

FY2013 Second-quarter Results

TSE Mothers 3796

November 7, 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 Second-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 Second-quarter Results for FYE March 31, 2013

① Highlights

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

- Sales: 907 million yen (FY2012 2Q 1,170 million yen, YOY change -262 million yen, -22.4%, FY2011 2Q 1,173 million yen)
 - Cloud Service revenue: 841 million yen (FY2012 2Q 761 million yen, YOY change +79 million yen, +10.5%)
 - Including **monthly recurring revenue of Turnkey services: 726 million yen (FY2012 2Q 638 million yen, YOY change +88 million yen, +13.8%)**
- Operating profit: -42 million yen (FY2012 2Q 167 million yen, YOY change -209 million yen, FY2011 2Q 211 million yen)
- Net income: -43 million yen (FY2012 2Q 76 million yen, YOY change -119 million yen, FY2011 2Q 111 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. 98,400 yen/company ※as of the end of Sep. 2012
FY2012 2Q approx. 95,400 yen/company ※as of the end of Sep. 2011
 - Number of Cloud Service clients: 1,434 companies ※as of the end of Sep. 2012
FY2012 2Q 1,367 companies ※as of the end of Sep. 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.-Sep. 2011	Apr.-Sep. 2012	YOY change	YOY change (%)
Sales	1,170	907	△262	△22.4%
Gross profit	759	627	△132	△17.4%
Gross profit margin	64.9%	69.1%		
Operating profit	167	△42	△209	—
Operating profit margin	14.3%	△4.6%		
Recurring profit	168	△41	△209	—
Recurring profit margin	14.4%	△4.5%		
Extraordinary loss	20	7	△12	△63.4%
Quarterly net income	76	△43	△119	—
Net income margin	6.5%	△4.8%		

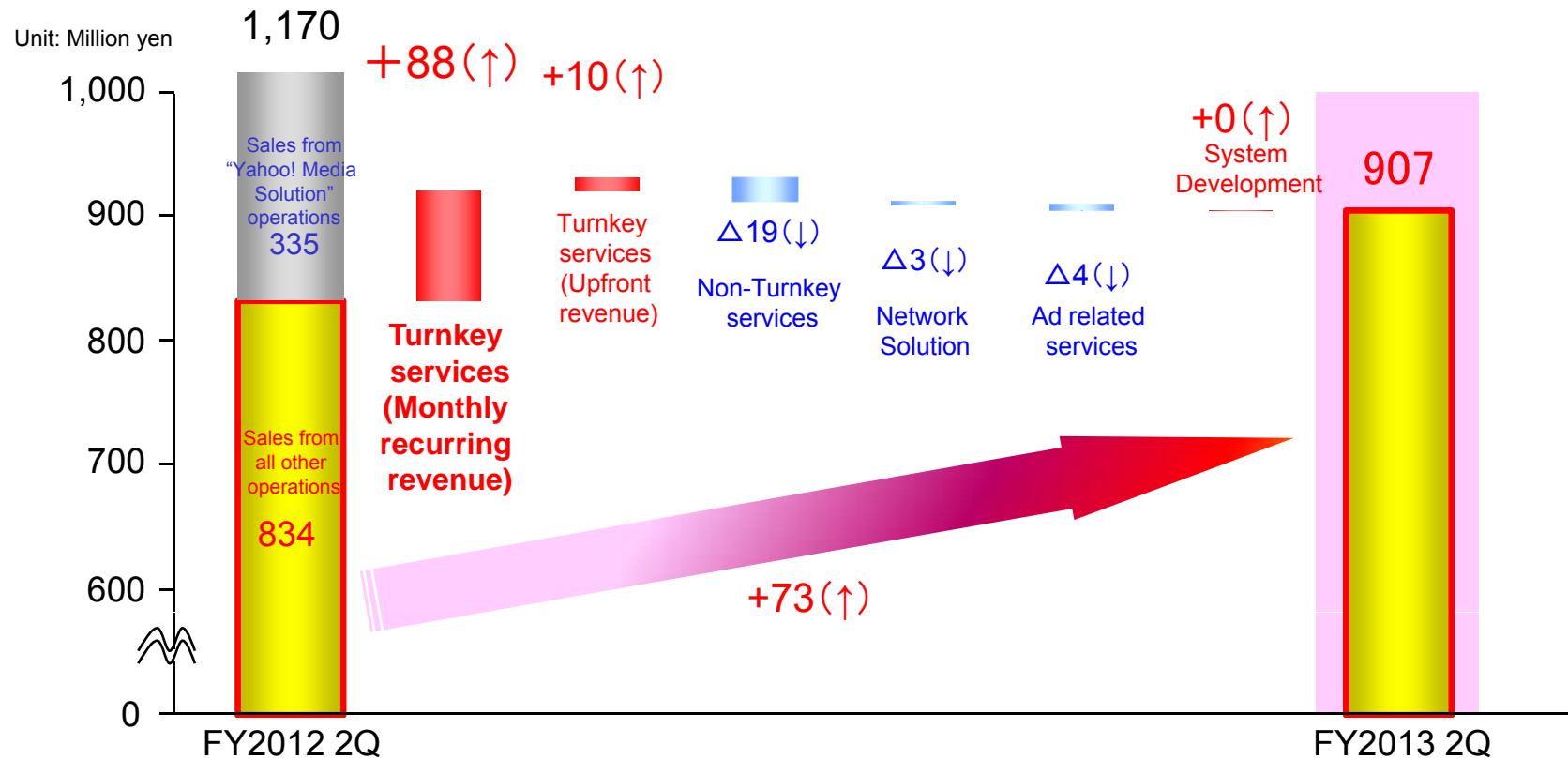
<Key Points>

- 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 the organizational transfer of personnel related to quality control (from July, 2012), and the 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. 88 million yen YOY. Overall, “Turnkey services” revenue increased by approx. 98 million yen YOY.
- ② As compared to FY2012 2Q revenue of approx. 834 million yen (excluding sales from “Yahoo! Media Solution” operations), overall revenue increased by approx. 73 million yen YOY.

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

④ Cloud Solution Business Revenue (YOY change)

Item (Million yen)	Apr.-Sep. 2011	Apr.-Sep. 2012	YOY change	YOY change (%)
Cloud Service	761	841	79	10.5%
Turnkey services *	652	751	98	15.1%
Up-front revenue	13	24	10	73.7%
Monthly recurring revenue	638	726	88	13.8%
Non-turnkey services *	109	90	△19	△17.4%
Network Solution	20	17	△3	△15.2%
Advanced-Cloud Service	388	49	△339	△87.4%
Ad related services	34	30	△4	△12.1%
System Development	18	18	0	4.0%
Yahoo! Media Solution	335	—	△335	△100.0%
Total	1,170	907	△262	△22.4%
Total excluding Yahoo! Media Solution	834	907	73	8.8%

* 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.

