

# FY2011 Full-term Results

TSE Mothers 3796

May, 2011



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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- 3** Our Business Strategy
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  - (2) Our Business & Service Overview

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# Summary of Full-term Results for FYE March 31, 2011

## ① Highlights

### Both sales and operating profit continue to increase, surpassing all-time highs

- Sales: 2,374 million yen (FY2010 2,257 million yen, YOY change +117 million yen, +5.2%)
- Operating profit: 418 million yen (FY2010 300 million yen, YOY change +118 million yen, +39.3%)
- Operating profit margin: 17.6% (FY2010 13.3%, +4.3 point)
- Net income: 223 million yen (FY 2010 148 million yen, YOY change +74 million yen, approx. 1.5 times)

### ASP (Cloud) Service is main driver of revenue increase

- ASP Service revenue: 1,445 million yen (FY2010 1,307 million yen, YOY change +138 million yen, +10.6%)
- Stock element ratio (MRR): 97.0% (FY2010 94.8%, FY2009 91.3%)

### Further enhancement of sales efforts to promote continued growth

- Focus on up-selling to existing clients as well as achieving higher monthly revenue per new client
  - Monthly ARPU: approx. 93,200 yen/company, approx. 64,300 yen/store ※ as of the end of Mar. 2011
  - Monthly ARPU of new clients: approx. 81,000 yen/company (excluding initial charge)
  - Monthly ARPU of discontinuing clients: approx. 31,500 yen/company ※ for the period covering Apr. 2010 to Mar. 2011
- Conducted IT seminars throughout Japan, further promoting “cloud computing” for the real estate industry
- The non-paying users on our “ES-B2B” network are a growing source of potential paying clients

### System Development towards full integration and service upgrade (Autumn 2011 launch target)

- “Integrated Realtor Tool” - full integration of our ASP Service products for a seamless end-to-end solution

- \* ASP service revenue figures have not been adjusted for internal transactions.
- \* Figures rounded down to the nearest million yen.
- \* MRR stands for Monthly Recurring Revenue.

# Summary of Full-term Results FYE March 2011

## ② Consolidated Forecast Comparison

( Million yen )	Full-term Forecast ( ① ) ※	Full-term Results ( ② )	Difference ( ② - ① )	Achievement As % of Forecast	Full-term Results (FY2010)
Sales	2,450	2,374	△75	96.9%	2,257
Operating Profit Operating Profit Margin	400 16.3%	418 17.6%	18	104.6%	300 13.3%
Recurring Profit Recurring Profit Margin	400 16.3%	418 17.6%	18	104.7%	300 13.3%
Net Income Net Income Margin	200 8.2%	223 9.4%	23	111.5%	148 6.6%

< Key Points > ※ Full-term Forecast for FY2011 as announced on Oct. 21, 2010

① ASP Service revenue continues to increase. Total Sales fell slightly below forecast but surpassed all-time highs.

② Due to an increase in sales combined with a reduction in both COGS and SG&A, Operating Profit, Recurring Profit, and Net Income finished above forecast and surpassed all-time highs.

\* Figures rounded down to the nearest million yen.

# Summary of Full-term Results FYE March 2011

## ③ Consolidated Income Statement (YOY change)

( Million yen )	FY2010 ( ① )	FY2011 ( ② )	YOY change ( ② - ① )	YOY change ( % )
Sales	2,257	2,374	117	5.2%
Gross profit	1,218	1,421	203	16.7%
Gross profit margin	54.0%	59.9%		
Operating profit	300	418	118	39.3%
Operating profit margin	13.3%	17.6%		
Recurring profit	300	418	118	39.4%
Recurring profit margin	13.3%	17.6%		
Extraordinary profit	-	1	1	-
Extraordinary loss	16	5	△10	△64.5%
Net income	148	223	74	50.0%
Net income margin	6.6%	9.4%		

### <Key Points>

- ① Operating profit (+39%) and net income (+50%) improved due to a rise in sales as well as an increase in operation efficiency.
- ② Extraordinary loss due to loss on retirement of fixed assets and application of new accounting standard with regards to asset retirement obligations.

\* Figures rounded down to the nearest million yen.

# Summary of Full-term Results FYE March 2011

## ④ ASP Solution Business Revenue (YOY change)

(Million yen)	Item	FY2010 ( ① )	FY2011 ( ② )	Difference ( ② - ① )	Change ( % )
Stock Elements (MRR)	ASP Service	1,307	1,445	138	10.6%
	Network Solution	41	41	0	1.7%
	A-ASP Service (Yahoo! Media Solution)	685	734	48	7.1%
	A-ASP Service (Ad related services)	100	82	△18	△18.1%
	Subtotal	2,134	2,304	169	7.9%
Flow Elements	A-ASP Service (System Development)	117	70	△46	△40.0%
	Total	2,251	2,374	122	5.4%

### <Key Points>

- ① Continued increase in ASP Service revenue more than covers for the decline in other revenue items.
- ② Decrease in A-ASP Service (System Development) due to a conscientious effort to be more selective in taking on system development deals.

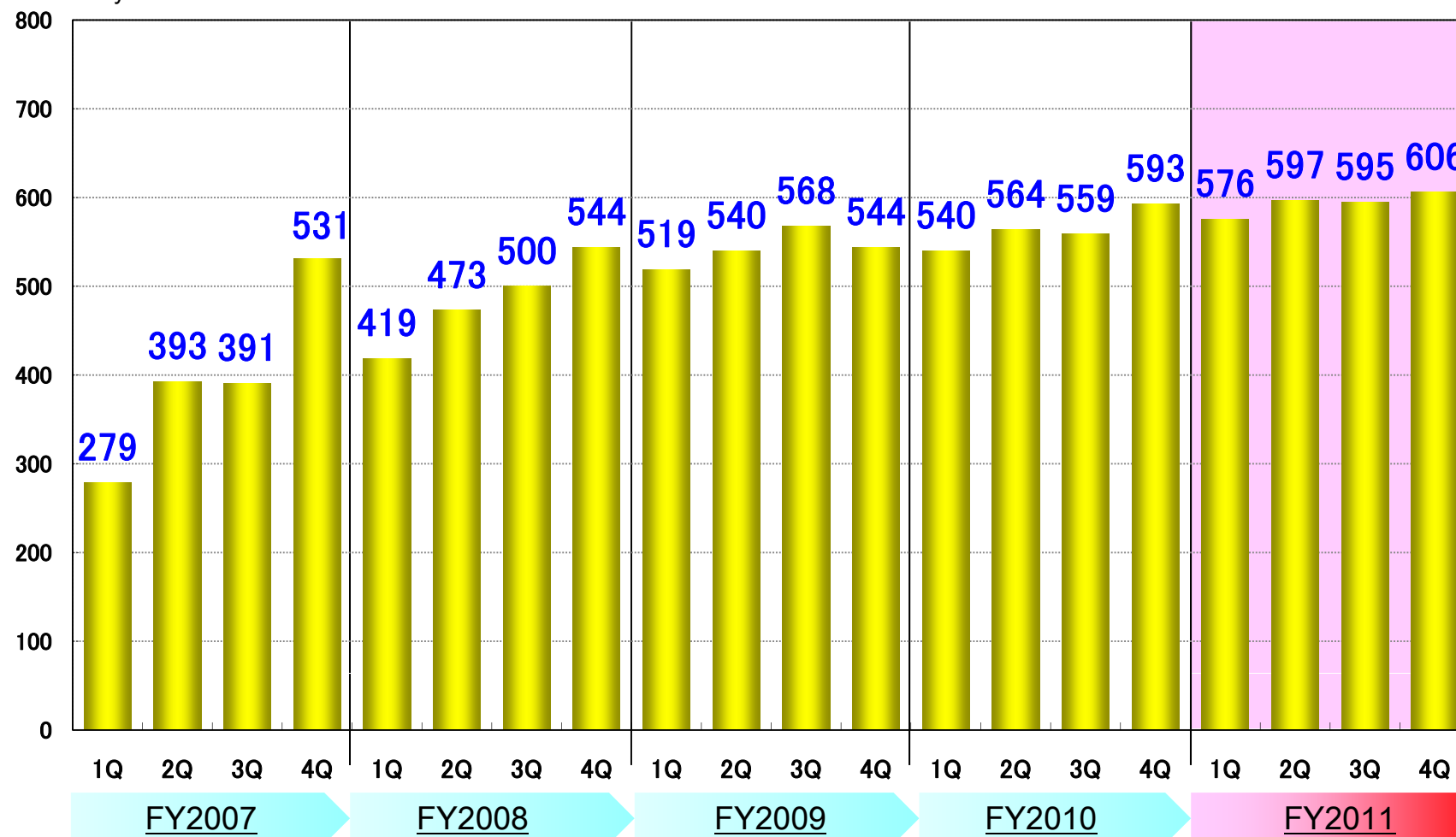
- \* ASP Solution Business revenue figures have not been adjusted for internal transactions.
- \* Figures rounded down to the nearest million yen.
- \* MRR stands for Monthly Recurring Revenue.

# Summary of Full-term Results FYE March 2011

## ⑤ Consolidated Quarterly Sales YOY Comparison

### Continued sales growth

Unit: Million yen



\* Figures from FY2007 to FY2009 1Q are non-consolidated results. Figures for FY2009 2Q and beyond are consolidated results.

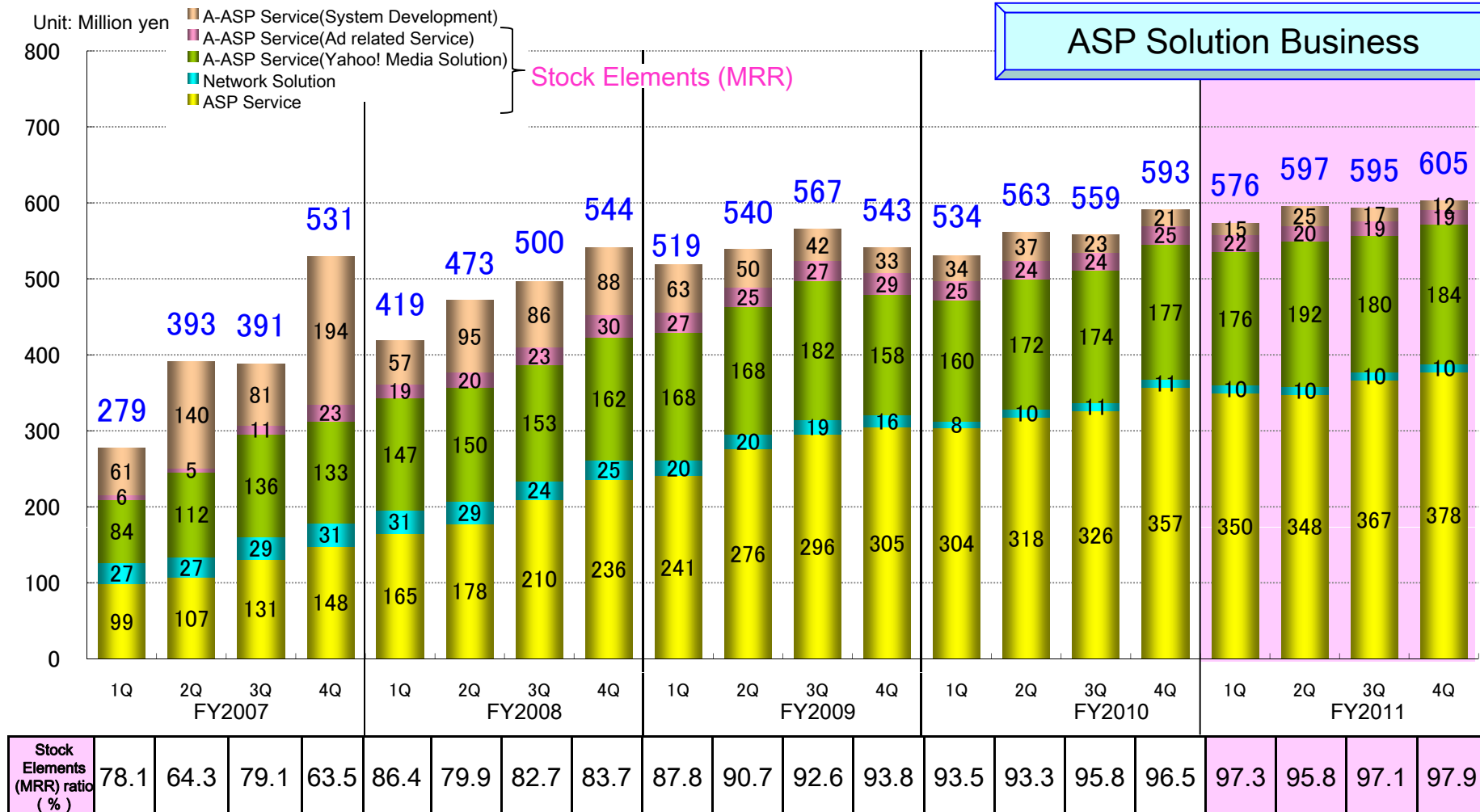
\* Figures rounded down to the nearest million yen.



