of function through "ES e-Bukken One" in January 2015, we changed or shifted services for dealers when they demanded. On the other hand, 45 corporations did not choose to keep using our service, and the service for them was terminated or cancelled. Accordingly, the monthly number of cancellations increased temporarily.

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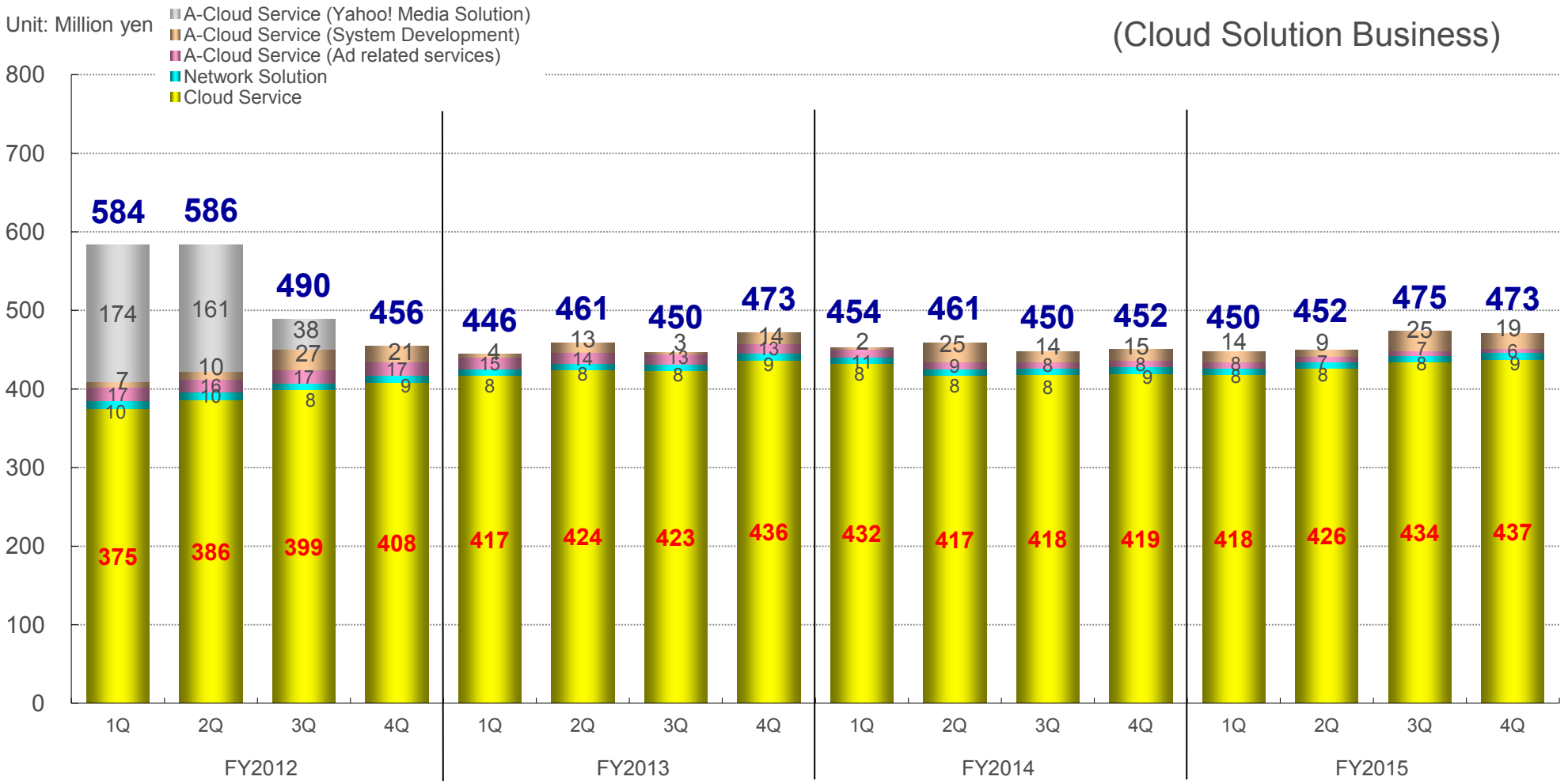
The Sales of the Core Service “Cloud Service” Marked a Record High.



＊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 are rounded down to the nearest million yen.

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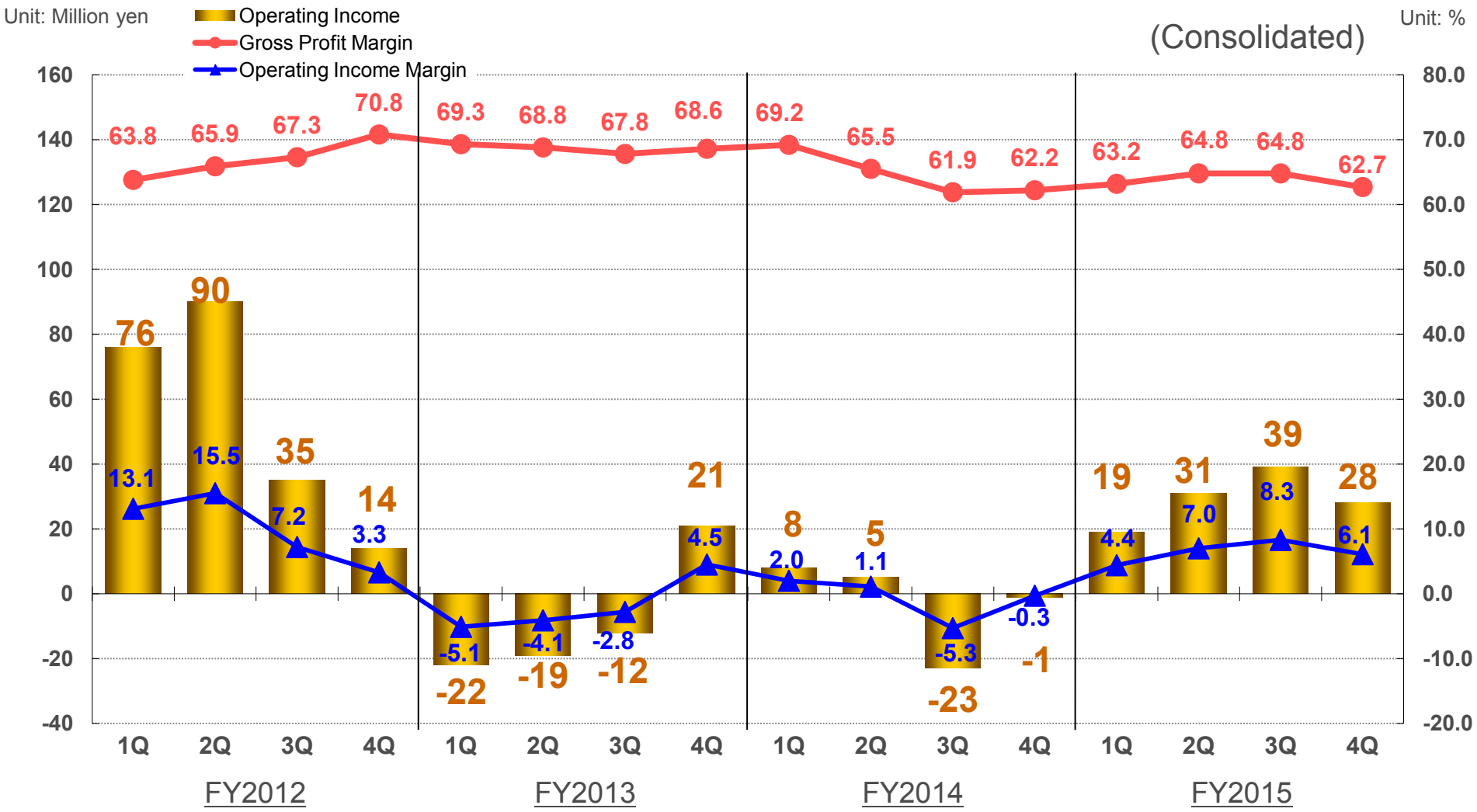
For Every Quarter, Operating Income Increased from the Same Period of the Previous Year.



∗ Figures are rounded down to the nearest million yen.

