

FY2014 First-quarter Results

TSE Mothers 3796

August 1, 2013



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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Summary of First-quarter Results for FYE March 31, 2014

① Highlights

Continued revenue growth of our core “Cloud Service” business

- Consolidated sales: 454 million yen (FY2013 1Q 446 million yen, YOY change +8 million yen, +1.8%)
 - Cloud Service revenue: 432 million yen (FY2013 1Q 417 million yen YOY change +14 million yen +3.6%)
 - Including **monthly recurring revenue of Turnkey services: 377 million yen (FY2013 1Q 360 million yen, YOY change +17 million yen, +4.8%)**
- Consolidated operating profit: 8 million yen (FY2013 1Q -22 million yen, YOY change +31 million yen)
- Net income: -1 million yen (FY2013 1Q -21 million yen, YOY change +19 million yen)

Further enhancement of sales of our “Cloud Service”

- Focus on new client acquisitions as well as up-selling to existing Cloud Service clients. Solid growth in monthly ARPU.
 - Monthly ARPU: approx. 103,500 yen/company ※as of the end of Jun. 2013
FY2013 1Q approx. 96,400 yen/company ※as of the end of Jun. 2012

Further enhancement of our core “ES e-Bukken One” service

- Further enhancement of our core service, “ES e-Bukken One,” to cover all aspects of operating a real estate business.

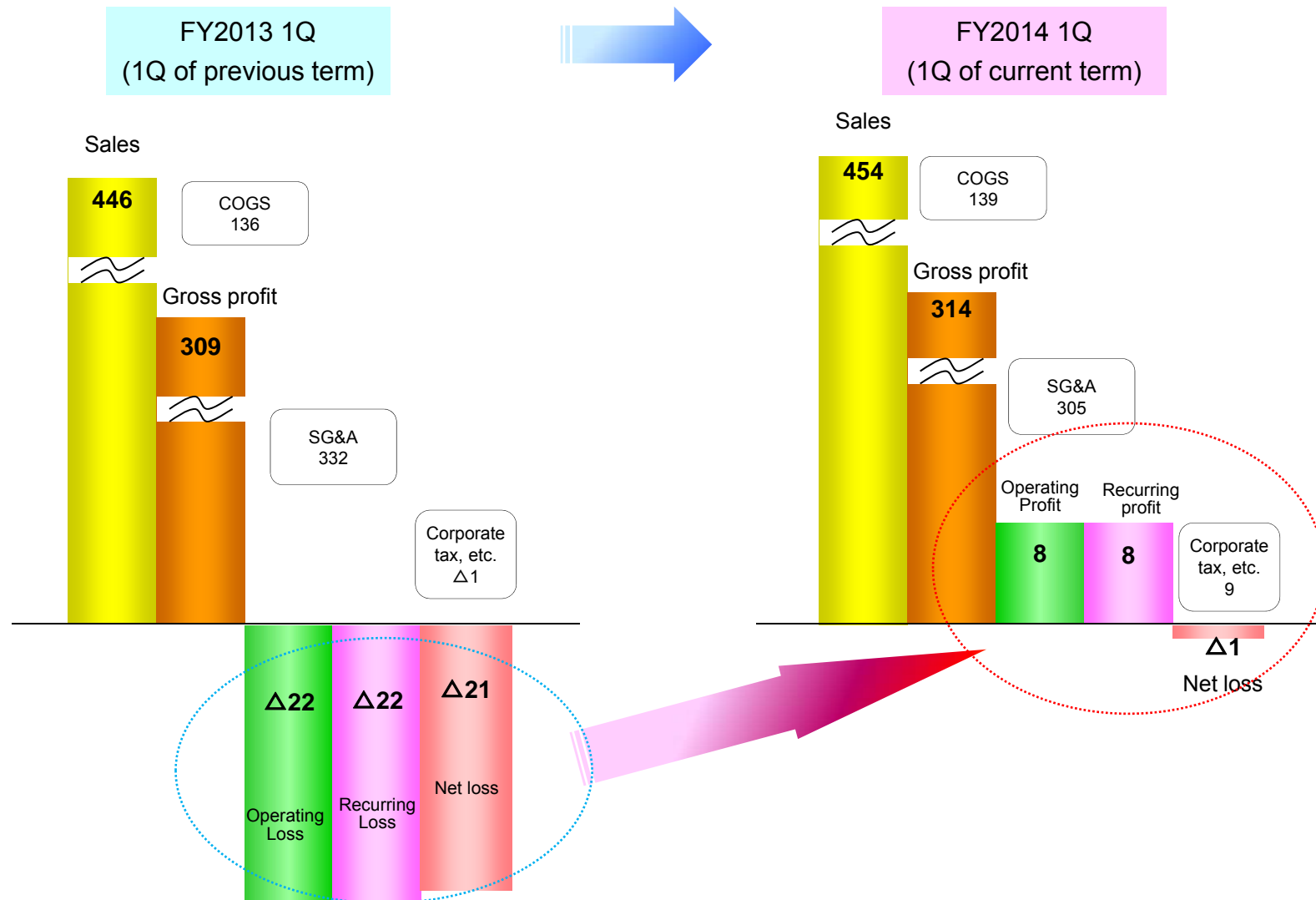
* Cloud Service revenue figures have not been adjusted for internal transactions.

* Figures rounded down to the nearest million yen.

* Ratios rounded to the nearest decimal place.

② Consolidated Income Statement

Sales and profits increased year-on-year with cost management efforts paying off



* Figures rounded down to the nearest million yen.

③ Consolidated Income Statement (YOY change)

(Million yen)	Apr.-Jun. 2012	Apr.-Jun. 2013	YOY change	YOY change (%)
Sales	446	454	8	1.8%
Gross profit Gross profit margin	309 69.3%	314 69.2%	5	1.6%
Operating profit Operating profit margin	△22 △5.1%	8 2.0%	31	—
Recurring profit Recurring profit margin	△22 △5.0%	8 1.9%	31	—
Net income Net income margin	△21 △4.7%	△1 △0.3%	19	—