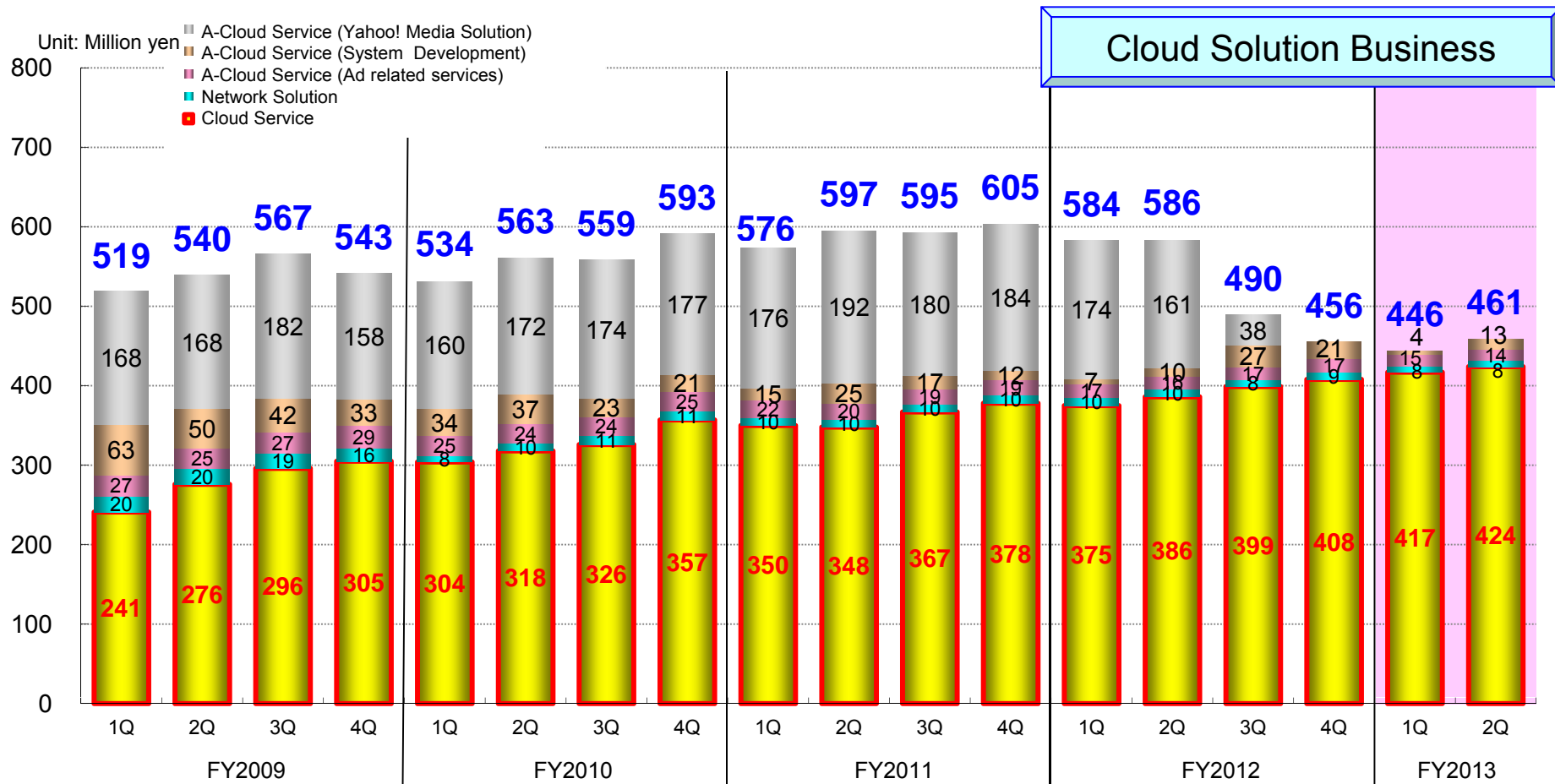
* Advanced-Cloud Service (Yahoo! Media Solution) sales were concluded at the end of November, 2011.

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

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

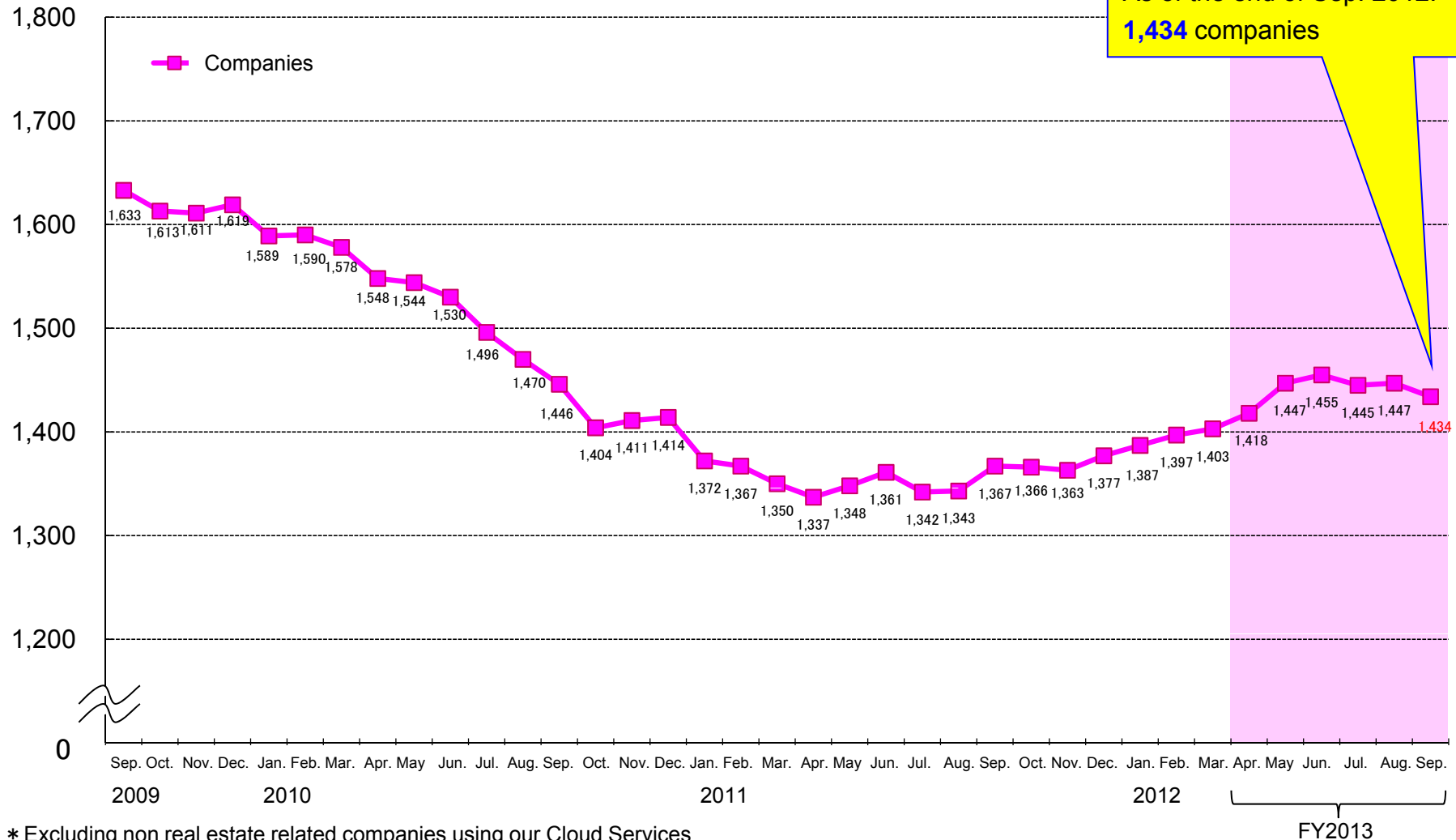
* FY2009 1Q figures are non-consolidated results. Figures for FY2009 2Q and beyond are consolidated results.