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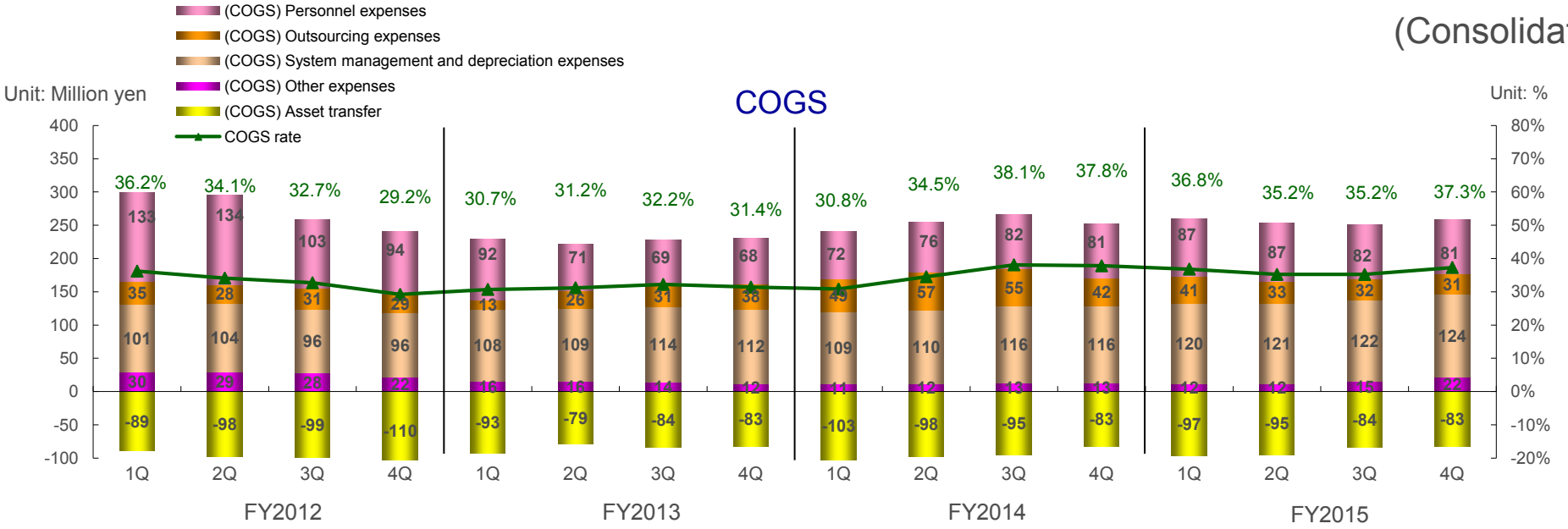
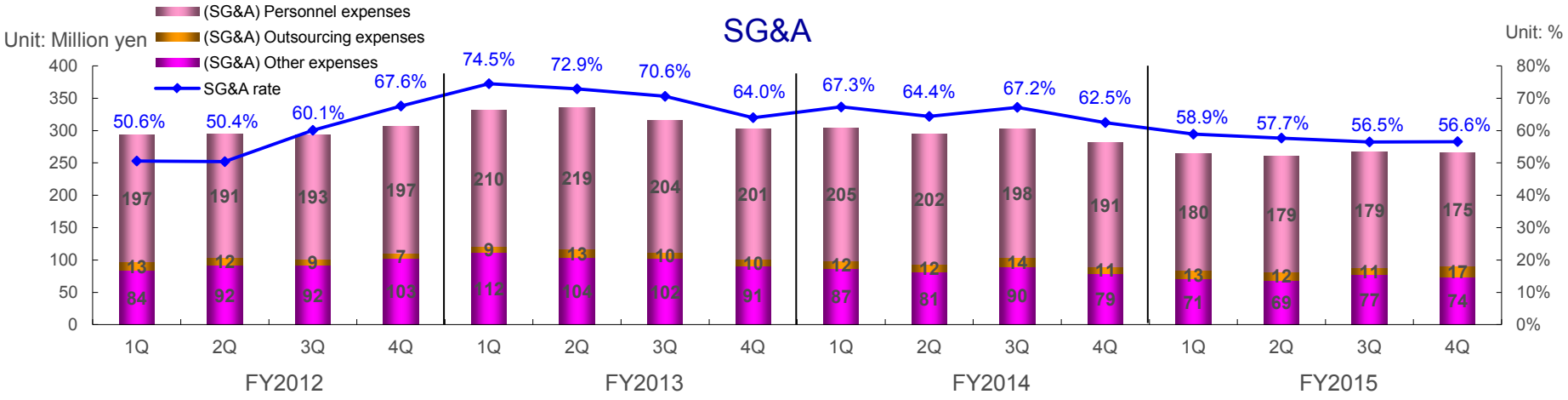
As the Efforts for Controlling SG&A Expenses Paid Off, Total Cost Decreased from the Previous Term.

(Consolidated)





* (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 are rounded down to the nearest million yen.

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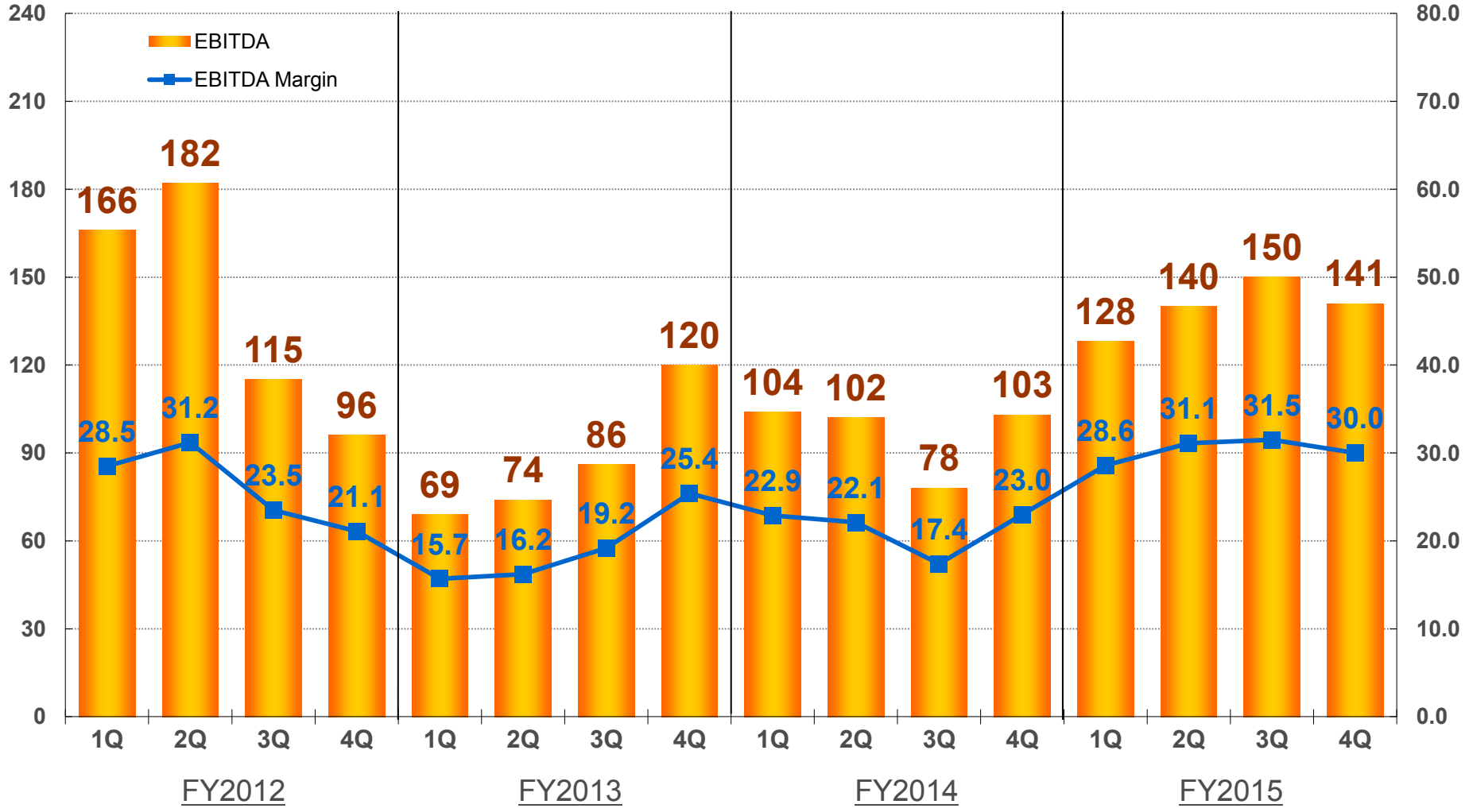
Stable EBITDA (Operating Income + Depreciation)

(Consolidated)

Unit: Million yen

Unit: %



∗ Figures are rounded down to the nearest million yen.

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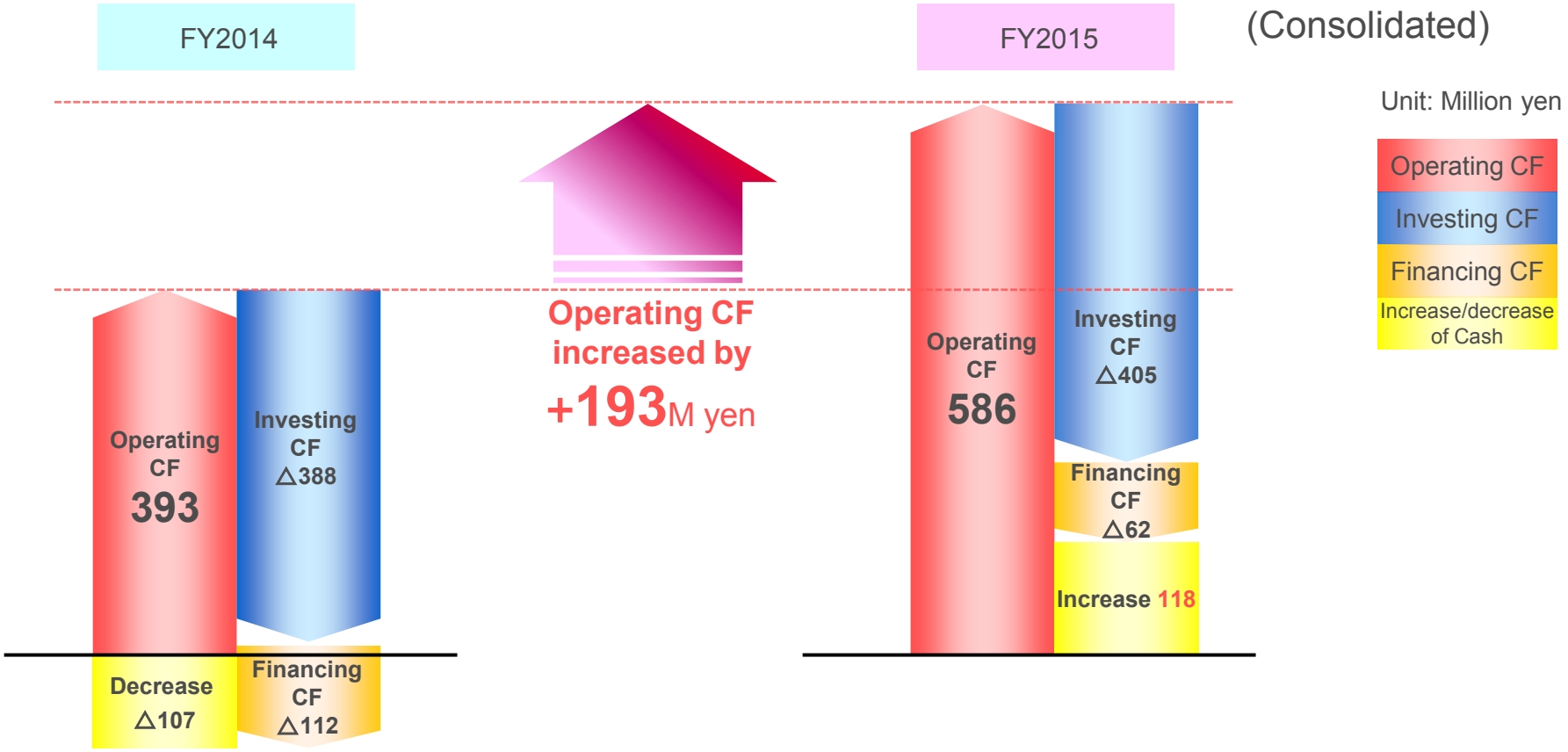
Operating Cash Flow Grew.