# Summary of Full-term Results FYE March 2011

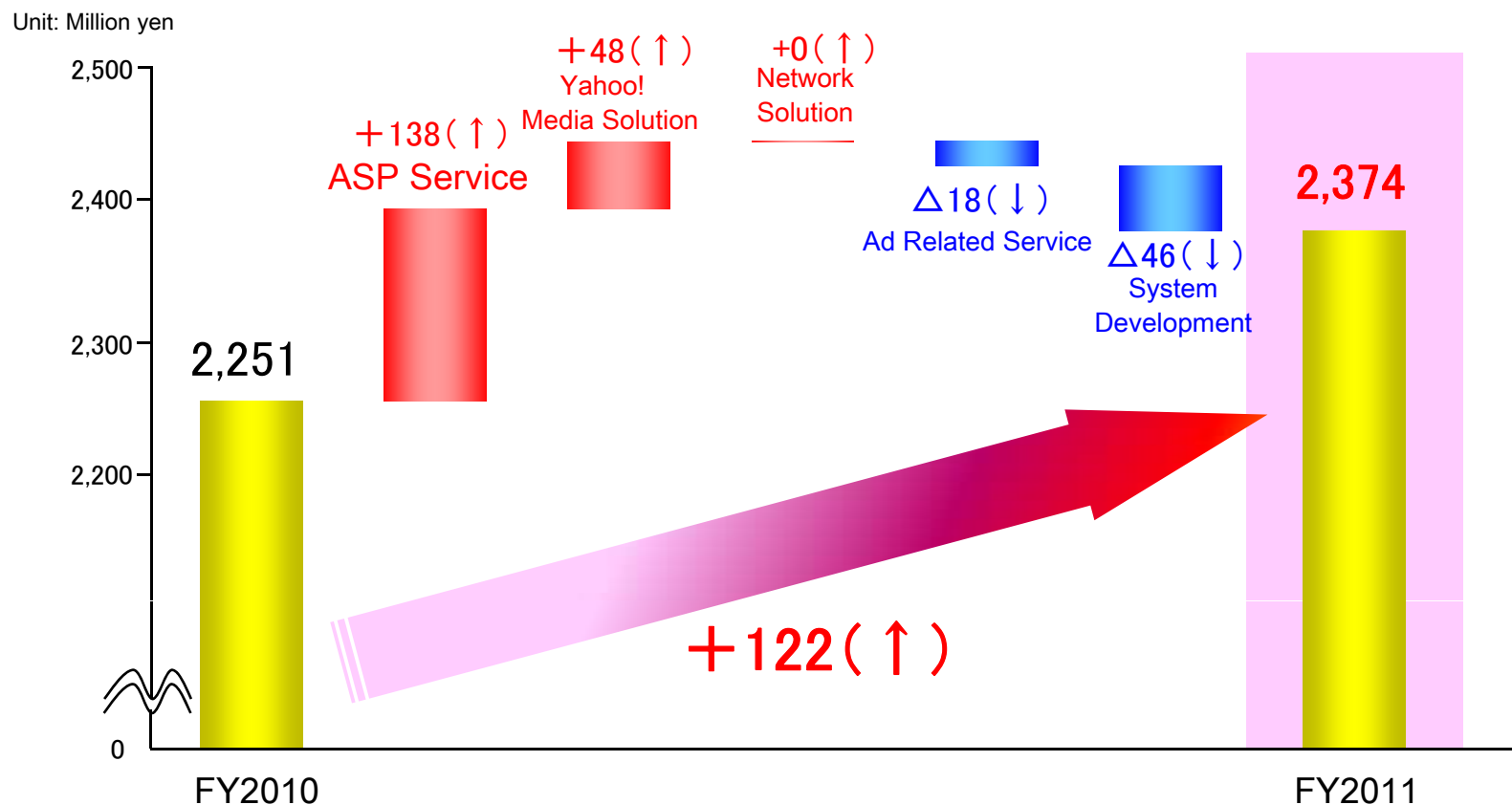
## ⑥ Sales Category Breakdown

### Increasing “ASP Service” revenue



- \* Stock Element Revenue (Monthly Recurring Revenue) = ASP Service + Network Solution + Yahoo! Media Solution + Advertising related services
- \* ASP Solution Business sales figures have not been adjusted for internal transactions.
- \* Figures from FY2007 to FY2009 1Q are non-consolidated results. Figures for FY2009 2Q and beyond are consolidated results.
- \* Figures rounded down to the nearest million yen.

### “ASP Service” is main driver of revenue increase



#### < Key Points >

- ① The increase in “ASP Service” revenue (+138 million yen) greatly contributed to the net +122 million yen increase in sales.
- ② “System Development” revenue (a “flow” revenue) decreased by 46 million yen YOY.

\* ASP Solution Business revenue figures have not been adjusted for internal transactions.

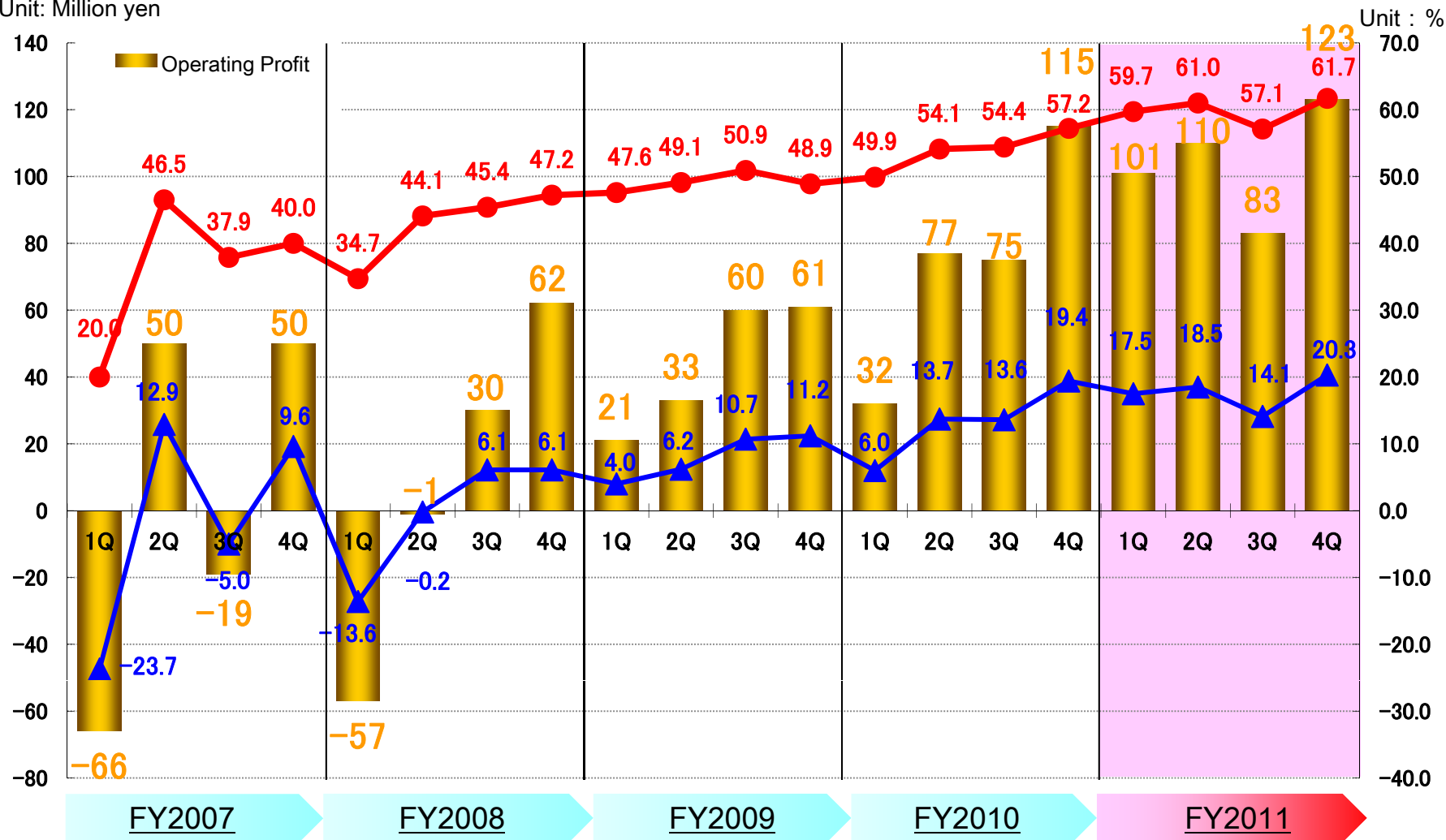
\* Figures rounded down to the nearest million yen.

# Summary of Full-term Results FYE March 2011

## ⑧ Consolidated Quarterly Results YOY Comparison

### Stable and increasing operating profit

Unit: Million yen

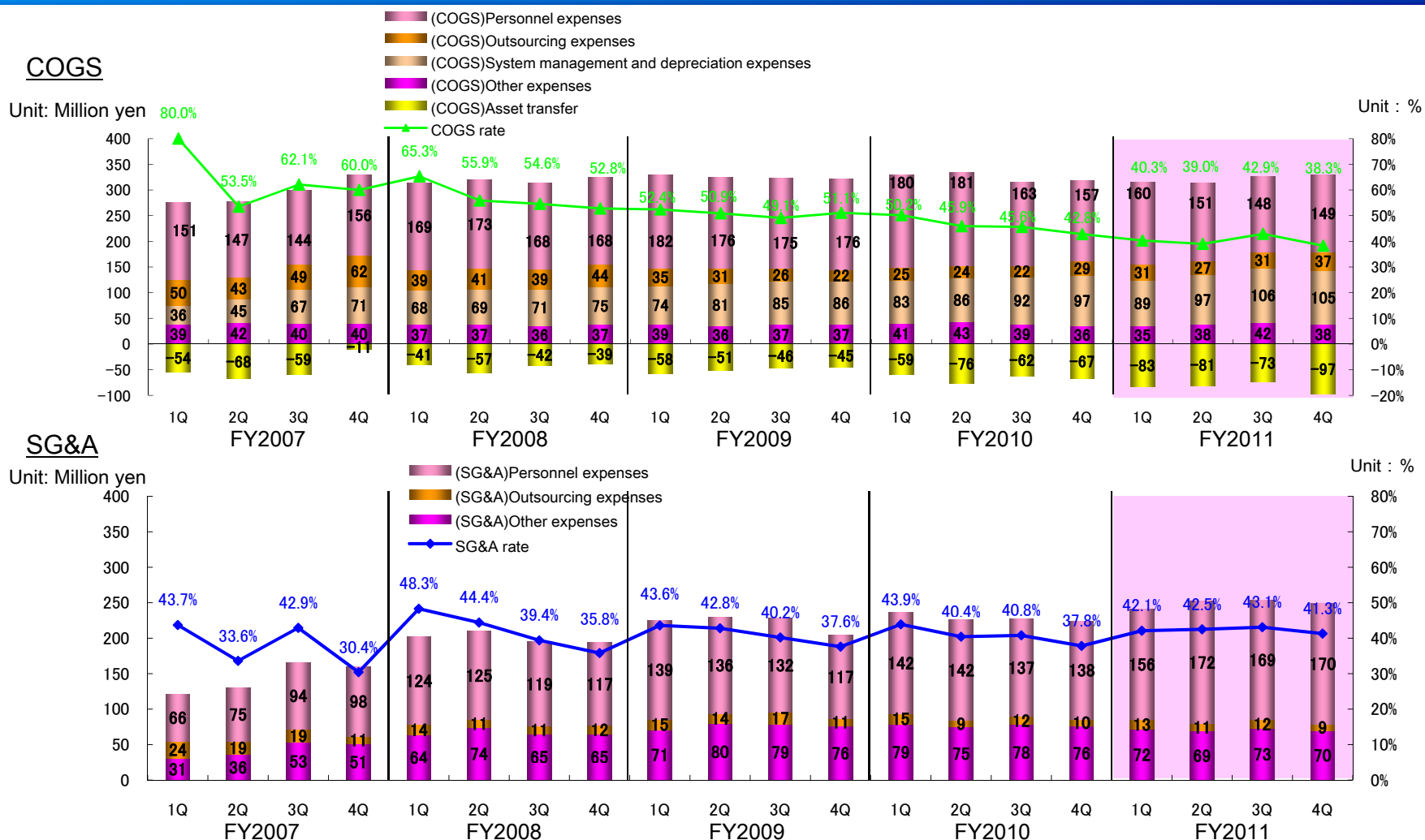


\* Figures from FY2007 to FY2009 1Q are non-consolidated results. Figures for FY2009 2Q and beyond are consolidated results.

