Third-quarter for FYE March 31, 2018
Presentation Material

February 1, 2018

e-Seikatsu Co., Ltd.

Securities code: 3796

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1. Summary of Third-quarter Results for FYE March 31, 2018

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Highlights

The contract for specific customers ended as indicated in the initial earnings forecast. As a result, sales and profit dropped year on year.

- Consolidated sales: 1,438 million yen (FY2017 3Q 1,489 million yen, YOY change -51 million yen, -3.5%)
  - Cloud Service revenue: 1,362 million yen (FY2017 3Q 1,422 million yen, YOY change -60 million yen, -4.2%)
  - **Including monthly recurring revenue of Turnkey services: 1,279 million yen (FY2017 3Q 1,284 million yen, YOY change -5 million yen, -0.4%)**
- Consolidated operating income: 46 million yen (FY2017 3Q 119 million yen, YOY change -72 million yen, -60.6%)
- Net income: 20 million yen (FY2017 3Q 67 million yen, YOY change -47 million yen, -69.5%)
- As of the end of Dec. 2017, number of client companies is 1,294 (FY2017 3Q 1,277), and number of stores is 3,501 (FY2017 3Q 3,283)
  - Monthly ARPU: approx. 116,600 yen/company ※as of the end of Dec. 2017
    FY2017 3Q approx. 122,900 yen/company ※as of the end of Dec. 2016

We promote measures for adopting information technology (IT), such as explanation of important matters by IT, electronic contracts, and virtual reality (VR), for real estate transactions.

- As the system for explanation of important matters by IT was started on a full-scale basis on Oct. 2017, we held seminars around Japan, and promoted the tools for online conferences and our cloud services.
- Signed a contract for a business tie-up with NURVE, Inc., which excels at developing a system for checking the inside of real estate with the VR technology. We also formed a business tie-up with Bengo4.com, Inc., which offers a cloud service for signing a contract via the Internet, as real estate contracts are being digitized, to promote the use of IT in real estate transactions from all aspects.
- Additional development of “ES e-Bukken One” continued. Expanding functions and enhancing usability have been achieved.

∗ 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.

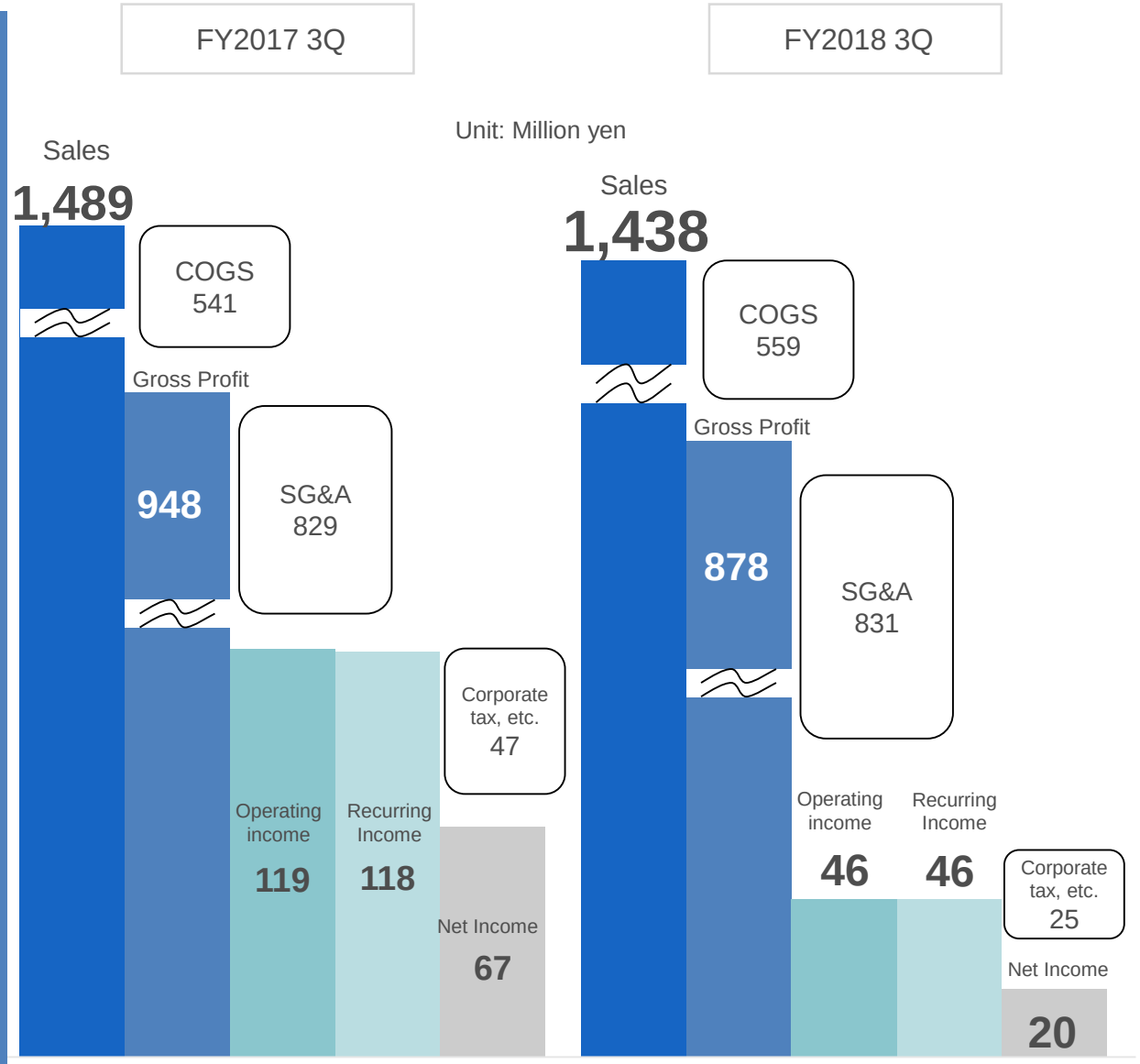
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Sales and profit dropped YOY

・Sales dropped around 51 million yen YOY to 1,438 million yen.
Operating income dropped around 72 million yen YOY to 46 million yen.

・As for COGS, the personnel expenses for engineers and development expenses due to posting of sales of the Favourable Advanced-Cloud service augmented.

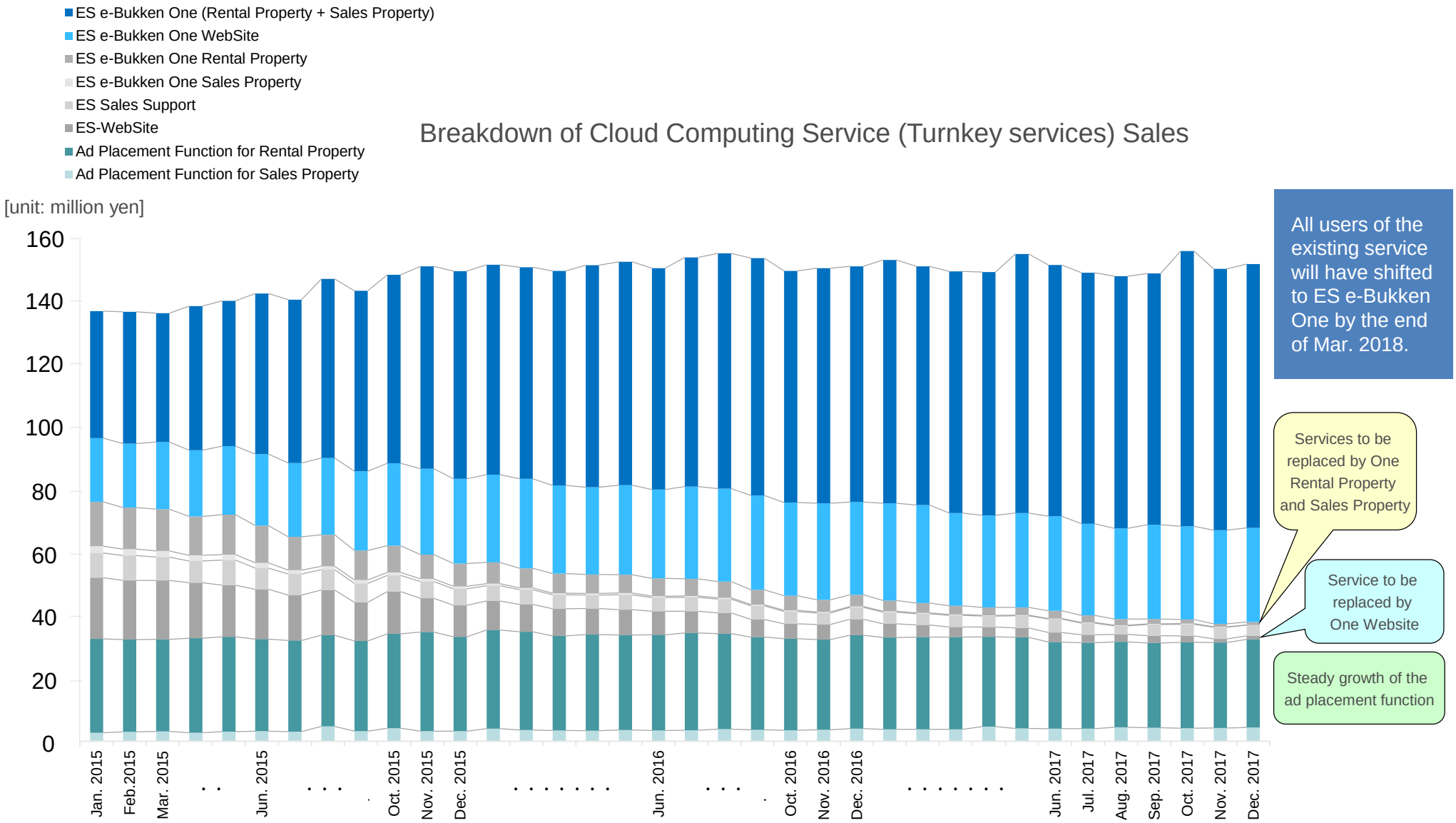
・SG&A decreased through streamlining, including the reduction of communication cost, etc.



＊ Figures rounded down to the nearest million yen.