(Consolidated)



<Key Points>					
Operating Activities	① Income before tax + depreciation	FY2014	381M yen	FY2015	560M yen
	② Refund (payment) of corporate income tax, etc.	FY2014	39M yen	FY2015	△37M yen
Investing Activities	③ Expenses due to in-house software development	FY2014	△378M yen	FY2015	△365M yen
	④ Expenses due to the purchase of assets (HW/SW)	FY2014	△12M yen	FY2015	△23M yen
Financing Activities	⑤ Payment of year-end dividend	FY2014	△75M yen	FY2015	△21M yen
	⑥ Expenses due to repayment of lease obligations	FY2014	△36M yen	FY2015	△41M yen

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

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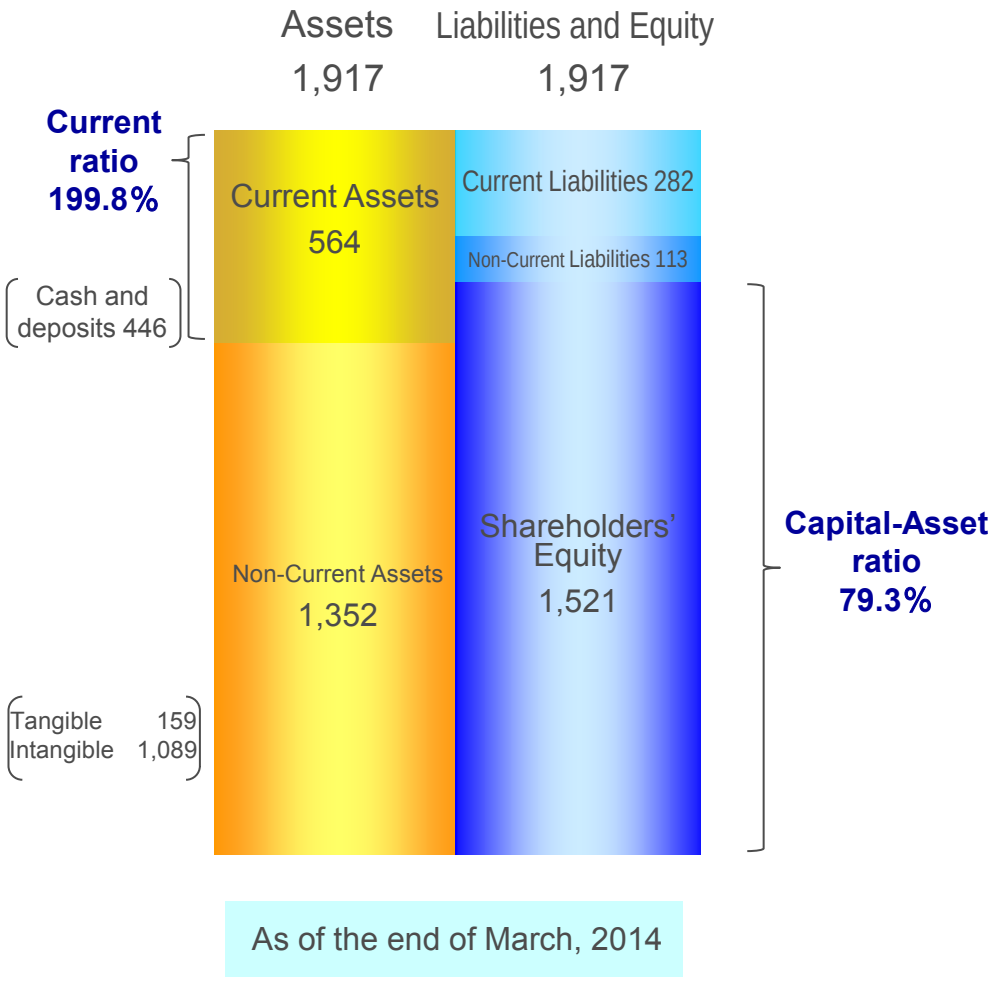
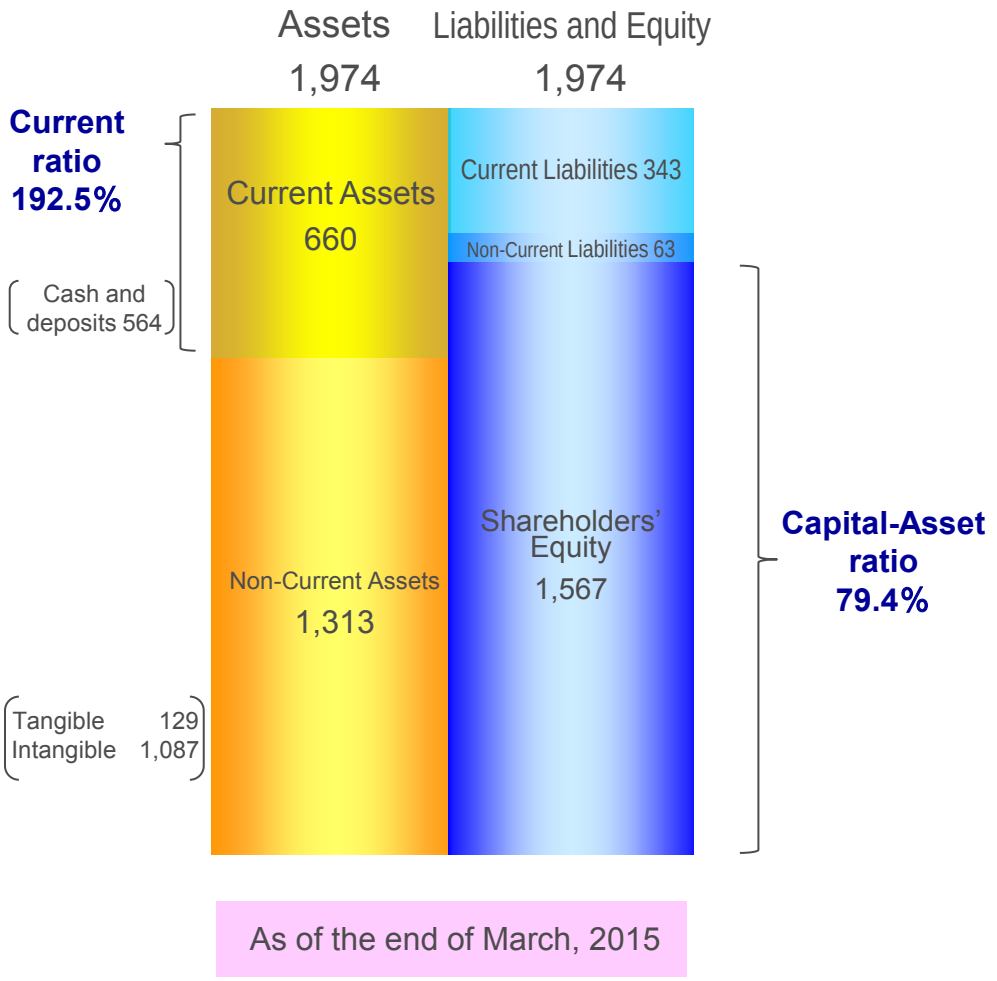
Financially Sound

Consolidated Balance Sheet YOY Comparison



As of the end of March, 2014



As of the end of March, 2015

＊Figures are rounded down to the nearest million yen.