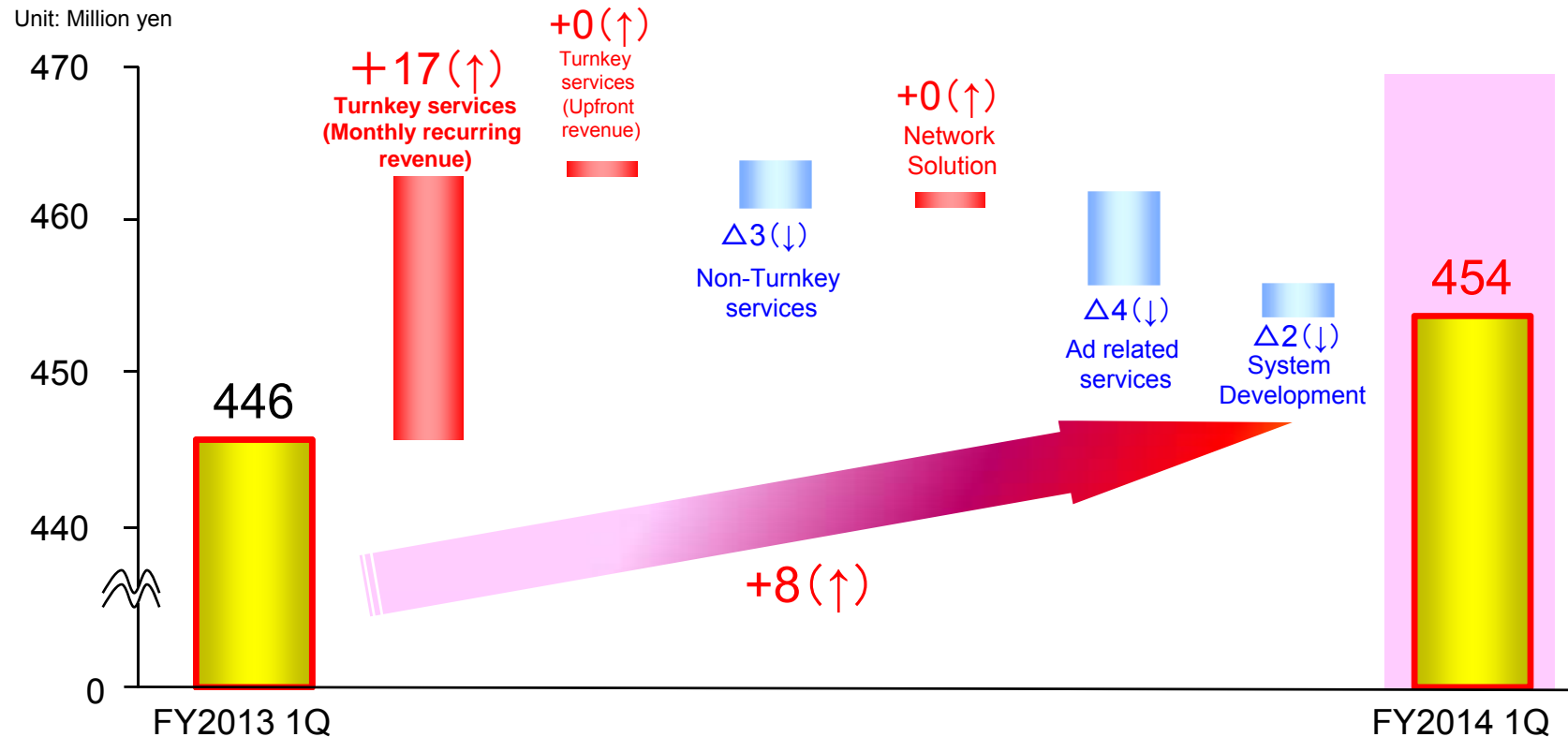
<Key Points>

- ① Our core “Cloud Service (Turnkey services)” revenue continues to show steady growth, and is the main driver of revenue increase.
- ② Profit increased due to revenue increase as well as reduction in SG&A expenses (e.g. reduced promotion expenses, lower rent for head office, etc).

* Figures rounded down to the nearest million yen.

④ Cloud Solution Business Change in Revenue Breakdown

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



<Key Points>

“Turnkey services” (monthly recurring revenue) increased by approx. 17 million yen YOY. Overall, “Turnkey services” revenue increased by approx. 18 million yen YOY.

- * 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 (YOY change)

Item (Million yen)	Apr.-Jun. 2012	Apr.-Jun. 2013	YOY change	YOY change (%)
Cloud Service	417	432	14	3.6%
Turnkey services *	371	389	18	4.8%
Up-front revenue	10	11	0	6.1%
Monthly recurring revenue	360	377	17	4.8%
Non-turnkey services *	45	42	△3	△6.7%
Network Solution	8	8	0	0.3%
Advanced-Cloud Service	20	13	△6	△33.4%
Ad related services	15	11	△4	△29.9%
System Development	4	2	△2	△44.3%
Total	446	454	8	1.8%

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

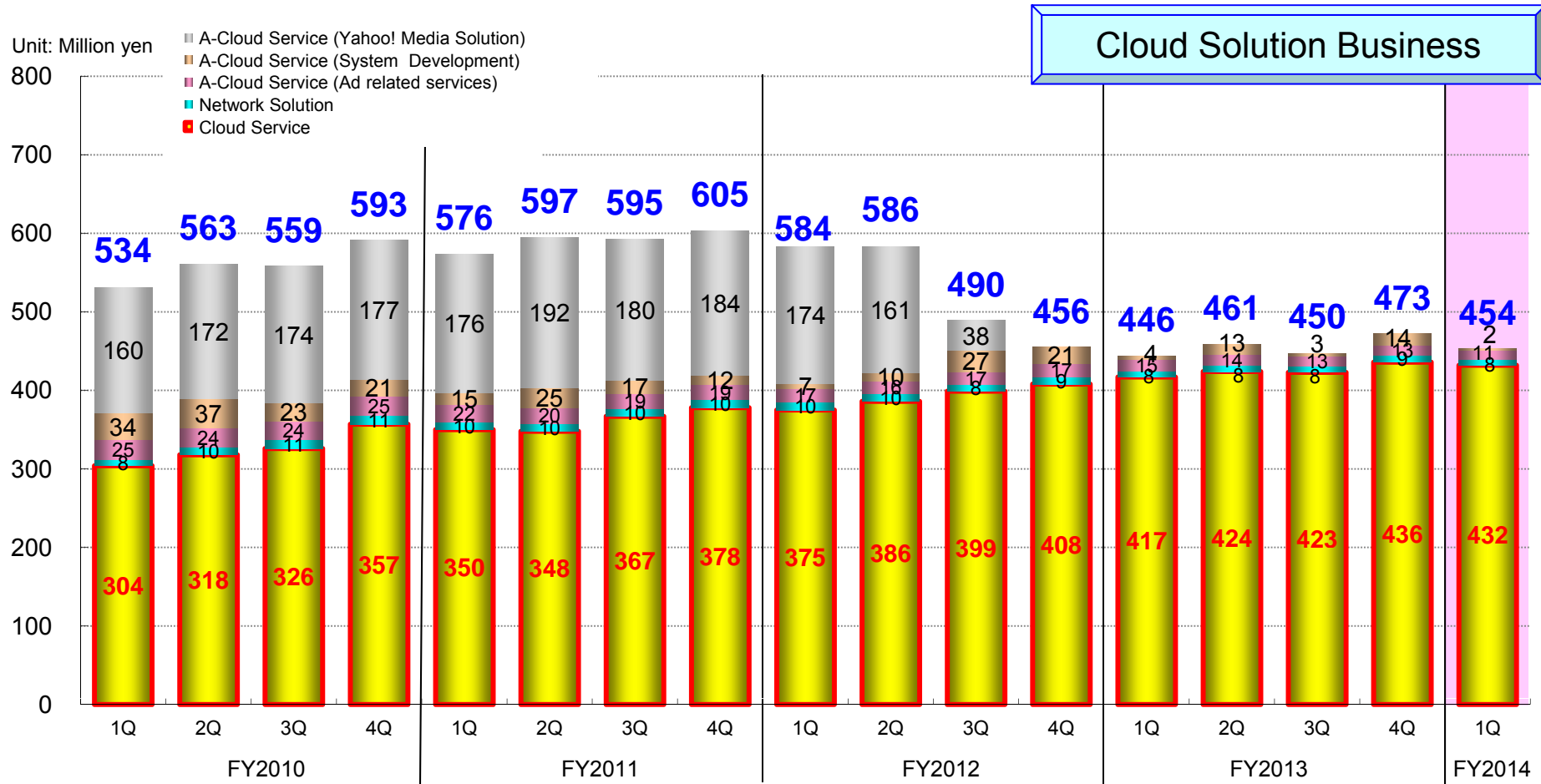
Non-turnkey services Customized system applications with one-time and monthly recurring revenue.