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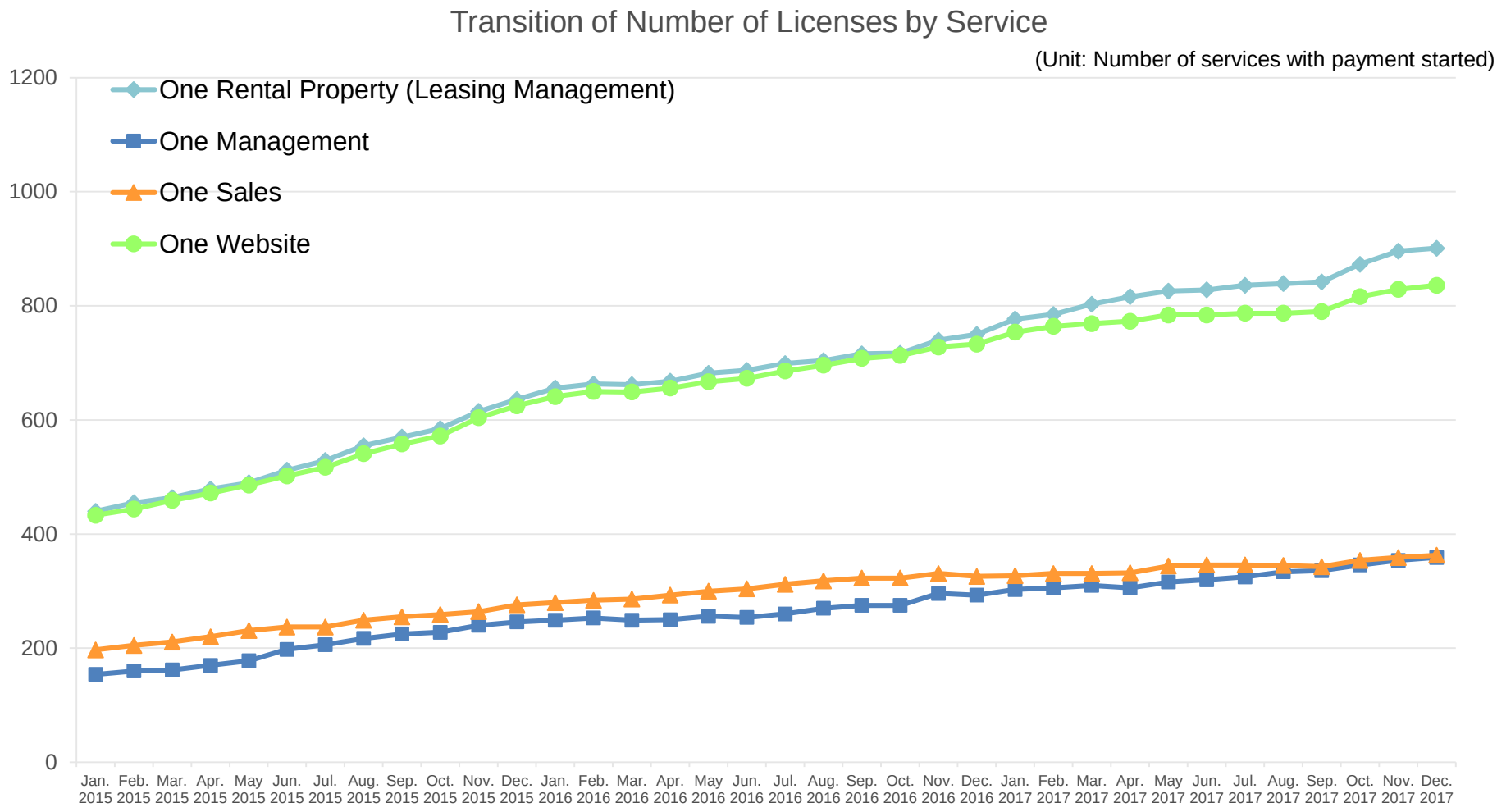
The shift to “ES e-Bukken One” enters the final phase



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

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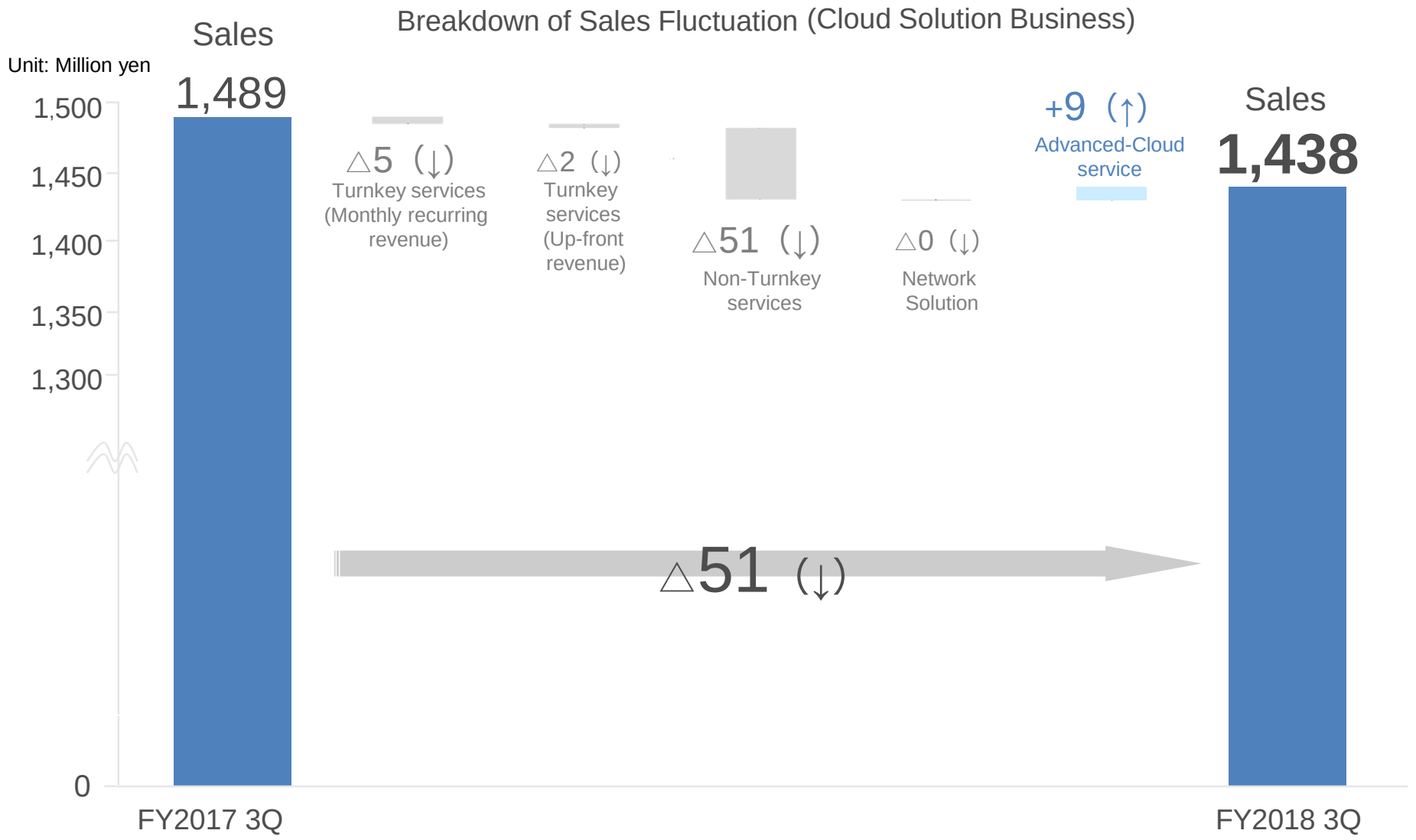
The number of licenses provided is increasing steadily



∗ The number means the sum of the number of new contracts and the number of shifts from existing services.

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As shown in the initial forecast, sales were affected by the termination of services targeted at specific customers



∗ 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)	FY2017 3Q	FY2018 3Q	YOY change	YOY change (%)
Cloud Service	1,422	1,362	△60	△4.2%
Turnkey services *	1,325	1,316	△8	△0.7%
Up-front revenue	40	37	△2	△7.4%
Monthly recurring revenue	1,284	1,279	△5	△0.4%
Non-turnkey services *	97	45	△51	△53.1%
Network Solution	25	24	△0	△3.3%
Advanced-Cloud Service	41	51	9	23.5%
Total	1,489	1,438	△51	△3.4%

＊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.

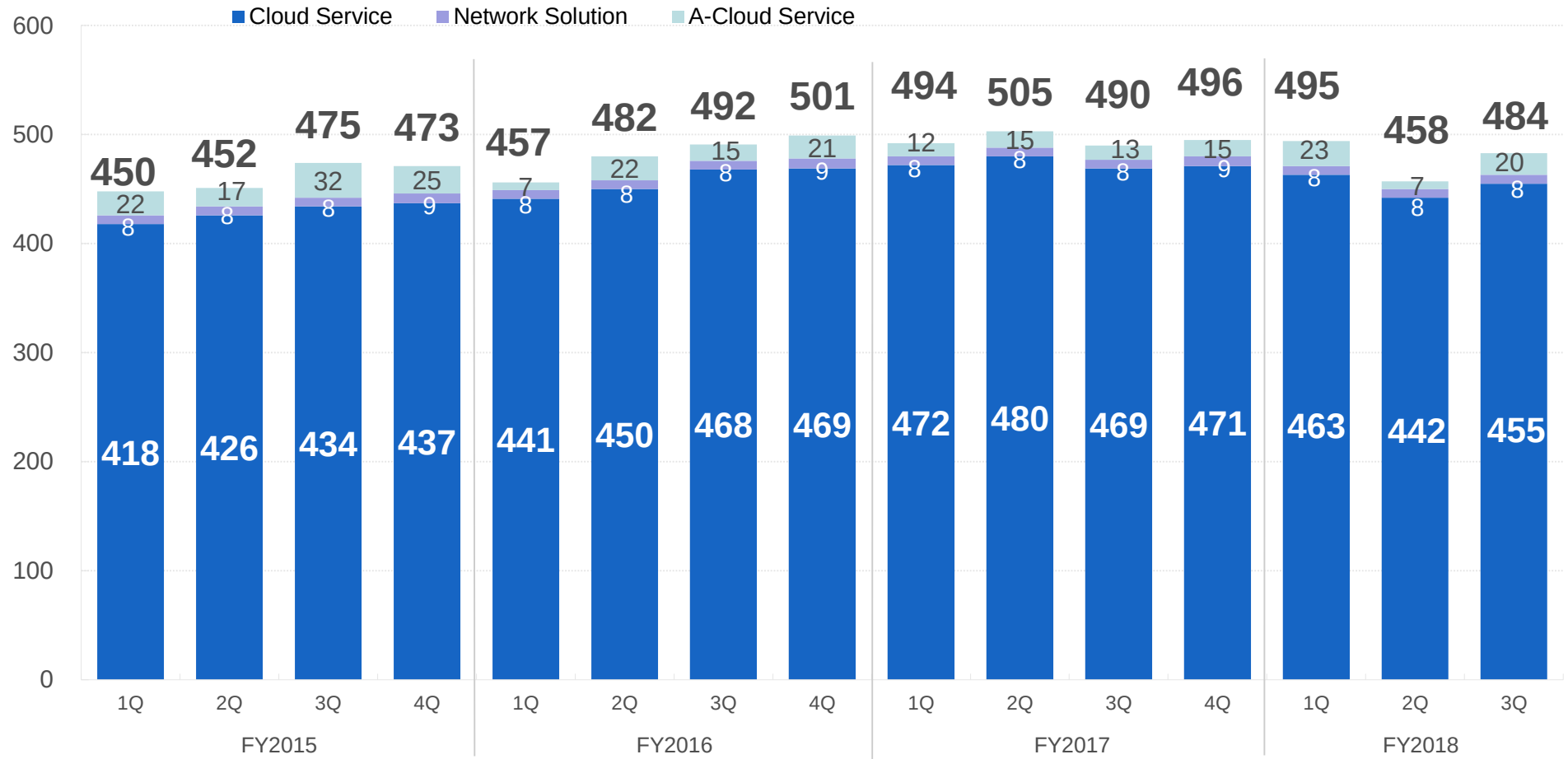
＊The sales of "Advanced-Cloud Service" have been broken down to the sales of "ad-related services" and of "system development," but those sales have been summed up, and disclosed as the sales of "Advanced-Cloud Service" from the term ending Mar. 2018, from the viewpoint of importance of disclosure.