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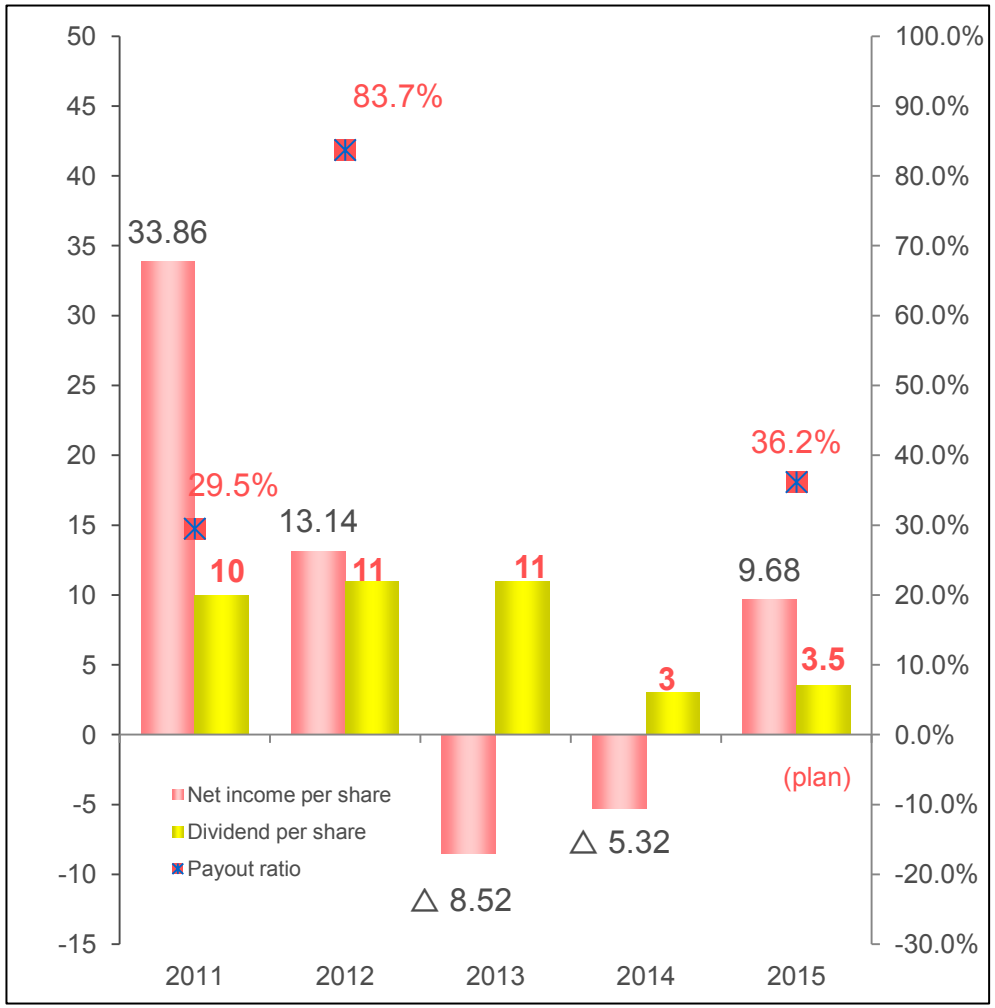
We Keep Paying Dividends, and Plan to Increase the Dividend to 3.5 Yen per Share for This Term.

Per Share Information

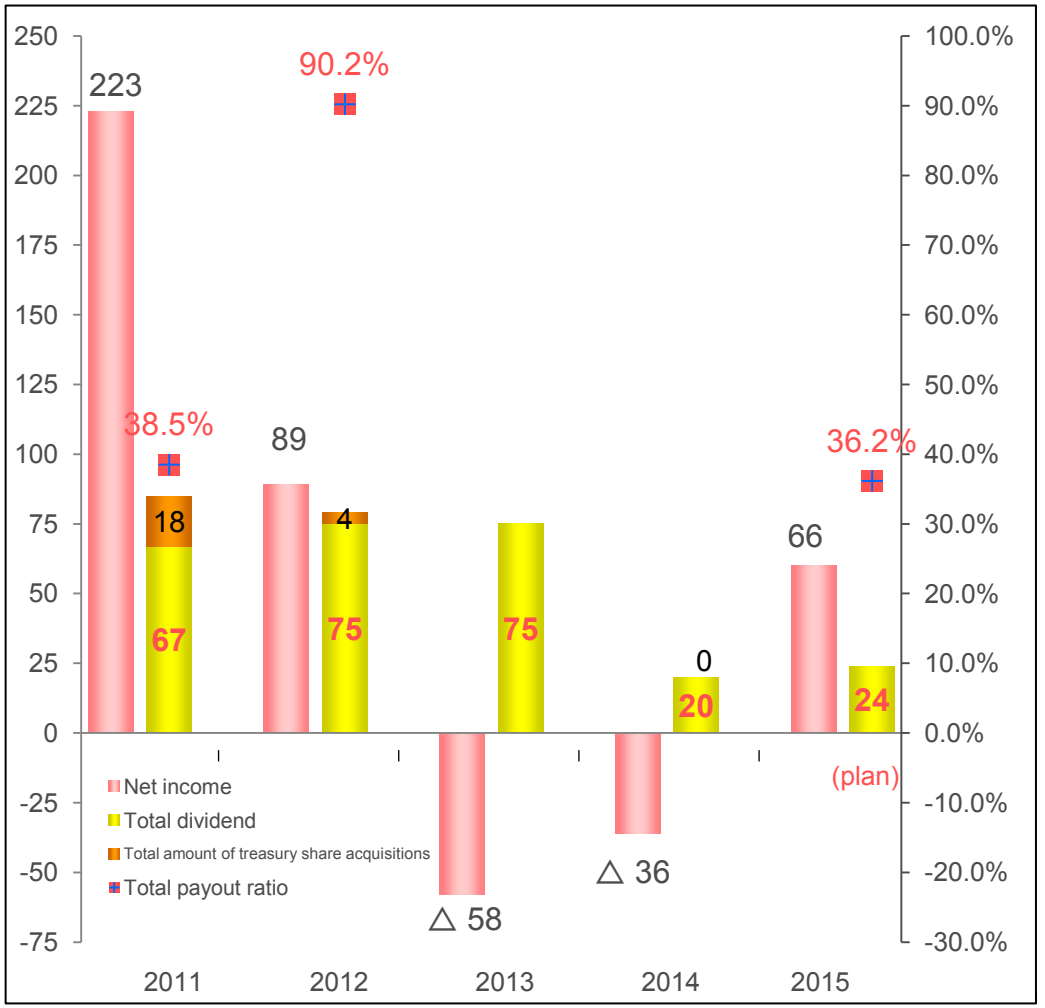
Unit: yen



*We conducted a 1:100 stock split of common stocks as of October 1, 2013.
The “Dividend per share” and “Net Income per share” are calculated assuming that the said stock split was conducted at the beginning of 11th period.

Total Payout Ratio

Unit: Million yen



＊Figures are rounded down to the nearest million yen.
‘0’ indicates an amount less than one million yen. Blank indicates that no dividend was paid.

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2. Business Forecast

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Points of Earnings Forecast

Sales, Cost, Income, Dividend

- Sales are estimated to increase to 1,955 million yen, an increase of 104 million yen from 1,851 million yen in the previous term.
  We promote mainly the Rental Property (including the rental property management function), Sales Property, and Websites of the core service “ES e-Bukken One.”
- The total cost (sum of COGS and SG&A) is estimated to be 1,825 million yen, an increase of approx. 93 million yen from 1,731 million yen in the previous term.
  As for the cost of sales, we predict the augmentation of system operation cost due to the investment in server enhancement and the depreciation accompanying the functional improvement and additional development of “ES e-Bukken One.”
  As for SG&A expenses, we predict the increase in operation cost due to the investment in in-company systems.
- Operating income forecast of 130 million yen (119 million yen in FY2014).
- Year-end dividend forecast of 4 yen per share (prior year forecast 3.5 yen per share).

Marketing strategy

- We will focus on new client acquisition as well as follow-up marketing efforts (up-sell) including introduction of our new service to existing clients.
- We will strengthen further our client support function preparing for the expansion in the number of clients served.
- We will focus our marketing efforts targeting medium to large sized clients.

Cloud service development strategy

- Continuous development for strengthening and enriching the functions of “ES e-Bukken One” with the purpose of further improving the convenience for customers.

* Forecast figures are based on information available at the time of announcement.
  Actual results may differ materially from the forecast figures.
* Sales, cost, and income figures are rounded down to the nearest million yen.

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Increases in Sales and Incomes are Expected, Dividend to be 4 Yen/Share

(Million yen)	Mid-term Forecast FY2016	Full-term Forecast FY2016 (①)	Full-term Results FY2015 (②)	Difference (①-②)	YOY change (%)
Sales	946	1,955	1,851	104	5.6%
Operating Income	29	130	119	10	8.9%
Recurring Income	28	128	120	8	7.0%
Net Income	16	74	66	7	11.6%

	Dividend per share
Full-term dividend (forecast) (FYE March 2016)	4.00yen
Full-term dividend (plan) (FYE March 2015)	3.50yen

＊Forecast figures are based on information available at the time of this announcement.
Actual results may differ materially from the forecast figures.
＊Figures are rounded down to the nearest million yen.