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

* Figures rounded down to the nearest million yen.

⑥ Sales Category Breakdown

Increasing “Cloud Service” revenue



* Advanced-Cloud Service (Yahoo! Media Solution) sales were concluded in FY2012 3Q (at the end of November, 2011).

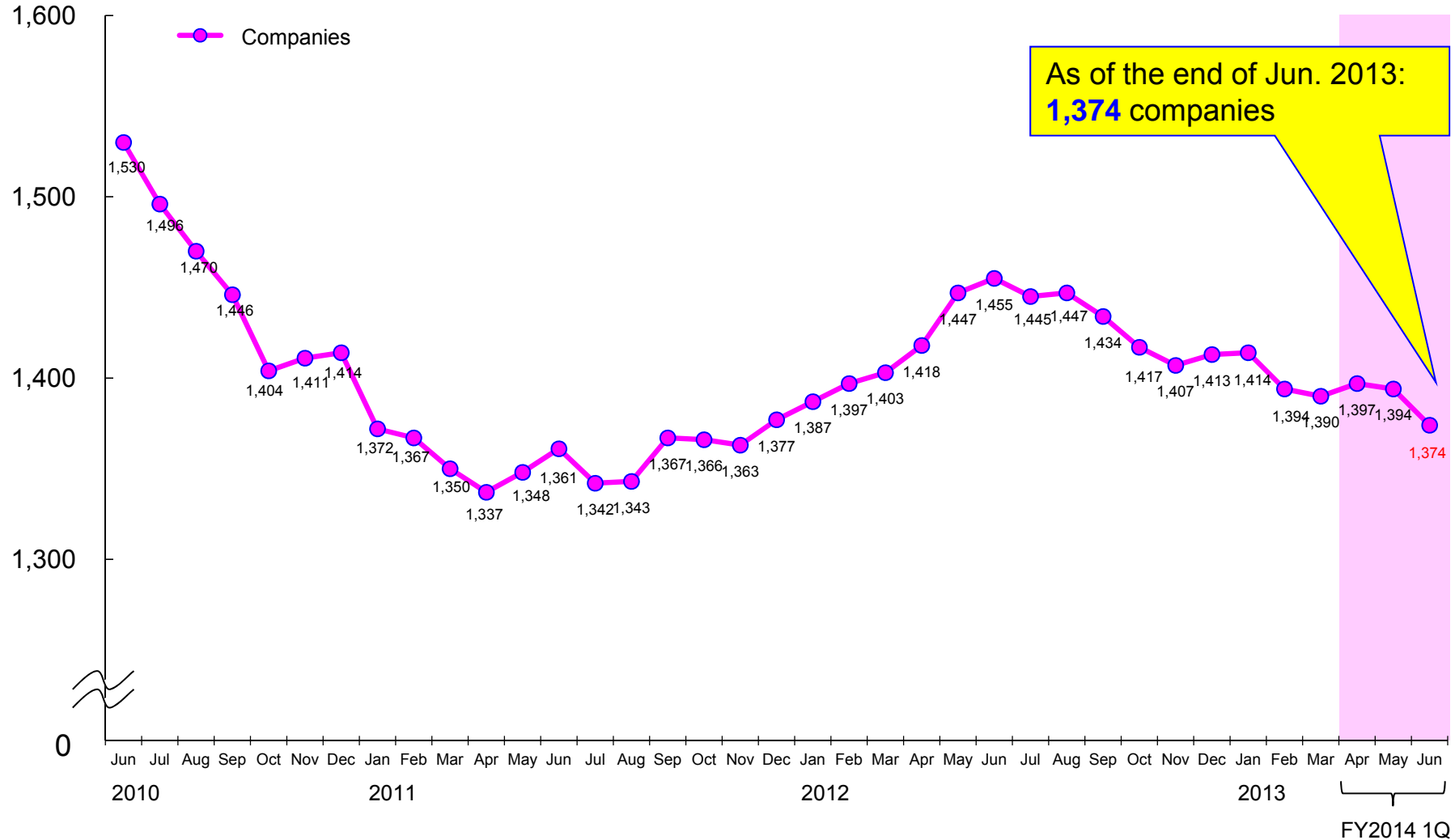
* Cloud Solution Business sales figures have not been adjusted for internal transactions.

* Figures rounded down to the nearest million yen.

