

FY2013 First-quarter Results

TSE Mothers 3796

July 31, 2012



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.

- 1 Summary of First-quarter Results for FYE March 31, 2013
- 2 Forecast for FYE March 31, 2013
- 3 Our Business Strategy
- 4 Appendix
 - (1) Financial Data
 - (2) Company Profile

1

Summary of First-quarter Results for FYE March 31, 2013

① Highlights

Overall revenue and profit decreased, however, revenue of our core “Cloud Service” continued to increase

- Sales: 446 million yen (FY2012 1Q 584 million yen, YOY change -138 million yen, -23.6%, FY2011 1Q 576 million yen)
 - Cloud Service revenue: 417 million yen (FY2012 1Q 375 million yen, YOY change +41 million yen, +11.1%)
 - Including **monthly recurring revenue of Turnkey services: 360 million yen (FY2011 1Q 312 million yen, YOY change +48 million yen, +15.6%)**
- Operating profit: -22 million yen (FY2012 1Q 76 million yen, YOY change -99 million yen, FY2011 1Q 101 million yen)
- Net income: -21 million yen (FY2012 1Q 40 million yen, YOY change -61 million yen, FY2011 1Q 51 million yen)

Further enhancement of sales and marketing efforts to promote continued growth of our “Cloud Service”

- Focus on new client acquisitions as well as up-selling to existing Cloud Service clients
 - Monthly ARPU: approx. 96,400 yen/company ※as of the end of Jun. 2012
FY2012 1Q approx. 94,700 yen/company ※as of the end of Jun. 2011
 - Number of Cloud Service clients: 1,455 companies ※as of the end of Jun. 2012
FY2012 1Q 1,361 companies ※as of the end of Jun.2011
- Gaining traction from sales campaigns and increased exposure (“Rental Housing Fair 2012” and industry media advertising)

Introduction of our new “ES e-Bukken One” service

- “ES e-Bukken One” launched April 2, 2012 – full integration of our current Cloud Service products with enhanced functions, for a seamless end-to-end solution

* 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.

② Consolidated Income Statement (YOY change)

| (Million yen) | Apr.-Jun. 2011 | Apr.-Jun. 2012 | YOY change | YOY change (%) |
|-------------------------|----------------|----------------|------------|----------------|
| Sales | 584 | 446 | △138 | △23.6% |
| Gross profit | 372 | 309 | △63 | △17.0% |
| Gross profit margin | 63.8% | 69.3% | | |
| Operating profit | 76 | △22 | △99 | — |
| Operating profit margin | 13.1% | △5.1% | | |
| Recurring profit | 77 | △22 | △99 | — |
| Recurring profit margin | 13.2% | △5.0% | | |
| Quarterly net income | 40 | △21 | △61 | — |
| Net income margin | 6.9% | △4.7% | | |

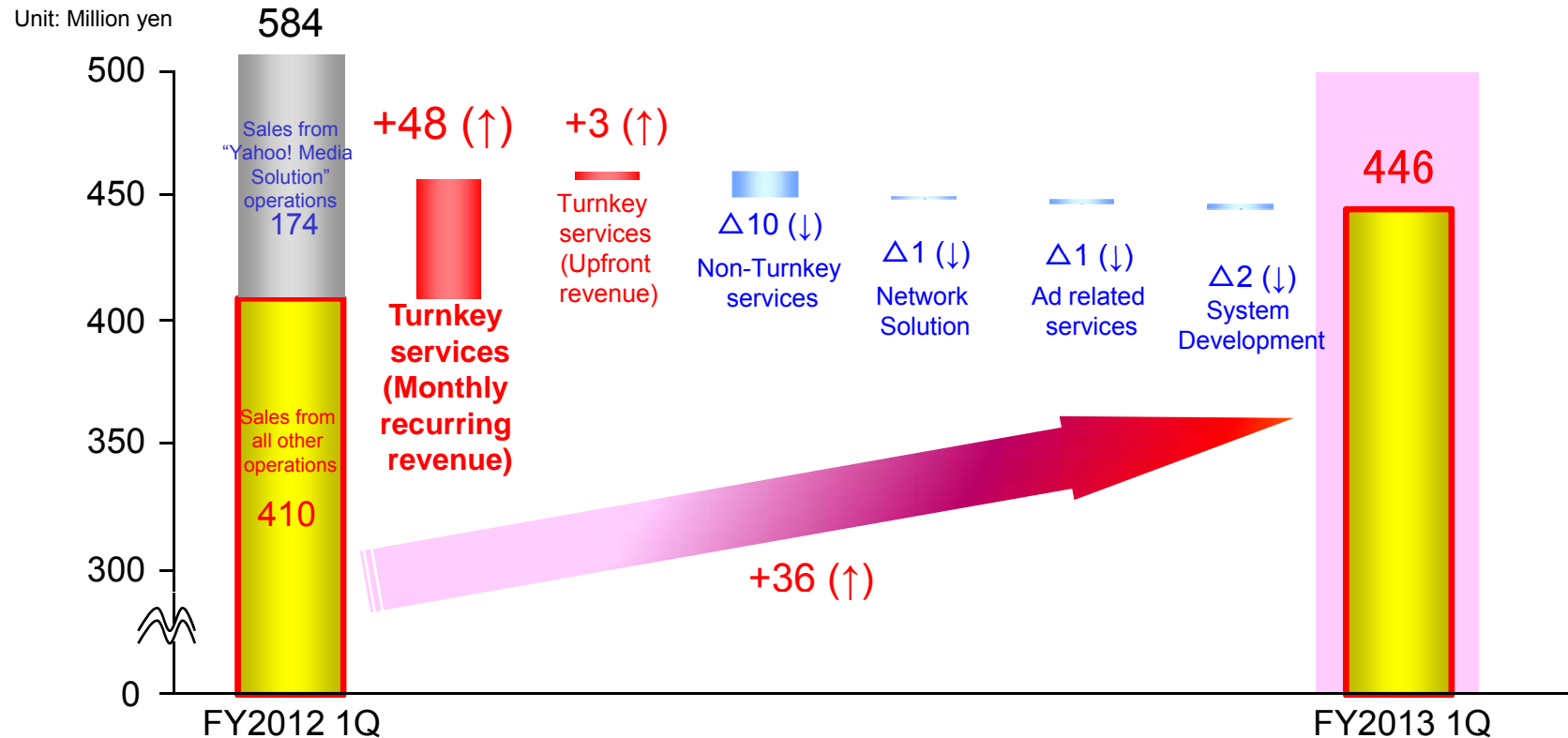
<Key Points>

- ① Our core Cloud Service revenue continues to show steady growth, and is the main driver of revenue increase, however, total sales and profits declined YOY due to the negative impact from the conclusion of Yahoo! Media Solution operations at the end of November, 2011.
- ② SG&A increased partly due to increase in personnel expenses (reflecting new graduate hires in sales), as well as promotion expenses (participating in “Rental Housing Fair 2012,” and advertising in major industrial papers).

* Figures rounded down to the nearest million yen.

③ Cloud Solution Business Change in Revenue Breakdown

Core “Turnkey services” (monthly recurring revenue) showing strong growth



<Key Points>

- ① “Turnkey services” (monthly recurring revenue) increased by approx. 48 million yen YOY. Overall, “Turnkey services” revenue increased by approx. 51 million yen YOY.
- ② As compared to FY2012 1Q revenue of approx. 410 million yen (excluding sales from “Yahoo! Media Solution” operations), overall revenue increased by approx. 36 million yen YOY.
- ③ Revenue decrease due to the termination of “Yahoo! Media Solution” operations is limited to this term.

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

④ Cloud Solution Business Revenue (YOY change)

| Item (Million yen) | Apr.-Jun. 2011 | Apr.-Jun. 2012 | YOY change | YOY change (%) |
|--|----------------|----------------|------------|----------------|
| Cloud Service | 375 | 417 | 41 | 11.1% |
| Turnkey services * | 319 | 371 | 51 | 16.3% |
| Up-front revenue | 7 | 10 | 3 | 46.5% |
| Monthly recurring revenue | 312 | 360 | 48 | 15.6% |
| Non-turnkey services * | 55 | 45 | △10 | △18.1% |
| Network Solution | 10 | 8 | △1 | △15.2% |
| Advanced-Cloud Service | 199 | 20 | △178 | △89.6% |
| Ad related services | 17 | 15 | △1 | △9.5% |
| System Development | 7 | 4 | △2 | △29.2% |
| Yahoo! Media Solution | 174 | — | △174 | △100.0% |
| Total | 584 | 446 | △138 | △23.6% |
| Reference: (Total excluding Yahoo! Media Solution) | 410 | 446 | 36 | 8.9% |

* 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.