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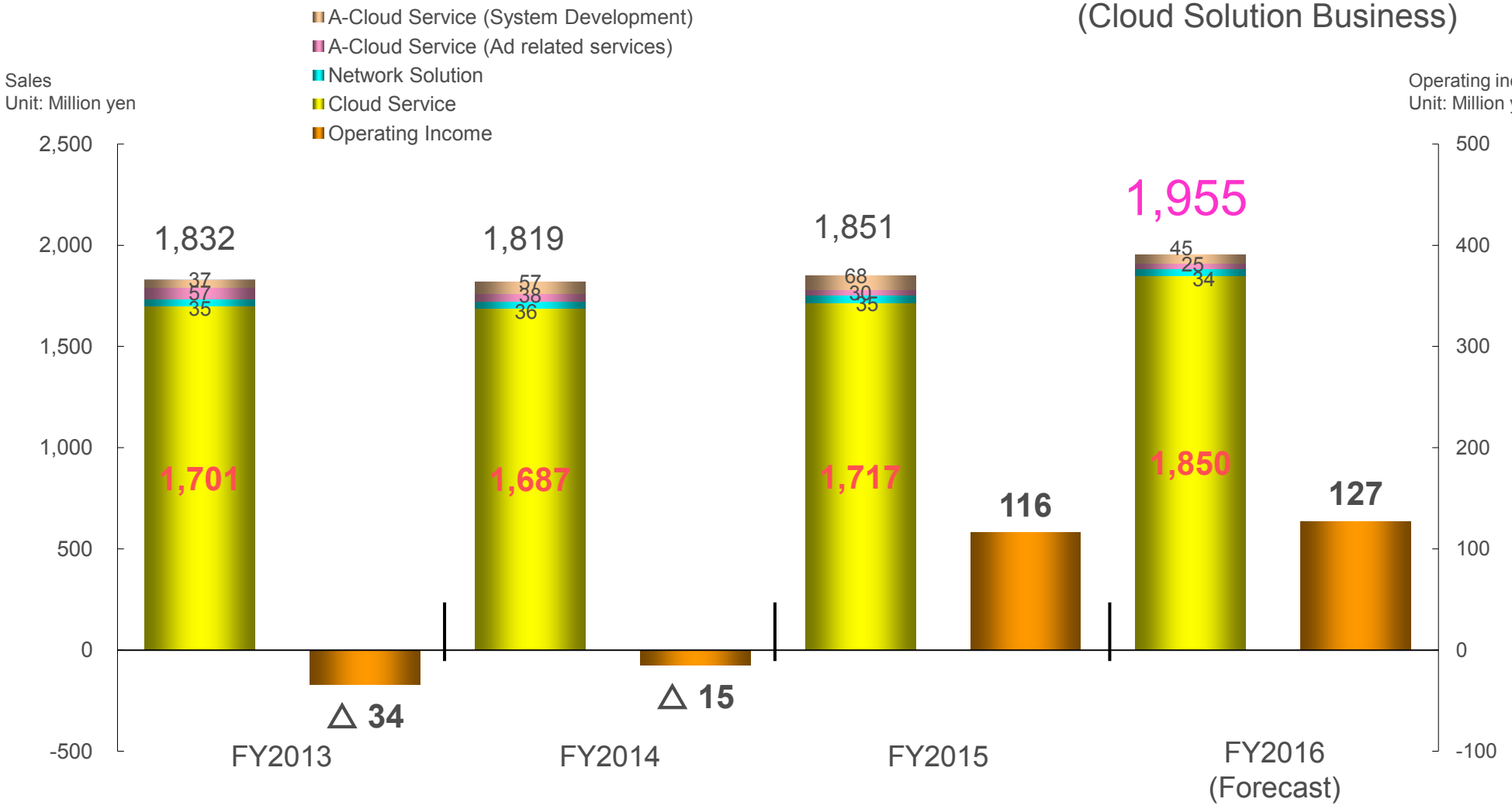
The Increases in Sales and Incomes are Expected for the Current Term.



∗ 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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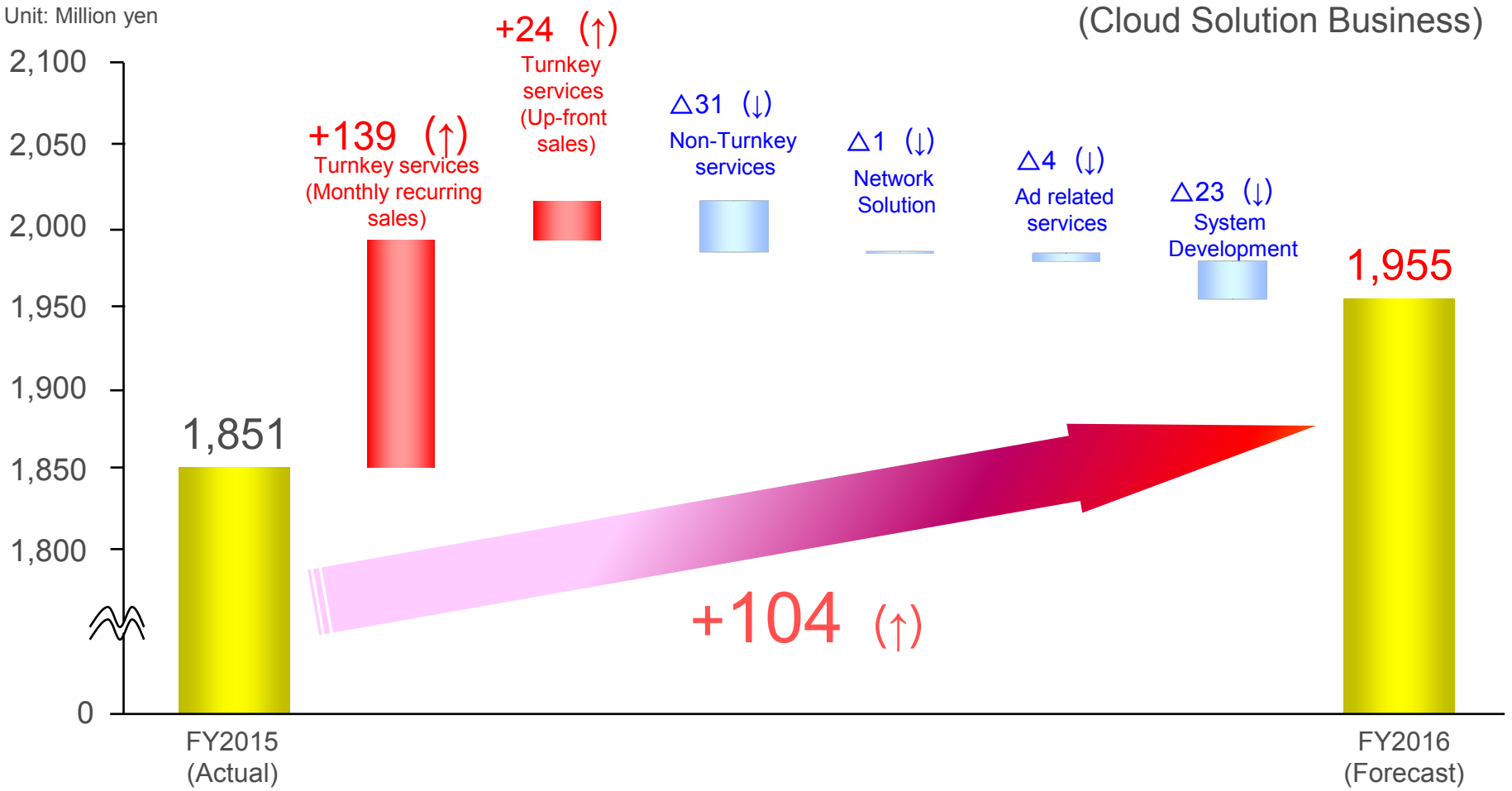
Cloud Service (Turnkey Services) Keeps Contributing.



<Key Points>

Further promoting “ES e-Bukken One,” our “turnkey services (monthly recurring sales)” sales is expected to increase by about 139 million yen YOY, and the total sales of the cloud solution business are estimated to increase by about 104 million yen.

＊ 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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Cloud Solution Business Sales Forecast Breakdown

Item (Unit: million yen)	FY2015	FY2016	YOY change	YOY change (%)
Cloud Service	1,717	1,850	132	7.7%
Turnkey services *	1,551	1,715	164	10.6%
Up-front sales	57	82	24	42.7%
Monthly recurring sales	1,493	1,633	139	9.3%
Non-turnkey services *	165	134	△31	△19.1%
Network Solution	35	34	△1	△3.1%
Advanced-Cloud Service	98	70	△27	△28.1%
Ad related services	30	25	△4	△14.8%
System Development	68	45	△23	△34.0%
Total	1,851	1,955	104	5.6%