⑦ Number of Cloud Service Clients

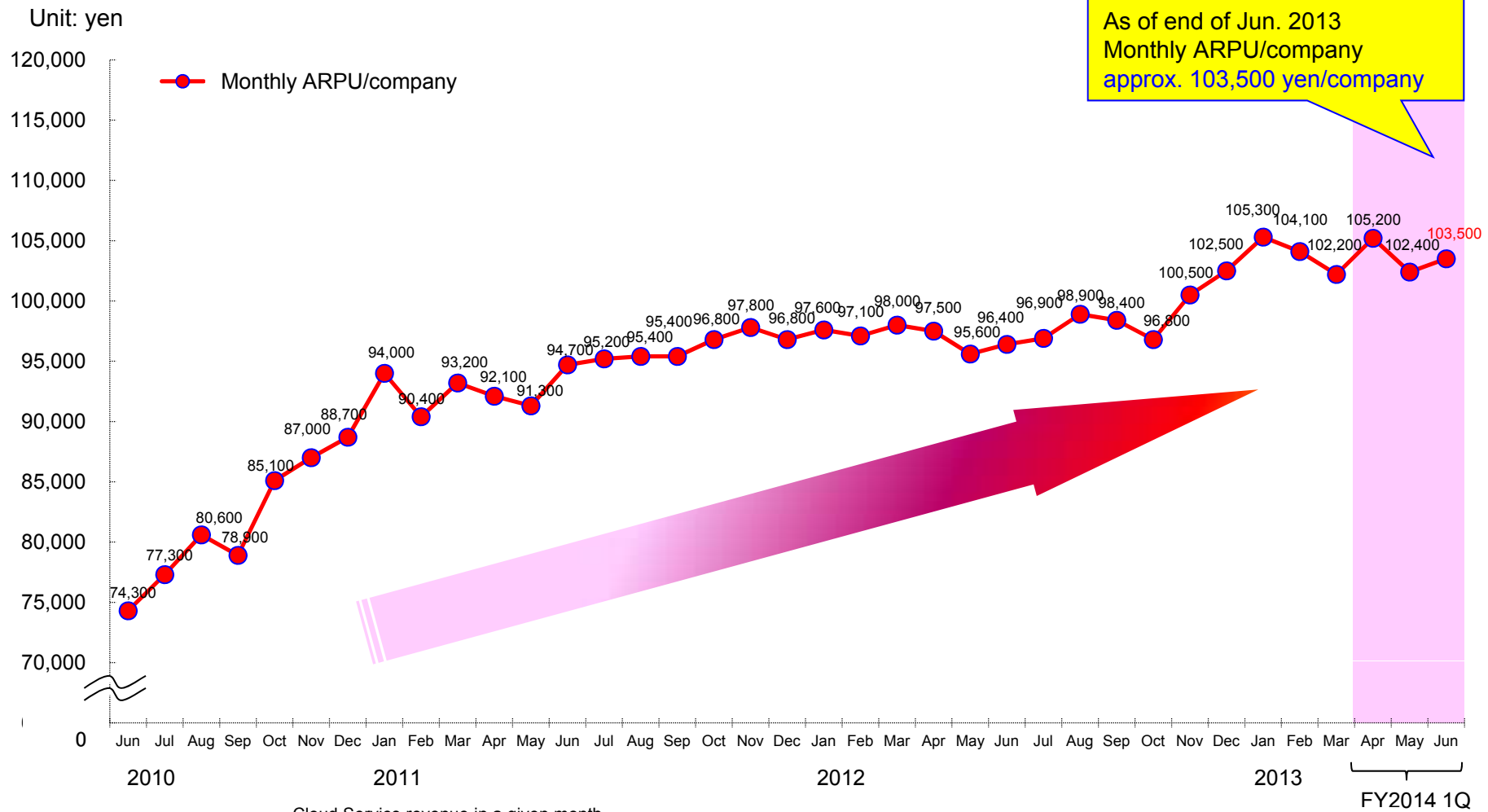
Growth through a balance of up-selling as well as new client acquisition

Unit: Companies



⑧ Cloud Service Monthly ARPU

Resulting in a steady increase in monthly ARPU

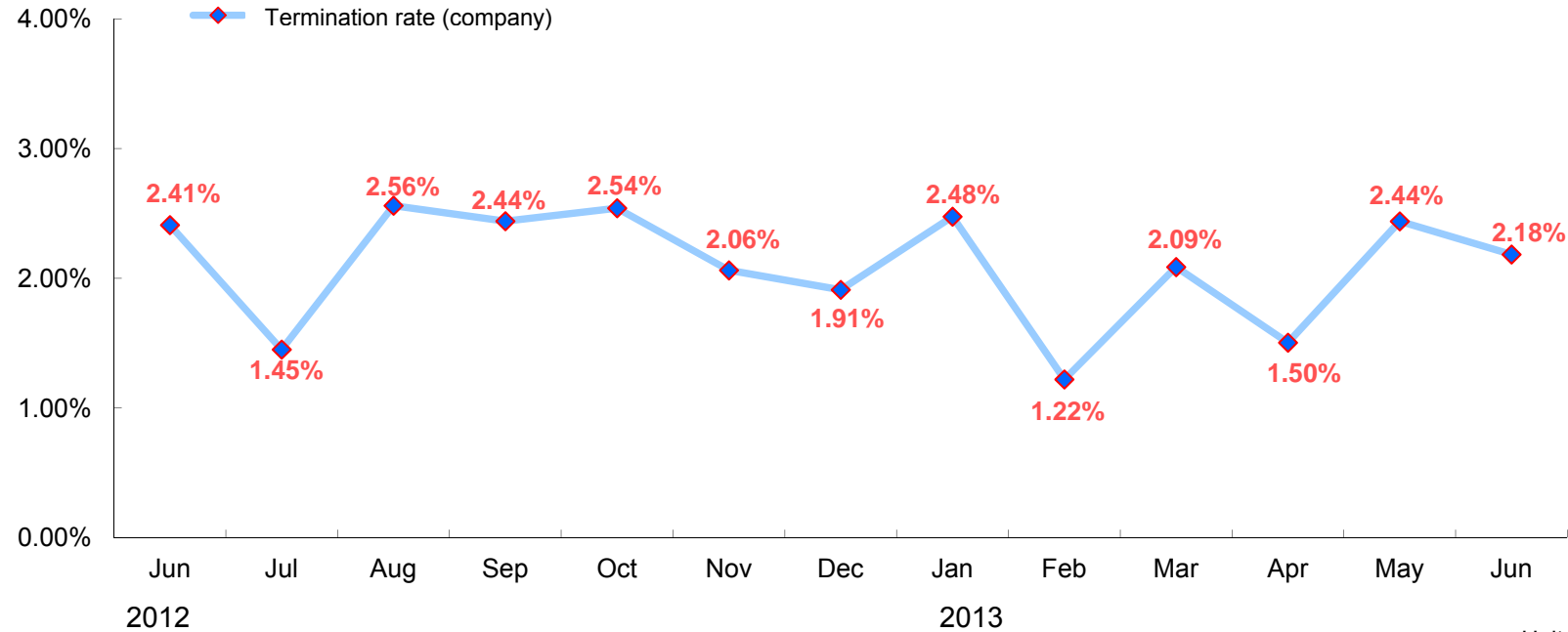


* Monthly ARPU = $\frac{\text{Cloud Service revenue in a given month}}{\text{The number of companies 'Billed Clients' in a given month}}$

* Figures rounded down to the nearest hundred yen.