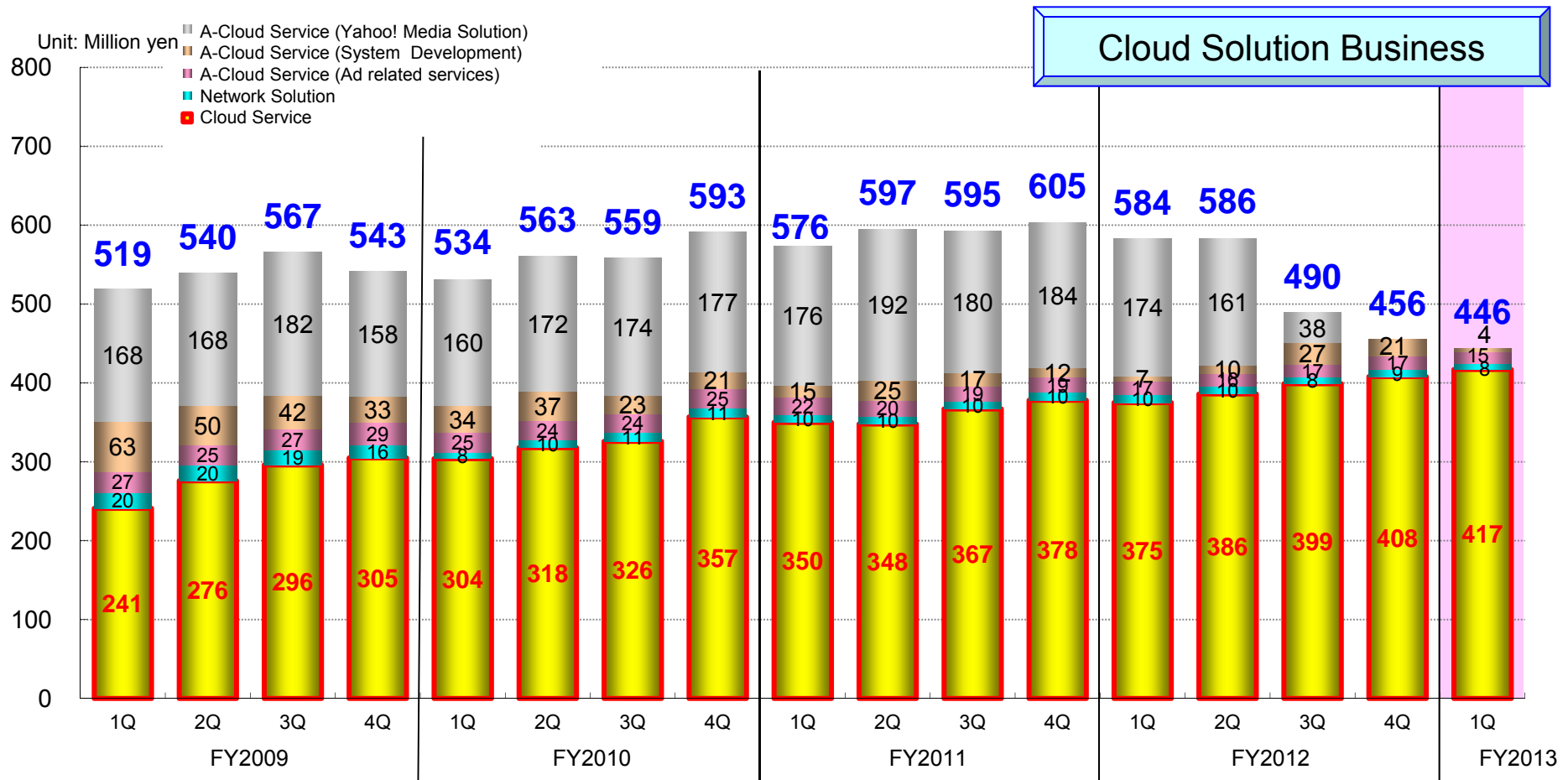
* Advanced-Cloud Service (Yahoo! Media Solution) sales were concluded at the end of November, 2011.

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

* Figures rounded down to the nearest million yen.

⑤ Sales Category Breakdown

Increasing “Cloud Service” revenue



* Advanced-Cloud Service (Yahoo! Media Solution) sales were concluded at the end of November, 2011.

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

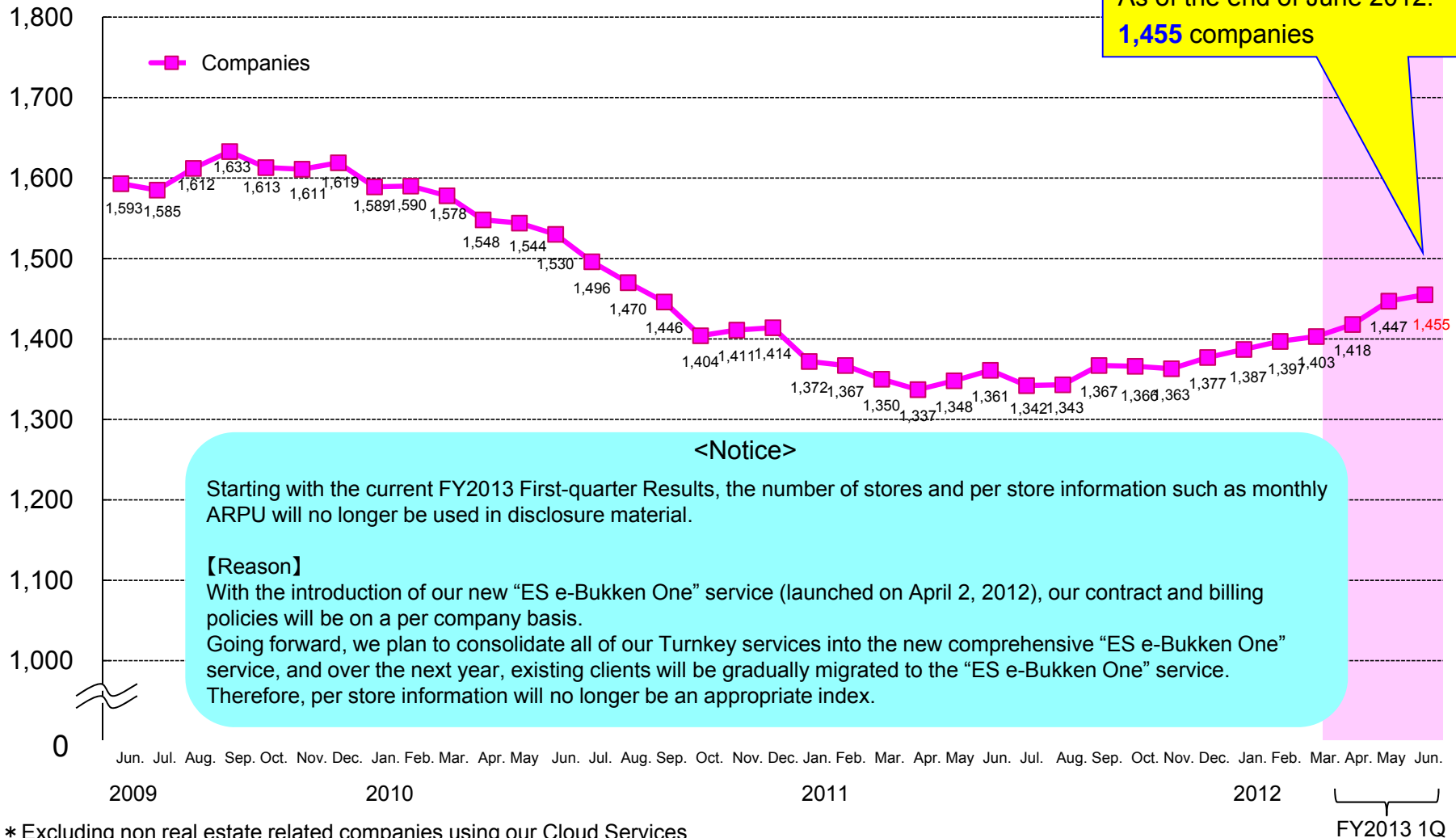
* FY2009 1Q figures are non-consolidated results. Figures for FY2009 2Q and beyond are consolidated results.

* Figures rounded down to the nearest million yen.