* 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

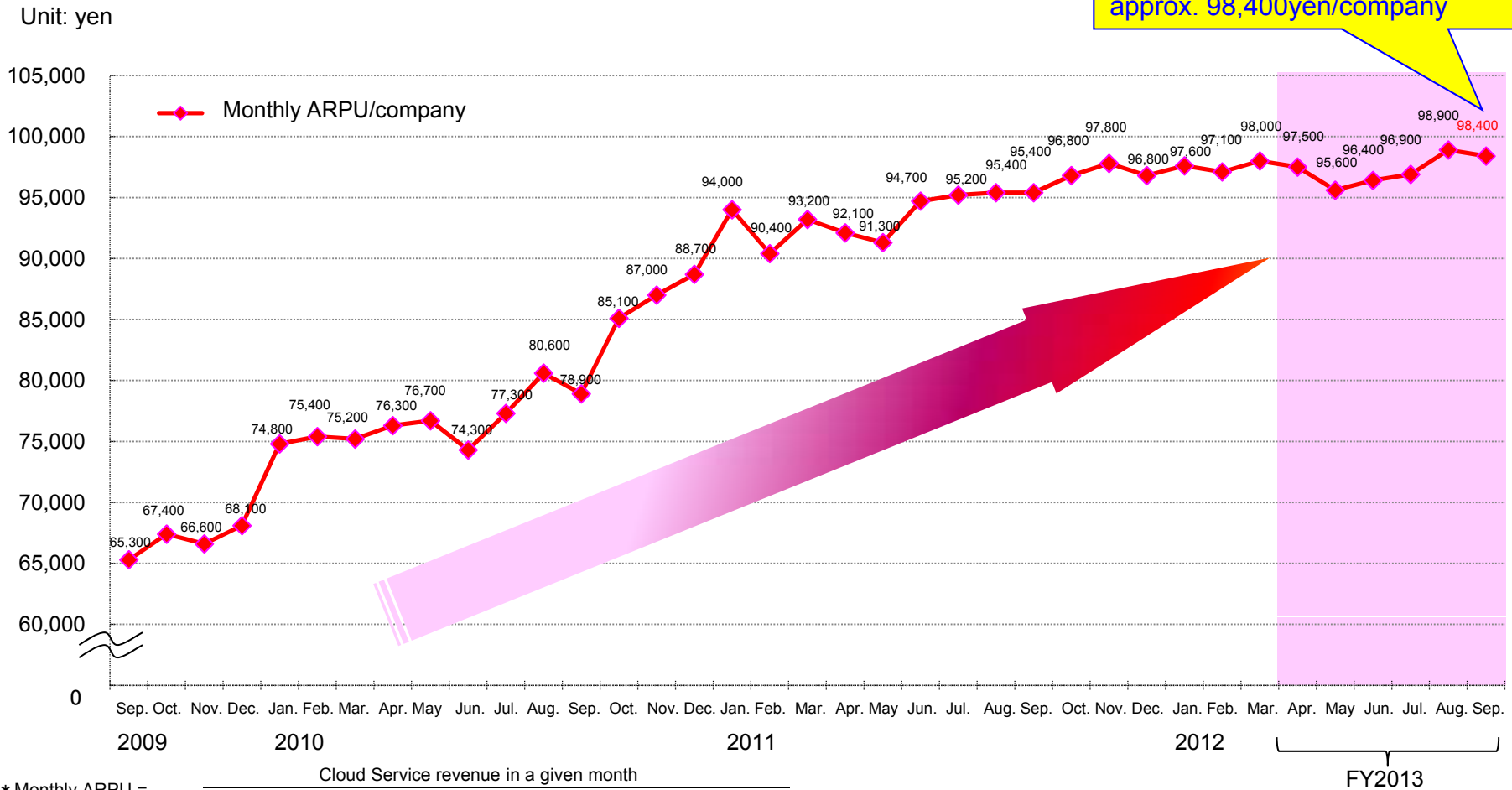
Unit: Companies



⑦ Cloud Service Monthly ARPU

Resulting in a steady increase in monthly ARPU

As of the end of Sep. 2012:
 Monthly ARPU/company
 approx. 98,400yen/company

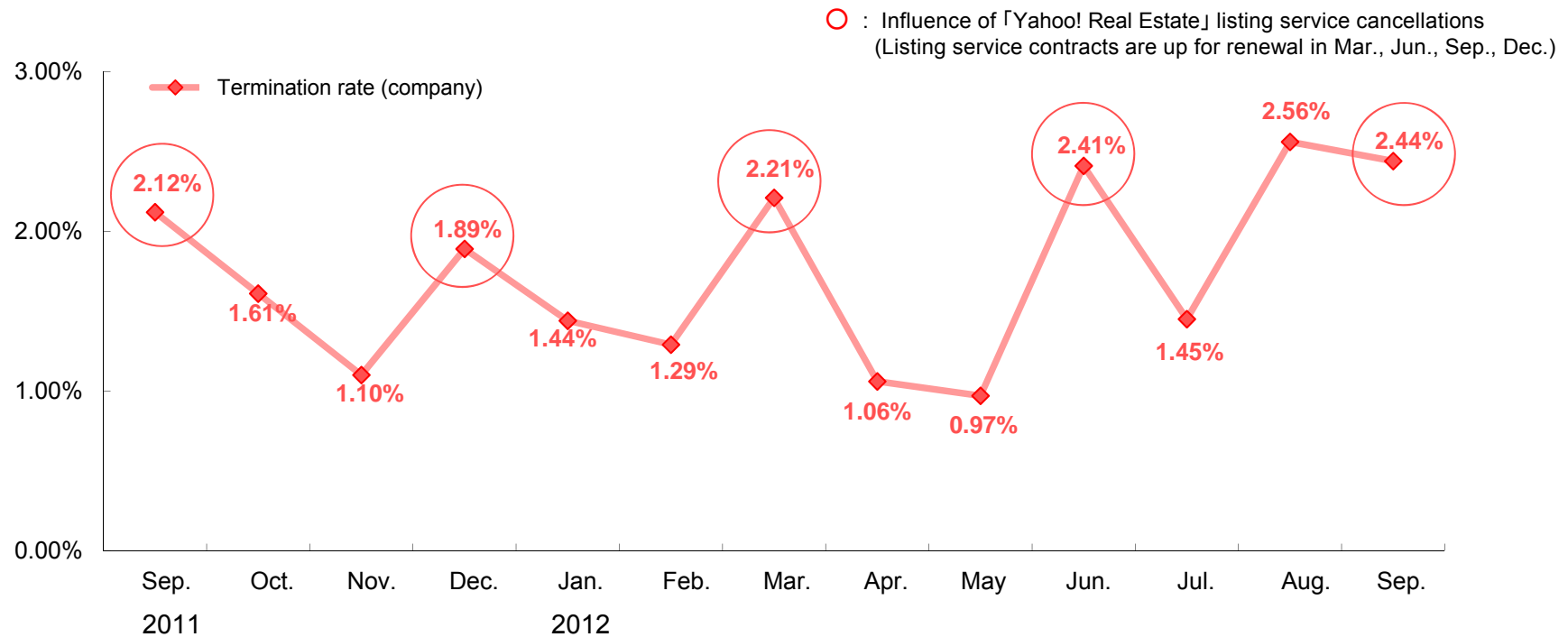


* Monthly ARPU = $\frac{\text{Cloud Service revenue in a given month}}{\text{The number of companies 'Billed Clients' in a given month (excluding non real estate related companies using our Cloud services)}}$

* Figures rounded down to the nearest hundred yen.