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The sales of the cloud service are recovering from the termination of that service

Transition of Sales by Item (Cloud Solution Business)

Unit: Million yen

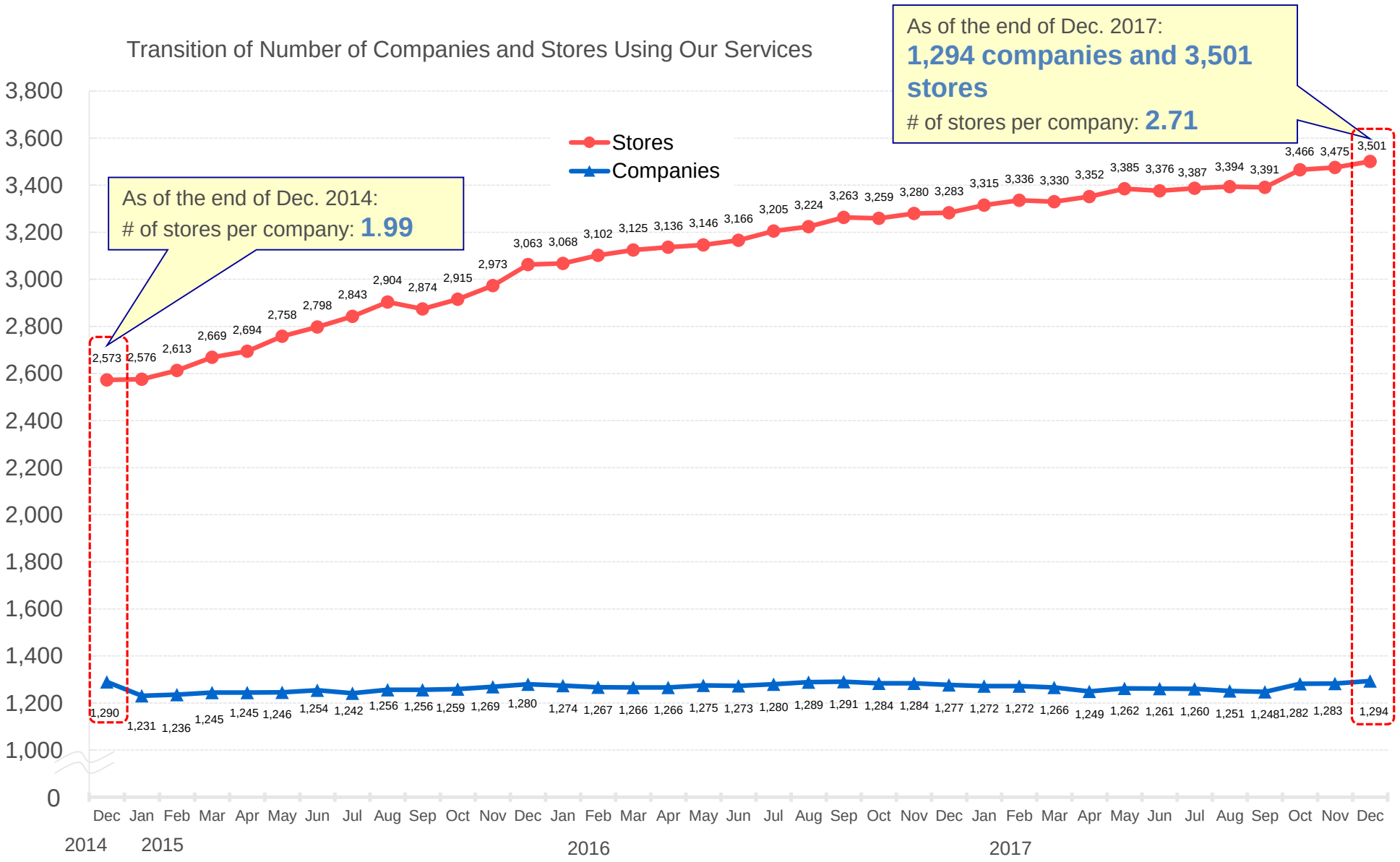


∗ Cloud Solution Business sales figures have not been adjusted for internal transactions.

∗ Figures rounded down to the nearest million yen.

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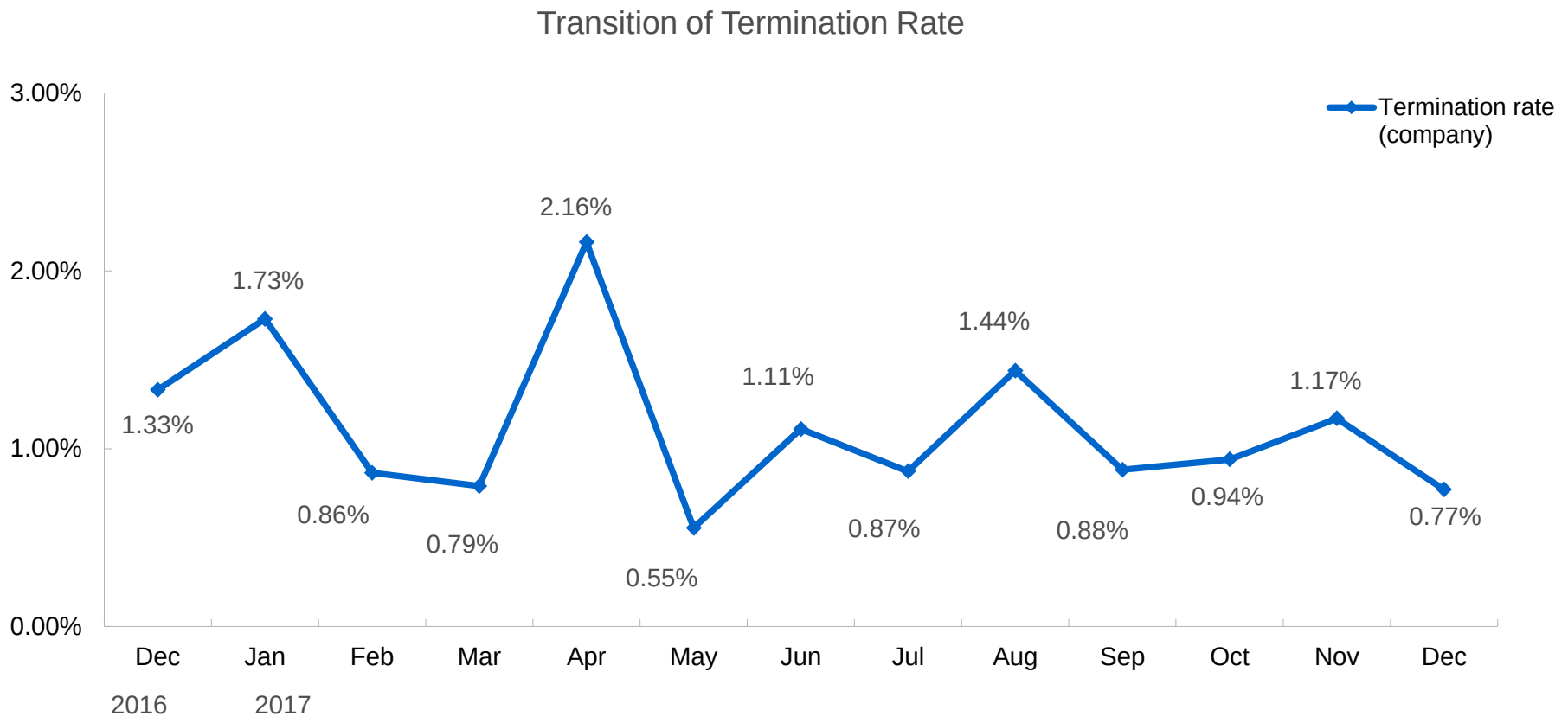
Number of stores per company (clients having multiple stores) is expanding



∗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.

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



Unit: companies

	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Ave.
# of companies	17	22	11	10	27	7	14	11	18	11	12	15	10	14.2