⑥ Number of Cloud Service Clients

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

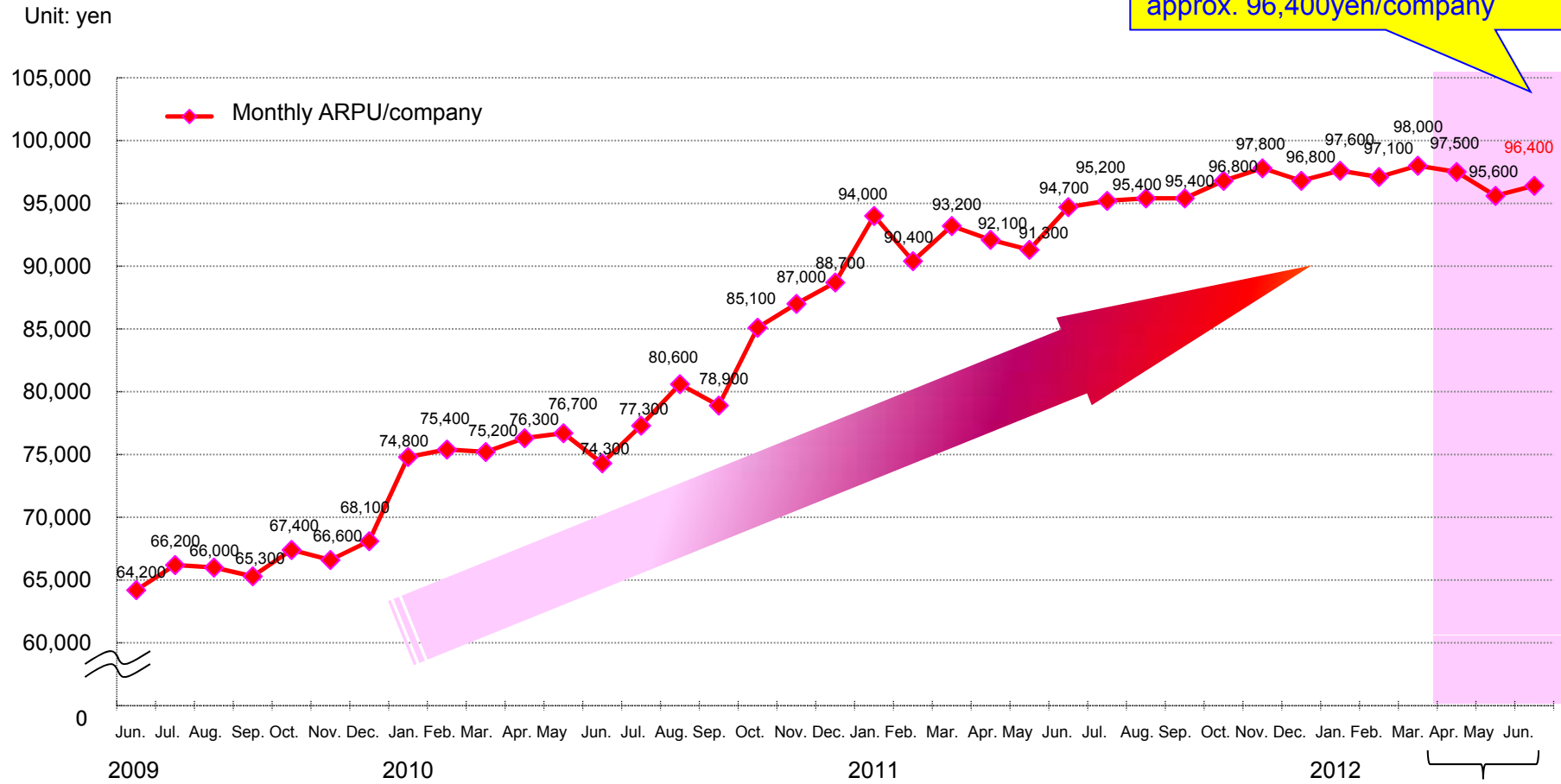
Unit: Companies



⑦ Cloud Service Monthly ARPU

Resulting in a steady increase in monthly ARPU

As of end of June 2012
Monthly ARPU/company
approx. 96,400yen/company



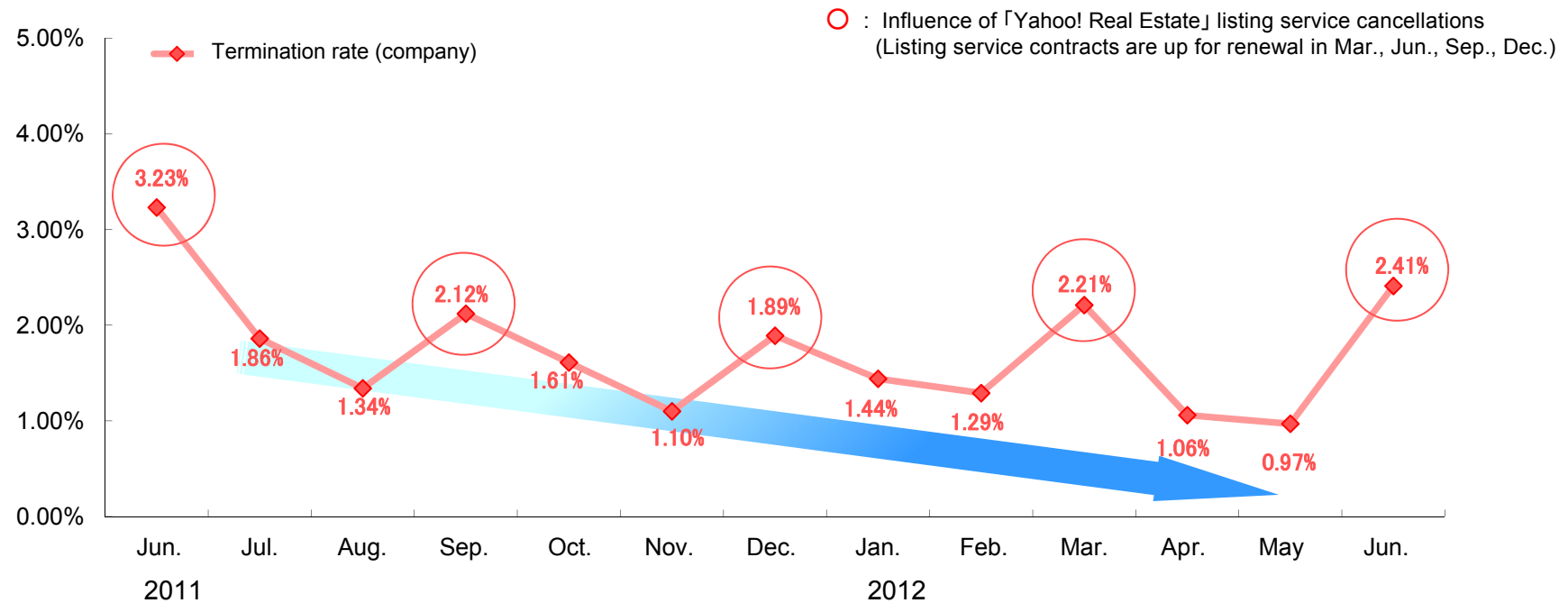
* Monthly ARPU = $\frac{\text{Cloud Service revenue in a given month}}{\text{The number of companies 'Billed Clients' in a given month (excluding non real estate related companies using our Cloud services)}}$

* Figures rounded down to the nearest hundred yen.

FY2013 1Q

⑧ Cloud Service Client Termination Rate

Increased efforts to improve client satisfaction, leading to higher retention



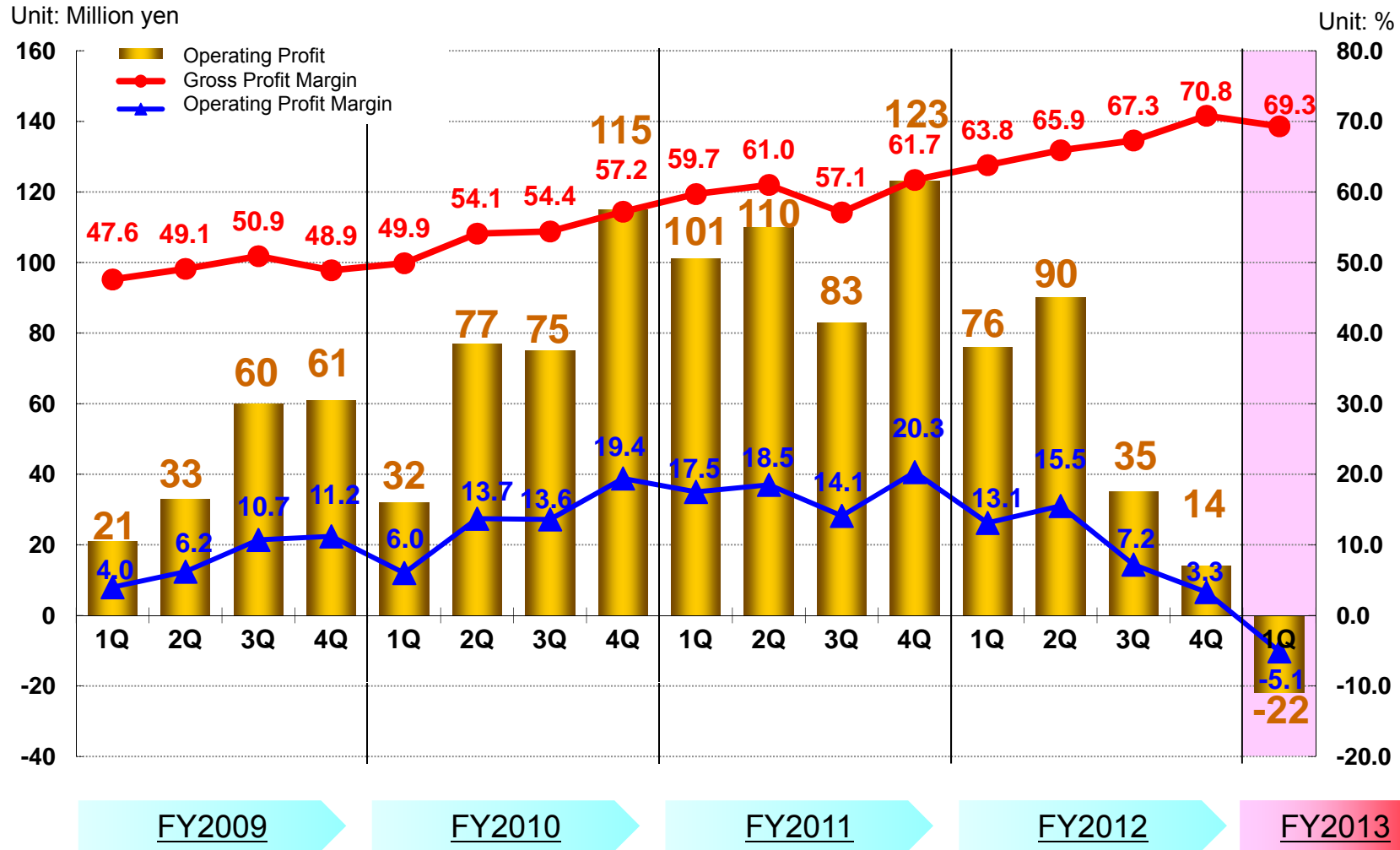
Unit: companies

| | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May. | Jun. | Ave. |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|
| # of companies | 44 | 25 | 18 | 29 | 22 | 15 | 26 | 20 | 18 | 31 | 15 | 14 | 35 | 24.0 |
| Termination Rate | 3.23% | 1.86% | 1.34% | 2.12% | 1.61% | 1.10% | 1.89% | 1.44% | 1.29% | 2.21% | 1.06% | 0.97% | 2.41% | — |

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

⑨ Consolidated Quarterly Results YOY Comparison

Decreased profit mainly due to an increase in depreciation expenses, sales promotion expenses, and personnel expenses

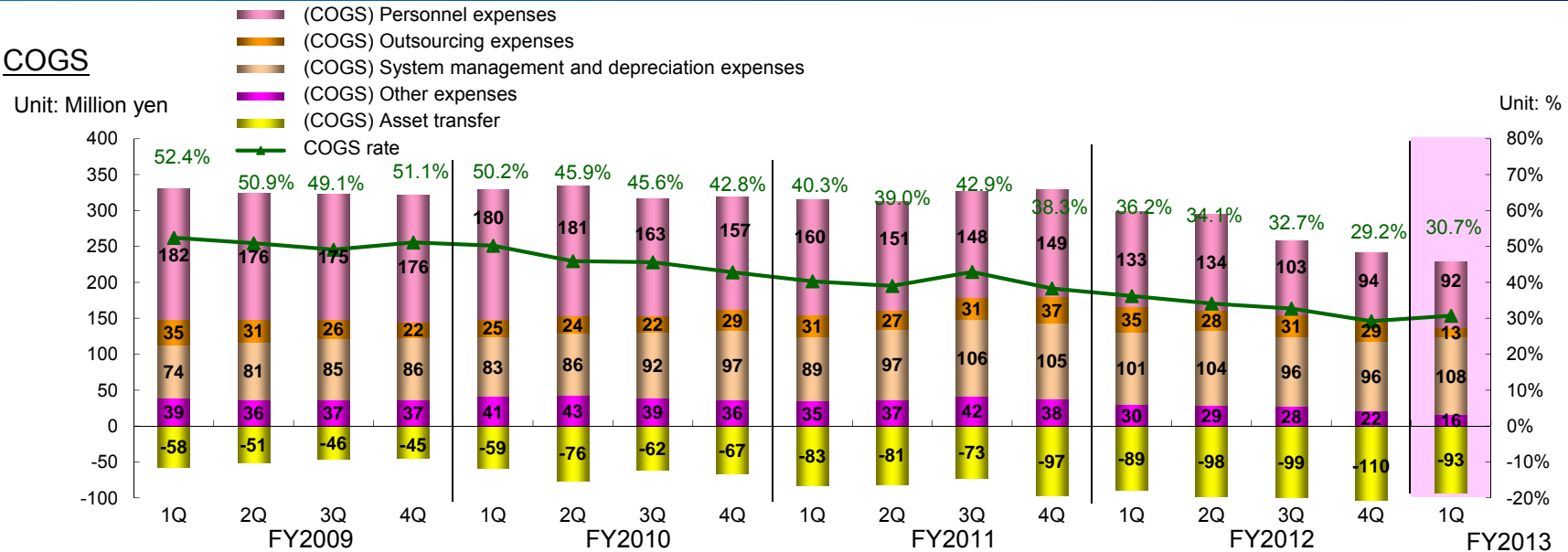


* FY2009 1Q figures are non-consolidated results. Figures for FY2009 2Q and beyond are consolidated results.