⑧ Cloud Service Client Termination Rate

Increased efforts to improve client satisfaction, leading to higher retention



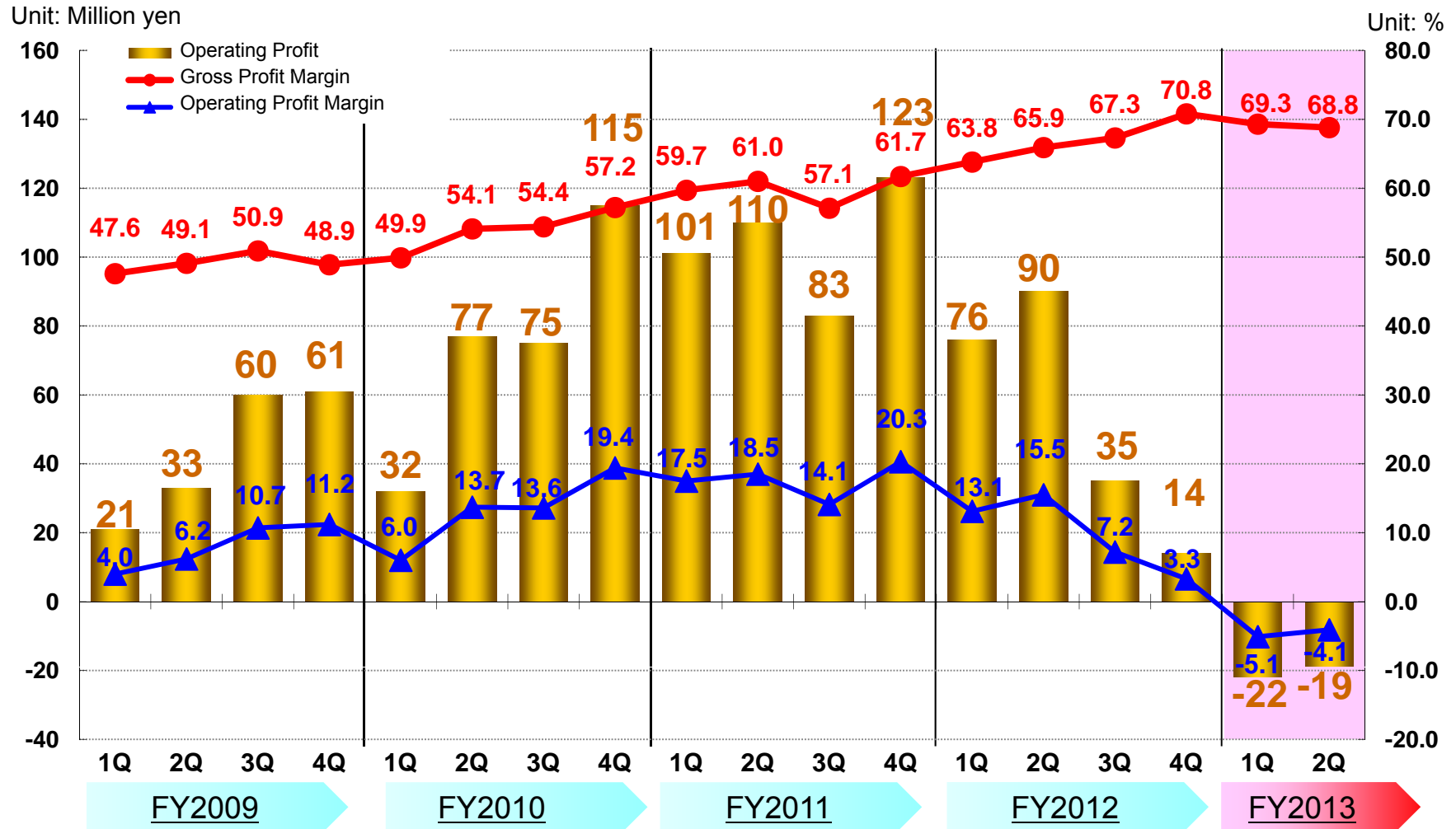
Unit: companies

	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Ave.
# of companies	29	22	15	26	20	18	31	15	14	35	21	37	35	24.5
Termination Rate	2.12%	1.61%	1.10%	1.89%	1.44%	1.29%	2.21%	1.06%	0.97%	2.41%	1.45%	2.56%	2.44%	—

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

⑨ Consolidated Quarterly Results YOY Comparison

Revenue increase was not enough to cover increase in expenses

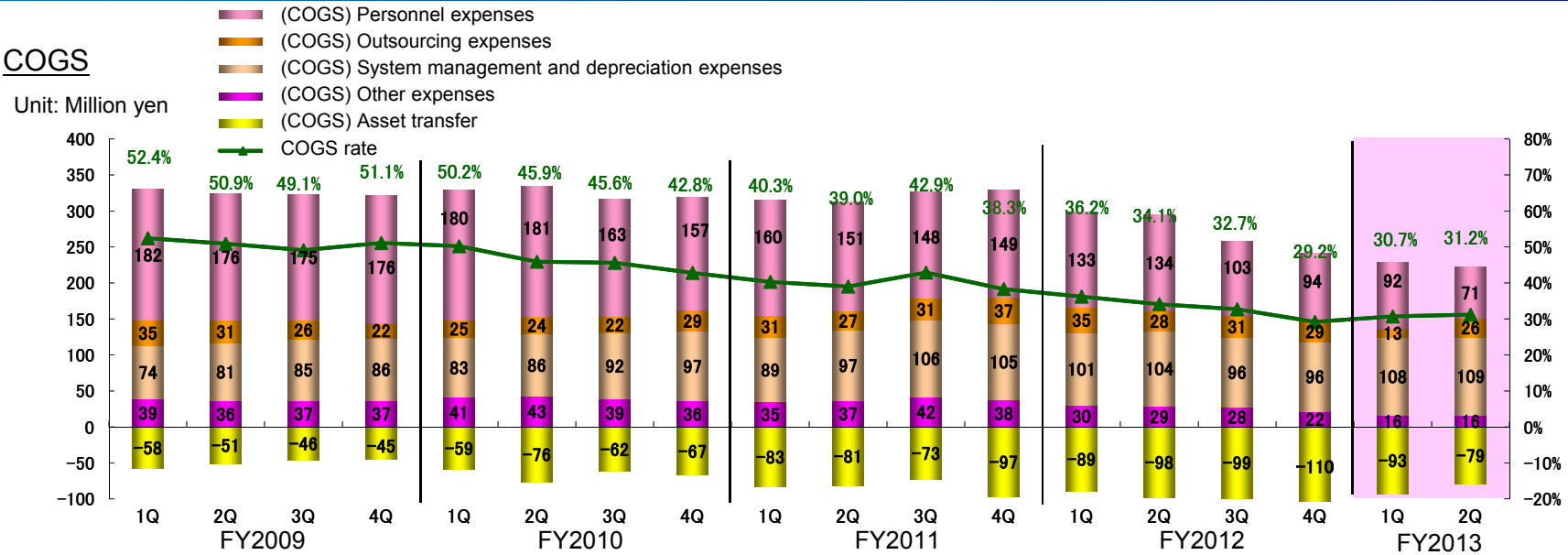


* FY2009 1Q figures are non-consolidated results. Figures for FY2009 2Q and beyond are consolidated results.

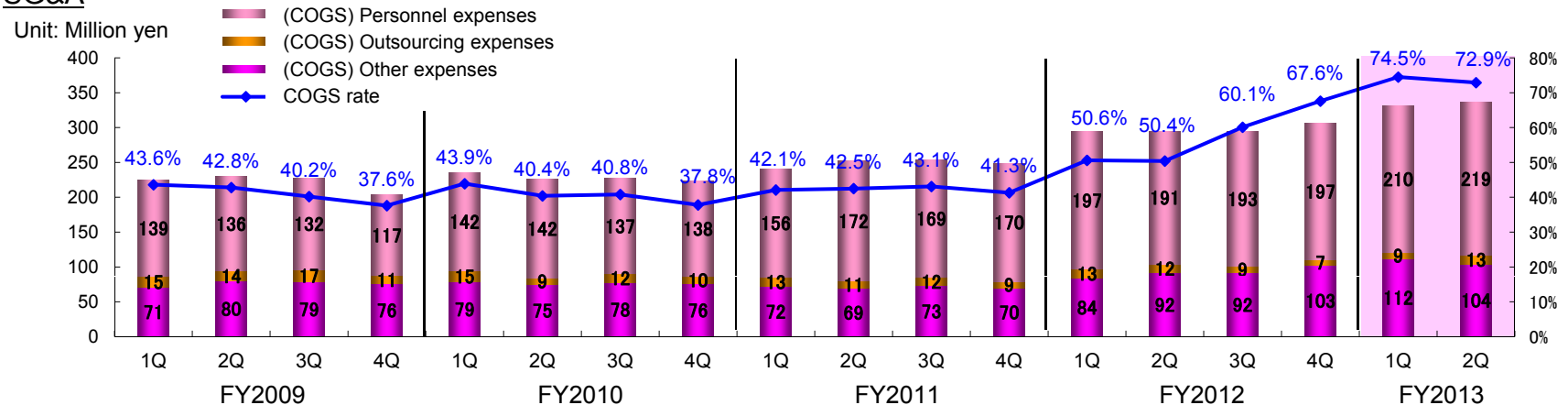
* Figures rounded down to the nearest million yen.

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.