⑨ Cloud Service Client Termination Rate

Increased efforts to improve client satisfaction, leading to higher retention



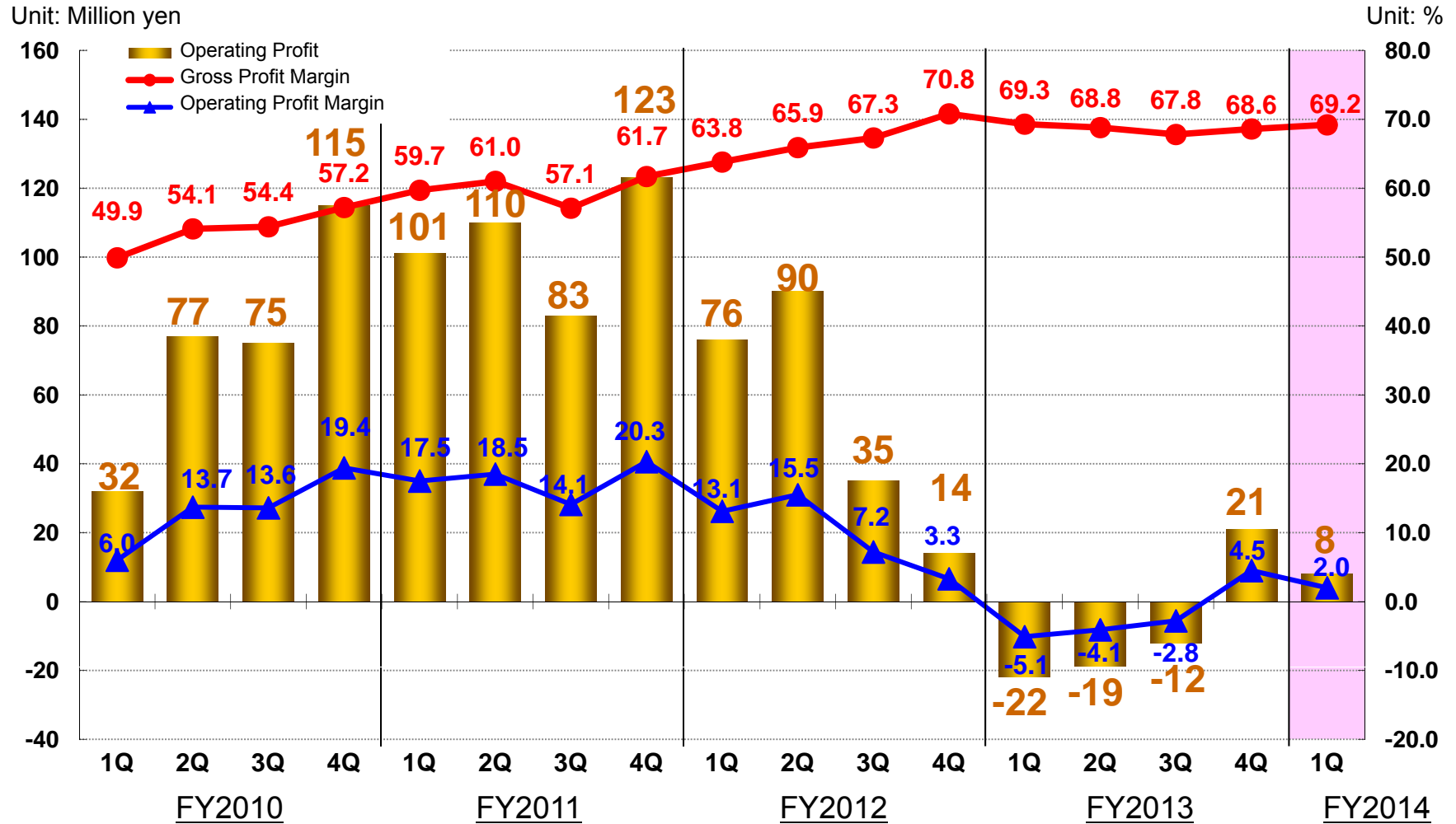
Unit: companies

	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Ave.
# of companies	35	21	37	35	36	29	27	35	17	29	21	34	30	29.7
Termination Rate	2.41%	1.45%	2.56%	2.44%	2.54%	2.06%	1.91%	2.48%	1.22%	2.09%	1.50%	2.44%	2.18%	—

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

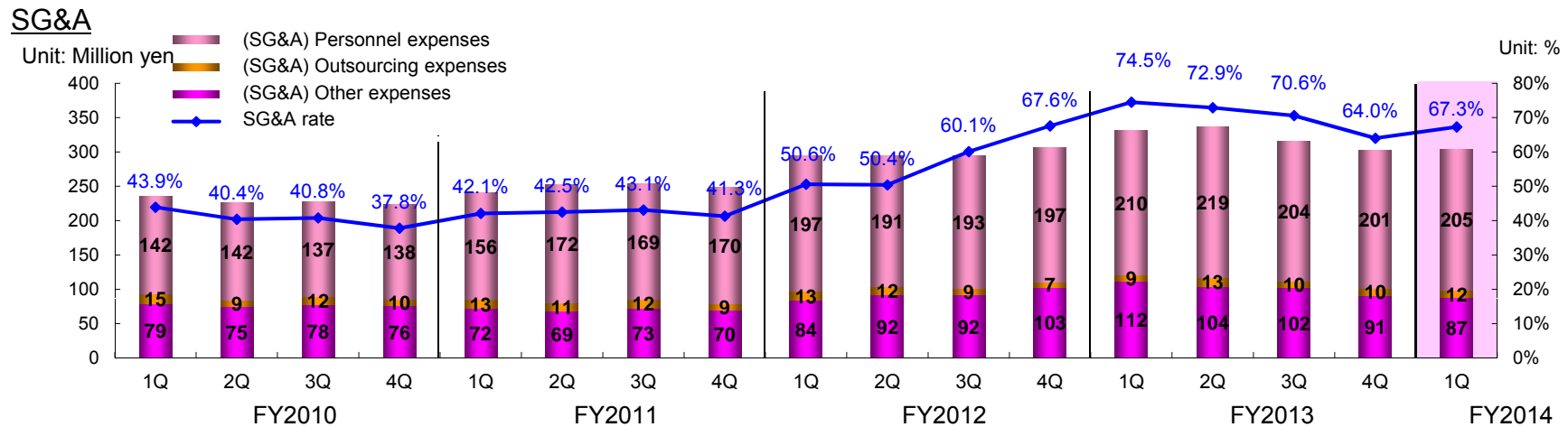
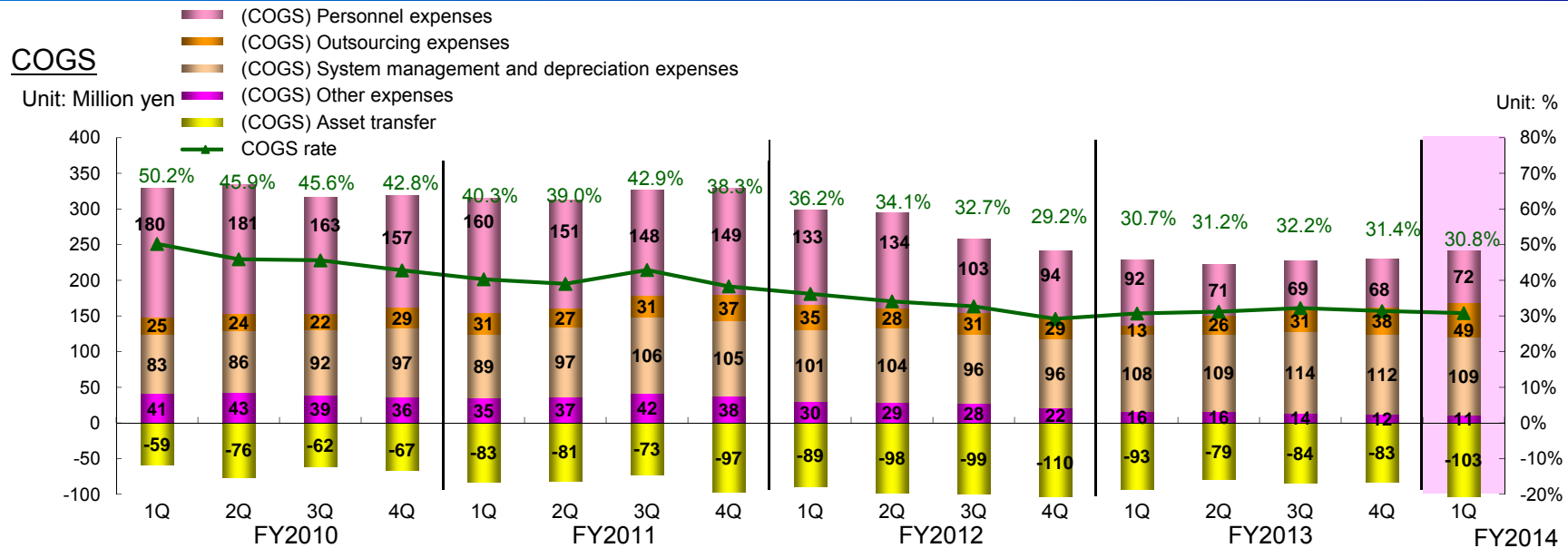
⑩ Consolidated Quarterly Results