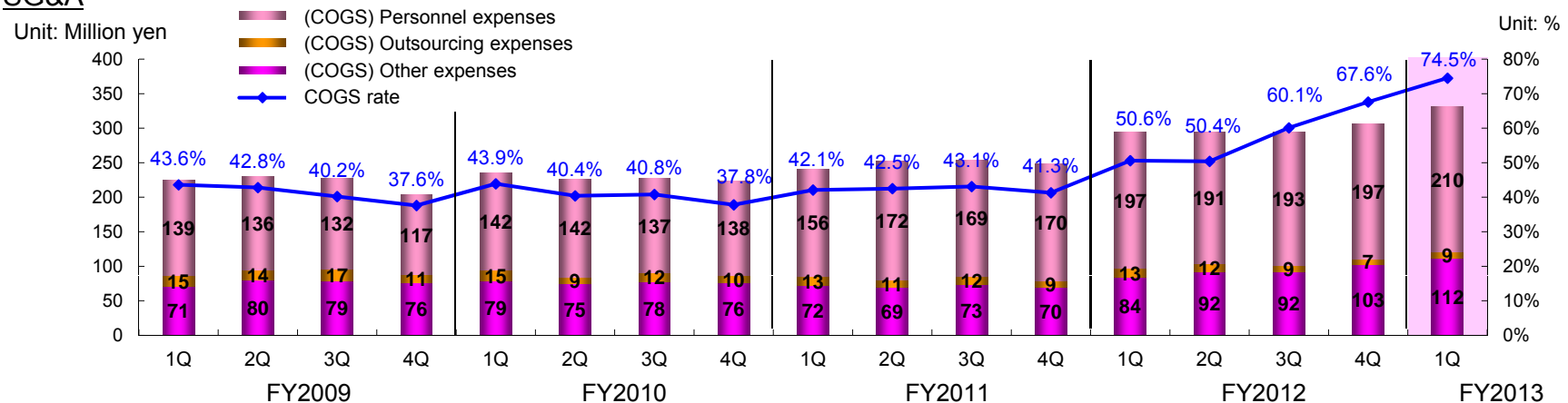
* Figures rounded down to the nearest million yen.

⑩ Quarterly COGS/SG&A

COGS



SG&A



* FY2009 1Q figures 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.

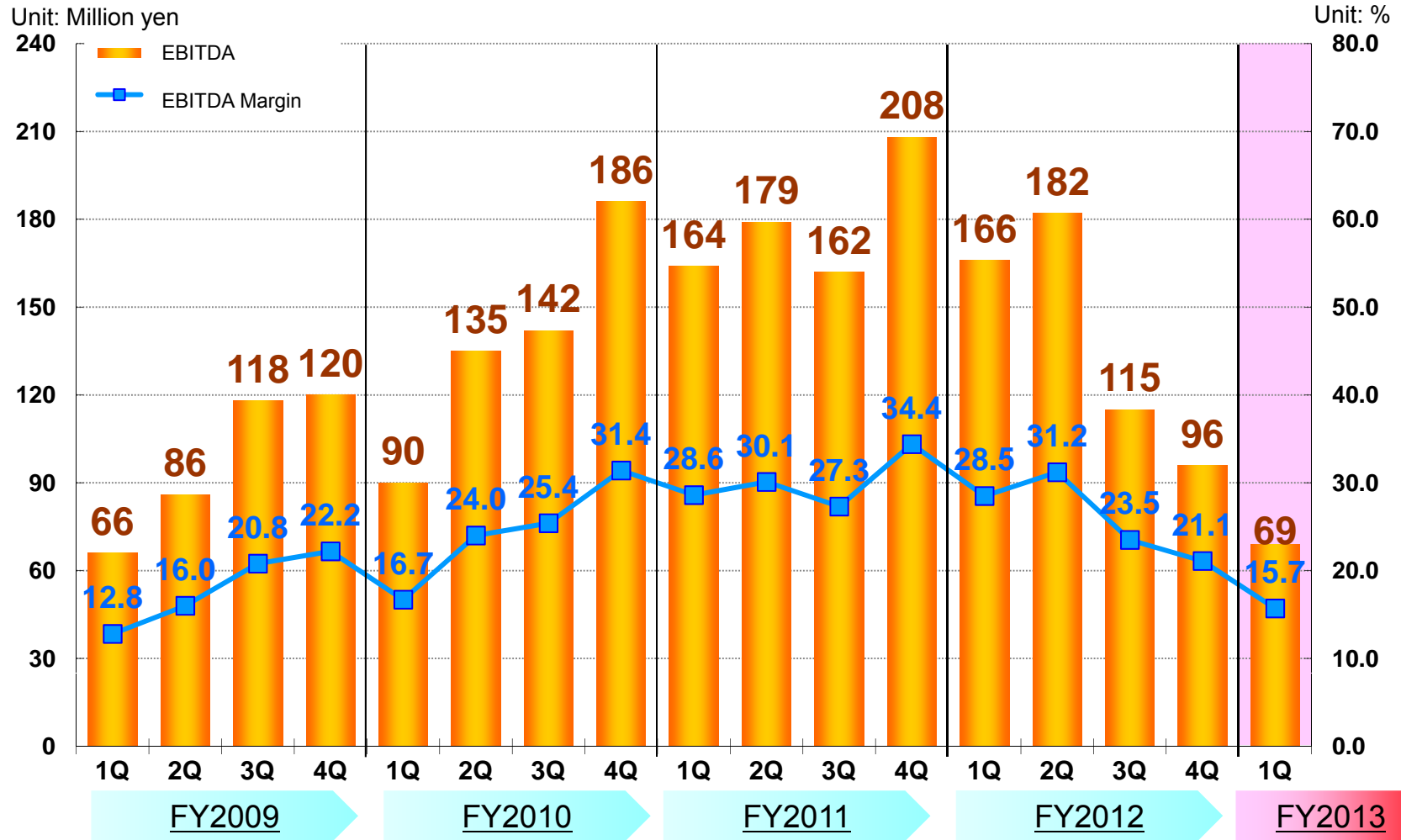
(COGS)Asset transfer: Inventory assets(goods in process), portion allowances for software under development listed under COGS

* (SG&A)Outsourcing expenses: Advertising expenses, recruitment related expenses, consultant fees, payment commission, etc.

* Figures rounded down to the nearest million yen.

⑪ Quarterly EBITDA (consolidated)

Stable EBITDA (operating profit + depreciation) and ability to generate cash



* FY2009 1Q figures are non-consolidated results. Figures for FY2009 2Q and beyond are consolidated results.

* Figures rounded down to the nearest million yen.

⑫ Consolidated Cash Flow Statement (YOY change)

| (Million yen) | Apr.-Jun. 2011 | Apr.-Jun. 2012 |
|---|----------------|----------------|
| CF from Operating Activities | 8 | 75 |
| CF from Investing Activities | △84 | △100 |
| CF from Financing Activities | △56 | △69 |
| Net Increase in Cash and Cash Equivalents (△decrease) | △132 | △94 |
| Cash and Cash Equivalents (end of term) | 590 | 583 |

<Key Points>

| | | | |
|----------------------|--|--------------------|-------------------|
| Operating Activities | ① Income before tax + depreciation expenses | FY2012 1Q 167M yen | FY2013 1Q 70M yen |
| | ② Payment of corporate tax, etc. | FY2012 1Q 128M yen | FY2013 1Q 2M yen |
| Investing Activities | ③ Expenses due to in-house software development | FY2012 1Q 87M yen | FY2013 1Q 91M yen |
| | ④ Expenses due to the purchase of assets (HW/SW) | FY2012 1Q 21M yen | FY2013 1Q 6M yen |
| | ⑤ Income from the redemption of deposits/guarantee money | FY2012 1Q 24M yen | FY2013 1Q - |
| Financing Activities | ⑥ Payment of year-end dividend | FY2012 1Q 55M yen | FY2013 1Q 63M yen |
| | ⑦ Expenses due to repayment of lease obligations | FY2012 1Q 1M yen | FY2013 1Q 5M yen |

* Figures rounded down to the nearest million yen.