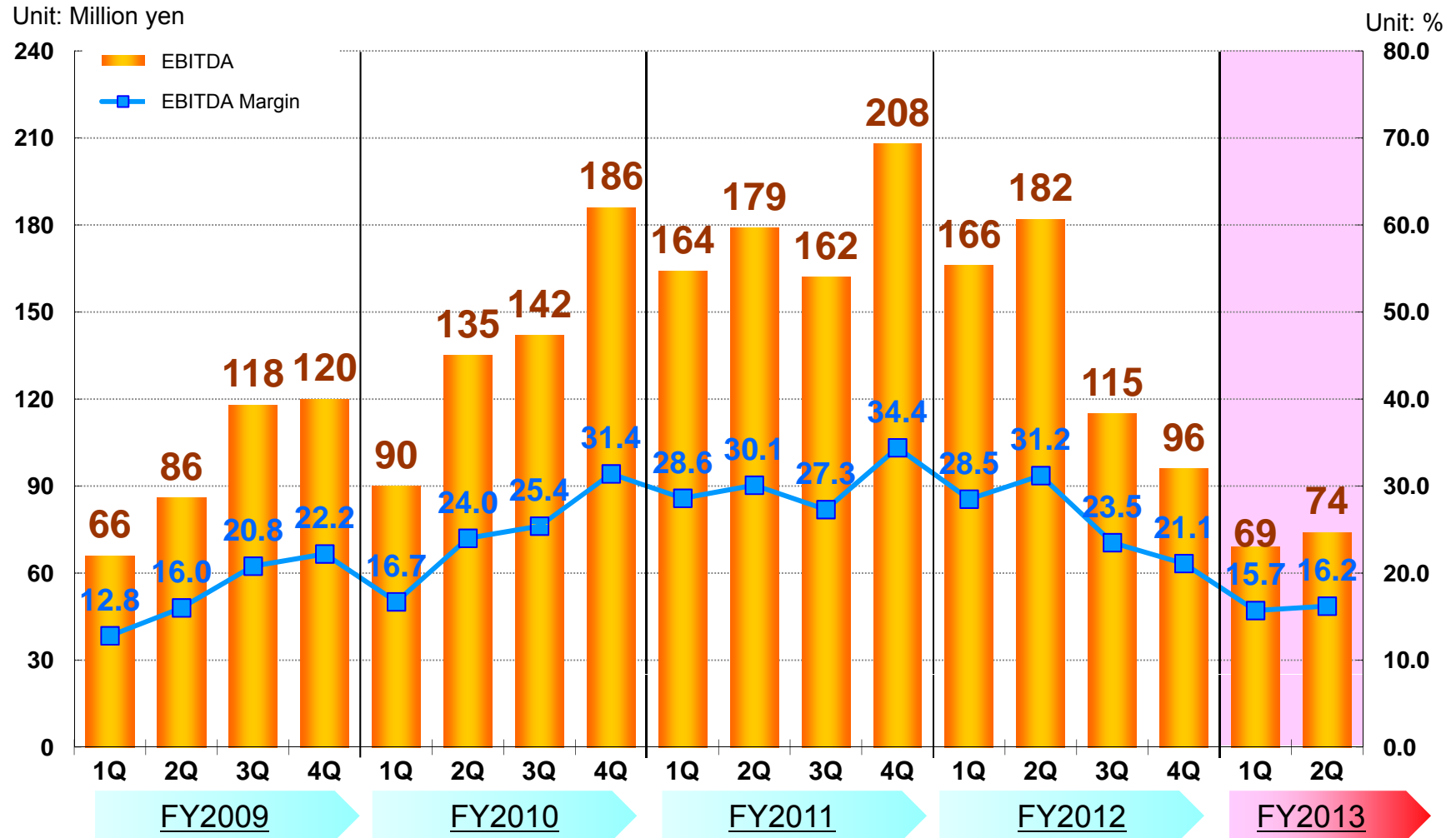
(COGS)Asset transfer: Inventory assets(goods in process), portion allowances for software under development listed under COGS

* (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.-Sep. 2011	Apr.-Sep. 2012
CF from Operating Activities	231	183
CF from Investing Activities	△188	△180
CF from Financing Activities	△72	△88
Net Increase in Cash and Cash Equivalents (△decrease)	△29	△85
Cash and Cash Equivalents (end of term)	694	592

<Key Points>			
Operating Activities	① Income before tax + depreciation expenses	FY2012 2Q 329M yen	FY2013 2Q 138M yen
	② Payment of corporate tax, etc.	FY2012 2Q 128M yen	FY2013 2Q 2M yen
Investing Activities	③ Expenses due to in-house software development	FY2012 2Q 185M yen	FY2013 2Q 172M yen
	④ Expenses due to the purchase of assets (HW/SW)	FY2012 2Q 24M yen	FY2013 2Q 6M yen
	⑤ Income from the redemption of deposits/guarantee money	FY2012 2Q 26M yen	FY2013 2Q 0M yen
Financing Activities	⑥ Payment of year-end dividend	FY2012 2Q 66M yen	FY2013 2Q 75M yen
	⑦ Expenses due to repayment of lease obligations	FY2012 2Q 5M yen	FY2013 2Q 12M yen

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

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

(Million yen)	Mar. 2012	Sep. 2012	Change
Cash and Deposits	677	592	△85
Other Current Assets	130	107	△22
PP&E	1,329	1,357	28
Assets Total	2,137	2,057	△80
Current Liability	250	270	20
Non-Current Liability	118	137	18
Net assets	1,768	1,649	△119
Capital-Asset ratio	82.8%	80.2%	
Liability and Net Assets total	2,137	2,057	△80

<Key Points>

- ① Cash and Deposits decreased partly due to the payment of dividends and bonus payments.
- ② PP&E increased partly due to continuous development toward enhancements/upgrading of “ES e-Bukken One” service. Depreciation of “ES e-Bukken One” service started April 2012.
- 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 43 million yen.

* Figures rounded down to the nearest million yen.

2 Forecast for FYE March 31, 2013

① Revision to the Consolidated Income Forecast (Announced Oct. 18, 2012)

Revised full-term consolidated income forecast as announced on Oct. 18, 2012.

	Revised Forecast (A)	Original Forecast (B)	Difference (A-B)	Change (%)	(Reference) Full-term Results FY2012
Sales (Million yen)	1,840	2,050	△210	△10.2	2,118
Operating Profit (Million yen)	△53	80	△133	—	218
Recurring Profit (Million yen)	△51	80	△131	—	225
Net Income (Million yen)	△66	40	△106	—	89
Net Income per Share	△956.55	579.73	—	—	1,314.09

* No changes to dividend forecast

Dividend per Share	1,100 yen	1,100 yen	—	—	1,100 yen
--------------------	-----------	-----------	---	---	-----------

* 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.

② Reason for the Revision

Sales

Cloud Service (Turnkey services) revenue shows steady growth, however, not at the rate anticipated in the original forecast.

- ▶ Release of certain options to the “ES e-Bukken One” service (such as the Rental Property Management option) postponed to early FY2014.
 - Subsequently, we were not able to fully accelerate sales activities for the new “ES e-Bukken One” service, and related sales opportunities have been pushed forward to FY2014.

Profit

Despite efforts to reduce expenses, profit forecast revised in line with the revision in sales forecast.

- ▶ Further promote thorough cost management and operational optimization to reduce total expenses (COGS + SG&A)
 - Original forecast: 1,970 million yen ⇒ Revised forecast: 1,893 million yen

③ Cloud Solution Business Sales Full-term Forecast (Breakdown)

Item (Unit: million yen)	Revised Forecast FY2013	Original Forecast FY2013	Difference	Full-term Results FY2012	Change
Cloud Service	1,707	1,895	△188	1,569	8.7%
Turnkey services *	1,532	1,726	△194	1,361	12.5%
Up-front revenue	47	66	△19	30	54.2%
Monthly recurring revenue	1,485	1,660	△175	1,331	11.5%
Non-turnkey services *	175	169	6	208	△15.9%
Network Solution	35	35	-	39	△10.3%
Advanced-Cloud Service	98	120	△22	509	△80.8%
Ad related services	60	51	9	68	△12.5%
System Development	38	69	△31	66	△43.0%
Yahoo! Media Solution Sales	-	-	-	374	△100.0%
Total	1,840	2,050	△210	2,118	△13.1%
Total excluding Yahoo! Media Solution	1,840	2,050	△210	1,744	5.5%

* Turnkey services Suite of standard system applications with up-front and monthly recurring revenue.

Non-turnkey services ... Customized system applications with one-time and monthly recurring revenue.

* Forecasts are based on figures announced on Oct. 18, 2012. Forecast figures are based on information available at the time of this announcement.