\* Figures rounded down to the nearest million yen.

# Summary of Full-term Results FYE March 2011

## ⑨ Quarterly COGS/SG&A



- \* Figures from FY2007 to FY2009 1Q are non-consolidated results. Figures for FY2009 2Q and beyond are consolidated results.
- \* (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.

# Summary of Full-term Results FYE March 2011

## ⑩ Consolidated Balance Sheet (change from FYE Mar. 2010)

(Million yen)	Mar. 2010 ( ① )	Mar. 2011 ( ② )	Change ( ② - ① )
Cash and Deposits	624	723	98
Other Current Assets	290	276	△13
PP&E	1,035	1,185	149
Assets Total	1,950	2,185	234
Current Liability	304	387	82
Non-Current Liability	74	55	△18
Net assets	1,571	1,742	170
Capital-Asset ratio	80.6%	79.7%	
Liability and Net Assets total	1,950	2,185	234

### <Key Points>

- ① PP&E increase due to additional in-house software development and strategic investments to revamp corporate IT system.
- ② Net assets increased due to an increase in net income (223 million yen), covering the decrease in net assets due to dividend payments (52 million yen) and treasury stock purchases (18 million yen).

\* Figures rounded down to the nearest million yen.

# Summary of Full-term Results FYE March 2011

## ⑪ Consolidated Cash Flow Statement (YOY change)

(Million yen)	FY2010	FY2011
CF from Operating Activities	393	579
CF from Investing Activities	△411	△429
CF from Financing Activities	△95	△51
Net Increase in Cash and Cash Equivalents (△decrease)	△113	98
Cash and Cash Equivalents (end of term)	624	723

### <Key Points>

Operating Activities	① Income before tax + depreciation expenses	FY2010 538Myen	FY2011 712M yen
	② Payment of corporate tax, etc.	FY2010 145M yen	FY2011 151M yen
Investing Activities	③ In-house software development	FY2010 274M yen	FY2011 337M yen
	④ Purchase of assets (HW/SW)	FY2010 150M yen	FY2011 92M yen
Financing Activities	⑤ Payment of year-end dividend	FY2010 33M yen	FY2011 51M yen
	⑥ Purchase of treasury stock	FY2010 64M yen	FY2011 18M yen

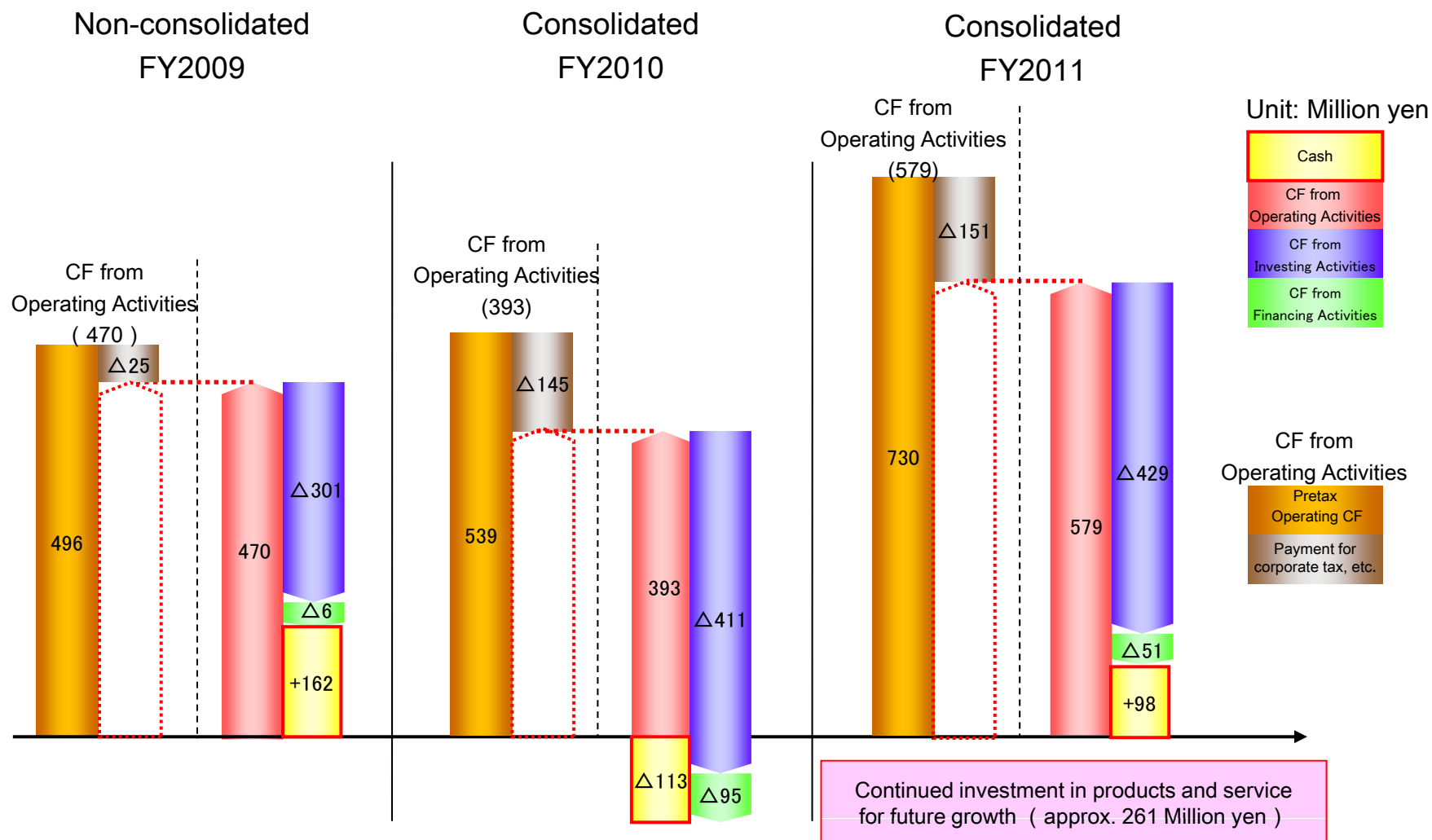
\* Figures rounded down to the nearest million yen.

\* CF from Investing Activities with regards to strategic investments to revamp corporate IT system (implemented FY2011)  
: FY2010 CF approx. 129M yen , FY2011 CF approx. 102M yen

# Summary of Full-term Results FYE March 2011

## ⑫ Consolidated Cash Flow YOY Comparison

### Continued increase in Pretax Operating Cash Flow

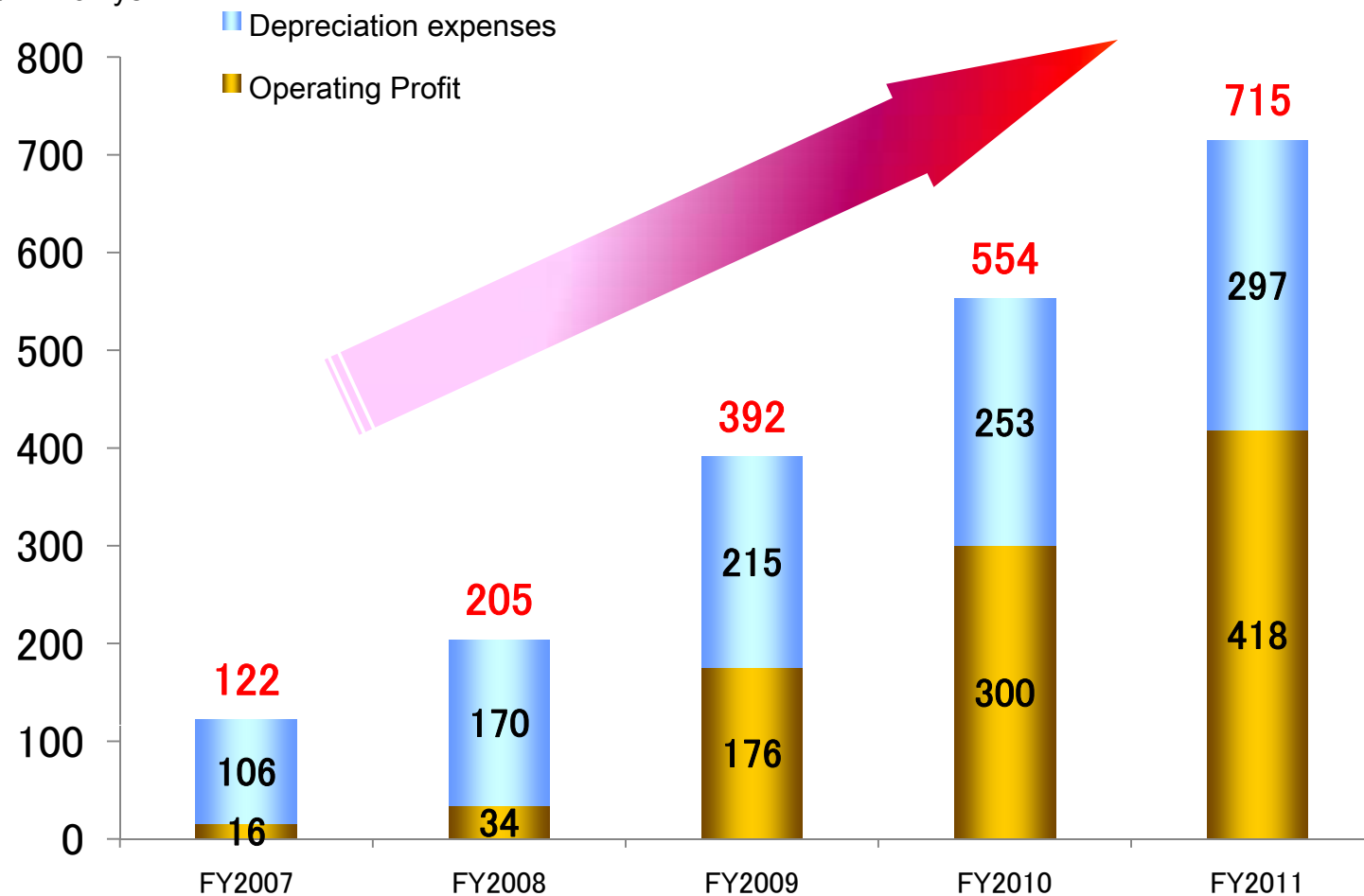


\* Pretax Operating Cash Flow = "CF from Operating Activities" + "Payment for corporate tax, etc."

\* Figures rounded down to the nearest million yen.

### Increasing EBITDA (Operating profit + Depreciation)

Unit: Million yen



\* FY 2007 and FY 2008 figures are non-consolidated results.