⑬ Consolidated Balance Sheet (change from FYE Mar. 2012)

| (Million yen) | Mar. 2012 | Jun. 2012 | Change |
|--------------------------------|-----------|-----------|--------|
| Cash and Deposits | 677 | 583 | △94 |
| Other Current Assets | 130 | 125 | △4 |
| PP&E | 1,329 | 1,350 | 21 |
| Assets Total | 2,137 | 2,060 | △77 |
| Current Liability | 250 | 263 | 13 |
| Non-Current Liability | 118 | 124 | 6 |
| Net assets | 1,768 | 1,671 | △96 |
| Capital-Asset ratio | 82.8% | 81.1% | |
| Liability and Net Assets total | 2,137 | 2,060 | △77 |

<Key Points>

- ① Cash and Deposits decreased partly due to the payment of dividends and bonus payments.
- ② PP&E decreased partly due to the start of depreciation in conjunction with the release of the new “ES e-Bukken One” service.
On the other hand, PP&E increased partly due to continuous development toward enhancements/upgrading of “ES e-Bukken One” service.
- ③ Server equipment was leased to reinforce our data center facility, accordingly, lease asset and lease liability were allocated to PP&E and Non-Current Liability, respectively.
- ④ Net assets decreased due to the payment of 75 million yen in dividends and quarterly net loss of 21 million yen.

* Figures rounded down to the nearest million yen.

2 Forecast for FYE March 31, 2013

① Consolidated Mid-term & Full-term Forecast

| (Million yen) | Mid-term Forecast FY2013 | Full-term Forecast FY2013 | First-quarter Results FY2013 | Progress Rate as % of Full-term Forecast | (Reference) Full-term Results FY2012 |
|------------------|--------------------------|---------------------------|------------------------------|--|--------------------------------------|
| Sales | 949 | 2,050 | 446 | 21.8% | 2,118 |
| Operating Profit | △19 | 80 | △22 | — | 218 |
| Recurring Profit | △19 | 80 | △22 | — | 225 |
| Net Income | △19 | 40 | △21 | — | 89 |

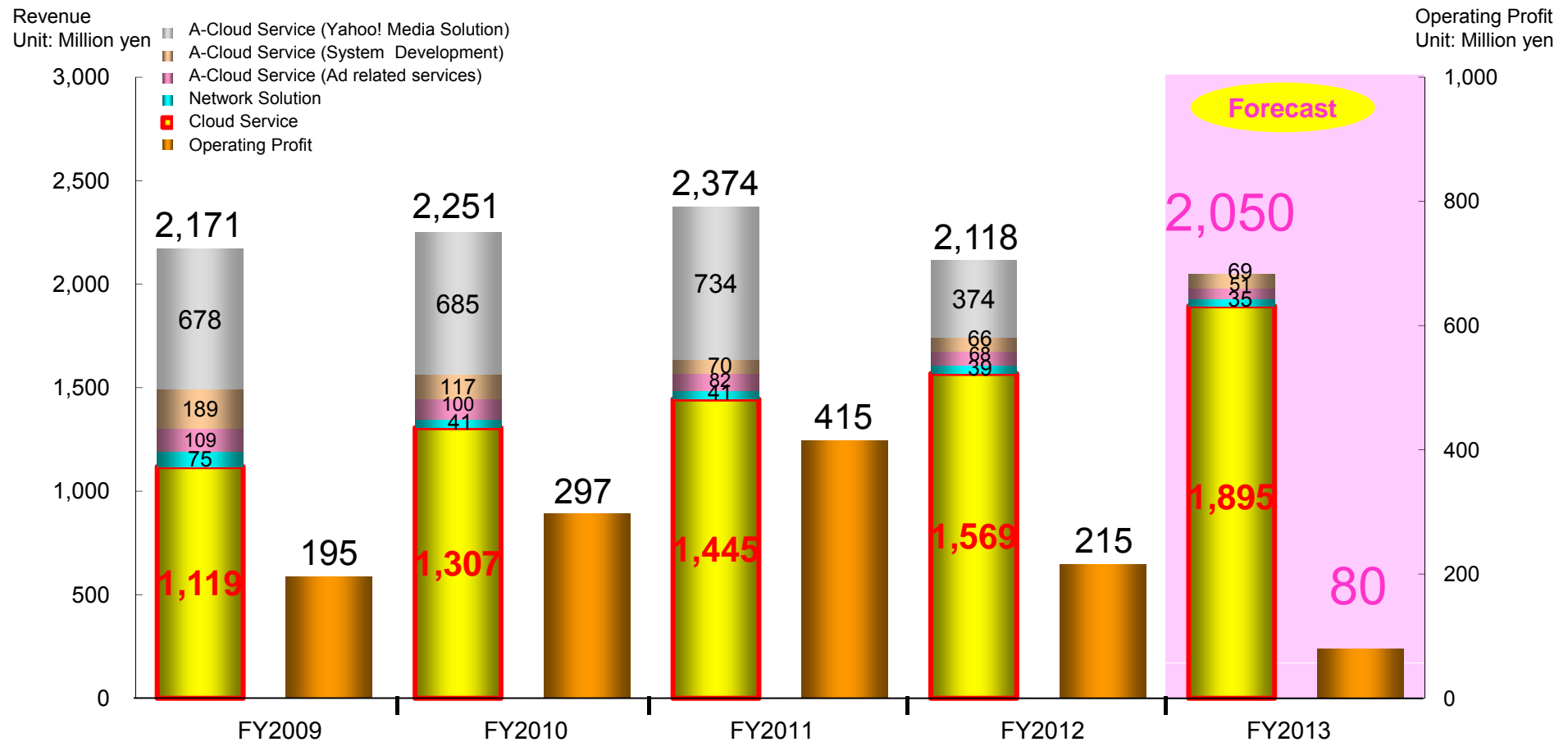
| | Dividend per share |
|---|--------------------|
| Full-year dividend (forecast) (FYE March 2013) | 1,100yen |
| Full-year dividend (actual) (FYE March 2012) | 1,000yen |

* 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.

Further increase Cloud Service (Turnkey services) sales while generating steady profits

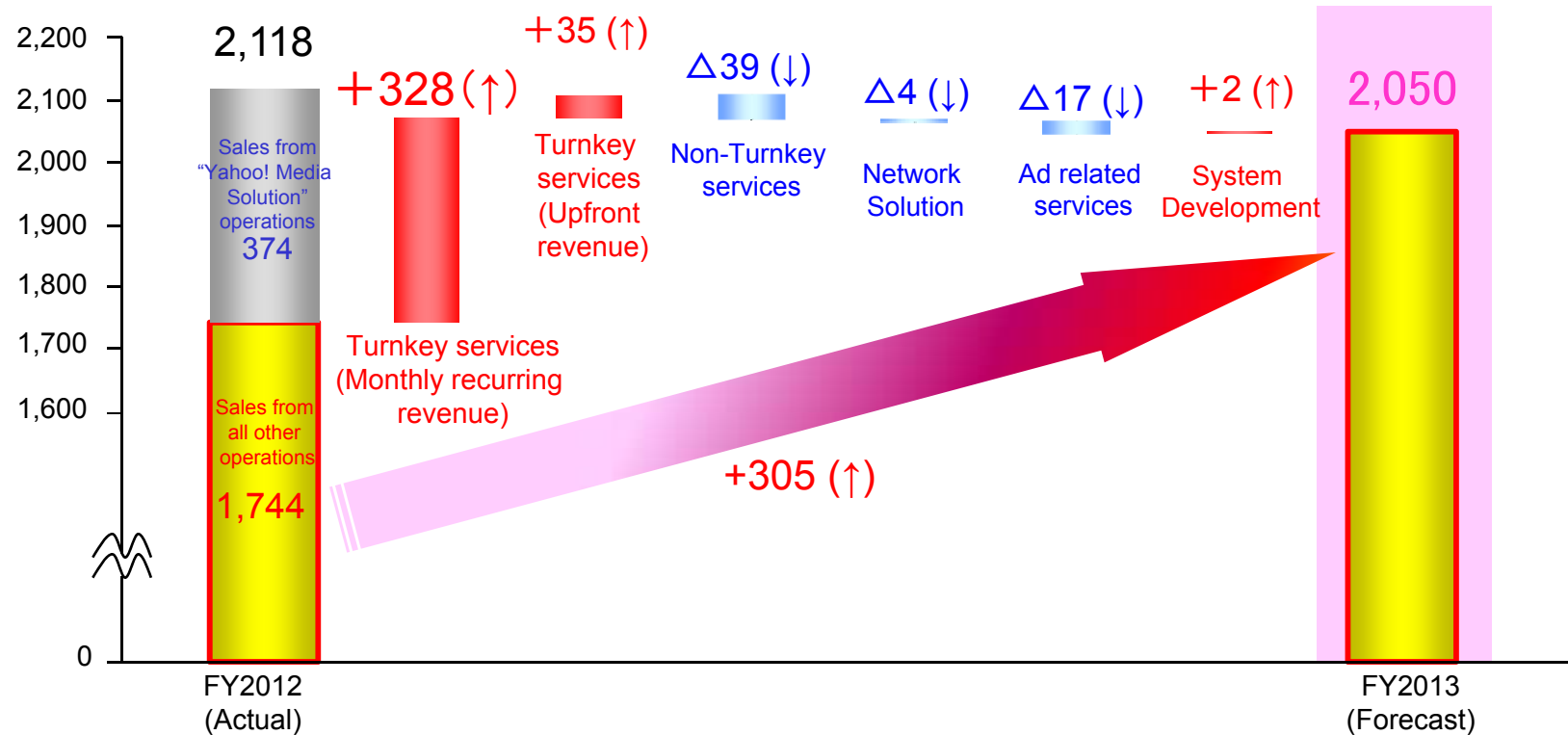


* "Yahoo! Media Solution" operations were concluded at the end of November 2011.
 * Cloud Solution Business sales figures have not been adjusted for internal transactions.
 * Figures rounded down to the nearest million yen.

③ Cloud Solution Business Change in Revenue Breakdown

“Turnkey services” at the core of sales growth covering the decrease in sales of other services

Unit: Million yen



<Key Points>

- ① Due in large part to the new product release of "ES e-Bukken One," "Turnkey services" (monthly recurring revenue) is expected to increase by approx. 328 million yen YOY. "Turnkey services" (upfront revenue) is expected to increase by approx. 35 million yen, for a total "Turnkey services" revenue increase of approx. 364 million yen.
- ② Revenue decrease as a result of the termination of "Yahoo! Media Solution" operations is limited to this term.
- ③ As compared to revenue from the previous term (excluding sales from "Yahoo! Media Solution" operations (approx. 1,744 million yen)), we expect an increase in revenue of approx. 305 million yen.