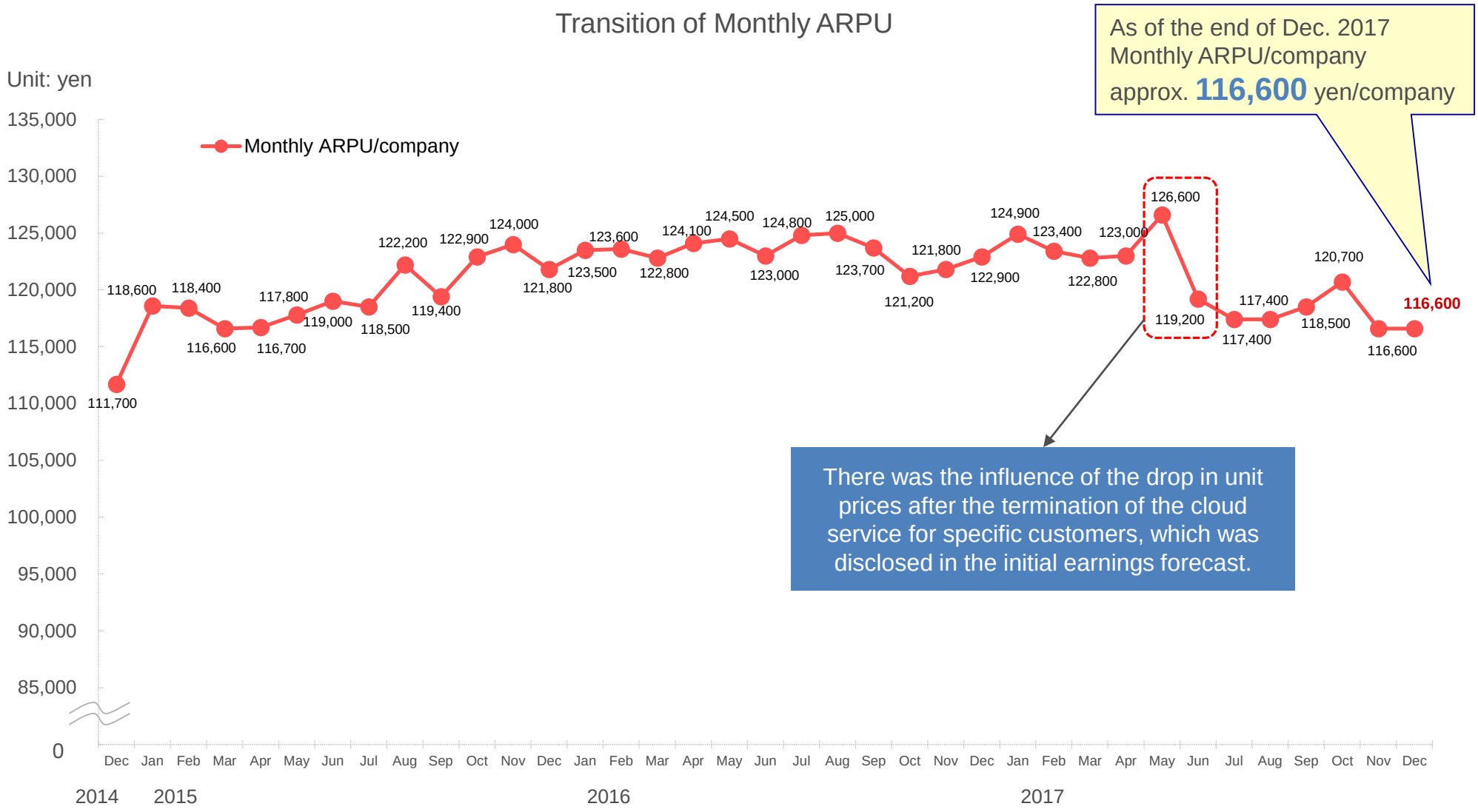
∗ Termination rate is obtained by dividing the number of companies that have cancelled our service in each month by the number of companies whom we have charged.

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

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Monthly ARPU maintained over 100 thousand yen

Transition of Monthly ARPU



As of the end of Dec. 2017
Monthly ARPU/company
approx. **116,600** yen/company

There was the influence of the drop in unit prices after the termination of the cloud service for specific customers, which was disclosed in the initial earnings forecast.

∗ 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.

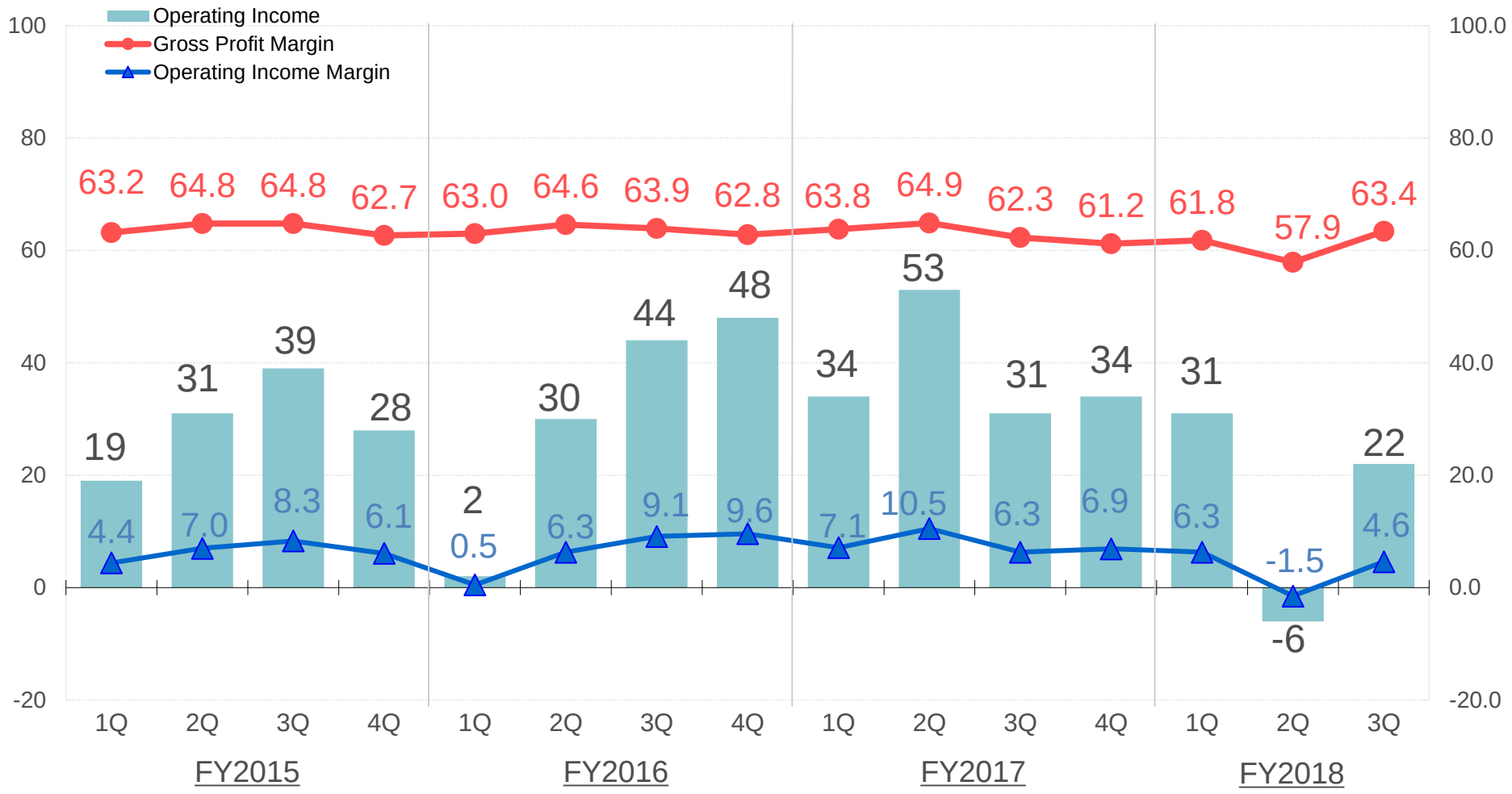
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Influenced by the drop in sales after the termination of service for specific customers.

Transition of Operating Income (Consolidated)

Unit: Million yen

Unit: %

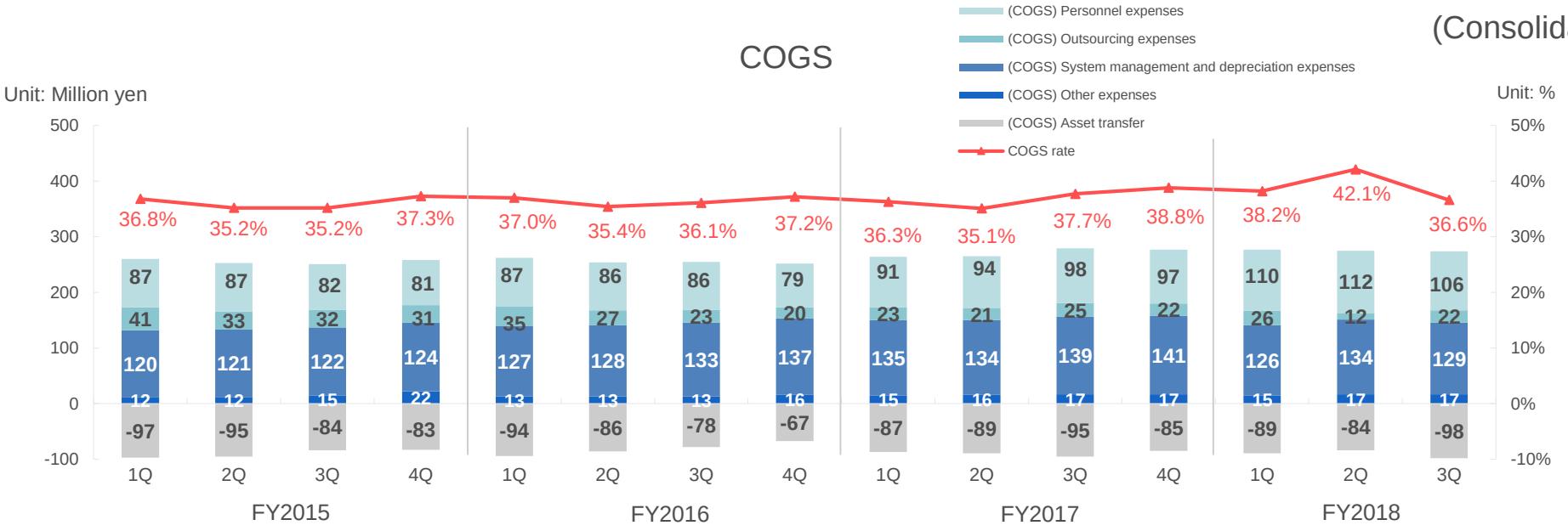


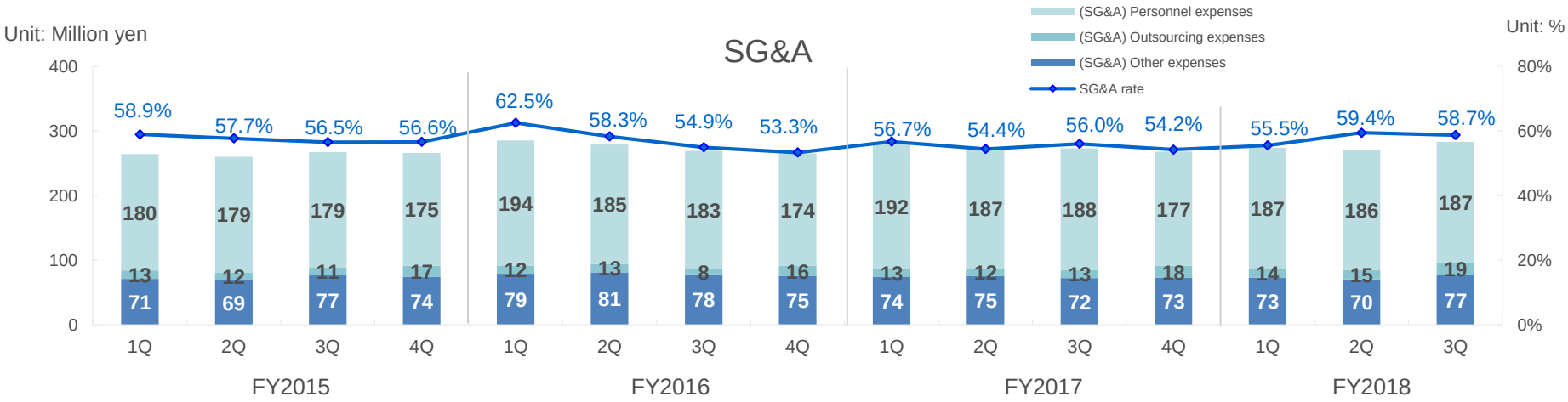
∗ Figures rounded down to the nearest million yen.