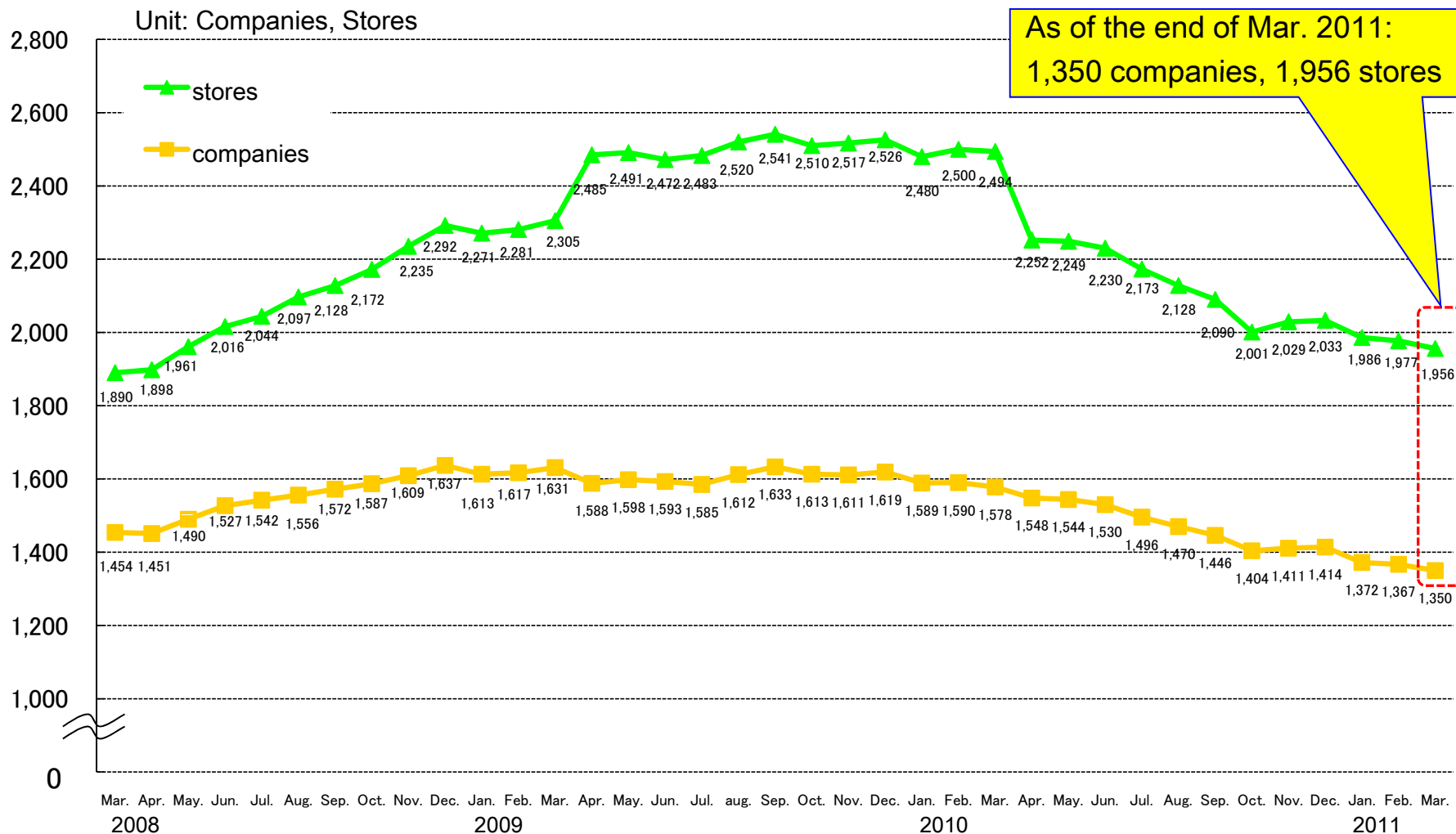
\* Figures rounded down to the nearest million yen.



# Summary of Full-term Results FYE March 2011

## ⑭ Number of ASP Service Clients

Growth through a balance of up-selling as well as new client acquisition

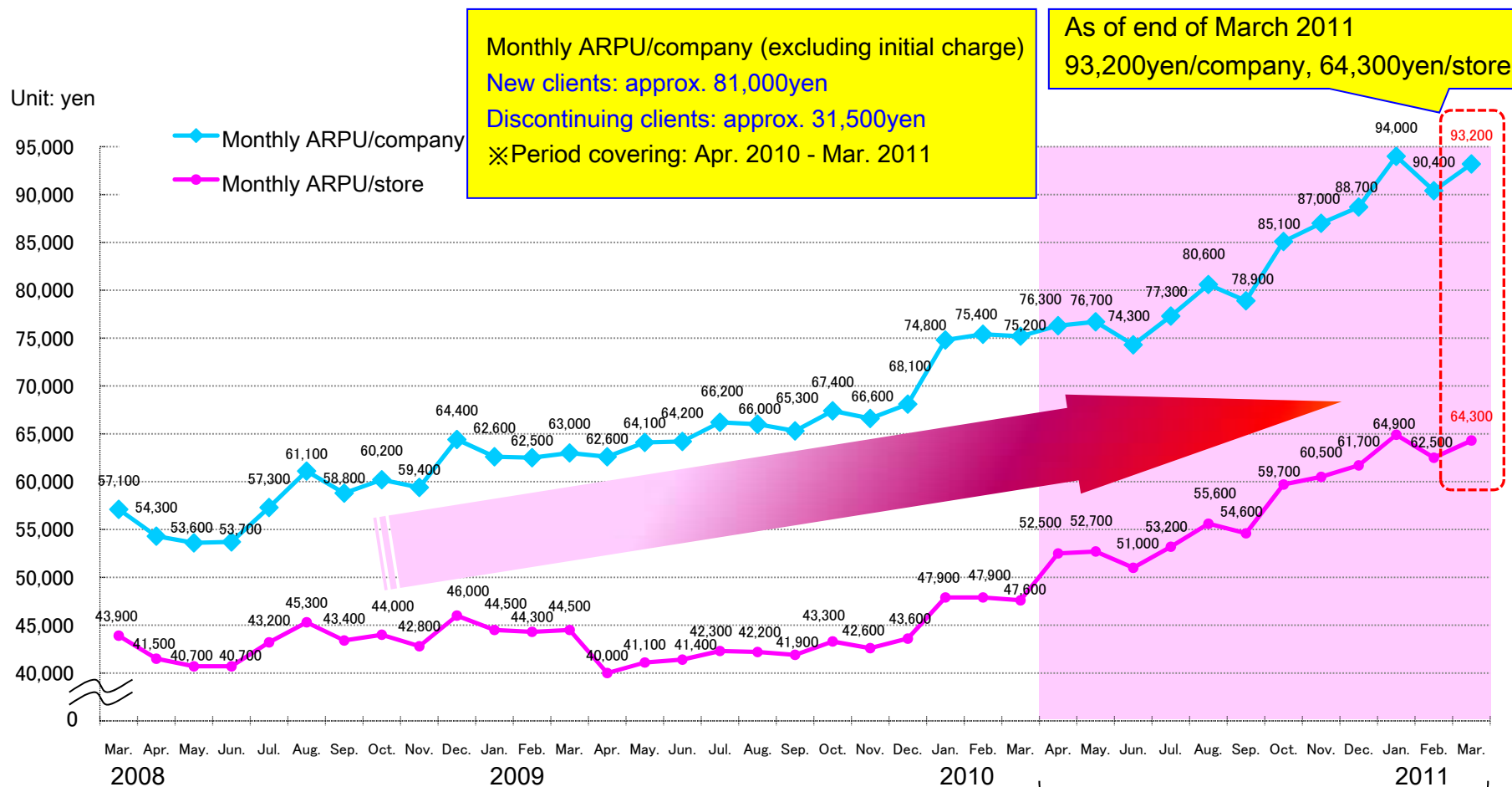


\* Excluding non real estate related companies using our ASP services. - 16 -

# Summary of Full-term Results FYE March 2011

## ⑮ ASP Service Monthly ARPU

Resulting in a steady increase in monthly ARPU



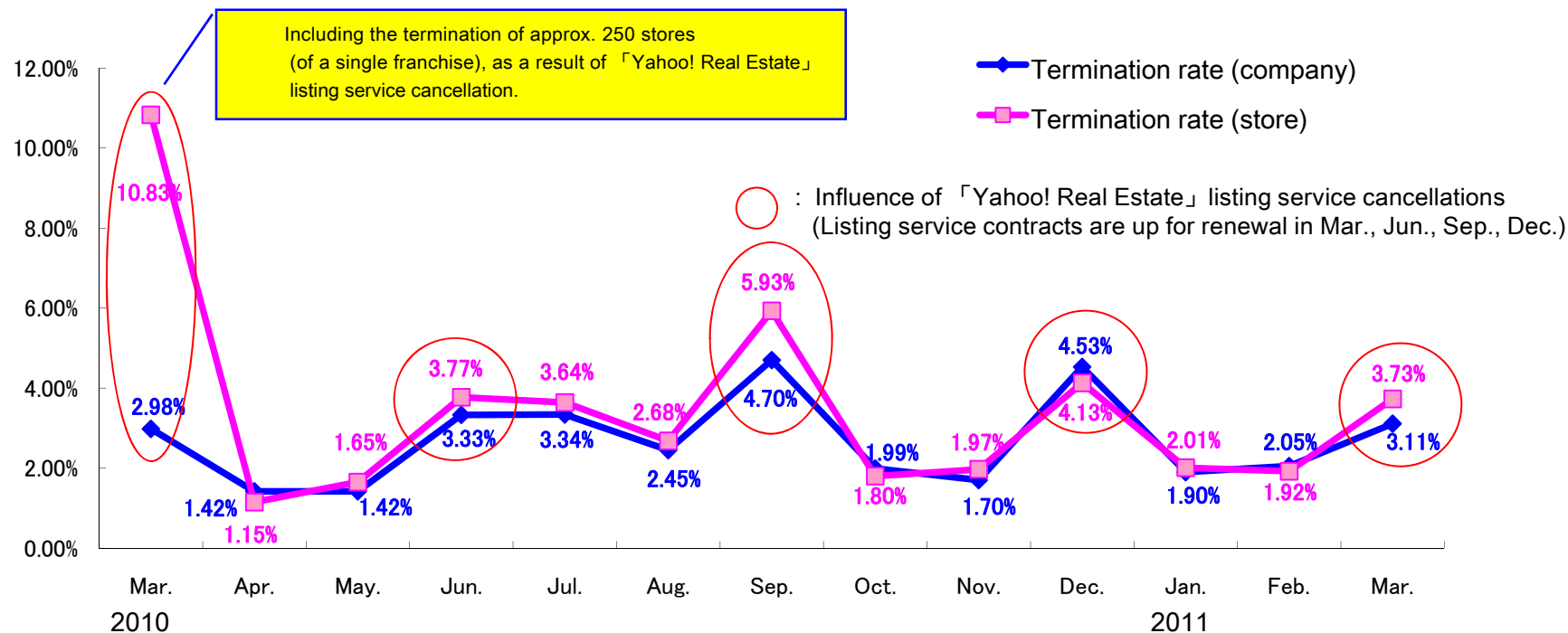
\* Monthly ARPU =  $\frac{\text{ASP Service revenue in a given month}}{\text{The 'number of companies (stores) Billed Clients' in a given month (excluding non real estate related companies using our ASP services)}}$

\* Figures rounded down to the nearest hundred yen.

# Summary of Full-term Results FYE March 2011

## ⑯ ASP Service Client Termination Rate

Increased efforts to improve client retention (spearheaded by new Business Promotion HQ)



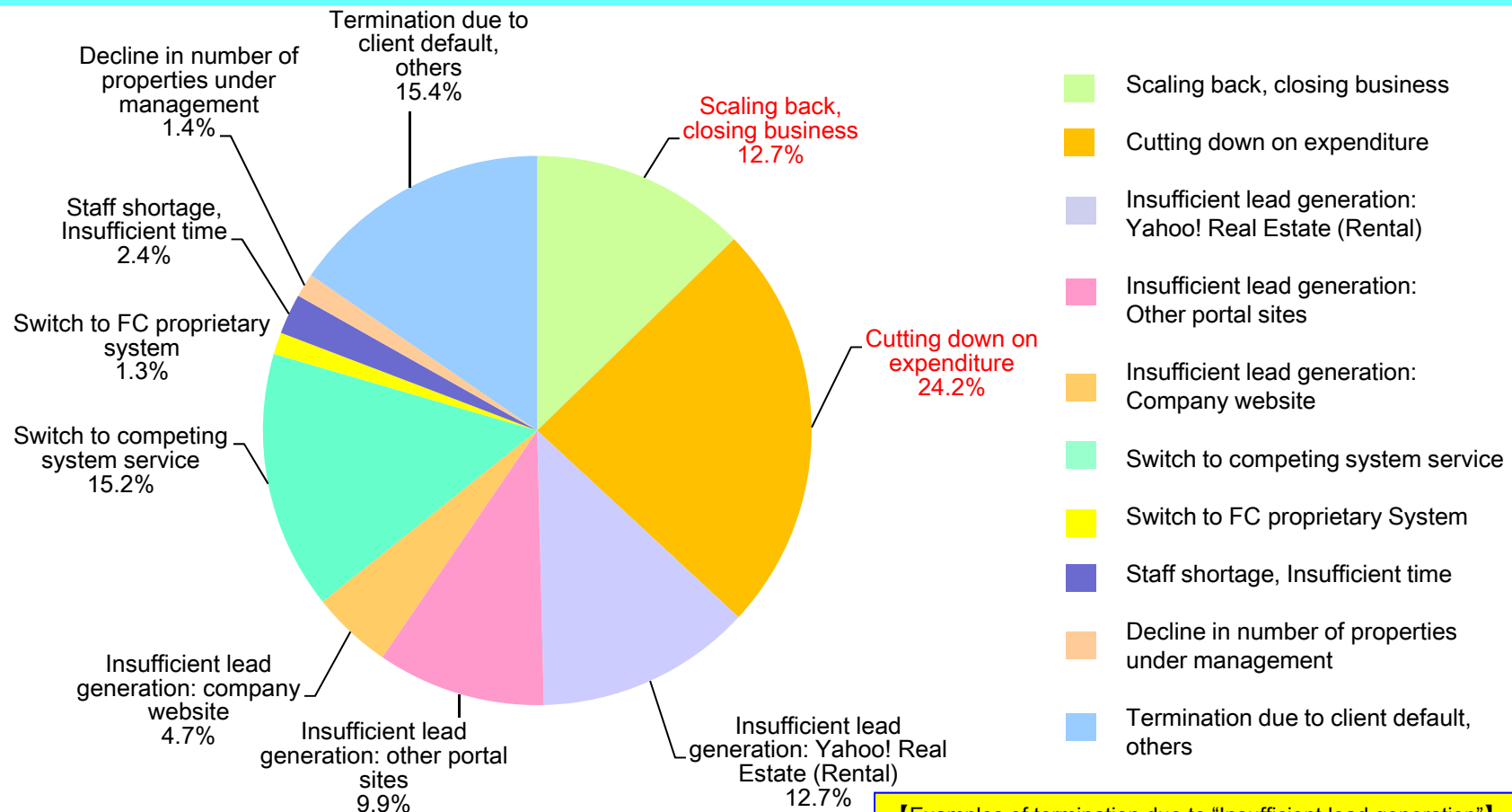
	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Ave.
# of Companies	47	22	22	51	50	36	68	28	24	64	26	28	42	39.1
Termination Rate	2.98%	1.42%	1.42%	3.33%	3.34%	2.45%	4.70%	1.99%	1.70%	4.53%	1.90%	2.05%	3.11%	-
# of Stores	270	26	37	84	79	57	124	36	40	84	40	38	73	76.0
Termination Rate	10.83%	1.15%	1.65%	3.77%	3.64%	2.68%	5.93%	1.80%	1.97%	4.13%	2.01%	1.92%	3.73%	-