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

* Figures rounded down to the nearest million yen.

④ Cloud Solution Business Sales Full-term Forecast (Breakdown)

| Item (Unit: million yen) | Full-term Forecast FY2013 | First-quarter Results FY2013 | Progress Rate as % of Forecast | (Reference) Full-term Results FY2012 |
|---|---------------------------|------------------------------|--------------------------------|--------------------------------------|
| Cloud Service | 1,895 | 417 | 22.0% | 1,569 |
| Turnkey services * | 1,726 | 371 | 21.5% | 1,361 |
| Up-front revenue | 66 | 10 | 16.3% | 30 |
| Monthly recurring revenue | 1,660 | 360 | 21.7% | 1,331 |
| Non-turnkey services * | 169 | 45 | 27.1% | 208 |
| Network Solution | 35 | 8 | 24.8% | 39 |
| Advanced-Cloud Service | 120 | 20 | 17.3% | 135 |
| Ad related services | 51 | 15 | 31.0% | 68 |
| System Development | 69 | 4 | 7.2% | 66 |
| Total | 2,050 | 446 | 21.8% | 1,744 |
| Reference: Yahoo! Media Solution Sales | | | | 374 |
| Reference: Sales total for the previous fiscal year | | | | 2,118 |

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

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

* "Yahoo! Media Solution" operations were concluded at the end of November 2011.

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

* Figures rounded down to the nearest million yen.

3

Our Business Strategy

① Cloud Service development road map

“ES e-Bukken One” released April, 2012, with scheduled further enhancements

【Our Turnkey services】

ES いい物件 Install 賃貸

ES いい物件 賃貸

ES 管理 賃貸

ES いい物件 売買

ES 営業支援 賃貸

ES 顧客管理 売買

ES いい物件 賃貸
自社HPオプション

ES いい物件 売買
自社HPオプション

ES WebSite

ES Mobile

2012

NEW!

Real estate cloud, connected and social.

ES いい物件 One

ES いい物件 One
賃貸

ES いい物件 One
売買

ES いい物件 One
分譲

ES いい物件 One
ウェブサイト

Enhanced website functionality

- Website renewal
- Renewed user friendly management screen
- New additional templates, etc.

Smartphone apps for conducting business on the go, etc.

Expand data submission capability to a wider range of portal sites, etc.

* HP is abbreviation for “Homepage.”

* Development and product launch schedule subject to change.

② Features of our new service, " ES e-Bukken One"

The ultimate business application for the real estate industry: cloud-based services, connected and social

Comprehensive service covering all aspects of operating a real estate business

- Access and manage all of your data, within a seamless, end-to-end solution encompassing all of your daily business activities.

Connecting real estate companies to the ultimate business network

- “One Network” connecting and sharing information (messaging, scheduling, sharing property data/information, and much more) within a company as well as across companies for a rich, collaborative experience.

Consumer 【My page】 features for effectively acquiring and retaining clients

- Consumer【My page】features customized to match the needs of each customer (from potential renters/buyers to owners/sellers), bringing the customers closer, and better addressing individual needs and wants.

Cutting edge cloud applications

- Fully utilizing the benefits of cloud computing 【available anytime/anywhere and always up-to-date】 while taking advantage of desktop computing 【processing power】 .

Now available in a “free trial” version

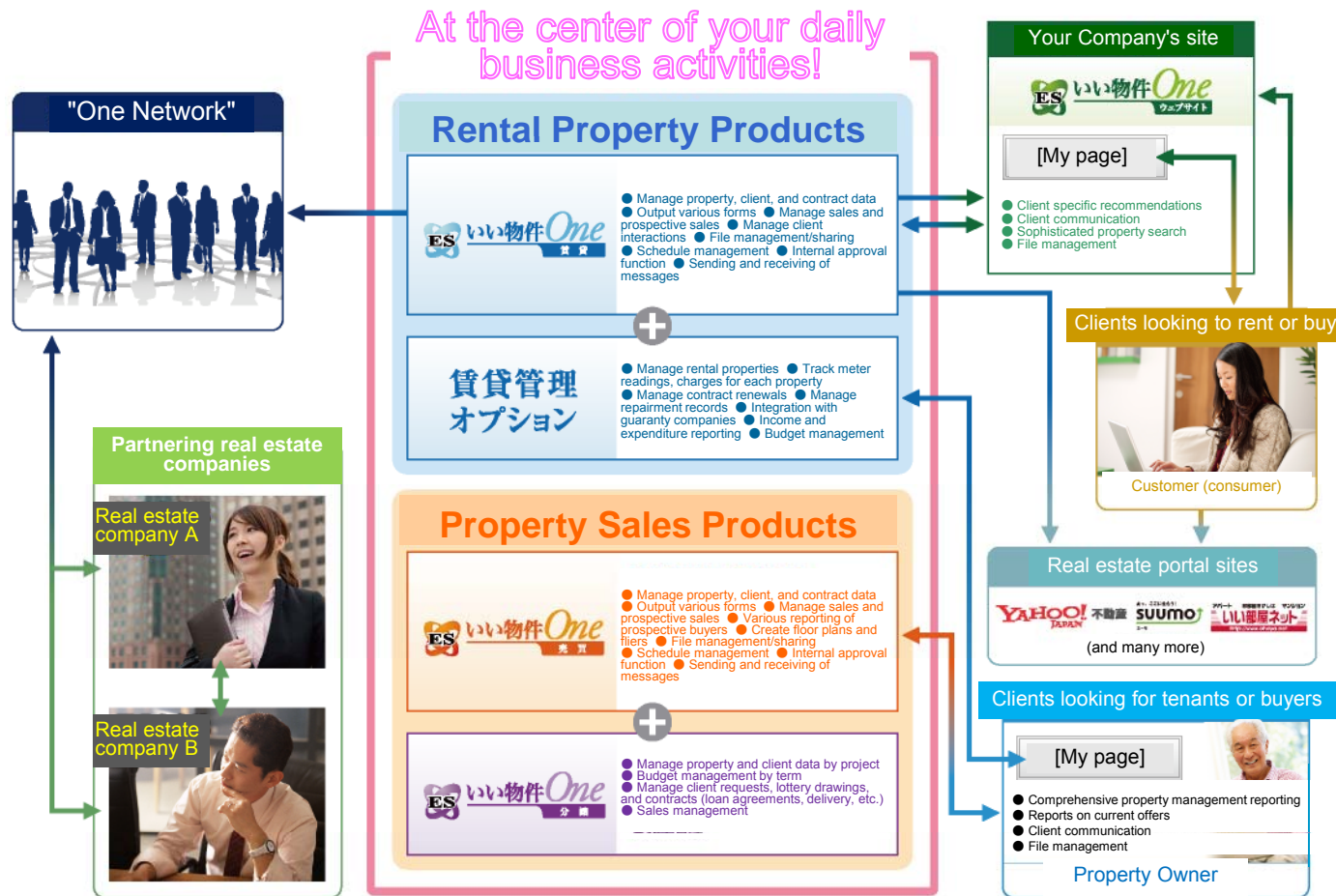
- Potential clients can easily try out the key features of “ES e-Bukken One” before deciding to sign-up for the full featured "paid version." Upgrading to the “paid version” is made quick and easy with a dedicated website.

③ Outline of our new service, " ES e-Bukken One"

"ES e-Bukken One," a seamless one-stop solution fully covering all aspects of operating a real estate business



Access and manage all of your data, within a seamless, end-to-end solution encompassing all of your daily business activities: from property sourcing to client relations.



④ Key points

Further promote our Cloud Solution "Turnkey services"

Expand and grow our client base

- ▶ Continue to focus on new client acquisition as well as improving client support and follow-up marketing efforts.

Improve sales and operation efficiency

- ▶ Increase ARPU through up-selling, achieve longer client retention by improving the quality of our services, and further improvement of operation efficiency, etc.

Future growth

- ▶ We aim to become the de facto standard one-stop-solution for the real estate industry, effectively creating a marketplace for all real estate data and information.



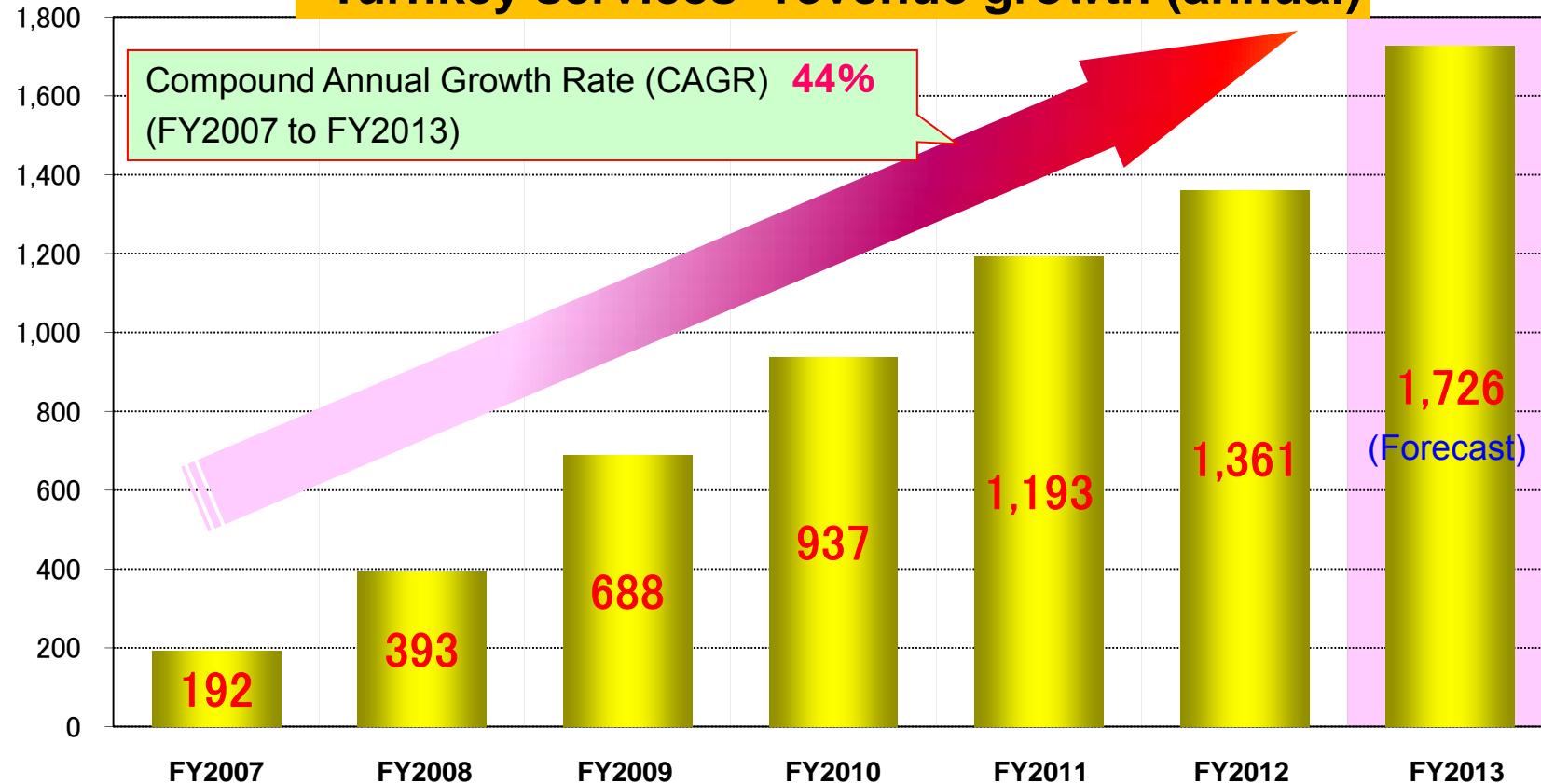
We aim to become the leading "cloud computing" company for the real estate industry