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Total expenses are under control

(Consolidated)



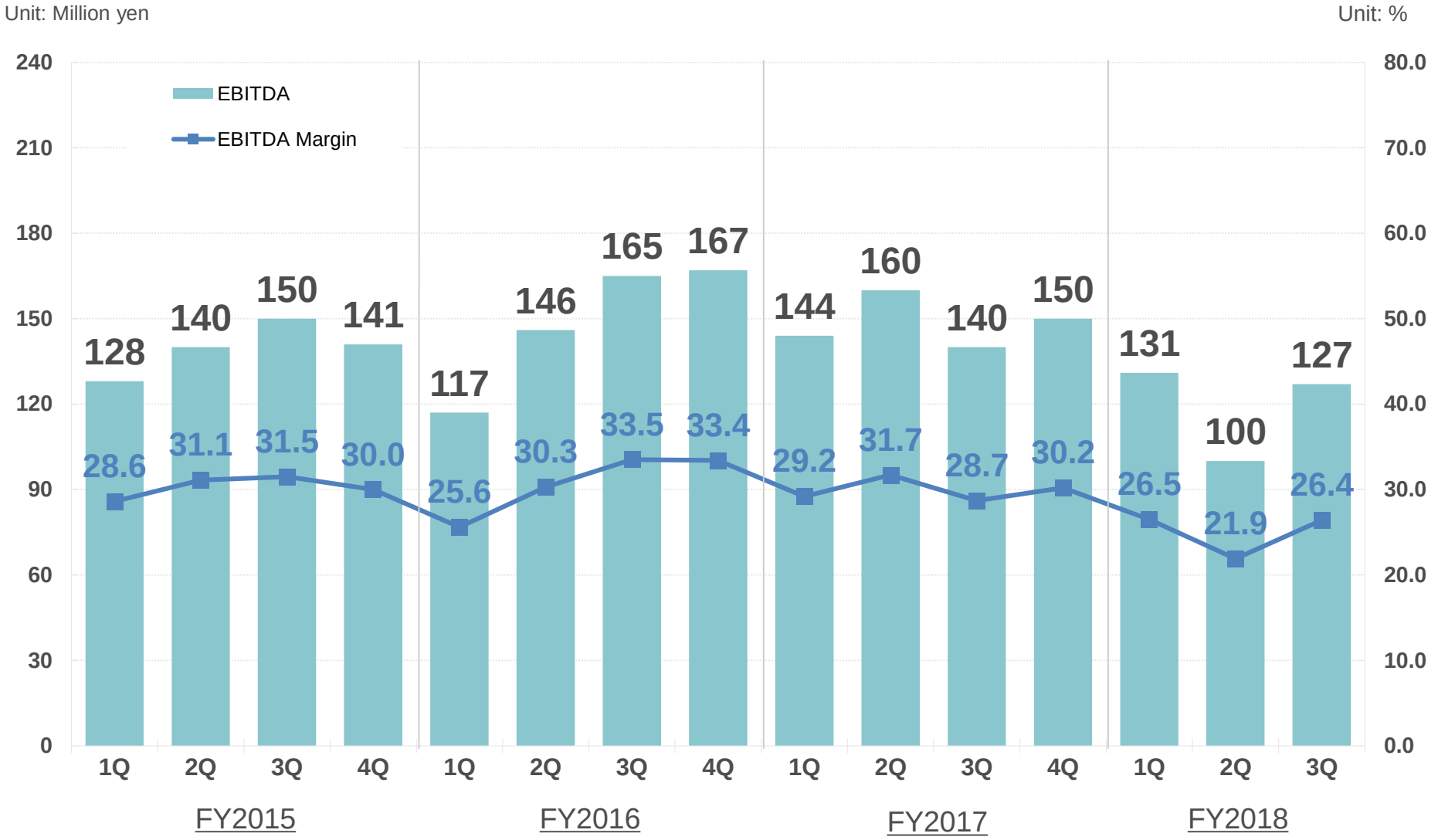


∗(COGS) Outsourcing expenses: Outsourcing expenses, temporary recruitment expenses, procurement expenses, system usage expenses, etc.
(COGS) Asset transfer: Inventory assets(goods in process), portion allowances for software under development listed under COGS
∗(SG&A) Outsourcing expenses: Advertising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

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EBITDA (operating Income + depreciation) remains stable

Transition of EBITDA (Consolidated)

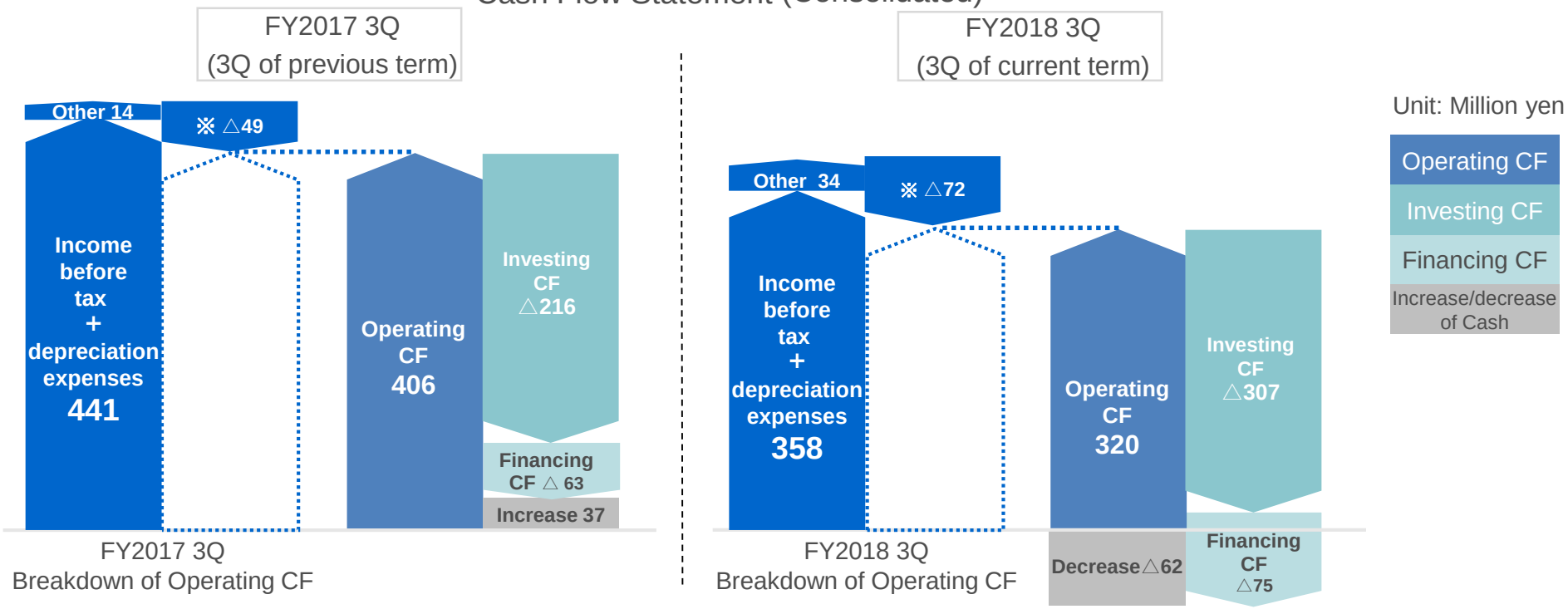


∗ Figures rounded down to the nearest million yen.

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Service development investment for growth is continued

Cash Flow Statement (Consolidated)



※ Payment corporate income tax, etc.

<Major breakdown items>		FY2017 3Q	FY2018 3Q
Operating Activities	① Income before tax + depreciation expenses	441M yen	358M yen
	② Payment of corporate income tax, etc. (△)	△49M yen	△72M yen
Investing Activities	③ Expenses in development such as services (△)	△263M yen	△283M yen
	④ Purchase of fixtures and furnitures, etc. (△)	△13M yen	△0M yen
	⑤ Expenses due to the purchase of assets (HW/SW) (△)	△5M yen	△23M yen
Financing Activities	⑥ Payment of year-end dividend (△)	△27M yen	△34M yen
	⑦ Expenses due to repayment of lease obligations (△)	△35M yen	△41M yen

＊Figures rounded down to the nearest million yen.

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

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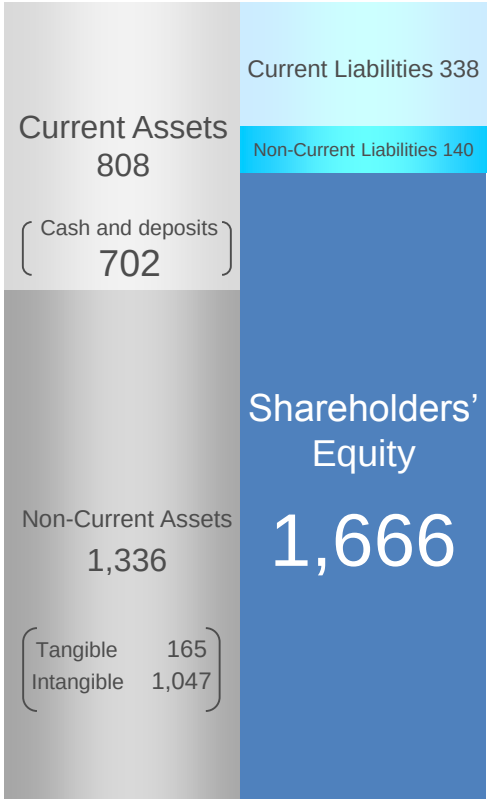
Financially sound

Consolidated Balance Sheet YOY Comparison

Unit: Million yen

As of the end of March, 2017

Current ratio
239.0%

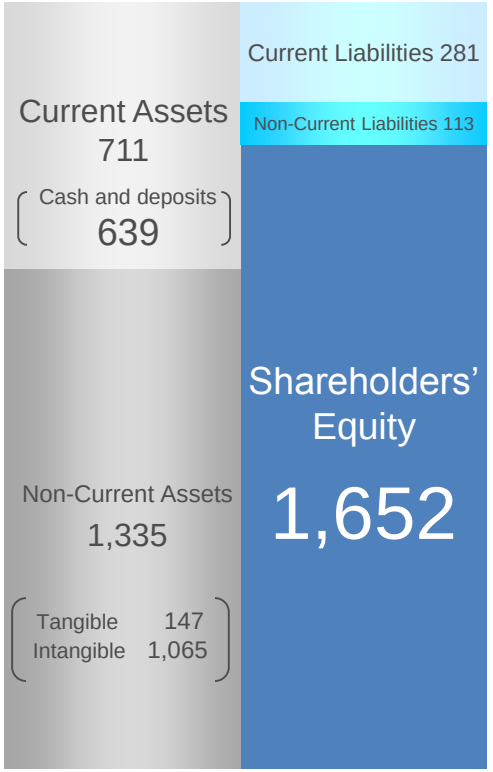


Capital-Asset ratio
77.7%

Assets 2,145 | Liabilities and Equity 2,145

As of the end of December, 2017

Current ratio
253.3%



Capital-Asset ratio
80.7%

Assets 2,047 | Liabilities and Equity 2,047

∗ Figures rounded down to the nearest million yen.