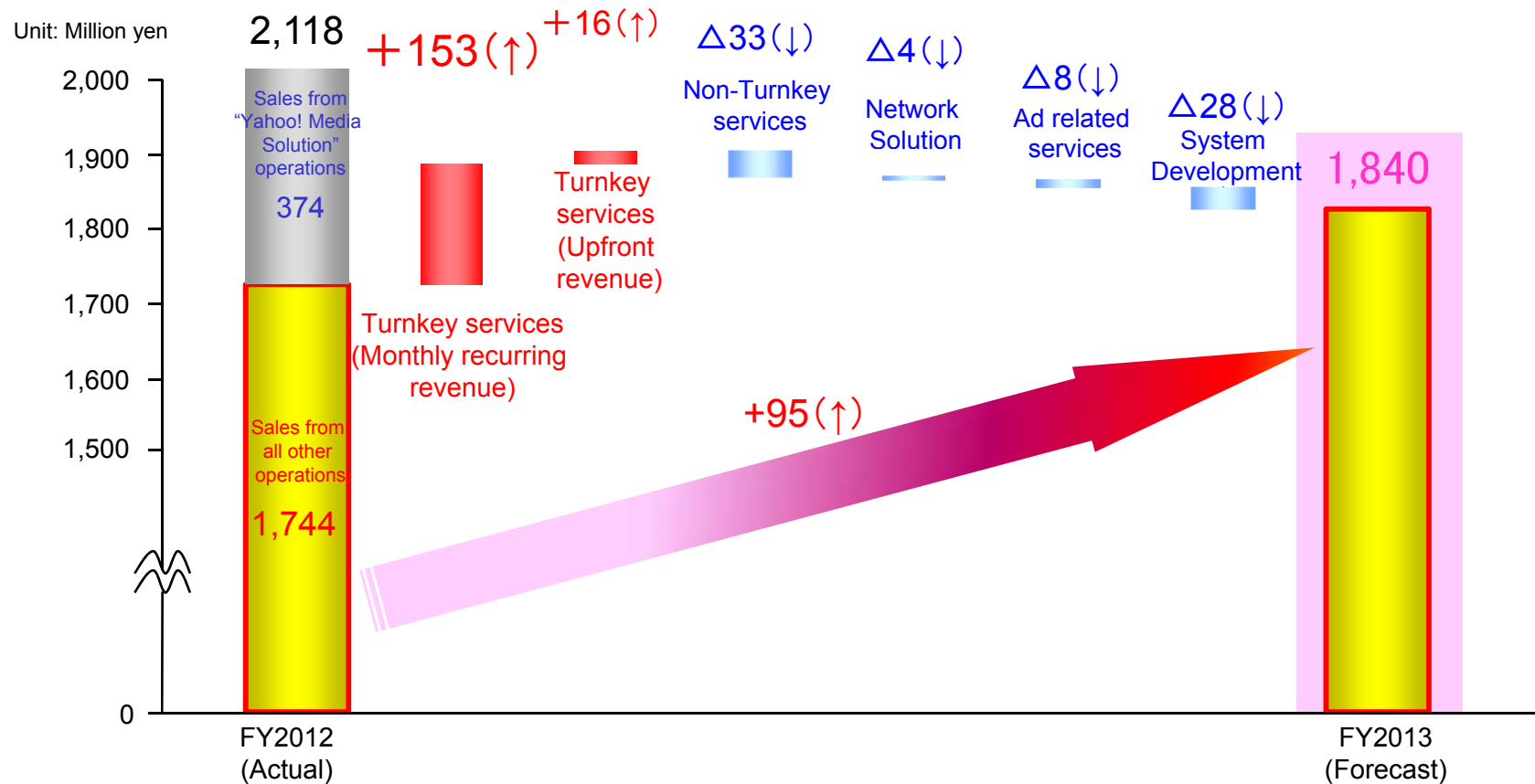
Actual results may differ materially from the forecast figures.

* "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.

④ Cloud Solution Business Change in Revenue Breakdown



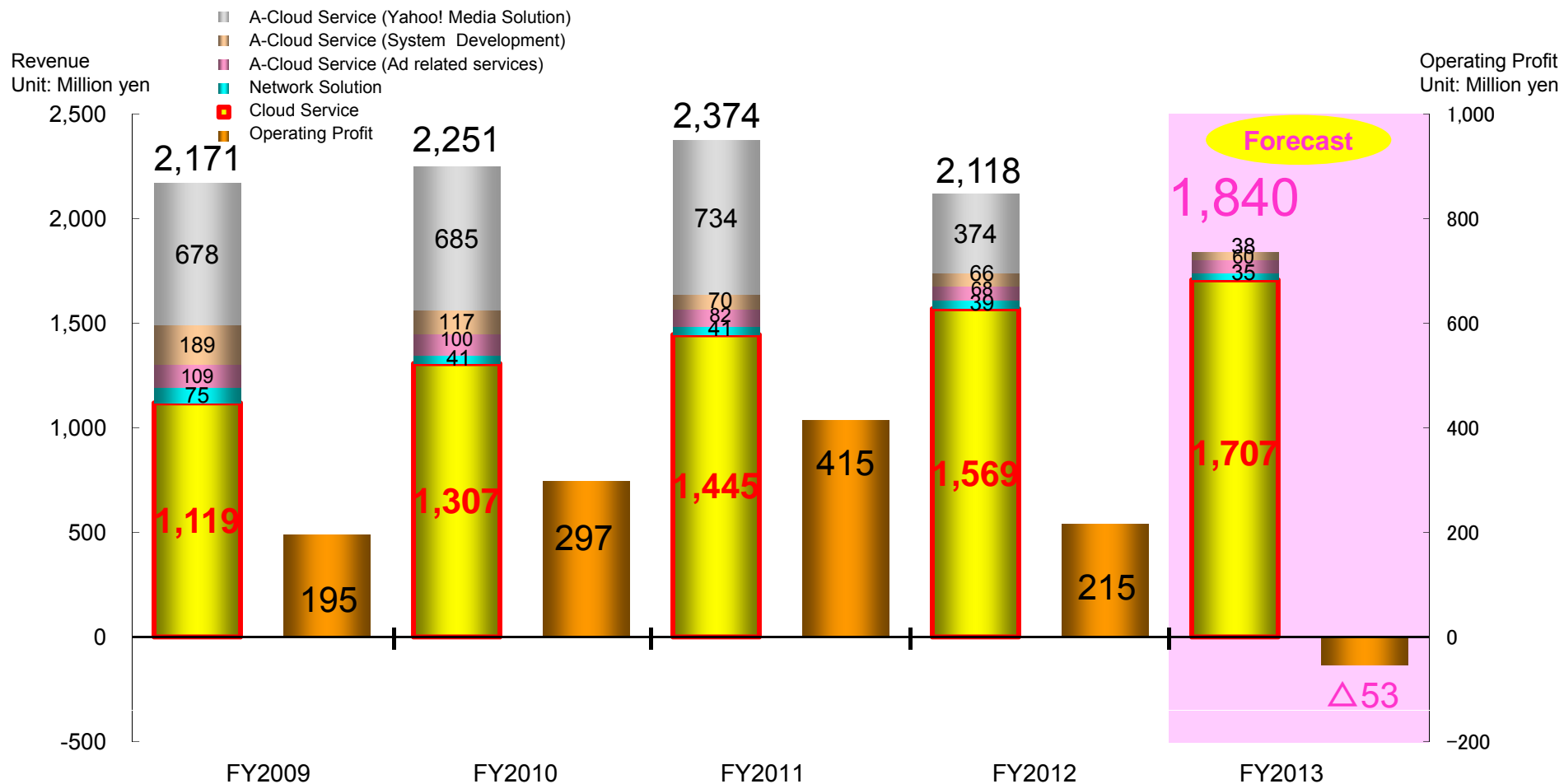
<Key Points>

- 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. 153 million yen YOY. "Turnkey services" (upfront revenue) is expected to increase by approx. 16 million yen, for a total "Turnkey services" revenue increase of approx. 170 million yen.
- ② 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. 95 million yen.

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

* Figures rounded down to the nearest million yen.

⑤ Cloud Solution Business Revenue and Operating Profit Forecast



* "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” launched April 2012. New options and features to follow.

【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

- Existing customers will be upgraded to “ES e-Bukken One.”

* HP is abbreviation for “Homepage.”

* Development and product launch schedule subject to change.

2012

2013

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
ウェブサイト

Rental property management option

Data import from external systems

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

New home sales option

Smartphone apps for conducting business on the go, etc.

Enhanced website functionality

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

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

“ES e-Bukken One” is 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.

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】 .

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.

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.

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.