# of companies (stores) withdrawing in a given month

$$* \text{ Termination Rate} = \frac{\text{\# of companies (stores) withdrawing in a given month}}{\text{\# of companies (stores) in a given month}}$$

## ⑰ ASP Service Client Termination Rate

A dedicated up-selling team focused on reducing preventable terminations.



**【Examples of termination due to "Insufficient lead generation"】**  
 1. Clients using our services mainly to post property information on 「Yahoo!Real Estate (Rental)」 may terminate our services in conjunction with the cancellation of their 「Yahoo! Real Estate」 listing service contract.  
 2. Clients may terminate the use of our "data submission services" in conjunction with the cancellation of their listing service contract with various portal sites.

- \* Period covering : January 21, 2010 ~ January 20, 2011
- \* Based on number of stores
- \* "Termination" includes partial termination as well as termination of all services.

## Generating Free Cash flow

- Increased sales and gross profit margin
- Managing credit risk by incorporating advanced payment and security money policies for our ASP services
- Debt free
- Investment in the development of ASP Service products within cash flow from operating activities

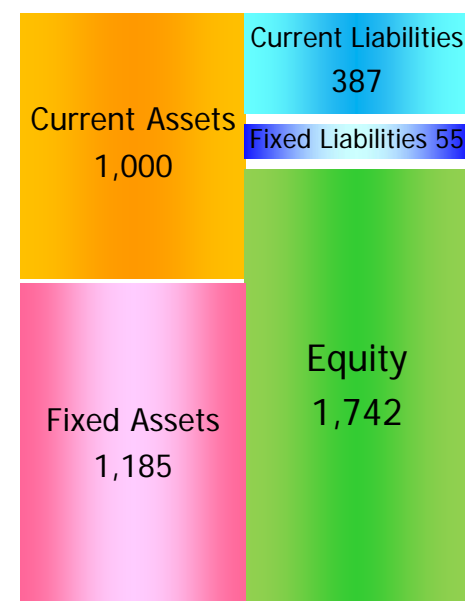
## Financially Sound

**Current Ratio: 258.0%**

(FY2010 300.3%)

**Capital Ratio: 79.7%**

(FY2010 80.6 %)



Treasury stock purchased as of March 31, 2011 (Period covering: Apr. 2010 - Mar. 2011)

Total number of shares purchased: 623 shares

Total purchase amount: 18,140,250 yen

Total treasury stock purchased as of March 31, 2011 (cumulative)

Total number of shares purchased: 3,613 shares

Total purchase amount: 134,046,210 yen

Shares outstanding (excluding treasury stock): 67,694 shares

# Summary of Full-term Results FYE March 2011

## ⑳ Year-end dividend

Consolidated	10th period FY2009	11th period FY2010	12th period FY2011
① Dividend (yen/share)	500yen (actual)	800yen (actual)	1,000yen (plan)
② Total amount of dividend paid	33,656,000yen	52,128,800yen	67,694,000yen
③ Total number of shares purchased	743shares	2,247shares	623shares
④ Total amount of shares purchased	33,151,450yen	82,754,510yen	18,140,250yen
⑤ Total amount of dividends paid + shares purchased (= ②+④)	66,807,450yen	134,883,310yen	85,834,250yen
⑥ Net Income	87,616thousand-yen	148,707thousand-yen	223,015thousand-yen
⑦ Net Income per share (yen/share)	1,300.09 <sup>yen sen</sup>	2,235.21 <sup>yen sen</sup>	3,386.18 <sup>yen sen</sup>
⑧ Pay-out ratio (= ①/⑦)	38.5%	35.8%	29.5%
⑨ Shareholder-return ratio (= ⑤/⑥)	76.3%	90.7%	38.5%

### Policy on the distribution of profits

Year-end Dividend (FYE Mar. 2012 forecast): 1,100 yen/share

Dividend will be determined taking into consideration consolidated results and level of free cash flow.

We aim to consistently distribute profits and continue to enhance dividend.

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## FYE March 2012 Forecast



# Service Categories of our ASP Solution Business to be renamed (as of Apr. 2011 )

## <Comparison Table>

New	Old
<u>Cloud</u> Solution Business	<u>ASP</u> Solution Business
<u>Cloud</u> Service	<u>ASP</u> Service
Network Solution	Network Solution
Advanced <u>Cloud</u> Service	Advanced <u>ASP</u> Service
( Yahoo! Media Solution )	( Yahoo! Media Solution )
( Ad related Services )	( Ad related Services )
( System Development )	( System Development )

### Revenue ・ Cost ・ Profit ・ Dividend

Revenue forecast of 2,500 million yen (FY2011 2,374 million yen), a YOY increase of 125 million yen, by focusing on existing Cloud Service products, with additional contribution from the "Integrated Realtor Tool" (Autumn 2011 launch target).

Total cost (sum of COGS and SG&A) forecast of 2,040 million yen (FY2011 1,956 million yen), a YOY increase of 83 million yen, mostly due to increase in depreciation and system management cost.

Operating profit forecast of 460 million yen (FY2011 418 million yen), YOY increase of 41 million yen.

Year-end dividend forecast of 1,100 yen per share (prior year 1,000 yen per share).

### Marketing strategy

We will improve our follow-up marketing efforts to up-sell new products and new features (spearheaded by new Business Promotion HQ ).

We will focus our marketing efforts targeting medium to large sized clients.

We will improve our marketing efficiency in each of our primary markets (Tokyo, Kansai, Chukyo, Fukuoka).

We will strengthen our client support function to attain a higher level of client satisfaction.

### Development strategy

"Integrated Realtor Tool" -a full integration of our Cloud Service products for a seamless end-to-end solution.

Continuously release additional features for existing products.

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

\* Revenue, cost, and profit figures rounded down to the nearest million yen.

# FYE March 2012 Forecast

## ② Consolidated Mid-term & Full-term Forecast )

(Million yen)	Mid-term Forecast FY2012	Full-term Forecast FY2012 (①)	Full-term Results FY2011 (②)	Difference (①-②)	YOY change (%)
Sales	1,183	2,500	2,374	125	5.3%
Operating Profit	163	460	418	41	9.9%
Recurring Profit	163	460	418	41	9.8%
Net Income	87	245	223	21	9.9%

	Dividend per share
Full-term dividend (forecast) (FYE March 2012)	1,100yen
Full-term dividend (plan) (FYE March 2011)	1,000yen

\* Forecast figures are based on information available at the time of announcement.

Actual results may differ materially from the forecast figures.

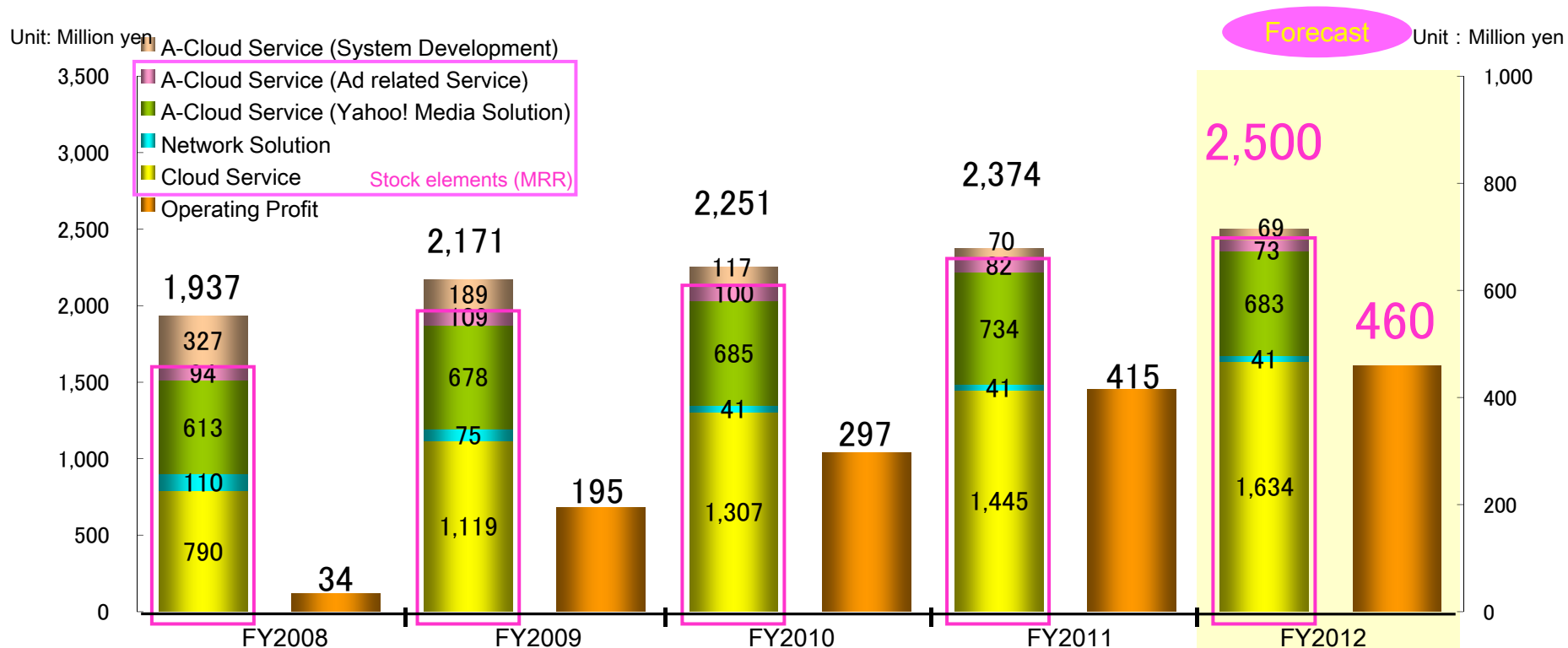
\* Figures rounded down to the nearest million yen.

(Million yen)		FY2012 (①)	FY2011 (②)	YOY Change (② - ①)	YOY Change %
Stock Elements (MRR)	Cloud Service	1,634	1,445	188	13.0%
	Network Solution	41	41	△0	△1.8%
	A-Cloud Service (Yahoo! Media Solution)	683	734	△51	△7.0%
	A-Cloud Service (Ad related services)	73	82	△9	△11.2%
	Subtotal	2,431	2,304	126	5.5%
Flow Elements	A-Cloud Service (System Development)	69	70	△1	△1.9%
Grand total		2,500	2,374	125	5.3%

- \* Forecast figures are based on information available at the time of announcement.  
Actual results may differ materially from the forecast figures.
- \* Figures rounded down to the nearest million yen.
- \* Cloud Solution Business sales figures have not been adjusted for internal transactions.
- \* MRR stands for Monthly Recurring Revenue.

## ④ Cloud Solution Business Revenue and Operating Profit Forecast

### Stock Element Revenue (MRR) at the core of sales growth



Stock Element Revenue (MRR)	1,610million yen	1,982million yen	2,134million yen	2,304million yen	2,431million yen
Stock Element (MRR) Ratio	83.1%	91.3%	94.8%	97.0%	97.2%

- \* Stock Element Revenue (Monthly Recurring Revenue) = Cloud Service + Network Solution + Yahoo! Media Solution + Advertising related services.
- \* Cloud Solution Business sales figures have not been adjusted for internal transactions.
- \* Figures rounded down to the nearest million yen.
- \* MRR stands for Monthly Recurring Revenue.