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2. Business Forecast

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Full-term forecast (consolidated) progress

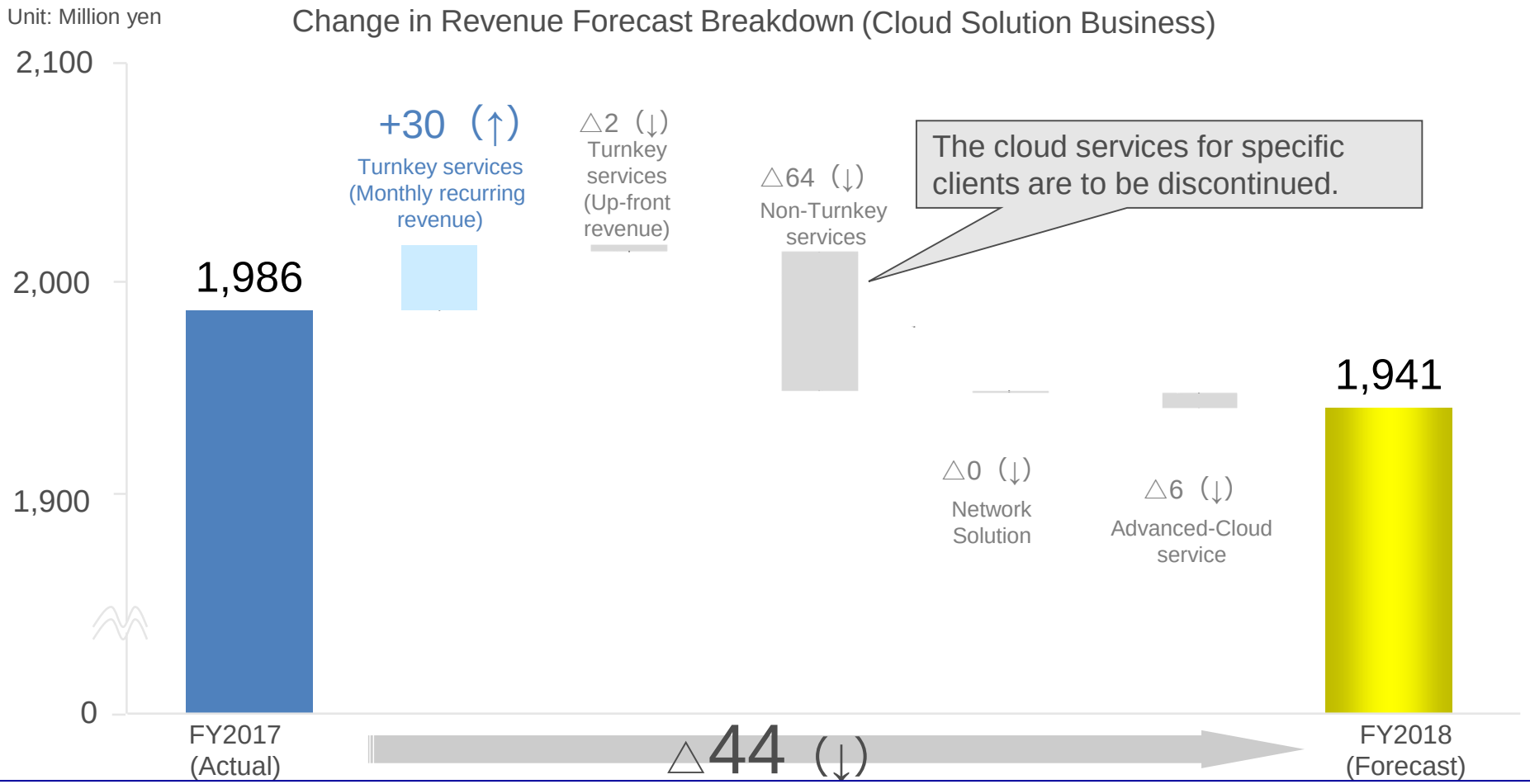
(Million yen)	Full-term Forecast FY2018	3Q Results FY2018	Progress Rate as % of Full-term Forecast	(Reference) Full-term Results FY2017
Sales	1,941	**1,438**	74.1%	1,986
Operating income	66	**46**	70.0%	153
Recurring income	65	**46**	70.2%	153
Net Income	33	**20**	62.0%	88

	Dividend per share
Full-term dividend (forecast) (FYE March 2018)	5.00yen
Full-term dividend (result) (FYE March 2017)	5.00yen

＊Forecast figures 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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Sales forecast: Sales of the Turnkey Services are estimated to keep growing steadily



<Key Points>

Further promoting “ES e-Bukken One,” our “turnkey services (monthly recurring revenue)” revenue is expected to increase by about 30 million yen YOY, but the sales of Non-Turnkey cloud services are forecasted to decrease. Accordingly, the total sales of the cloud solution business are projected to drop by about 44 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 forecast breakdown

Item (Unit: million yen)	FY2017	FY2018	YOY change	YOY change (%)
Cloud Service	1,894	1,856	△37	△2.0%
Turnkey services *	1,764	1,791	27	1.5%
Up-front revenue	50	47	△2	△5.9%
Monthly recurring revenue	1,713	1,743	30	1.8%
Non-turnkey services *	129	64	△64	△50.1%
Network Solution	34	33	△0	△2.5%
Advanced-Cloud Service	57	51	△6	△10.8%
Total	1,986	1,941	△44	△2.3%

＊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.

＊From the term ended Mar. 2017, the sales of “Ad-related services” and the sales of “system development” in Advanced-Cloud Service are summed up, and posted as the sales of “Advanced-Cloud Service” because the disclosure-related importance degraded.

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

＊Figures rounded down to the nearest million yen.

＊The sales of “Advanced-Cloud Service” have been broken down to the sales of “ad-related services” and of “system development,” but those sales have been summed up, and disclosed as the sales of “Advanced-Cloud Service” from the term ending Mar. 2018, from the viewpoint of importance of disclosure.

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3. Business Overview

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To become the Best “Real Estate Tech” company in Japan

Target Index

- Number of clients — 5,000 companies
- Monthly ARPU — more than ¥100,000
- Gross profit margin on Cloud Service — more than 70%

Expand and grow our client base

To keep increasing clients by evolving services and 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 evolve ES e-Bukken One to real estate trade platforms

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Outline of our services

Real estate database
- Layout info
- Addresses, latitude/longitude info
- Equipment info
- Images
  -
  -

Contract database
- Lease contracts
- Management entrustment contracts
  -
  -

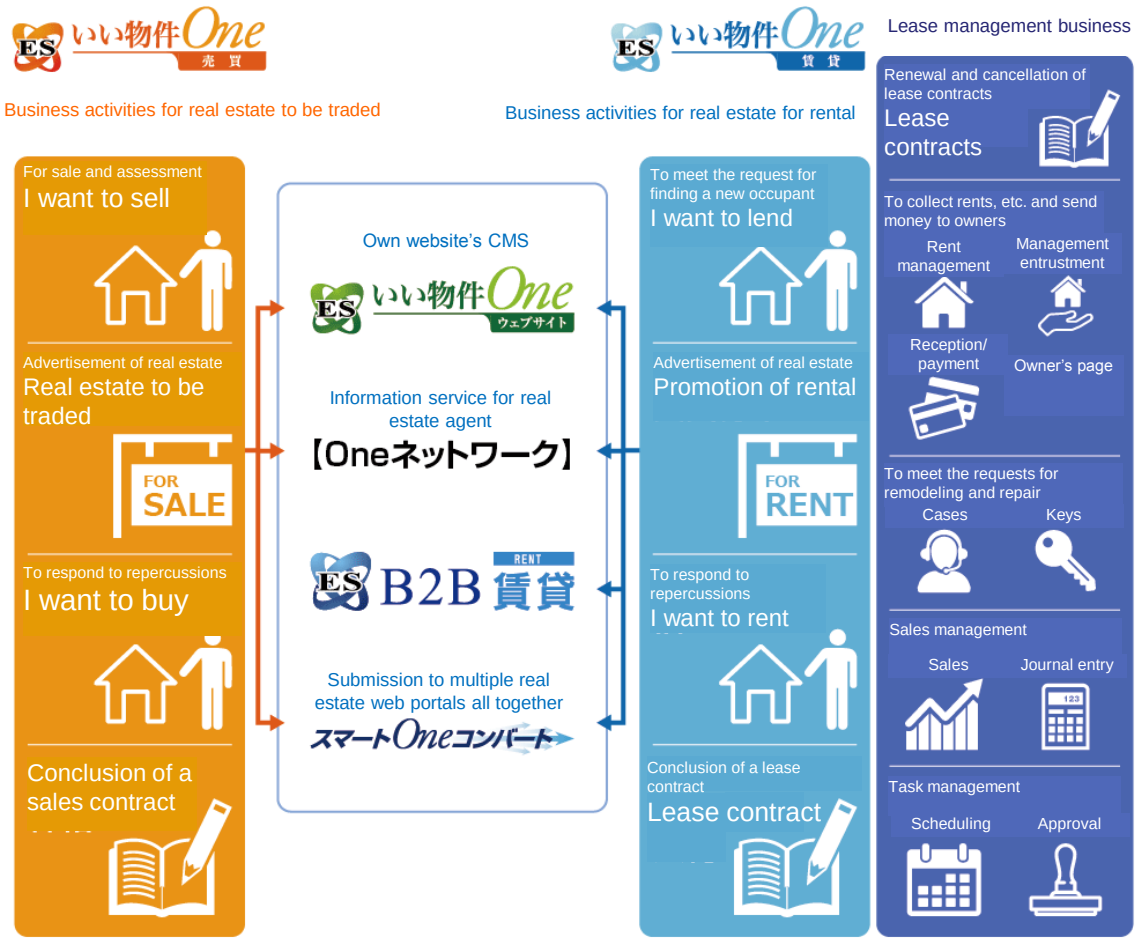
Database of organizations and employees
- Names or corporations and organizations
- Employees' names, numbers, and posts
- Contact info (email addresses and telephone numbers)
  -
  -

Customer database
- Customer categories (renting, lending, selling, or buying)
- Names, contact info, etc.
- Family structures
- Annual income and bank account info
  -
  -

Database of income, expenditure, and sales
- Rents and security deposits
- Deposit category
- Accounts
  -
  -

More than 4,000 items can be stored.