Increase in sales and cost reduction efforts resulted in continued profitability



* Figures rounded down to the nearest million yen.

⑪ Quarterly COGS/SG&A



* (COGS) Outsourcing expenses: Outsourcing expenses, temporary recruitment expenses, procurement expenses, system usage expenses, etc.

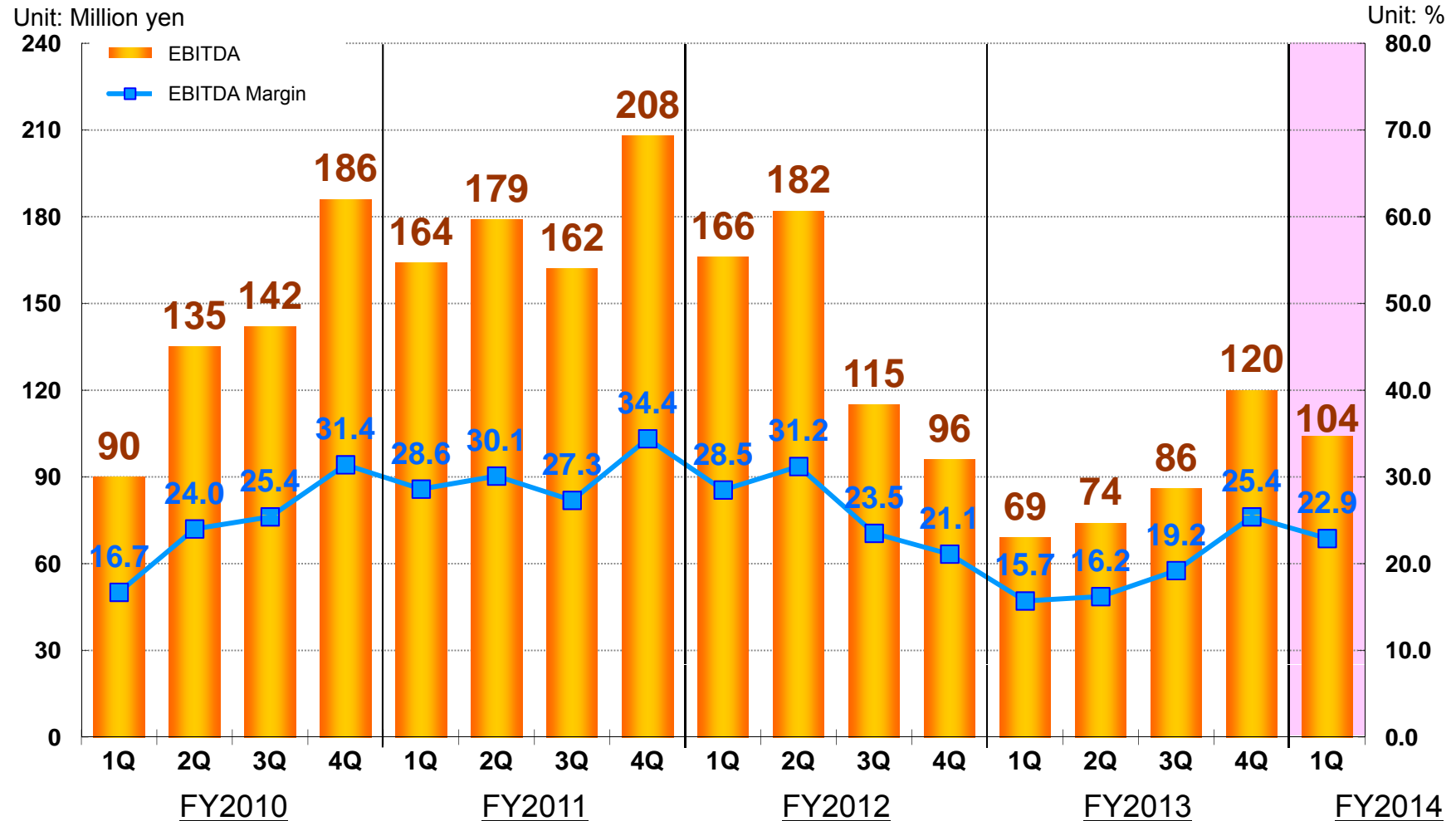
(COGS) Asset transfer: Inventory assets(goods in process), portion allowances for software under development listed under COGS

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

* Figures rounded down to the nearest million yen.

⑫ Quarterly EBITDA (consolidated)

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



* Figures rounded down to the nearest million yen.