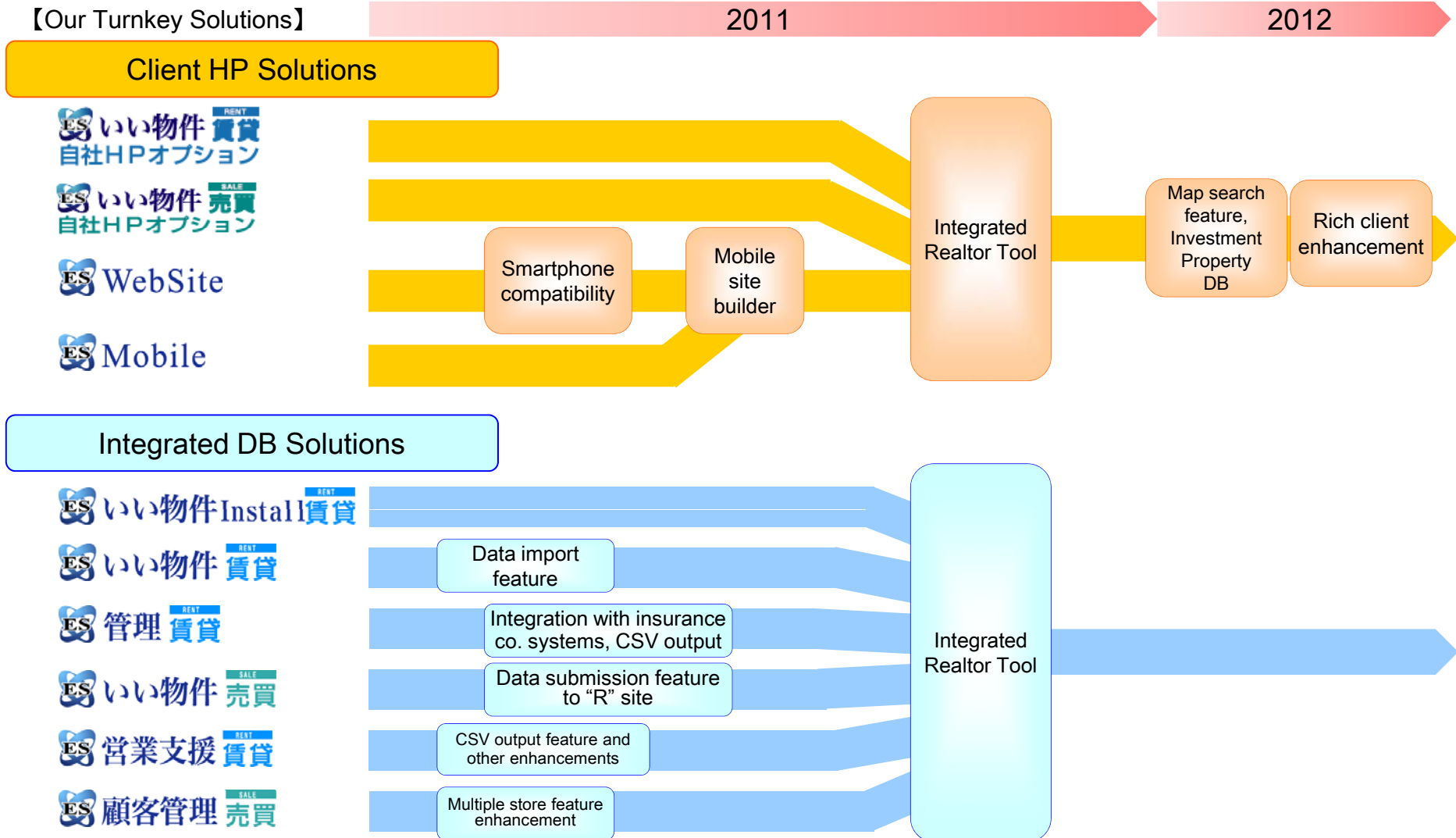
**3**

# Our Business Strategy

# Our Business Strategy

## ① Cloud Service Product development road map

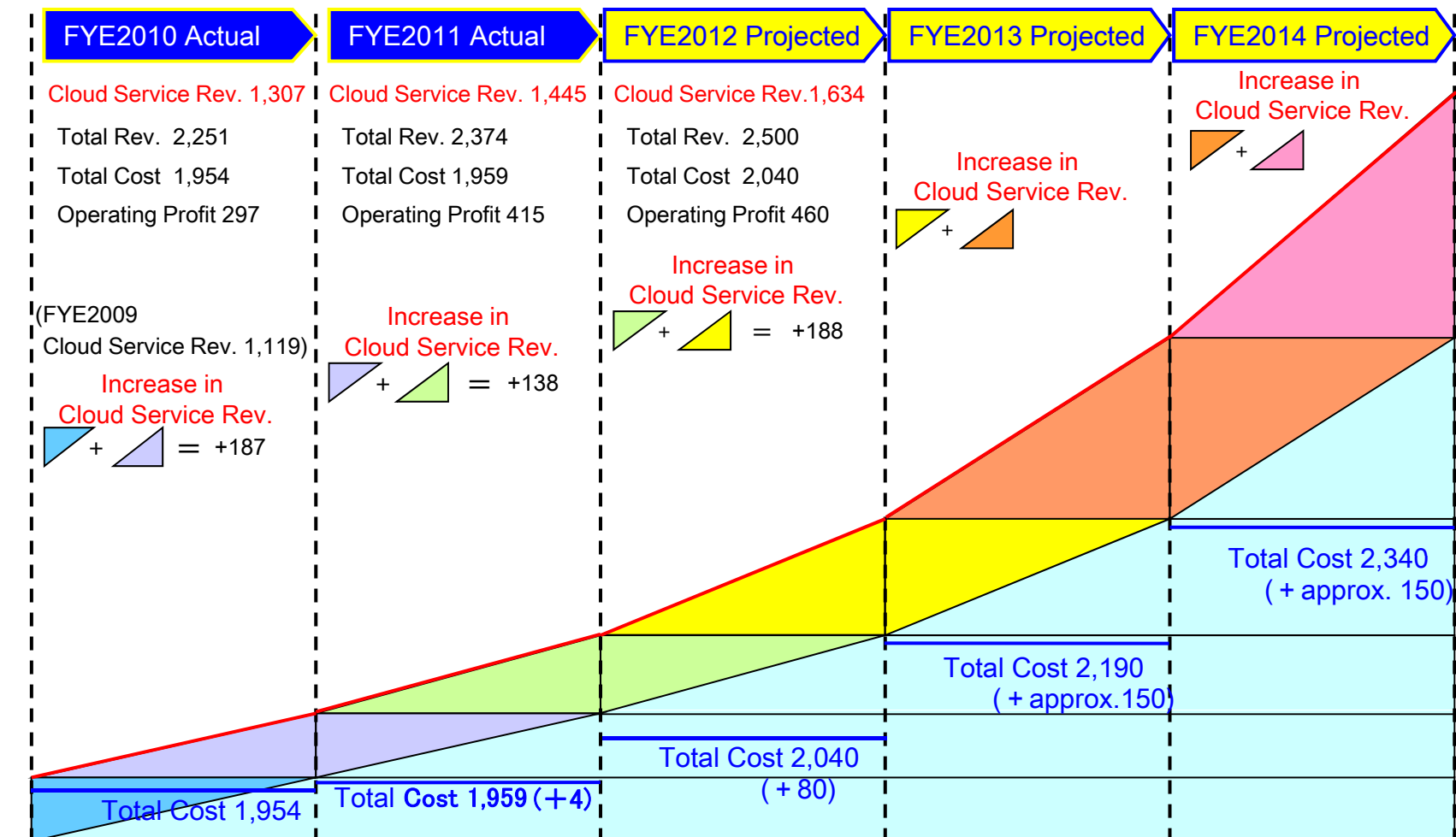
### Full integration of our Cloud Service products for a seamless end-to-end solution



\* HP is abbreviation for "Homepage."

\* Development and product launch schedule subject to change.

Stock Business = Stable source of revenue based on ongoing contracts



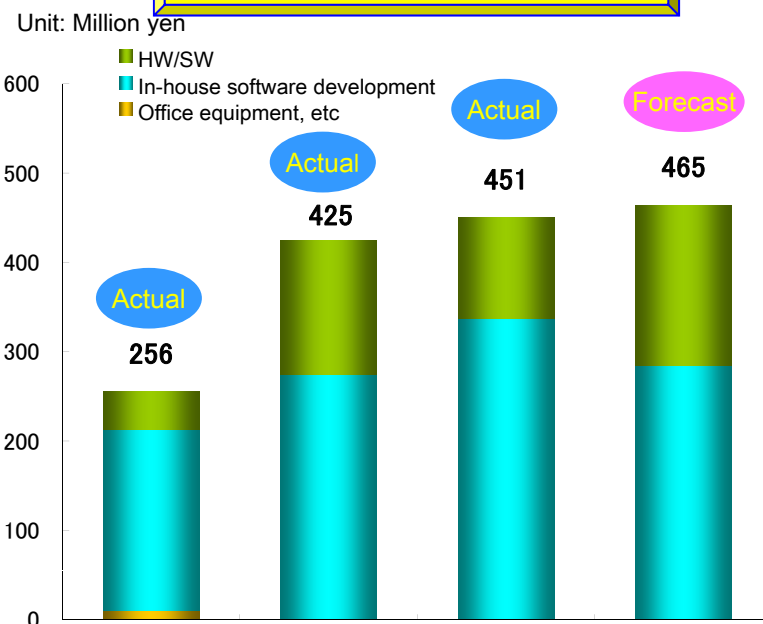
- Revenue base from prior year
- Revenue curve
- Total cost curve

- \* This conceptual diagram is intended to illustrate how we envision our profit structure.
- \* Total cost figures for FYE2012 and beyond are projections based on information at the time this document was prepared.
- \* Total Cost = COGS + SG&A, figures in ( ) indicate YOY change.
- \* Cloud Solution Business sales figures have not been adjusted for internal transactions.



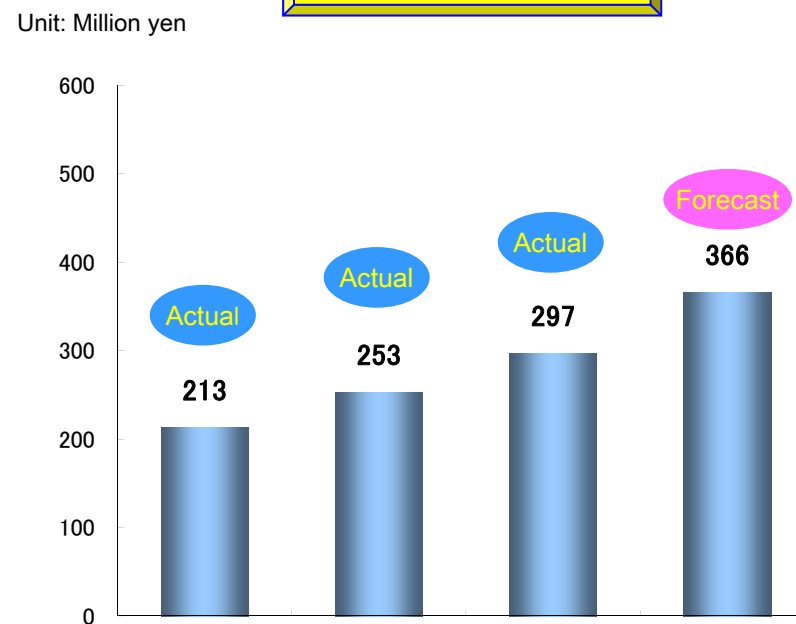
### Investment in the development of Cloud Service products within cash flow from operating activities

#### Investment Amount



	FY2009	FY2010	FY2011	FY2012
( Million yen )	2009/3 Actual	2010/3 Actual	2011/3 Actual	2012/3 Forecast
HW/SW	42	150	113	179
In-house software development	203	274	337	284
Office equipment, etc.	10	0	0	1
<b>Total</b>	<b>256</b>	<b>425</b>	<b>451</b>	<b>465</b>

#### Depreciation



	FY2009	FY2010	FY2011	FY2012
(Million yen)	2009/3 Actual	2010/3 Actual	2011/3 Actual	2012/3 Forecast
Depreciation	213	253	297	366

\* Figures rounded down to the nearest million yen.

\* Investment plan with regards to the Cloud Solution Business.