つなぐ、不動産クラウド。 いい物件One



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Outlook for future service developments

It will become possible to “Explanation of Important Matters by IT.”

	Until Sep.	From Oct. 2017	2018	2019	2020	2021
Existing Services	Sales and support will be discontinued.					
つなぐ、不動産クラウド。 いい物件One						
Expansion of Service Line-Up and Function Reinforcement		Response to the legal system for “Explanation of Important Matters by IT,” etc. and the changes in the external environment Provision of services for the use of IT in a series of processes for real estate transactions, such as inquiry, preview, application, explanation of important matters, conclusion of a contract, payment, and transfer of ownership				
		Expansion of Solutions for Management Companies				
		Acceleration of synergy among merchants for Solutions for Real Estate Companies				
Service Quality Improvement and Capacity Increase		Improvement of API Architecture following Constant Increase in Data Volume				
		Significant Improvement of the Processing Capacity of Conversion (medium delivery) Functions.				

∗ The above schedule is a plan at the present moment and is subject to change.

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What is the “Explanation of Important Matters by IT”?

The current Building Lots and Buildings Transaction Business Act obliges real estate brokers to explain important matters to buyers face to face, but it will become possible to explain them online by using a “TV conference system,” etc.

What are the advantages of the “Explanation of Important Matters by IT”?

For consumers, it would save the time and cost for visiting the real estate. For real estate firms, it would appeal to consumers through the improvement of convenience.



Customers can confirm the real estate transaction expert license through a camera.





The scenes from the "Explain Important Matters by IT" seminar.

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We are promoting the utilization of IT in a series of processes for real estate transactions, including search, preview, explanation of important matters, conclusion of a contract, and payment.

Online Viewing | **Online Application** | **Explain Important Matters by IT** | **Electronic Contract** | **Electronic Payment (?)**

Searching Real Estate on Website → Inquiry → Visiting Store → Private Viewing → Application → Explanation of Important Matters → Contract/ Handover → Payment







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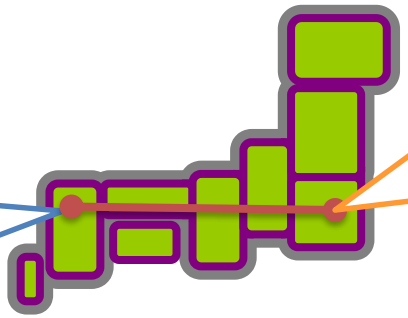
Selling the cloud service for online meetings for “Explaining important matters by IT”

meetingplaza® (注)
ミーティングプラザ



Yes, I can hear you. I’d appreciate your cooperation today.

Customer (living in Fukuoka)





Then, I’ll explain important matters about the real estate. Can you hear me?

Real estate firm (in Tokyo)

1. Introduction of real estate → **2. Description of real estate** → **3. Explanation of important matters**

Online customer services



To introduce real estate to customers at distant places “face to face”

Online preview



You can check the inside of real estate in your free time.

Explanation of important matters by IT



You can explain important matters with smartphones or tablet PCs.

∗ “MeetingPlaza” is a service provided by NTT TechnoCross Corporation.

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Tie-up for offering “VR-based Preview*” and developing new services

ES いい生活 × NURVE

Comprehensive database on real estate	×	Provision of new experiences with VR

【Details of the business tie-up】



- To offer solutions, such as “VR-based Preview,” which is suited for real estate transactions, to real estate firms broadly by utilizing our marketing know-how (plan).
- To create more convenient services and offer value to real estate firms and users (consumers) by linking VR and database on real estate (plan).

Promotion of the use of IT in real estate transactions

* “VR-based Preview” is a service provided by NURVE Inc. With this system, customers can check each piece of real estate in a pseudo manner by utilizing the virtual reality (VR) technology.

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Tie-up anticipating the increase of electronic contracts in the real estate market



Database on real estate information	Cloud service for concluding a contract via the Internet

【Details of the business tie-up】

- To release “Cloud Sign,” a cloud service for signing a contract via the Internet for the real estate market (plan)
- To promote the digitization of contracts in the real estate market (plan)
- To examine exerting synergetic effects through the product alliance with “ES e-Bukken One,” a business cloud for real estate firms, or other methods (plan)

This will contribute to the streamlining of business operation in the real estate market and the improvement of convenience for consumers

∗ “Cloud Sign” is a service offered by Bengo4.com, Inc. With this, it is possible to produce, sign, and store contracts in the Internet.

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4. Appendix

Business Outline

Financial Data

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Business Outline

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Focused on the large real estate industry

- The real estate industry represents 12.9% of GDP (474 trillion yen (nominal))



Real estate industry 12.9% (61 trillion yen)

Source: National Accounts for 2016 (GDP by economic activity)

- Total real estate assets equals 1,720 trillion yen

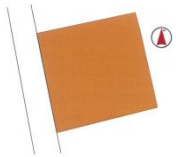
Residential
367 trillion yen



Non-residential
169 trillion yen



Land 1,182 trillion yen



Source: National Accounts for 2016 (National assets)

- There are 123,416 real estate agencies



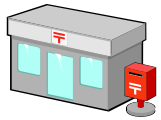
Source: Real Estate Transaction Improvement Organization (As of the end of Mar 2017)

>



Convenience stores
54,822 stores (March 2017)

Source: JFA Convenience Store (monthly statistic report)



Post offices
24,421 offices (As of the end of Mar 2017)

Source: Japan Post Network Co., Ltd.

The number of potential clients is enormous.

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Databases is essential for real estate industry

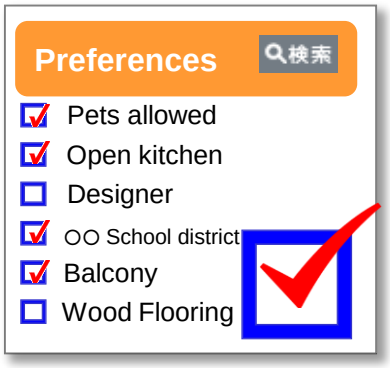
Real estate industry is an “Information industry” to digitization

- Data on real estate are expanding qualitatively and quantitatively
- Requires immediate and accurate information
- Streamlining of business operations through the use of real estate data in various ways (enrichment of the media and its own website)
- The necessity of database that can manage the information on property, customers, and contracts together.



Diversified consumer needs!

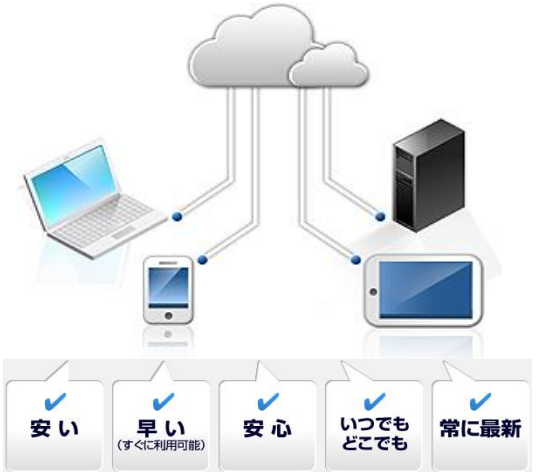
- The necessity of comprehensive information database on real estate to satisfy a variety of preferences of consumers
- Pursuit of convenience in looking for real estate
- Rational judgment based on plentiful data



Large Demand for More “User-Friendly” Databases

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“Cloud Service” is ideal for the real estate industry



Benefits of Cloud Services

- 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.

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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Mission

To create a market with high degree of satisfaction and reliability for all participants by enhancing the transparency of the market.

Vision

To become an essential integral information infrastructure for the real estate market, where a variety of information on real estate is put together.

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Competitive advantage of e-Seikatsu

To pursue the real estate field, and offer “indispensable” cloud systems

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 → release”

Obtained the certificates of international standards for IT service management and cloud service information security management in order to improve our service level and customer satisfaction further.

No bank borrowing and financially sound

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Quality, Safety and Reliability of our services

Newly obtained “ISMS cloud security certification” for improving our service level.

- “ISO/IEC27017:2015” (International standard of cloud service's information security management system）
  （Initial certification in September, 2017）
- “ISO/IEC20000-1:2011” (International standard of IT service management system)
  (Initial certification in October, 2009)
- “ISO/IEC27001:2013” (International standard of information security management system)
  (Initial certification in August, 2006)

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

The Company’s “ES e-Bukken One” cloud service gained a certification under the “Information Disclosure Certification Systems for Safety and Reliability of Cloud Services”, which was institutionalized by ASPIC (ASP-Saas-Cloud Consortium), based on the guidelines published by the Ministry of Internal Affairs and Communications.