⑤ Growth Potential of our Cloud Service (Turnkey services)

“Turnkey services” has great growth potential and is at the core of our Cloud Solution Business

Unit: Million yen

“Turnkey services” revenue growth (annual)



- * “Turnkey services” is a suite of standard system applications with up-front and monthly recurring revenue.
- * Compound Annual Growth Rate (CAGR) is the average growth rate over a period of several years.
- * Figures are rounded down to the nearest million yen. The ratio is calculated per yen and rounded.
- * Forecast figures are based on information available at the time of this announcement and are subject to change.

4 Appendix

(1) Financial Data

(2) Company Profile

(1) Financial Data

① Income Statement (Quarterly basis)

| (Million yen) | FY2011 | | | | FY2012 | | | | FY2013 | | | |
|-------------------------|--------|-------|-------|-------|--------|-------|-------|-------|--------|----|----|----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Sales | 576 | 597 | 595 | 606 | 584 | 585 | 491 | 456 | 446 | | | |
| Gross Profit | 343 | 364 | 339 | 374 | 372 | 386 | 330 | 323 | 309 | | | |
| Gross Profit Margin | 59.7% | 61.0% | 57.1% | 61.7% | 63.8% | 65.9% | 67.3% | 70.8% | 69.3% | | | |
| Operating Profit | 101 | 110 | 83 | 123 | 76 | 90 | 35 | 14 | △22 | | | |
| Operating Profit Margin | 17.5% | 18.5% | 14.1% | 20.3% | 13.1% | 15.5% | 7.2% | 3.3% | △5.1% | | | |
| Recurring Profit | 101 | 110 | 83 | 123 | 77 | 91 | 41 | 15 | △22 | | | |
| Recurring Profit Margin | 17.6% | 18.5% | 14.1% | 20.4% | 13.2% | 15.6% | 8.4% | 3.4% | △5.0% | | | |
| Extraordinary Income | — | 0 | 1 | 0 | — | — | — | — | — | | | |
| Extraordinary Loss | 3 | 0 | 0 | 2 | — | 20 | △0 | 7 | — | | | |
| Quarter Net Income | 51 | 60 | 43 | 67 | 40 | 36 | 17 | △4 | △21 | | | |
| Net Income Margin | 8.9% | 10.1% | 7.3% | 11.1% | 6.9% | 6.2% | 3.5% | △0.9% | △4.7% | | | |

* Quarterly figures for FY2012 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.

② Balance Sheet (Quarterly basis)

| (Million yen) | FY2011 | | | | FY2012 | | | | FY2013 | | | |
|------------------------------|--------|-------|-------|-------|--------|-------|-------|-------|--------|----|----|----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Current Assets Total | 826 | 899 | 868 | 1,000 | 858 | 951 | 821 | 808 | 709 | | | |
| Non-Current Assets Total | 1,073 | 1,116 | 1,151 | 1,185 | 1,202 | 1,277 | 1,298 | 1,329 | 1,350 | | | |
| Assets Total | 1,899 | 2,015 | 2,020 | 2,185 | 2,061 | 2,228 | 2,119 | 2,137 | 2,060 | | | |
| Current Liability Total | 258 | 328 | 284 | 387 | 260 | 348 | 230 | 250 | 263 | | | |
| Non-Current Liability Total | 69 | 62 | 58 | 55 | 85 | 129 | 123 | 118 | 124 | | | |
| Liability Total | 328 | 391 | 342 | 443 | 346 | 477 | 353 | 368 | 388 | | | |
| Net Assets Total | 1,571 | 1,624 | 1,677 | 1,742 | 1,715 | 1,751 | 1,765 | 1,768 | 1,671 | | | |
| Liability & Net Assets Total | 1,899 | 2,015 | 2,020 | 2,185 | 2,061 | 2,228 | 2,119 | 2,137 | 2,060 | | | |

* Figures are rounded down to the nearest million yen.

③ Cash Flow Statement (Quarterly basis)

| (Million yen) | FY2011 | | | | FY2012 | | | | FY2013 | | | |
|---|--------|------|------|-----|--------|------|------|------|--------|----|----|----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| CF from Operating Activities | 69 | 173 | 107 | 228 | 8 | 223 | 74 | 132 | 75 | | | |
| CF from Investing Activities | △101 | △112 | △115 | △99 | △84 | △103 | △101 | △117 | △100 | | | |
| CF from Financing Activities | △41 | △16 | 9 | △2 | △56 | △15 | △6 | 1 | △69 | | | |
| Net increase in cash and cash equivalents (△decrease) | △74 | 44 | 1 | 126 | △132 | 103 | △33 | 16 | △94 | | | |
| Cash and Cash Equivalents (end of term) | 550 | 595 | 596 | 723 | 590 | 694 | 661 | 677 | 583 | | | |

* 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.

④ Other Data (Quarterly basis)

Cloud Solution Business

| | | FY2011 | | | | FY2012 | | | | FY2013 | | | |
|---|---------------------------|--------|-------|-------|-------|--------|-------|-------|-------|--------|----|----|----|
| | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Cloud Service | | 350 | 348 | 367 | 378 | 375 | 386 | 399 | 408 | 417 | | | |
| | Turnkey services | 279 | 287 | 307 | 319 | 319 | 333 | 349 | 359 | 371 | | | |
| | Up-front revenue | 19 | 20 | 20 | 18 | 7 | 6 | 9 | 7 | 10 | | | |
| | Monthly recurring revenue | 260 | 267 | 286 | 300 | 312 | 326 | 340 | 351 | 360 | | | |
| | Non-turnkey services | 70 | 61 | 60 | 59 | 55 | 53 | 49 | 49 | 45 | | | |
| Network Solution | | 10 | 10 | 10 | 10 | 10 | 10 | 8 | 9 | 8 | | | |
| Advanced-Cloud Service | | 215 | 238 | 217 | 216 | 199 | 189 | 82 | 38 | 20 | | | |
| | Ad related services | 22 | 20 | 19 | 19 | 17 | 16 | 17 | 17 | 15 | | | |
| | System Development | 15 | 25 | 17 | 12 | 7 | 10 | 27 | 21 | 4 | | | |
| | Yahoo! Media Solution | 176 | 192 | 180 | 184 | 174 | 161 | 38 | — | — | | | |
| Sales Total | | 576 | 597 | 595 | 605 | 584 | 586 | 490 | 456 | 446 | | | |
| | COGS | 232 | 232 | 255 | 232 | 211 | 199 | 160 | 133 | 136 | | | |
| | SG & A | 243 | 254 | 256 | 251 | 296 | 295 | 295 | 309 | 332 | | | |
| Cost Total | | 475 | 475 | 512 | 483 | 508 | 495 | 456 | 442 | 469 | | | |
| Operating Profit | | 100 | 109 | 83 | 121 | 76 | 90 | 34 | 14 | △23 | | | |
| Recurring Profit | | 101 | 110 | 83 | 122 | 77 | 91 | 40 | 15 | △22 | | | |
| Number of Cloud Service clients (Companies) | | 1,530 | 1,446 | 1,414 | 1,350 | 1,361 | 1,367 | 1,377 | 1,403 | 1,455 | | | |
| Number of employees (Non-consolidated) | | 171 | 171 | 168 | 166 | 167 | 163 | 150 | 147 | 154 | | | |

* 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 for FY2012 are not audited (cumulative figures are audited).