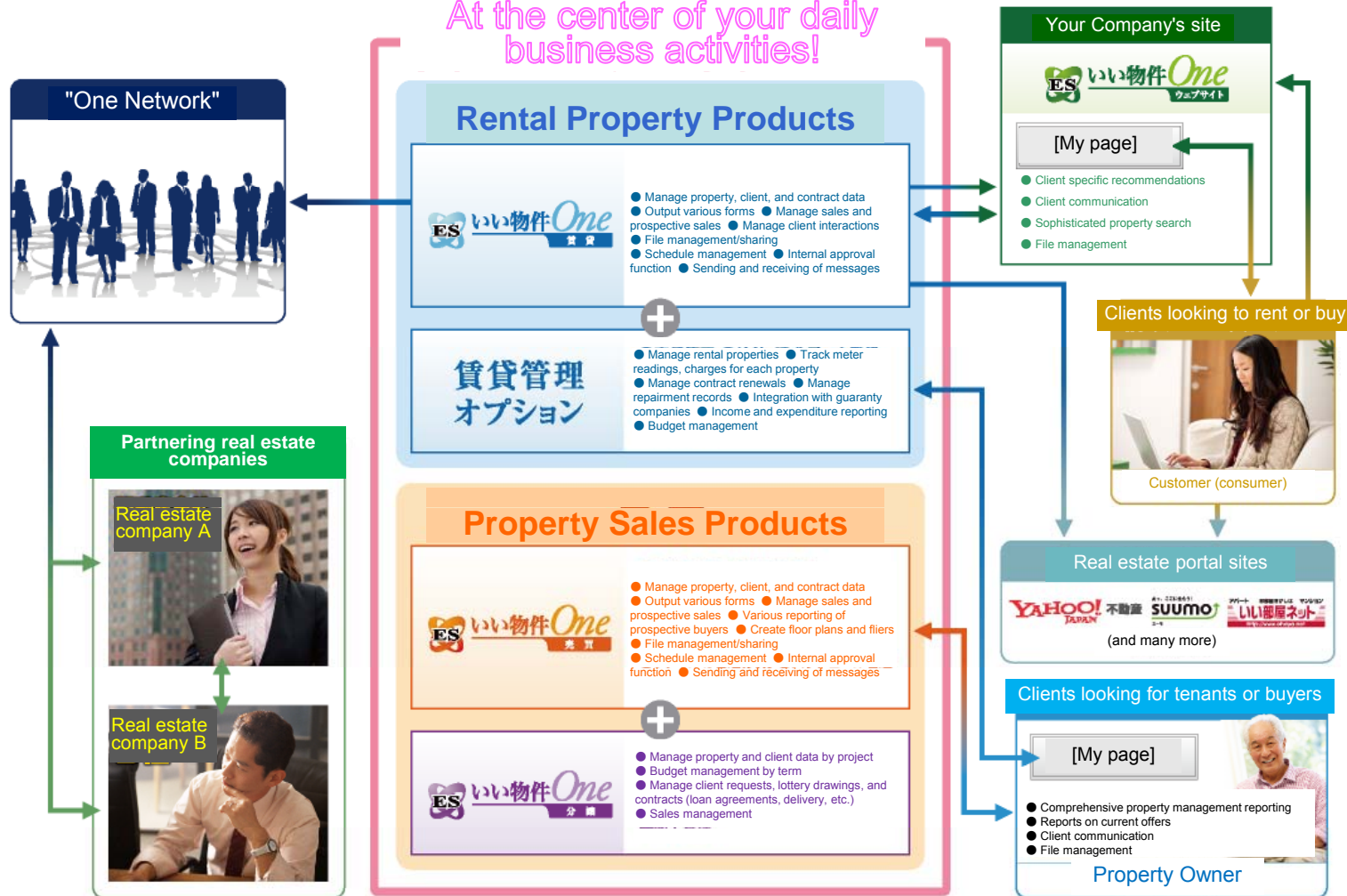
③ Overview of our new service, " ES e-Bukken One"

"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.

At the center of your daily business activities!



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.

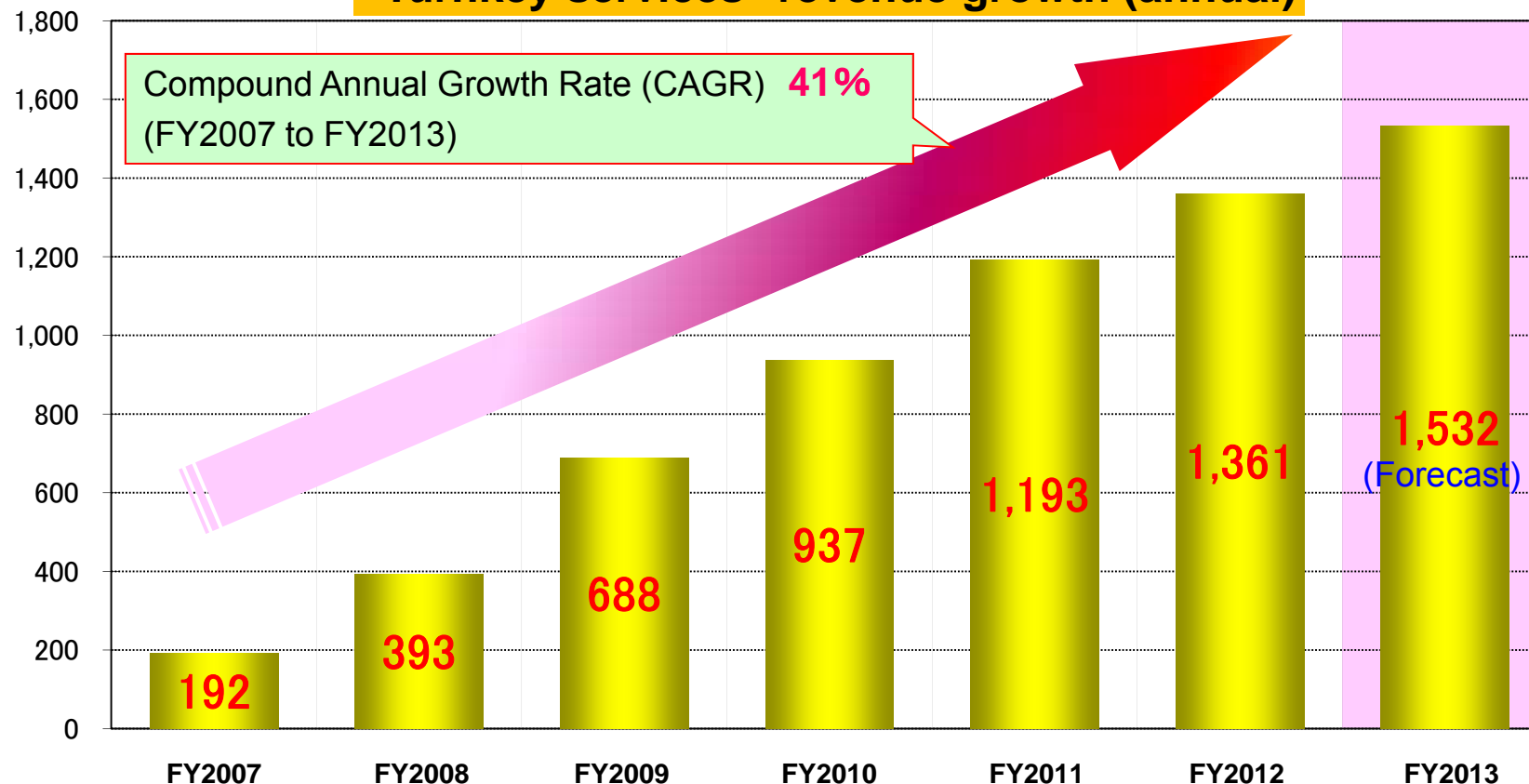
We aim to become the leading "cloud computing" company for the real estate industry

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

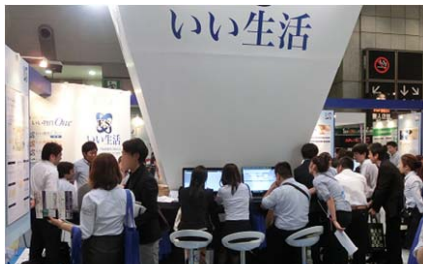
“Turnkey services” revenue growth (annual)



- * “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.

⑥ Promotional Activities - Rental Housing Fair 2012

Actively promoting the new “ES e-Bukken One”



Rental Housing Fair 2012
Tokyo venue (July)



Rental Housing Fair 2012
Osaka venue (Oct.)



Rental Housing Fair 2012
Fukuoka venue (May)



Rental Housing Fair 2012
Nagoya venue (Sep.)



Strong attendance and interest at each of our “ES e-Bukken One” exhibits.