☆ Initial Certification Date: December 16, 2014

☆ (Current) Certification Period: December 16, 2016 to December 15, 2018

ASP SaaS 安全・信頼性 情報開示 認定

0183-1412

Higher customer satisfaction with high quality services

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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	Flow/ Stock	From time to time/ Quarterly	% of Completion/ One time/ Monthly amount	**System development revenue.** Mostly client customization work done on our turnkey solution systems. **Advertisement sales commission.** Monthly commission on “Yahoo! Real Estate” listing service sales. ※Recognized revenue is NET (not GROSS)
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 ：	628,411,540 yen (As of the end of December 2017)
Listing ：	Second 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 ：	148 (As of the end of December 2017)
Governance System：	Company with Audit Committee

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

Audit Corporation ： Kisaragi Audit Corporation

Offices ：	Headquarters	〒106-0047	2-32, Minamiazabu 5-chome, Minato-ku, Tokyo
	Osaka office	〒530-0011	4-20 Ofukacho, Kita-ku, Osaka
	Fukuoka office	〒810-0001	11-17, Tenjin 1-chome, Chuo-ku, Fukuoka-shi, Fukuoka
	Nagoya office	〒450-6490	28-12, Meieki 3-chome, Nakamura-ku, Nagoya-shi, Aichi

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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		2016 Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	2017 Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Rental Property (Leasing Management)	New	322	323	322	329	337	339	348	352	358	362	369	371	382	381	379	380	388	392	397	394	397	424	428	435
	Shift	334	340	340	339	345	348	351	352	358	355	371	379	395	404	424	436	438	436	439	445	445	449	468	466
Rental Property (Leasing Management) Total		656	663	662	668	682	687	699	704	716	717	740	750	777	785	803	816	826	828	836	839	842	873	896	901
One Management	New	126	126	122	123	126	123	126	138	141	143	146	146	152	155	157	157	161	167	166	168	169	179	180	183
	Shift	123	127	127	127	130	131	134	132	134	132	150	147	151	151	153	149	155	153	159	166	167	167	174	176
One Management Total		249	253	249	250	256	254	260	270	275	275	296	293	303	306	310	306	316	320	325	334	336	346	354	359
One Sales	New	177	177	180	187	193	197	203	210	216	218	221	215	215	217	217	219	228	231	233	232	232	243	244	244
	Shift	103	107	106	106	107	107	109	108	107	105	110	111	112	114	114	113	116	115	113	113	111	111	115	119
One Sales Total		280	284	286	293	300	304	312	318	323	323	331	326	327	331	331	332	344	346	346	345	343	354	359	363
Website	New	343	345	344	351	357	360	370	379	386	392	396	396	405	406	403	403	414	417	420	417	419	442	446	451
	Shift	298	305	305	305	310	313	316	317	322	321	332	337	349	358	366	370	370	367	367	370	371	374	383	385
Website Total		641	650	649	656	667	673	686	696	708	713	728	733	754	764	769	773	784	784	787	787	790	816	829	836
Companies		840	849	848	857	873	879	897	911	929	932	956	962	988	1,000	1,021	1,037	1,051	1,057	1,064	1,066	1,067	1,106	1,130	1,140

∗ “Shifts” are transfers 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)	FY2016				FY2017				FY2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales	457	481	493	501	493	505	490	496	495	458	484	
COGS	169	170	177	186	179	177	184	192	189	193	177	
Gross Profit	288	311	315	315	314	327	305	303	306	265	307	
Gross Profit Margin	63.0%	64.6%	63.9%	62.8%	63.8%	64.9%	62.3%	61.1%	61.8%	57.9%	63.4%	
SG & A	286	280	270	266	280	274	274	269	274	272	284	
Operating Income	2	30	44	48	34	53	31	34	31	△6	22	
Operating Income Margin	0.5%	6.3%	9.1%	9.6%	7.1%	10.5%	6.3%	6.9%	6.3%	△1.5%	4.6%	
Recurring Income	2	31	44	47	34	53	30	34	31	△6	21	
Recurring Income Margin	0.4%	6.4%	9.0%	9.5%	7.0%	10.6%	6.3%	6.9%	6.3%	△1.5%	4.5%	
Extraordinary Income	–	–	–	–	–	–	–	–	–	–	–	
Extraordinary Loss	–	–	–	14	–	–	3	0	–	–	0	
Quarter Net Income	△1	17	26	18	20	33	13	20	18	△8	10	
Net Income Margin	△0.3%	3.7%	5.4%	3.7%	4.2%	6.6%	2.8%	4.1%	3.7%	△1.8%	2.2%	

∗ 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)	FY2016				FY2017				FY2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Current Assets Total	567	607	627	706	677	744	744	808	731	766	711	
Non-Current Assets Total	1,298	1,393	1,348	1,302	1,287	1,297	1,272	1,336	1,337	1,332	1,335	
Assets Total	1,866	2,001	1,976	2,009	1,965	2,041	2,017	2,145	2,069	2,098	2,047	
Current Liabilities Total	264	312	272	296	269	322	293	338	291	332	281	
Non-Current Liabilities Total	59	128	117	106	96	86	78	140	128	124	113	
Liabilities Total	324	441	389	403	366	409	371	478	419	457	394	
Net Assets Total	1,542	1,559	1,586	1,605	1,598	1,632	1,645	1,666	1,649	1,641	1,652	
Liabilities & Net Assets Total	1,866	2,001	1,976	2,009	1,965	2,041	2,017	2,145	2,069	2,098	2,047	

∗ Figures are rounded down to the nearest million yen.

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Consolidated cash flow statement

(Million yen)	FY2016				FY2017				FY2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
CF from Operating Activities	38	169	120	180	104	206	95	135	104	138	78	
CF from Investing Activities	△94	△109	△79	△86	△101	△115	△89	△82	△106	△80	△120	
CF from Financing Activities	△32	△13	△17	△15	△39	△14	△10	△12	△46	△16	△13	
Net increase in cash and cash equivalents (△decrease)	△87	45	23	78	△36	77	△4	40	△48	41	△55	
Cash and Cash Equivalents (end of term)	477	523	546	625	588	666	662	702	653	694	639	

∗ Quarterly cash flow statements 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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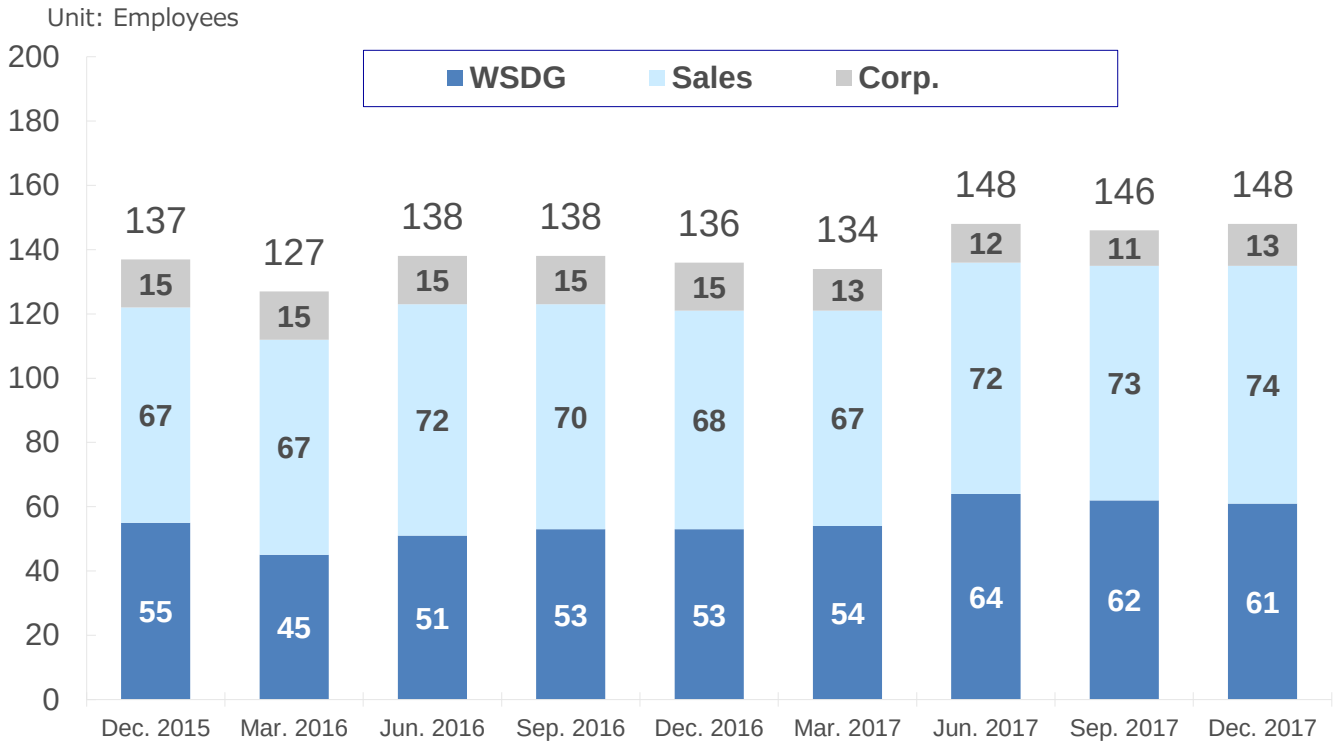
Cloud solution business revenues by product

	FY2016				FY2017				FY2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Cloud Service	441	450	468	469	472	480	469	471	463	442	455	
Turnkey services	407	417	434	437	440	448	436	439	441	431	443	
Up-front revenue	18	17	22	13	13	15	11	10	11	7	17	
Monthly recurring revenue	389	399	412	424	426	432	425	428	429	424	425	
Non-turnkey services	33	33	33	31	32	32	32	32	22	11	11	
Network Solution	8	8	8	9	8	8	8	9	8	8	8	
Advanced-Cloud Service	7	22	15	21	12	15	13	15	23	7	20	
Sales Total	457	482	492	501	494	505	490	496	495	458	484	
Number of Cloud Service clients (Companies)	1,254	1,256	1,280	1,266	1,273	1,291	1,277	1,266	1,261	1,248	1,294	
Number of employees (Non-consolidated)	146	140	137	127	138	138	136	134	148	146	148	

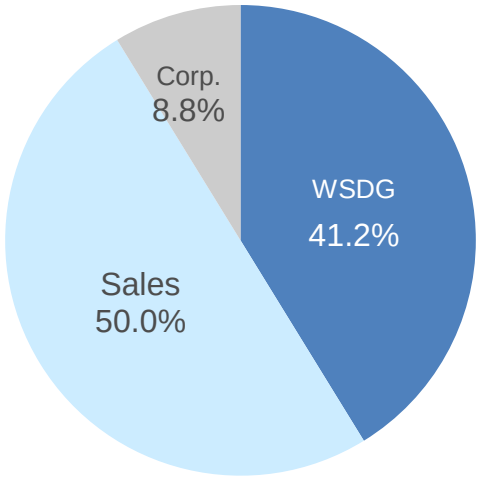
＊Turnkey services ・・・・・・・ Suite of standard system applications with up-front and monthly recurring revenue.
Non-turnkey services ・・・ Customized system applications with one-time and monthly recurring revenue.
＊Quarterly income figures are not audited (cumulative figures are audited).
＊Cloud Solution Business sales figures have not been adjusted for internal transactions.
＊Figures are rounded down to the nearest million yen.
＊The sales of “Advanced-Cloud Service” have been broken down to the sales of “ad-related services” and of “system development,” but those sales have been summed up, and disclosed as the sales of “Advanced-Cloud Service” from the term ending Mar. 2018, from the viewpoint of importance of disclosure.

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Number of employees



Number of Employees



Breakdown by Division

(December, 2017)

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

∗ WSDG: Web Solution Development Group, Sales: Sales & Sales Planning Group, Corp: Corporate staff

∗ ”Management Group” was renamed “Corporate Group” in Apr. 2017.

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「Technology × Real Estate Field」

e-Seikatsu is a “Real estate tech” company
that aims to realize a better real estate market by technology.

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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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