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

＊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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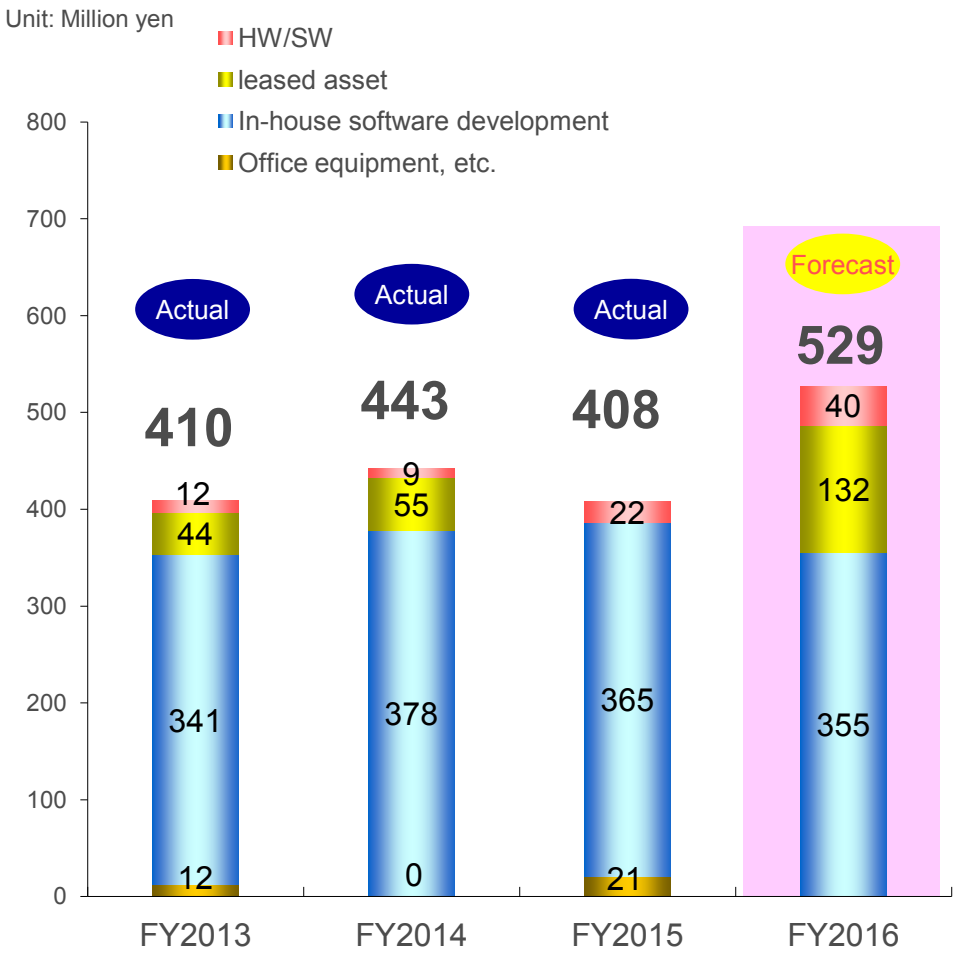
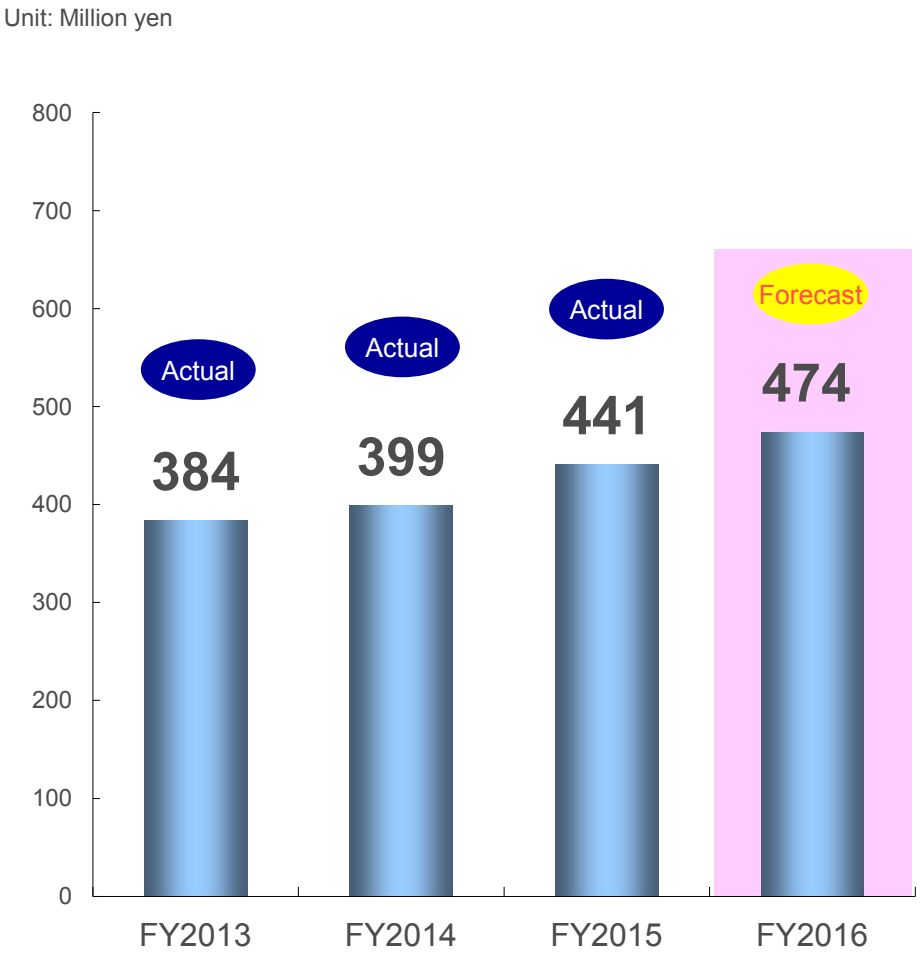
The Enrichment of the Foundation for Cloud Services, the Cloud Operation of In-house Mission-critical Systems, etc. to be Conducted.



Investment Amount (Carrying out)



Depreciation

＊ Figures are rounded down to the nearest million yen.

＊ Investment plan with regards to the Cloud Solution Business.

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3. Business Overview

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New Options and Features for “ES e-Bukken One” to Follow

Development Roadmap 2015 → 2016

つなぐ、不動産クラウド。
いい物件One

Enhancement of performance and functions

Acceleration of the shift from existing services

いい物件One 賃貸

- Leasing management type
- Exclusive management type
- Rent management type

Enhancement of the function to approach customers → **Owner’s My page function** → **Strengthening of the function to get data of other companies** → **Improvement of the contract info function** →

いい物件One 売買

Enhancement of the appraisal function → **Strengthening of the function to get data of other companies** → **Enhancement of the function to approach customers** → **Enhancement of the linkage with media** →

いい物件One ウェブサイト

Enhancement of the featuring function → **Enhancement of the compatibility with smartphones** → **Enhancement of the real estate search function and the SEO strategies** →

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



All businesses of real estate
can be started from this window!

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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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Further Expand of the Function to Post Data at Once

Just press a single button to post data at once! 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 3 rows. The other sites are covered by the existing service.

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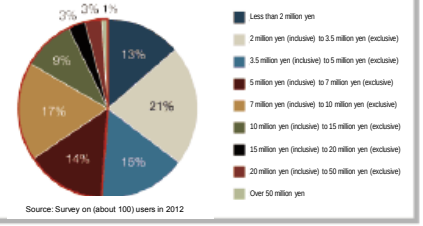
The data linkage from e-Seikatsu to realestate.co.jp begins!!

Let us introduce **4 points** of realestate.co.jp linked from e-Seikatsu!

POINT 1 — Overwhelming capability of reeling in English-speaking customers from outside Japan! You can reach excellent foreign customers!

Over 90% of the users of “realestate.co.jp” are good customers who graduated from college. About 50% of them earn 5 million yen a year, and 16% earn over 10 million yen a year!

Please tell us your annual income.

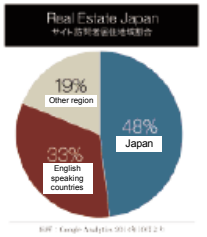


Source: Survey on (about 100) users in 2012

POINT 2 — Find customers not only from the inside of Japan, but also from around the world!

About 50% of visitors to our website are foreign people living outside Japan! You can introduce your real estate to not only the inside of Japan, but also the entire world.

* The access from the inside of Japan means the access from English-speaking foreign people residing in Japan.



POINT 3 — Even if you cannot speak English, there will be no problems!

<Introduction of services offered by Real Estate Japan>

With your current Japanese staff, you can enter the market of English-speaking foreign customers! Your real estate information will be automatically translated into English and distributed.*1

We recommend the optional service “Bilingual Brokerage Assistance (BBA)” to firms complaining, “We wish to enter the market of foreign customers, but we cannot attend to customers in English,” or “We have no funds for employing English-speaking staff.” We will handle all of processes, including sales promotion, the English translation of necessary documents for concluding contracts, and the troubleshooting for international occupants. According to your needs, we can offer customized services.*2

*1: Some items will not be translated. For details, please contact Real Estate Japan. *2: Additional fees will be charged. For details, please contact Real Estate Japan.

POINT 4 — Neither a registration fee nor an initial cost required!

You do not need to pay a registration fee or an initial charge. You can choose from 3 kinds of pay-per-use plans (according to regions and the quantity of posted real estate), while considering your firm’s situation.

Attention! By using the “realestate.co.jp” submission function of e-Seikatsu, ここがポイント you can post **24** images, while the standard number of images is 16.

Introduction of realestate.co.jp
http://www.realestate.co.jp/



Regarding Real Estate Japan K. K.
Media company operating realestate.co.jp (http://www.realestate.co.jp/), which is a website for distributing the information on the real estate to be rented or sold for English-speaking foreign people. This is one of the Japan’s largest English portal sites of real estate, and distributes the information on the real estate to be rented or sold in Japan. This website attracts not only English-speaking foreign residents in Japan, but also English-speaking foreign customers around the world.