“Like” us on Facebook for the latest information and news about our company’s activities.
<https://www.facebook.com/e.seikatsu> 

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	461		
Gross Profit	343	364	339	374	372	386	330	323	309	317		
Gross Profit Margin	59.7%	61.0%	57.1%	61.7%	63.8%	65.9%	67.3%	70.8%	69.3%	68.8%		
Operating Profit	101	110	83	123	76	90	35	14	△22	△19		
Operating Profit Margin	17.5%	18.5%	14.1%	20.3%	13.1%	15.5%	7.2%	3.3%	△5.1%	△4.1%		
Recurring Profit	101	110	83	123	77	91	41	15	△22	△18		
Recurring Profit Margin	17.6%	18.5%	14.1%	20.4%	13.2%	15.6%	8.4%	3.4%	△5.0%	△4.0%		
Extraordinary Income	—	0	1	0	—	—	—	—	—	—		
Extraordinary Loss	3	0	0	2	—	20	△0	7	—	7		
Quarter Net Income	51	60	43	67	40	36	17	△4	△21	△22		
Net Income Margin	8.9%	10.1%	7.3%	11.1%	6.9%	6.2%	3.5%	△0.9%	△4.7%	△4.9%		

* 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	699		
Non-Current Assets Total	1,073	1,116	1,151	1,185	1,202	1,277	1,298	1,329	1,350	1,357		
Assets Total	1,899	2,015	2,020	2,185	2,061	2,228	2,119	2,137	2,060	2,057		
Current Liability Total	258	328	284	387	260	348	230	250	263	270		
Non-Current Liability Total	69	62	58	55	85	129	123	118	124	137		
Liability Total	328	391	342	443	346	477	353	368	388	408		
Net Assets Total	1,571	1,624	1,677	1,742	1,715	1,751	1,765	1,768	1,671	1,649		
Liability & Net Assets Total	1,899	2,015	2,020	2,185	2,061	2,228	2,119	2,137	2,060	2,057		

* 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	107		
CF from Investing Activities	△101	△112	△115	△99	△84	△103	△101	△117	△100	△80		
CF from Financing Activities	△41	△16	9	△2	△56	△15	△6	1	△69	△18		
Net increase in cash and cash equivalents (△decrease)	△74	44	1	126	△132	103	△33	16	△94	8		
Cash and Cash Equivalents (end of term)	550	595	596	723	590	694	661	677	583	592		

* 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	424		
	Turnkey services	279	287	307	319	319	333	349	359	371	379		
	Up-front revenue	19	20	20	18	7	6	9	7	10	13		
	Monthly recurring revenue	260	267	286	300	312	326	340	351	360	366		
	Non-turnkey services	70	61	60	59	55	53	49	49	45	44		
Network Solution		10	10	10	10	10	10	8	9	8	8		
Advanced-Cloud Service		215	238	217	216	199	189	82	38	20	28		
	Ad related services	22	20	19	19	17	16	17	17	15	14		
	System Development	15	25	17	12	7	10	27	21	4	13		
	Yahoo! Media Solution	176	192	180	184	174	161	38	—	—	—		
Sales Total		576	597	595	605	584	586	490	456	446	461		
	COGS	232	232	255	232	211	199	160	133	136	143		
	SG & A	243	254	256	251	296	295	295	309	332	336		
Cost Total		475	475	512	483	508	495	456	442	469	480		
Operating Profit		100	109	83	121	76	90	34	14	△23	△19		
Recurring Profit		101	110	83	122	77	91	40	15	△22	△18		
Number of Cloud Service clients (Companies)		1,530	1,446	1,414	1,350	1,361	1,367	1,377	1,403	1,455	1,434		
Number of employees (Non-consolidated)		171	171	168	166	167	163	150	147	154	147		

* 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).

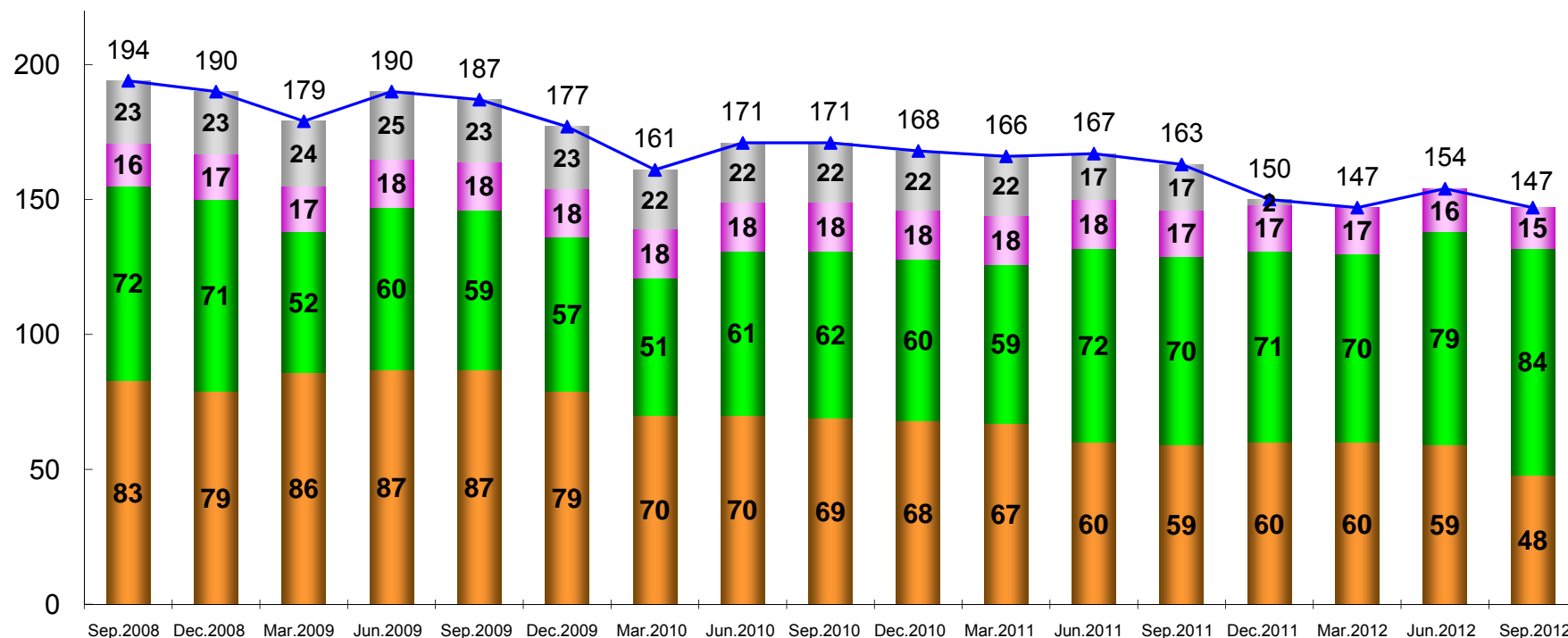
* "Yahoo! Media Solution" operations were concluded at the end of November 2011.

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

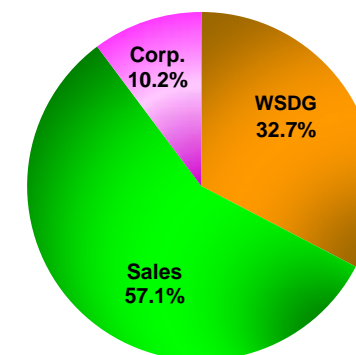
* Figures are rounded down to the nearest million yen.

⑤ Number of Employees (Non-consolidated)

Unit: Employees



- * 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.
- * Head count for quality control personnel transferred from WSDG to Sales (reflected from Sep. 2012 figures).
- * WSDG: Web Solution Development Group, Sales: excluding MS, MS: Media Solution, Corp: Corporate staff

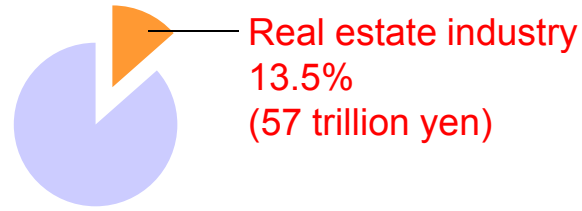


Sep. 30, 2012

(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

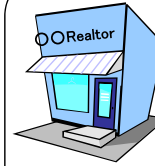
Land 1,204 trillion yen

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



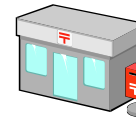
There are **125,832** real estate agencies (as of the end of 2010)

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 9, 2012

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: 1,434 companies (Subscribed Clients as of Sep. 2012) ※Monthly ARPU: approx. 98,400yen/co. (for the single month of Sep.)
	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 September 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 :	147 (As of the end of September 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

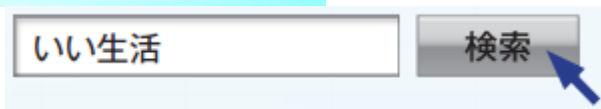
⑨ e-Seikatsu Official Websites (Japanese)

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