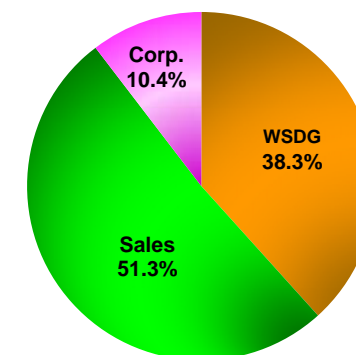
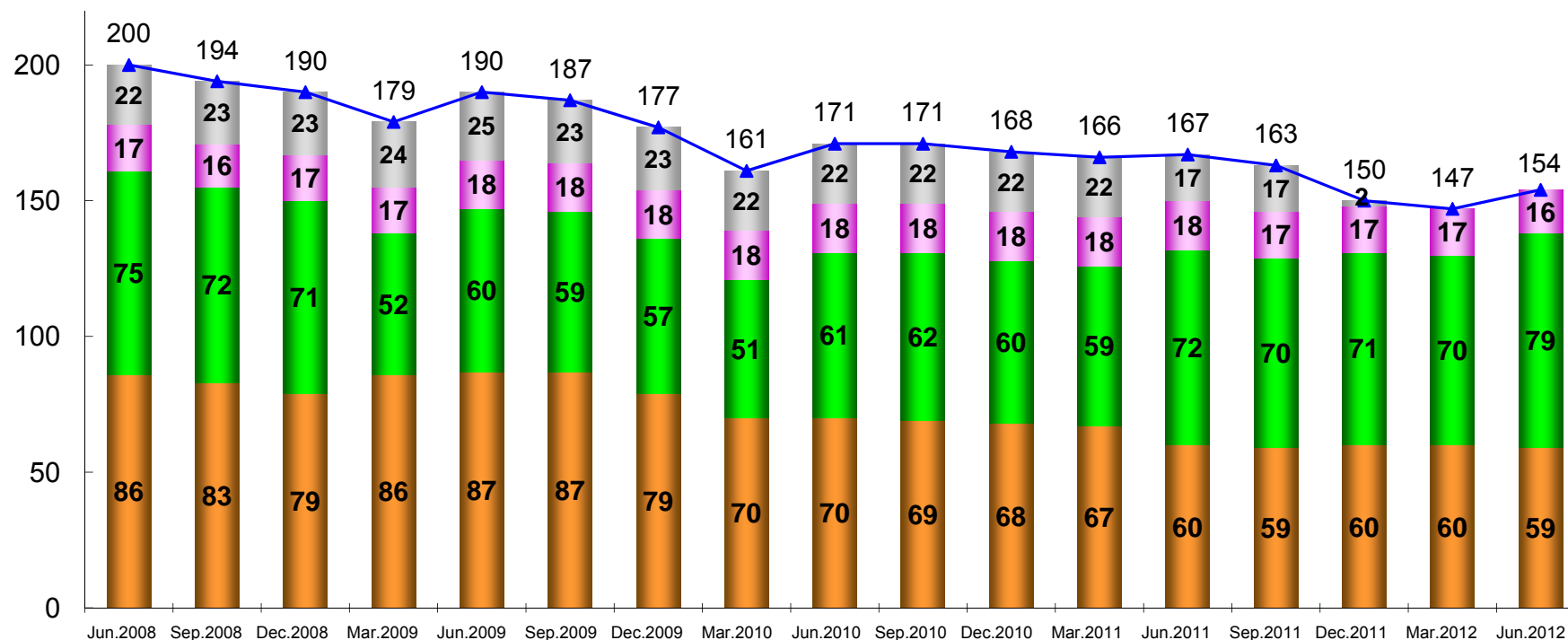
* "Yahoo! Media Solution" operations were concluded at the end of November 2011.

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

* Figures are rounded down to the nearest million yen.

⑤ Number of Employees (Non-consolidated)

Unit: Employees



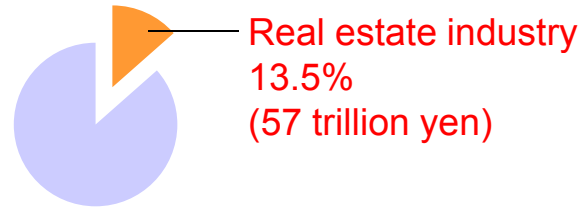
Jun. 30, 2012

- * 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 from Dec. 2009 figures).
- * Head count for Operation Support transferred from WSDG to Sales (Customer Support) (reflected from Jun. 2011 figures).
- * During and following March 2012, the head count reflects the closure of the MS department due to the termination of "Yahoo! Media Solution" operations in November 2011.
- * WSDG: Web Solution Development Group, Sales: excluding MS, MS: Media Solution, Corp: Corporate staff

(2) Company Profile

① Focused on the Real Estate Industry

The real estate industry represents **13.5%** (2010) of GDP (423 trillion yen (nominal))



Source: National Accounts for 2010 (GDP by economic activity)

Total real estate assets equals **1,767 trillion yen** (2010)

Residential
350 trillion yen

Non-residential
212 trillion yen

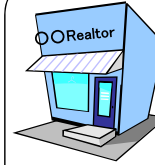
Land 1,204 trillion yen

Source: National Accounts for 2010 (National assets)



Number of homes
57.58 million units

Source: The 2008 Housing and Land Survey, Ministry of Internal Affairs and Communications Statistics Bureau



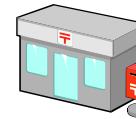
There are **125,832** real estate agencies (as of the end of 2010)

Source: Ministry of Land, Infrastructure, Transport, and Tourism



much more than...

Convenience stores
45,012 stores (April 2012)



Post offices
24,213 offices (As of the end of May 2012)

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

The real estate industry is large in many respects, and...

The industry has been relatively slow in embracing IT and there is tremendous room for improving business efficiency.

There is a strong demand for a standardized property information database.

② The Real Estate Industry is an “Information Industry”

Utilizing a **database** is **essential** to succeed!

More than 800 data fields can be entered for a single property.



Use of the Internet for property searches is the **norm**!

Consumer behavior has changed forever, and the preferred source of gathering property information is now the Internet.



Diversified consumer needs!

In order to respond to various consumer preferences timely and appropriately, the centralized management of property and customer information in a relational database is key.

Search by preferences

- Pets allowed
- Open kitchen
- Designer
- OO School district
- Balcony
- Wood Flooring

Use of **mobile devices** has become mainstream!

Smartphones
Tablets
Mobile phones




Taking control of your “**information**” assets with a robust database is essential for success

- Company websites (PC/mobile) are crucial marketing tools
- Managing customer acquisition costs, and improving operational efficiency is key to profitability and competitiveness
- Having full control of both property data and customer data in an integrated relational database is essential, as well as having the IT system to fully utilize the information

Market disruption:
drastic shift from analog “paper”
to digital “data”

**Strong demand and promising potential
for Cloud Services
dedicated to the real estate industry!**

③ “Cloud Service” is ideal for the Real Estate Industry



Benefits of Cloud Services

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

The real estate industry in Japan is fragmented with a large number of real estate companies scattered across the country, with most of these companies being small to medium in size. Therefore, **Cloud Services is the best means of service delivery.**

Providing reliable, cutting edge Cloud Services requires **substantial up-front investment.**

e-Seikatsu is the only substantial provider of Cloud Services dedicated to the real estate industry!

* “Cloud service” is a type of service, in which a software package is not sold directly to the customer but applications are offered to customers to be used via the Internet under a lease contract. It is a generic name for services, in which software is not bought but rented to the customer.

④ Our Competitive Advantage

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

Early promoter of Cloud model

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

Entirely in-house development

IT Service Management System Certification (ISO/IEC27001:2005 and ISO/IEC20000 -1:2005) for continuous improvement of our service level and customer satisfaction

No bank borrowing and financially sound

⑤ Mission and vision of e-Seikatsu

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

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

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

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

Taking advantage of the latest information and communication technologies, we will develop system services for the real estate industry, which will not only improve operation efficiencies for a great number of real estate companies, but also provide for a means to achieve qualitative and quantitative improvements of property information, thus contributing to the quantitative and qualitative improvement of information available in the real estate market as a whole, leading to a more active and efficient market.

⑥ 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 August, 2006
- ▶ 「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.) |
| Registrar | : Japan Management Association |
| Registration date | : October 15, 2009 |
| Registration revision date | : August 18, 2011 |

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 services as well as customized solutions (resulting from A-Cloud system development work). ※Clients: 1,455 companies (Subscribed Clients as of Jun. 2012) ※Monthly ARPU: approx. 96,400yen/co. (for the single month of Jun.) |
| | Network Solution | Stock (MRR) | Annual | Monthly amount | System operation and management fees. Operating and managing our various systems utilizing client assets (i.e. operating on HW and SW owned by clients). |
| | Advanced-Cloud Service (Ad related services) | Stock (MRR) | Quarterly | Monthly amount | Advertisement sales commission. Monthly commission on 「Yahoo! Real Estate」 listing service sales. ※Recognized revenue is NET (not GROSS) ※Based on quarterly contracts (ending Mar., Jun., Sep., Dec.) |
| | Advanced-Cloud Service (System Development) | Flow | From time to time | % of Completion / One time | System development revenue. Mostly client customization work done on our turnkey solution systems. |
| | Advanced-Cloud Service (Yahoo! Media Solution) * | Stock (MRR) | Annual | Monthly amount | System operation fees. Operation of the “new housing” property data processing, entry, and posting business for Yahoo! Real Estate. ※Revenue consists of fixed and measured rate components |
| 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) |

* “Yahoo! Media Solution” operations were concluded at the end of November 2011.

⑧ Company Profile

| | |
|----------------------|--|
| Established : | January 21, 2000 |
| Paid-in capital : | 628 million 361 thousand 536 yen (As of the end of June 2012) |
| Listing : | Mothers section of the Tokyo Stock Exchange (Code: 3796) |
| Relationship banks : | Resona Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. |
| # of employees : | 154 (As of the end of June 2012) |
| Officers : | President & CEO Kiyotaka Nakamura Executive Vice President & Co-CEO Zenichi Maeno Executive Vice President & CFO Hiroyuki Shiokawa Executive Vice President & COO Hiroyoshi Kitazawa Director, CIO& CTO Akira Matsuzaki 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 |

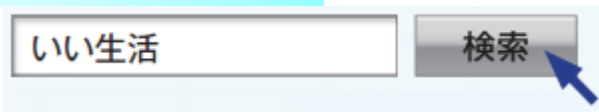
⑨ e-Seikatsu Official Websites (Japanese)

Company presentation materials in English may be downloaded from the following URL:

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



www.e-seikatsu.info/




“e-Seikatsu Service Site”
www.es-service.net/

Detailed information covering all of our turnkey solutions, including our latest “ES e-Bukken One” service.




“e-Seikatsu Careers Page”
www.e-seikatsu.info/recruit/



“e-Seikatsu Official Facebook Page”
www.facebook.com/e.seikatsu

“Like” us on Facebook for the latest information and news on our company’s activities. Please follow our Twitter page as well.


http://twitter.com/e_seikatsu