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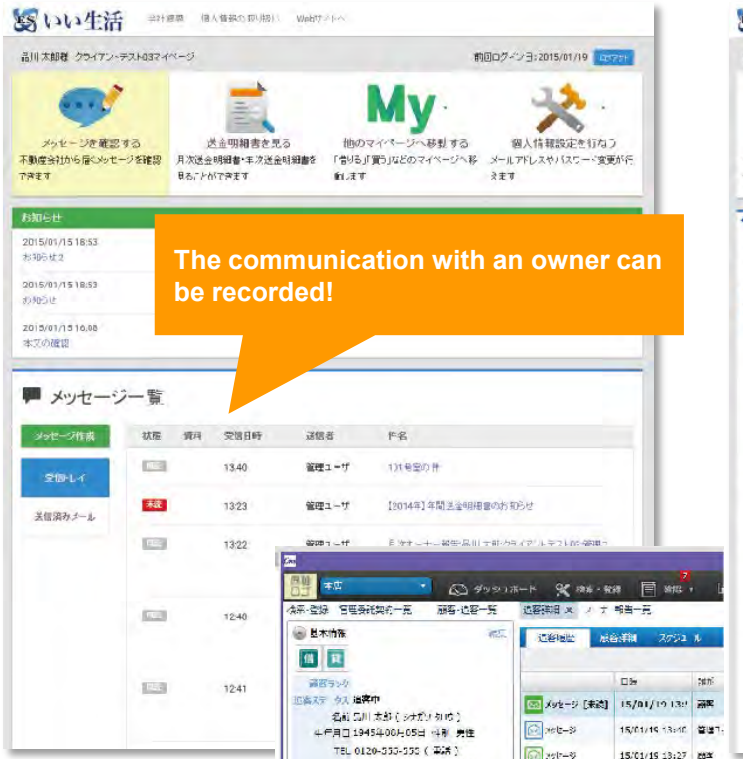
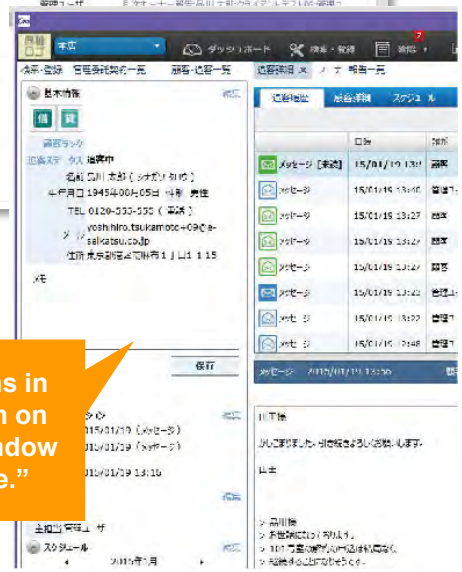
Release of the “Owner My Page” Function



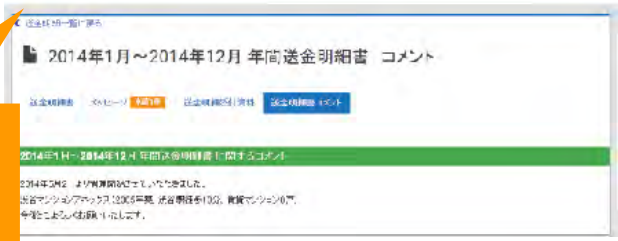
The communication with an owner can be recorded!



The history of actions in My Page can be seen on the management window of “ES e-Bukken One.”



The remittance statement for each month and annual reports on income and expenditure can be easily uploaded.



It is possible to attach the files related to reports, and exchange messages.

- To decrease the workload of sending remittance statements, and reduce costs.
- Surefire protection of personal information!
- Improvement of the communication with owners!
- With information stocks, you can browse information anytime.

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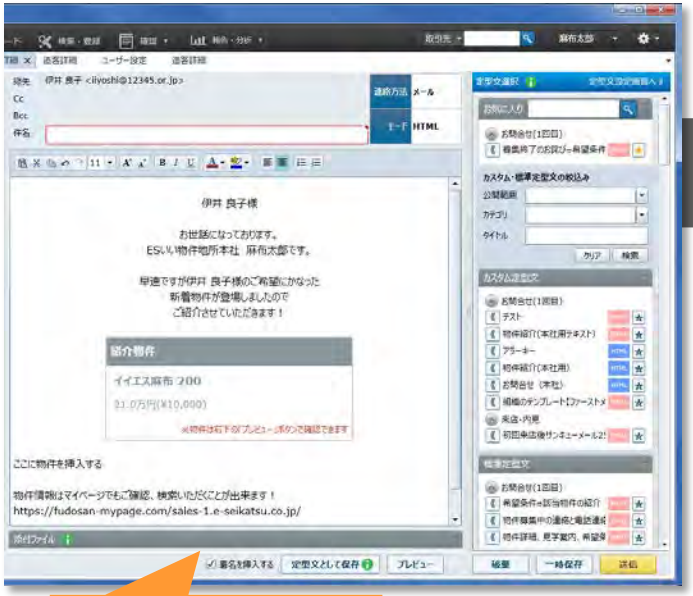
Release of the “One Sales Support” Function

・It becomes possible to write and send HTML emails from ES e-Bukken One.
・Over 170 kinds of email templates to match individual sales scenes and each customer’s attributes.
・Differing from our website and My Page, the new “page for introducing real estate” starts!
・By checking the response of customers, it is possible to do strategic sales activities.



Easy to produce with email templates!

You can produce an email for introducing real estate with a photo to convey its attractiveness easily!



HTML email
(On the screen of a smartphone)

We will not miss inquiries from customers with the real estate introduction page directly linked from emails.



Real estate introduction page
(On the screen of a smartphone)

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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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“ES e-Bukken One” License and User Numbers

(Unit: Number of services with payment started, companies)

ES e-Bukken One		2013 Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	2014 Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	2015 Jan.	Feb.	Mar.
Rental Property (Leasing Management)	New	94	99	95	101	104	106	109	120	132	143	146	148	159	163	167	172	182	195	194	202	212	221	223	230
	Shift	60	61	63	68	71	77	81	79	84	85	94	98	103	107	116	124	141	150	160	167	173	219	232	234
Rental Property (Leasing Management) Total		154	160	158	169	175	183	190	199	216	228	240	246	262	270	283	296	323	345	354	369	385	440	455	464
One Management	New	-	-	-	-	-	0	0	5	10	18	20	20	25	29	29	33	43	52	57	64	73	78	80	80
	Shift	-	-	-	-	-	0	0	0	7	7	9	11	16	17	22	27	48	55	61	69	75	76	80	82
One Management Total		-	-	-	-	-	0	0	5	17	25	29	31	41	46	51	60	91	107	118	133	148	154	160	162
One Sales	New	60	63	62	68	66	71	74	78	93	96	92	96	101	100	101	101	107	111	118	126	125	128	131	134
	Shift	32	35	37	44	44	47	49	48	48	48	51	52	53	53	54	54	59	62	63	66	67	69	74	77
One Sales Total		92	98	99	112	110	118	123	126	141	144	143	148	154	153	155	155	166	173	181	192	192	197	205	211
Website	New	105	111	107	116	120	124	128	141	152	159	165	166	179	184	187	194	203	211	212	221	229	239	239	250
	Shift	70	73	76	83	87	94	96	93	95	97	109	111	112	116	125	132	148	157	168	175	181	194	205	209
Website Total		175	184	183	199	207	218	224	234	247	256	274	277	291	300	312	326	351	368	380	396	410	433	444	459
Companies		212	222	219	237	241	254	263	275	297	311	323	329	347	356	371	384	420	445	462	483	503	564	589	600

∗ “Shift” is transferd from other services to the “ES e-Bukken One” service. Free accounts are not included in the above numbers.

∗ The total number of “One Rental (management option),” “One Rental (full-time management),” and “One Rental (rent management)” is expressed by “One Management.”

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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	476	473
Gross Profit	309	317	305	324	314	302	279	281	284	292	308	296
Gross Profit Margin	69.3%	68.8%	67.8%	68.6%	69.2%	65.5%	61.9%	62.2%	63.2%	64.8%	64.8%	62.7%
Operating Income	△22	△19	△12	21	8	5	△23	△1	19	31	39	28
Operating Income Margin	△5.1%	△4.1%	△2.8%	4.5%	2.0%	1.1%	△5.3%	△0.3%	4.4%	7.0%	8.3%	6.1%
Recurring Income	△22	△18	△13	21	8	6	△23	△1	20	32	38	29
Recurring Income Margin	△5.0%	△4.0%	△2.9%	4.5%	1.9%	1.5%	△5.3%	△0.3%	4.5%	7.1%	8.2%	6.2%
Extraordinary Income	—	—	—	—	—	—	—	—	—	—	—	—
Extraordinary Loss	—	7	1	1	—	0	4	3	0	0	0	0
Quarter Net Income	△21	△22	△17	2	△1	△1	△25	△8	11	17	22	15
Net Income Margin	△4.7%	△4.9%	△3.8%	0.4%	△0.3%	△0.4%	△5.7%	△1.8%	2.5%	3.9%	4.7%	3.3%

∗ 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	613	660
Non-Current Assets Total	1,350	1,357	1,333	1,324	1,311	1,329	1,339	1,352	1,349	1,335	1,333	1,313
Assets Total	2,060	2,057	2,003	2,016	1,947	1,949	1,912	1,917	1,876	1,913	1,947	1,974
Current Liabilities Total	263	270	243	264	274	288	274	282	264	293	319	343
Non-Current Liabilities Total	124	137	128	117	115	105	107	113	99	90	75	63
Liabilities Total	388	408	371	381	390	394	382	395	364	383	395	406
Net Assets Total	1,671	1,649	1,631	1,634	1,556	1,555	1,529	1,521	1,512	1,529	1,552	1,567
Liabilities & Net Assets Total	2,060	2,057	2,003	2,016	1,947	1,949	1,912	1,917	1,876	1,913	1,947	1,974