\* Strategic investments to revamp corporate IT system (FYE2011 approx. 123million yen).  
FYE2012 forecast figures include the amount of investment in lease assets.

We aim to become the leading “cloud computing” company for the real estate industry

### Expand and grow our client base

- ▶ Continue to focus on new client acquisition and increase the number of clients
- ▶ Strengthen our national sales coverage
- ▶ Provide a wider range of products to meet the demands of a broader range of clients
- ▶ Client support focused on quick and easy implementation and end-user support

### Improve sales and operation efficiency

- ▶ Increase ARPU through up-selling efforts
- ▶ Shorten client acquisition lead time and improve cost control
- ▶ Improve product development efficiencies and quality by utilizing development components

### Future growth

- ▶ As the leading “cloud computing” company for the real estate industry, we will continue to promote the development of a robust “cloud computing” environment to maximize the utility from “cloud computing”
- ▶ We aim to become the de facto standard one-stop-solution for the real estate industry
- ▶ As we become the real estate industry DB platform, we can realize a market place for all real estate data and information

# 4

## Appendix

(1) Financial Data

(2) Our Business & Service Overview

# (1) Financial Data

## ① Income Statement (Quarterly basis)

( Million yen )	FY2009				FY2010				FY2011			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales	519	540	568	544	540	564	559	593	576	597	595	606
Gross Profit	247	265	289	266	269	305	304	339	343	364	339	374
Gross Profit Margin	47.6%	49.1%	50.9%	48.9%	49.9%	54.1%	54.4%	57.2%	59.7%	61.0%	57.1%	61.7%
Operating Profit	21	33	60	61	32	77	75	115	101	110	83	123
Operating Profit Margin	4.0%	6.2%	10.7%	11.2%	6.0%	13.7%	13.6%	19.4%	17.5%	18.5%	14.1%	20.3%
Recurring Profit	21	34	60	61	32	77	75	115	101	110	83	123
Recurring Profit Margin	4.1%	6.4%	10.7%	11.2%	6.1%	13.7%	13.5%	19.4%	17.6%	18.5%	14.1%	20.4%
Extraordinary Income	-	-	-	18	-	-	-	-	-	0	1	0
Extraordinary Loss	0	-	-	7	13	2	0	△0	3	0	0	2
Quarter Net Income	8	12	29	37	5	39	37	65	51	60	43	67
Net Income Margin	1.7%	2.2%	5.1%	6.9%	1.1%	7.0%	6.7%	11.0%	8.9%	10.1%	7.3%	11.1%

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

\* FY2009 1Q figures are non-consolidated, figures for FY2009 2Q and beyond are consolidated.

\* Figures are rounded down to the nearest million yen.

## ② Balance Sheet (Quarterly basis)

( Million yen )	FY2009				FY2010				FY2011			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Current Assets Total	881	1,021	955	1,077	916	902	836	915	826	899	868	1,000
Non-Current Assets Total	851	861	889	878	930	982	1,023	1,035	1,073	1,116	1,151	1,185
Assets Total	1,732	1,883	1,844	1,955	1,847	1,884	1,859	1,950	1,899	2,015	2,020	2,185
Current Liability Total	212	338	270	336	273	285	248	304	258	328	284	387
Non-Current Liability Total	53	66	74	80	80	79	75	74	69	62	58	55
Liability Total	265	404	344	417	354	364	323	379	328	391	342	443
Net Assets Total	1,466	1,479	1,500	1,538	1,492	1,520	1,535	1,571	1,571	1,624	1,677	1,742
Liability & Net Assets Total	1,732	1,883	1,844	1,955	1,847	1,884	1,859	1,950	1,899	2,015	2,020	2,185

\* FY2009 1Q figures are non-consolidated, figures for FY2009 2Q and beyond are consolidated.

\* Figures are rounded down to the nearest million yen.

### ③ Cash Flow Statement (Quarterly basis)

( Million yen )	FY2009				FY2010				FY2011			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
CF from Operating Activities	39	233	17	180	0	140	62	190	69	173	107	228
CF from Investing Activities	△91	△69	△85	△54	△74	△139	△96	△100	△101	△112	△115	△99
CF from Financing Activities	0	0	△7	-	△26	△17	△22	△29	△41	△16	9	△2
Net increase in cash and cash equivalents (△decrease)	△51	164	△76	126	△101	△17	△56	60	△74	44	1	126
Cash and Cash Equivalents (end of term)	524	688	612	738	637	620	564	624	550	595	596	723

- \* FY2009 1Q figures are non-consolidated, figures for FY2009 2Q and beyond are consolidated.
- \* Quarterly cash flow figures are not audited (cumulative period cash flow figures are audited).
- \* '-' indicates zero yen.
- \* Figures are rounded down to the nearest million yen.

## ④ Other Data (Quarterly basis)

### ASP Solution Business

(Million yen)		FY2009				FY2010				FY2011			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
ASP Service		241	276	296	305	304	318	326	357	350	348	367	378
Advanced ASP Service		258	243	251	221	221	235	222	224	215	238	217	216
Network Solution		20	20	19	16	8	10	11	11	10	10	10	10
Sales Total		519	540	567	543	534	563	559	593	576	597	595	605
COGS		272	275	279	278	270	258	255	254	232	232	255	232
SG&A		226	220	222	202	232	228	229	225	243	254	256	251
Cost Total		498	495	501	480	503	487	484	479	475	475	512	483
Operating Profit		21	44	66	62	31	76	75	114	100	109	83	121
Recurring Profit		21	45	66	62	32	76	75	114	101	110	83	122
Number of ASP Service clients		1,527	1,572	1,637	1,631	1,593	1,633	1,619	1,578	1,530	1,446	1,414	1,350
· Companies		2,016	2,128	2,292	2,305	2,472	2,541	2,526	2,494	2,230	2,090	2,033	1,956
· Stores													
Number of employees (Non-consolidated)		200	194	190	179	190	187	177	161	171	171	168	166

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

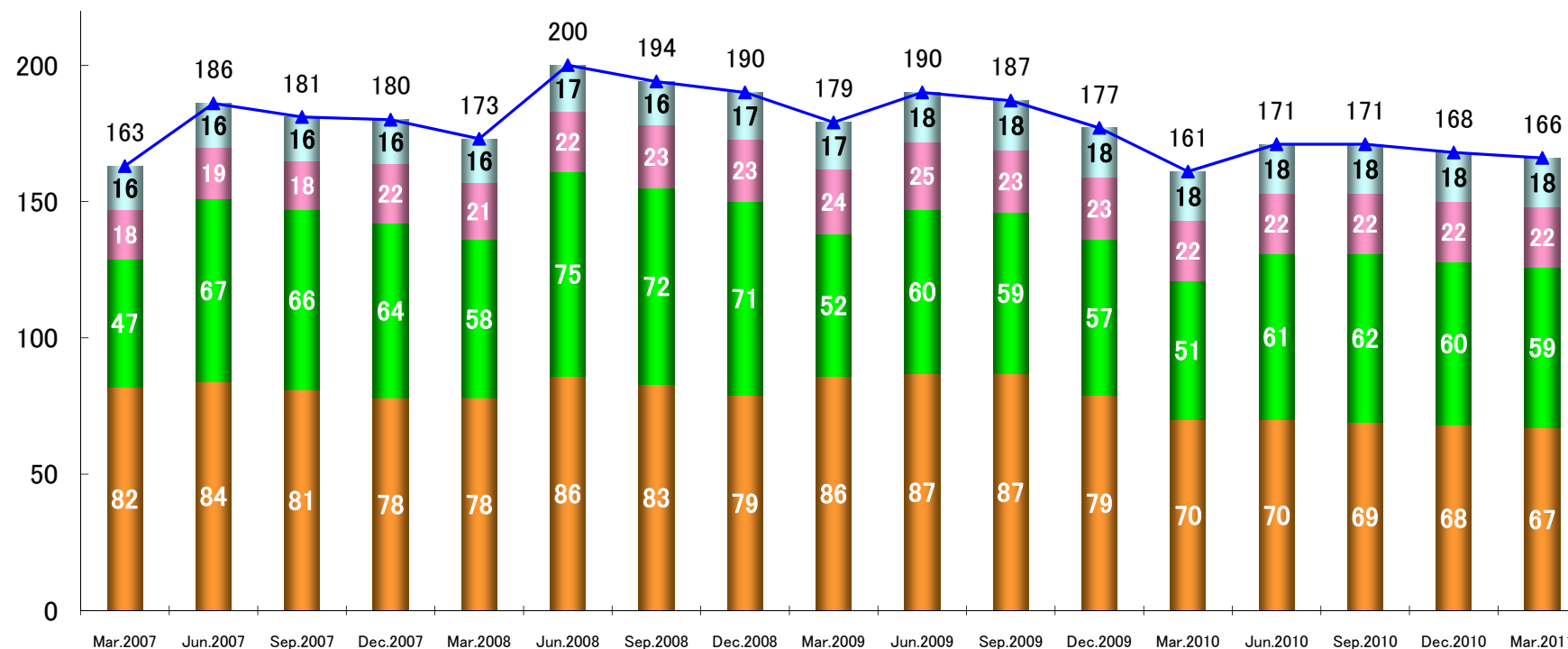
\* FY2009 1Q figures are non-consolidated.

\* Figures are rounded down to the nearest million yen.

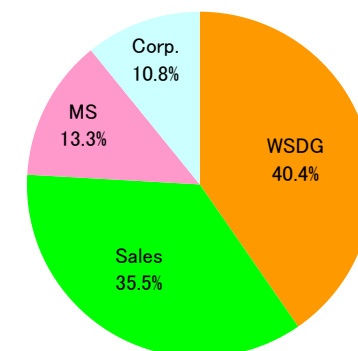


## ⑤ Number of Employees (Non-consolidated)

Unit: employees



- \* Excluding directors, advisors, and part-time workers.
- \* Head count for Strategic Planning Dept. transferred from Sales to WSDG (reflected from March 2009 figures).
- \* Head count for Product Planning transferred from WSDG to Sales (reflected in Dec. 2009 figures).
- \* WSDG: Web Solution Development Group, Sales: excluding MS, MS: Media Solution, Corp: Corporate staff

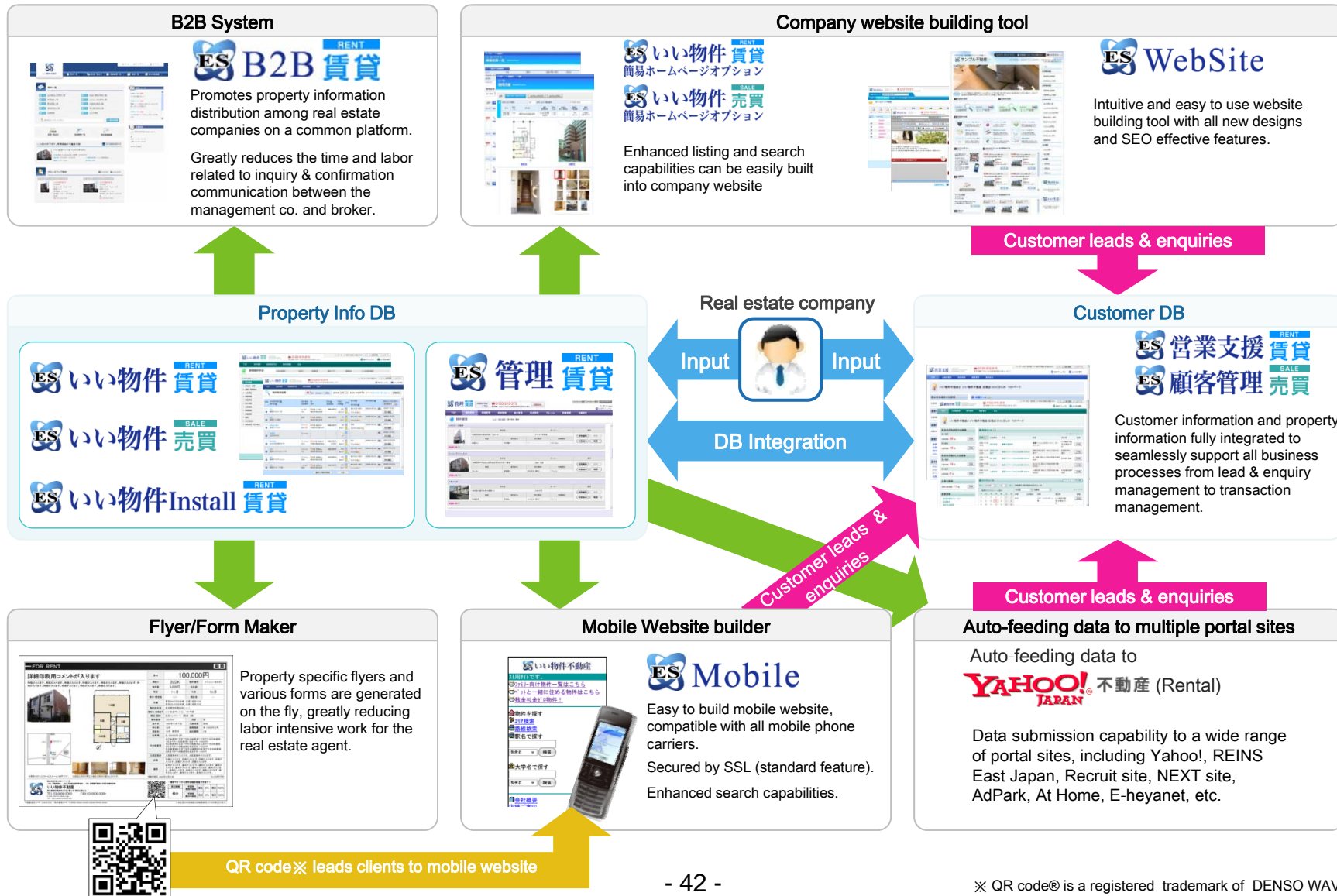


Mar. 31, 2011

## (2) Our Business & Service Overview

# ① Overview of our Turnkey Solutions

Our end-to-end integrated DB solution: from property promotion and customer acquisition to property management