⑬ Consolidated Cash Flow Statement (YOY change)

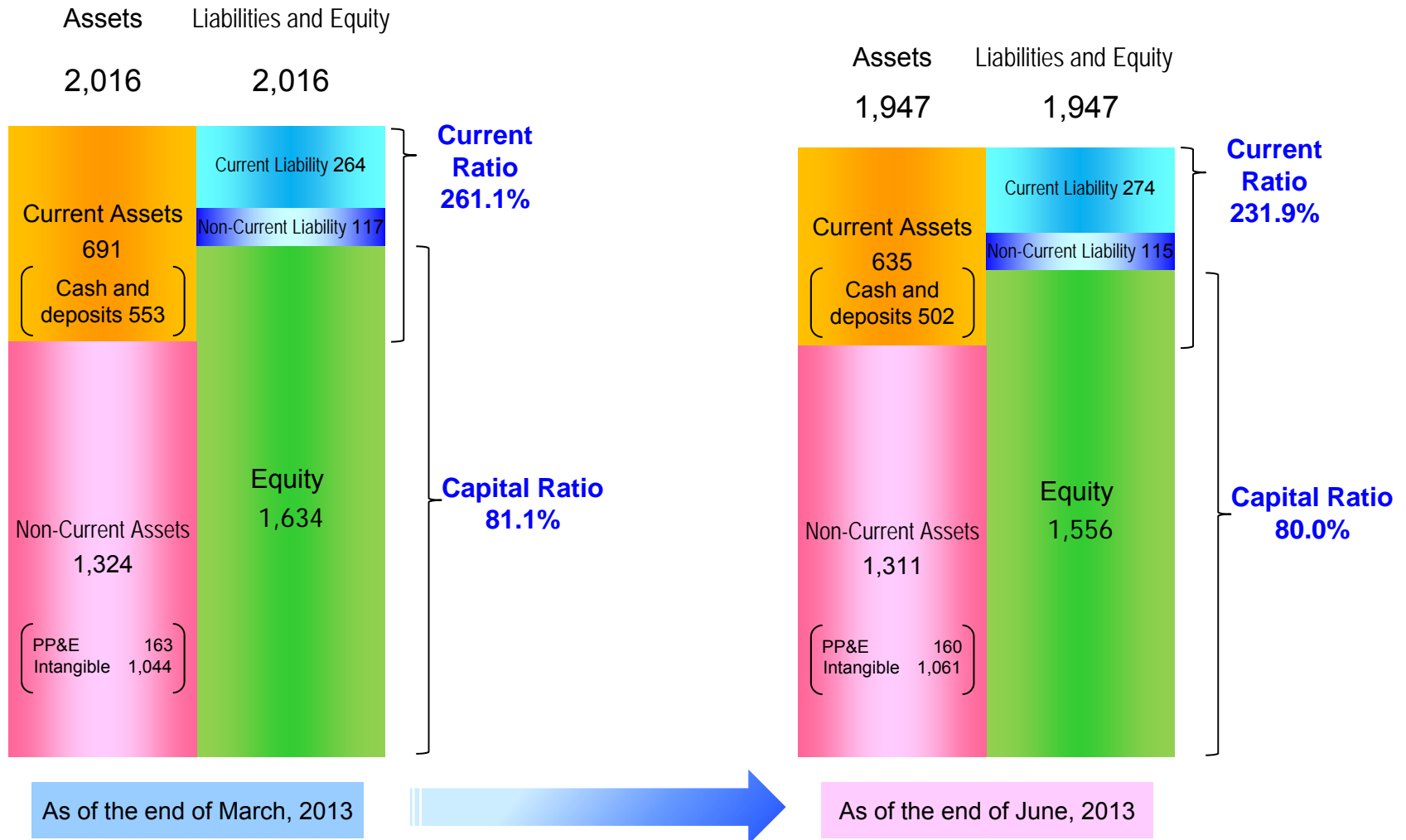
(Million yen)	Apr.-Jun. 2012	Apr.-Jun. 2013
CF from Operating Activities	75	103
CF from Investing Activities	△100	△82
CF from Financing Activities	△69	△71
Net Increase in Cash and Cash Equivalents (△decrease)	△94	△50
Cash and Cash Equivalents (end of term)	583	502

<Key Points>					
Operating Activities	① Income before tax + depreciation expenses	FY2013 1Q	70M yen	FY2014 1Q	104M yen
	Investing Activities	② Expenses due to in-house software development	FY2013 1Q	91M yen	FY2014 1Q
	③ Expenses due to the purchase of assets (HW/SW)	FY2013 1Q	6M yen	FY2014 1Q	10M yen
	④ Income from the collection of deposits/guarantee money	FY2013 1Q	-	FY2014 1Q	26M yen
Financing Activities	⑤ Payment of year-end dividend	FY2013 1Q	63M yen	FY2014 1Q	64M yen
	⑥ Expenses due to repayment of lease obligations	FY2013 1Q	5M yen	FY2014 1Q	8M yen

* Figures rounded down to the nearest million yen.

⑭ Consolidated Balance Sheet YOY Comparison

Financially sound



* Figures rounded down to the nearest million yen.

⑮ Consolidated Balance Sheet (change from FYE Mar. 2013)

(Million yen)	Mar. 2013	Jun. 2013	Change
Cash and Deposits	553	502	△50
Other Current Assets	138	133	△4
Non-Current Assets	1,324	1,311	△13
Assets Total	2,016	1,947	△68
Current Liability	264	274	9
Non-Current Liability	117	115	△1
Net assets	1,634	1,556	△77
Capital-Asset ratio	81.1%	80.0%	
Liability and Net Assets total	2,016	1,947	△68

<Key Points>

- ① Cash and deposits decreased due to dividend payment for the previous term, payment of bonus, etc.
- ② Lease deposits (Non-Current Assets) decreased due to partial recovery of deposit associated with reduction in rent of head office and Fukuoka branch.
- ③ Net assets decreased due to payment of 75 million yen in dividend, etc.

* Figures rounded down to the nearest million yen.

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FYE March 2014 Forecast

① Consolidated Mid-term & Full-term Forecast

(Million yen)	Mid-term Forecast FY2014	Full-term Forecast FY2014	First-quarter Results FY2014	Progress Rate as % of Full-term Forecast	(Reference) Full-term Results FY2013
Sales	938	1,955	454	23.3%	1,831
Operating Profit	2	70	8	12.8%	△33
Recurring Profit	2	70	8	12.5%	△32
Net Income	1	35	△1	—	△58