＊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	145	145
CF from Investing Activities	△100	△80	△74	△88	△82	△109	△95	△100	△115	△88	△97	△103
CF from Financing Activities	△69	△18	△7	△7	△71	△21	△8	△9	△28	△13	△10	△10
Net increase in cash and cash equivalents (△decrease)	△94	8	△63	24	△50	23	△40	△39	△11	60	37	31
Cash and Cash Equivalents (end of term)	583	592	528	553	502	526	485	446	434	495	533	564

＊ 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	434	437
Turnkey services	371	379	380	393	389	375	376	377	376	384	393	396
Up-front sales	10	13	15	11	11	10	12	6	9	14	18	15
Monthly recurring sales	360	366	364	381	377	365	364	371	367	370	374	381
Non-turnkey services	45	44	43	43	42	42	41	41	41	41	41	41
Network Solution	8	8	8	9	8	8	8	9	8	8	8	9
Advanced-Cloud Service	20	28	17	27	13	34	23	23	22	17	32	25
Ad related services	15	14	13	13	11	9	8	8	8	7	7	6
System Development	4	13	3	14	2	25	14	15	14	9	25	19
Sales Total	446	461	450	473	454	461	450	452	450	452	475	473
COGS	136	143	145	148	139	158	171	171	165	159	167	176
SG & A	332	336	318	303	306	297	305	283	265	261	269	268
Cost Total	469	480	463	452	446	456	476	454	431	421	437	445
Operating Income	△23	△19	△13	21	8	4	△26	△2	18	31	38	28
Recurring Income	△22	△18	△13	21	8	6	△26	△2	19	31	37	28
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	1,290	1,245
Number of employees (Non-consolidated)	154	147	142	137	140	138	137	133	138	140	134	131

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

＊ 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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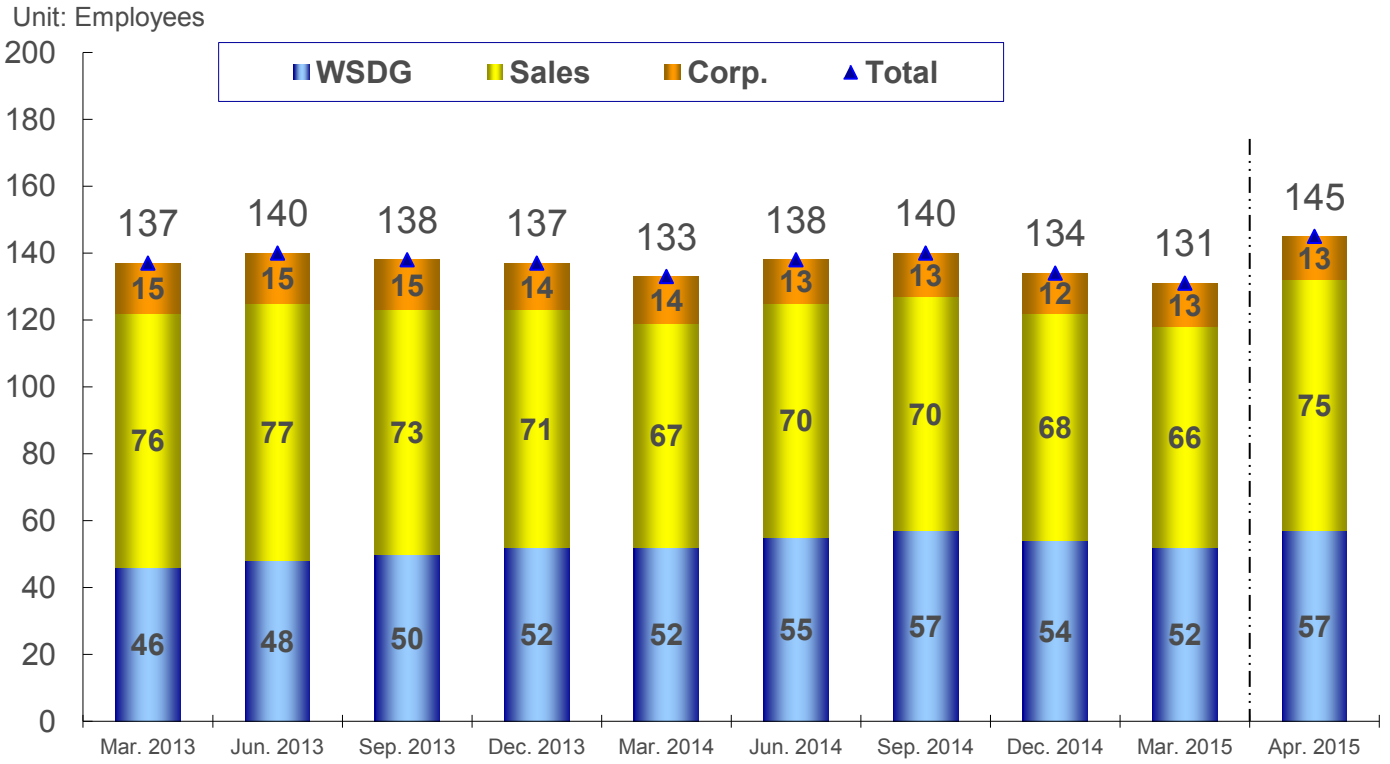
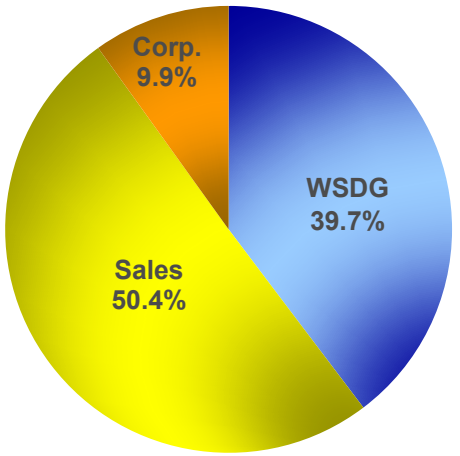
Number of Employees



Number of Employees



Breakdown by Division
(March, 2015)

* Excluding directors, advisors, and part-time workers.
* WSDG: Web Solution Development Group, Sales: Sales & Sales Planning, Corp.: Corporate staff

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Business Outline

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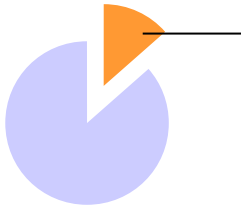
Focused on the Large Real Estate Industry

The real estate industry represents 13.3% (2012) of GDP (422 trillion yen (nominal))



Real estate industry
13.3%
(56 trillion yen)

Source: National Accounts for 2013 (GDP by economic activity)

Total real estate assets equals 1,681 trillion yen (2013)

Residential
349 trillion yen



Non-residential 211 trillion yen



Land 1,120 trillion yen

Source: National Accounts for 2013 (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)



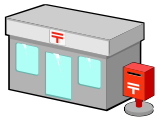
There are 122,127 real estate agencies (as of the end of Mar. 2014)

Source: Real Estate Transaction Improvement Organization

much more than…



Convenience stores
52,397 stores (March 2015)



Post offices
24,182 offices (As of the end of Mar 2015)

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 distribute fresh information through 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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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:

“To become indispensable information infrastructure for the real estate market, collecting all kinds of information on real estate.”

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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

Swift cycle of “grasping needs → planning → development”

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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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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“ES e-Bukken One”, Certified as Safe and Reliable

Certified under the “Information Disclosure Certification Systems for Safety and Reliability of Cloud Services”



0183-1412

The Company’s “ES e-Bukken One” cloud service received certification under the “Information Disclosure Certification Systems for Safety and Reliability of Cloud Services” for disclosing information according to the guidelines released by the Ministry of Internal Affairs and Communications. (*)

☆ Certification Date: December 16, 2014

☆ Certification Period: December 16, 2014 to December 18, 2016

Screening Categories: Providers and services are screened for safety and reliability in every facet.

1. Provider Safety and Reliability Information Disclosure Categories	2. Service Safety and Reliability Information Disclosure Categories
■ Financial situation ■ Capital, business transactions ■ Compliance	■ Service specifics, fees, quality, number of users ■ Principal software, links with other systems, oversight system ■ Network (suggested devices, account protection, etc.) ■ Server location situations (emergency power, security, etc.) ■ Support system

Point! ⇒ **Only services that meet the safety and reliability information disclosure standards can receive certification.**

(*) “Information Disclosure Certification Systems for Safety and Reliability of Cloud Services”

The “Information Disclosure Certification Systems for Safety and Reliability of Cloud Services” was made by ASPIC (ASP/SaaS/Cloud Consortium) and FMMC (Foundation for MultiMedia Communications) following guidelines released by the Ministry of Internal Affairs and Communications. This certification system certifies that the necessary safety and reliability information is being disclosed and specific conditions met, to ensure companies and organizations considering cloud services can properly compare, evaluate and select providers and services.

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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 営業
いい物件One ウェブサイト
物件情報の一括入稿サービス

- ☑ **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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Business and Sales Breakdown

Business	Service Category	Element Type	Contract Type	Sales Recognition	Service and Sales 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 sales 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 sales.** 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 March 2015)
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 :	131 (As of the end of March 2015)

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
	Managing Director, CTO	Akira Matsuzaki		

Audit Corporation :	The Kisaragi Audit Corporation
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.

Statements made at the meeting or included in this document that are not historical facts are forward looking statements about the future performance of e-Seikatsu Co., Ltd.
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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