Easy to build company website with all new designs and SEO effective features

Subscription rate

Initial charge  
88,000 yen ~

Monthly charge  
34,000 yen ~

**「ES-WebSite」なら自社HPの作成・運用からSEOまで!**

**デザイン性に優れたHPが  
低コストで実現**

お金をかけられないからといって、デザインをあきらめる必要はありません。数100サイトの制作実績に基づき、不動産HP制作のプロがデザインしたテンプレートをそのまま使用することができます。

**マニュアルが要らないほど  
直感的な操作**

ES-WebSiteは、ページ編集機能の直感的な操作にこだわりました。テキストや画像、Flashをドラッグ&ドロップで自由に配置できるので、HTML等の専門知識は不要です。

**SEOに強い構造で自社HPの  
集客力アップ**

SEO対策済みのシステムなので、物件情報をたくさん登録するほどSEOが強化され、自社HPへの入口も増える構造となっています。結果として、自社HPの集客力アップが期待できます。

**SEOによる集客アップのイメージ** ※検索順位を保証するものではありません。

**TOPページが上位表示**



**物件詳細ページが上位表示**



Detailed information and actual client cases can be viewed below!

<http://www.es-service.net/service/website/>

**ES WebSiteの豊富な機能で業務をスピーディに!!**

**マニュアルが要らないほど直感的な操作**

一般的なCMSとは違い、テキストや画像、Flashをドラッグ&ドロップで自由に配置できます。デザインテンプレートをベースに、オリジナリティの高いデザインを作り上げることも可能となります。



簡単にデザイン編集できます。

**例えばこんなデザイン変更も思いのまま**



オリジナル  
デザインの  
HP構築可

物件情報ページの  
自由な  
カスタマイズも可能\*

\*物件情報ページのカスタマイズには、別途WEB制作会社等の作業費が発生します。

**豊富な機能一覧**

- HPデザインテンプレート
- TOPメイン画像テンプレート
- TOPメインFlashテンプレート
- 見たままページ編集
- HTML編集
- スタイルシート編集
- 全物件一覧表示
- おすすめ・特集一覧プラン10
- おすすめ物件表示
- 周辺地図表示
- お問合せ設置 (SSL標準装備)
- メニュー管理
- ファイルのアップロード、削除
- 検索エンジン向け サイトマップ自動生成
- アクセス解析用コードの埋め込み
- データバックアップ
- データ復元
- WEBホスティング
- DNSホスティング
- サブドメイン
- <オプション>
- 詳細印刷機能(サイト側)
- おすすめ・特集一覧プラン
- 初期セットアップ
- 月額固定型SEOバック
- 独自ドメイン

“Instantly” match the “right” property to prospective clients!

Subscription rate / store

Initial charge

100,000yen ~

Monthly charge

40,000yen ~

業界特化型「売買仲介業務向けソリューション」

情報の一元管理で 営業効率UP  
マッチングメール、マイページで 歩留まりUP  
データ取得で 反響・営業分析

これまでの対応履歴が保持されるので、顧客ごとに適切な営業方法を選択できます。成約後も、引渡まで顧客ステータスを管理できるため、業務効率のアップが見込まれます。

顧客ごとにマイページが作成され、未公開物件の紹介などを行うことが可能です。登録された希望条件に合致する物件を自動的にマイページに配信する機能も実装し、見込み客の追客漏れを防止します。

媒体別の反響データを取得でき、広告効果の測定が容易になります。さらに、追客状況の確認ができ、営業マンごとの現在の見込み、成約、引渡待ちなどのステータスが一目瞭然です。

売買仲介業務を広範囲にカバーしたシステム



Detailed information and actual client cases can be viewed below!

<http://www.es-service.net/service/crm/>

ES 顧客管理 売買の豊富な機能で業務をスピーディに!!

「営業の追客漏れが多くて困っている」「お客様の情報が色々なところに記載されていて、どれを見たらいいかわからない」「効果的に未公開物件を紹介したい」…こんなお悩みはございませんか？ ES顧客管理売買は、売買業務のあらゆるシーンを想定した豊富な機能と使いやすさで、貴社の営業効率を飛躍的に向上させます!

未公開物件紹介機能

HPや媒体に掲載していない物件を、マイページ内だけで紹介することが可能です。「ここにしかない情報」をアピールし、再度マイページに再訪してもらって確率を高めます。



自動返信メール機能

お問い合わせがあった際に、自動的にお客様にメールを返信いたします。お問い合わせの直後に返信を行うことで機会損失を低減することができ、さらに、そのメールを使ってお客様をマイページに引き込むことでより正確なお客様のニーズを取得することが可能となります。



希望条件マッチングメール配信機能

希望条件に合致する物件が登録された際、自動的にお客様にメールを送信し、マイページに誘導します。見込み客の追客漏れを防止し、売上アップを実現します。



契約情報登録機能

顧客ごとの詳細な契約情報を登録し、引渡までの進捗管理を行うことができます。契約データをCSVで出力することもでき、契約書の作成や手数料収入の計算など様々な場面で活用することができます。



反響・営業情報分析機能

媒体別の反響が確認可能です。反響数だけでなく、媒体別の成約数も集計可能であり、様々な分析が可能となっています。



※イメージは2009年9月現在のものであり、変更される場合がございます。



## ④ Our Competitive Advantage

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

- Steady growth of monthly recurring revenue by accumulating contracts
- Stable cost base

### Early promoter of Cloud model

- Cloud delivery approach best matches the fragmented real estate industry
- Promoting best practices for the real estate industry through our Cloud Services
- The leading “cloud computing” company for the real estate industry

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

- Our products quickly and accurately reflect industry-wide client needs
- Deep industry knowledge allows for the development of first-of-a-kind products
- Our Support Center provides telephone and email support to our clients 7days a week

### Entirely in-house development

- Accumulated knowledge of industry practices and key data characteristics
- Shorter time to market of our products

### Debt free and financially sound

- Strong financial base unaffected by volatile financial markets
- Managing credit risk by incorporating advance payment and security deposit policies

## ⑤ IT Service Management System Certification

Achieving a higher level of client satisfaction through service quality

- ▶ 「ISO/IEC27001:2005」(International standard of information security management system)  
**※Registered in June, 2007**
- ▶ 「ISO/IEC20000-1:2005」 ( International standard of IT service management system)  
**※Registered in October, 2009**

Further improve the reliability and quality of our services, as well as strengthen information security

Consistently deliver effective and easy-to-use IT services which meet the needs of our clients

### Outline of ITSMS (ISO/IEC20000-1:2005) Registration

Company Name	: e-Seikatsu Co., Ltd.
Registration number	: JMAQA-T001
Applicable standard	: ISO/IEC20000-1:2005
Range of registration	: Cloud Service for the real estate industry (Excluding individual client system development business and Media Solution Dept. business.)
Registrar	: Japan Management Association
Registration date	: October 15, 2009
Registration revision date	: April 1, 2011

## ⑥ Focus on the real estate industry

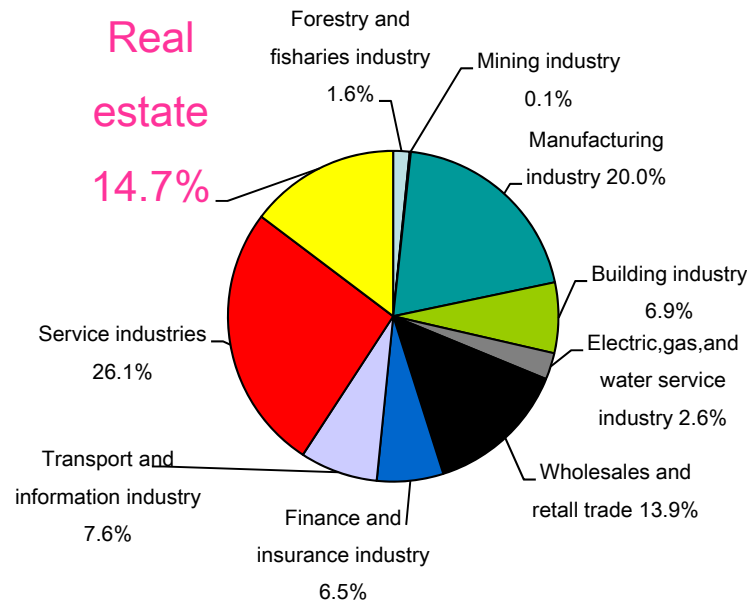
- One of the largest industries in Japan
- The industry has been relatively slow in embracing IT !
- Strong demand for a standardized property information DB

Our main targets are real estate agents in the following business:

- Rental property brokerage
- Rental property management
- Sales property brokerage

### ➤ GDP breakdown by industry sector

GDP of all industries (nominal): ¥423 trillion (2009)



Source: National Accounts (GDP by kind of economic activity) for 2009

### ➤ Total national real estate assets

¥ 1,686 trillion (2009)

Land	¥1,208trillion	69% of real assets
Homes	¥238trillion	(excluding financial assets)
Buildings (excluding homes)	¥240trillion	21% of gross national assets

Source: National Accounts (Assets for the nation) for 2009

### ➤ Number of real estate agents

126,582 (as of the end of March 2009)

Corporations: 104,617  
(Minister License 2,151/Governor License 102,466)

Individuals: 21,965  
(Minister License 2/Governor License 21,963)

Source: Ministry of Land, Infrastructure, and Transportation



## ⑦ 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 (Cloud model). Covering both our turnkey solutions as well as customized solutions (resulting from A-Cloud system development work). ※Clients: 1,350co., 1,956stores (Subscribed Clients as of March 2011) ※Monthly ARPU: approx. 93,200yen/co., approx. 64,300yen/store (for the single month of March 2010)
	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).
	A-Cloud Service (Yahoo! Media Solution)	Stock (MRR)	Annual	Monthly amount	System operation fees. Operation of the “newly built property” data submission business for 「Yahoo! Real Estate」. ※Revenue consists of fixed and measured rate components
	A-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.)
	A-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 (MRR)	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)

\* MRR stands for Monthly Recurring Revenue.

## ⑧ Company Profile

Established :	January 21, 2000
Paid-in capital :	623 million 911 thousand 204 yen (As of the end of March 2011)
Listing :	Mothers section of the Tokyo Stock Exchange (Code: 3796)
Relationship banks :	Resona Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Sumitomo Trust & Banking Co., Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd.
# of employees :	166 (As of the end of March 2011)
Officers :	President & CEO Kiyotaka Nakamura Executive Vice President & Co-CEO Zenichi Maeno Executive Vice President & CFO Hiroyuki Shiokawa Executive Vice President & COO Hiroyoshi Kitazawa Managing Director & CIO Yoshiaki Kuno Standing Corporate Auditor Akira Hirano Corporate Auditor Masahito Omachi Corporate Auditor Shinichi Shamoto Corporate Auditor Masayasu Takahara
Audit Corporation :	The Kisaragi Accounting Office
Headquarters :	2-32, Minamiazabu 5-chome, Minato-ku, Tokyo
Osaka office :	4-16, Dojimahama 1-chome, 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

### Corporate Site (Japanese only)

<http://www.e-seikatsu.info/>

English presentations are available at

<http://www.e-seikatsu.info/IR/english/investorRelations.html>

### Products and Services Site (Japanese only)

<http://www.es-service.net/>