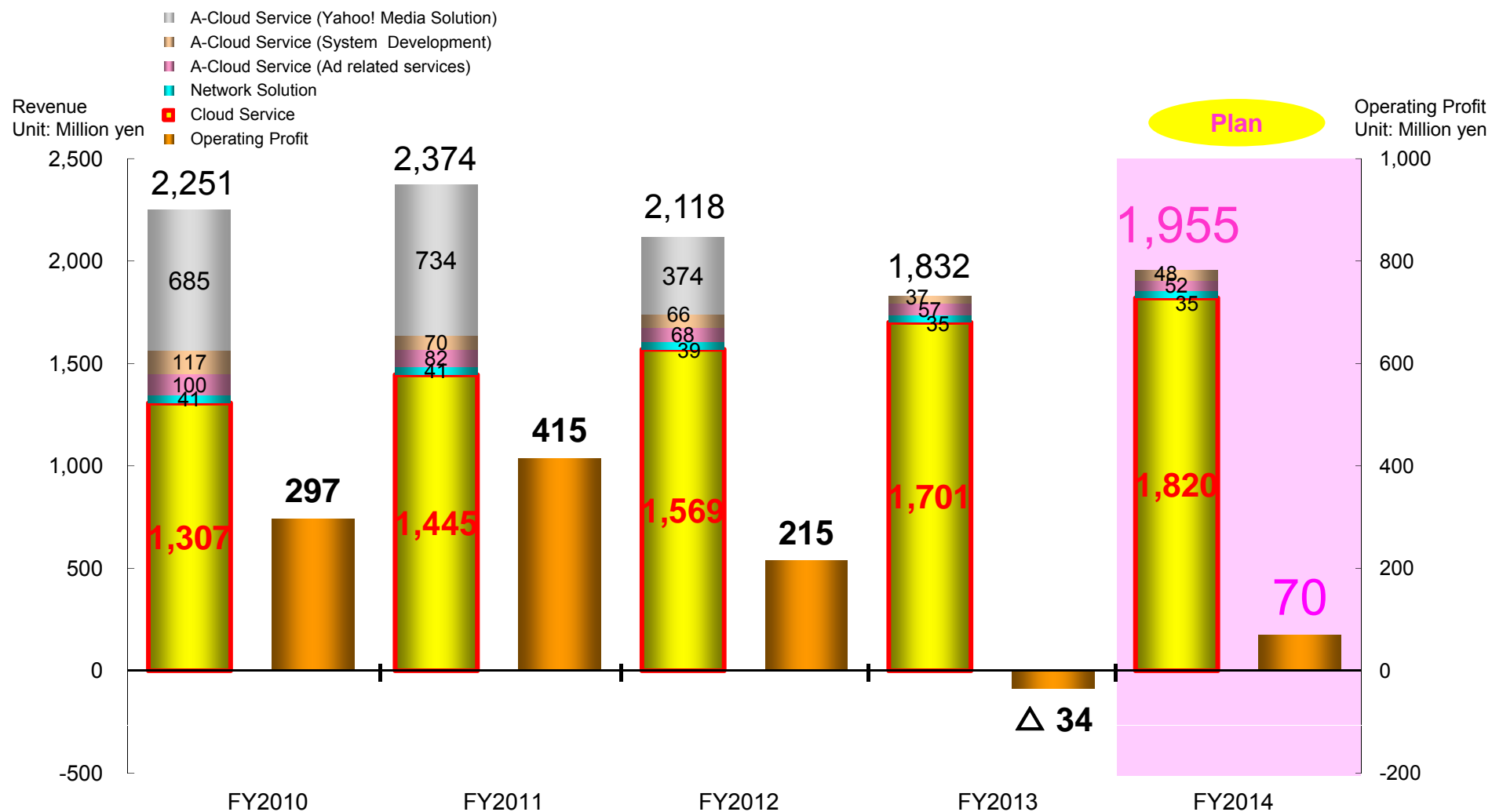
	Dividend per share
Full-year dividend (forecast) (FYE March 2014)	1,100 yen
Full-year dividend (actual) (FYE March 2013)	1,100 yen

* 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 Cloud Solution Business Revenue and Operating Profit Forecast



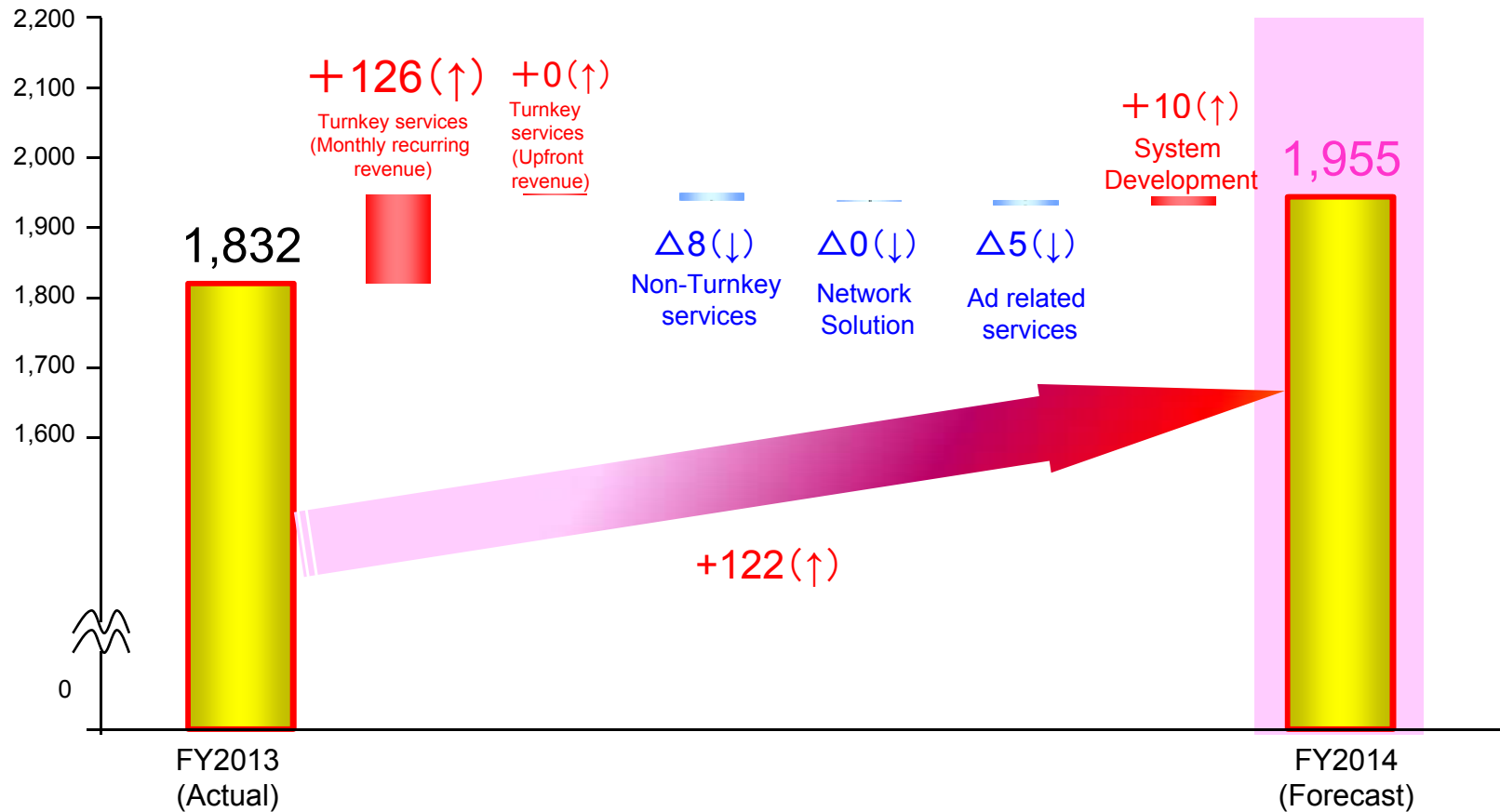
* "Yahoo! Media Solution" operations were concluded in FY2012 (at the end of November, 2011).

* 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

Unit: Million yen



<Key Points>

Further promoting "ES e-Bukken One," our "turnkey services (monthly recurring revenue)" revenue is expected to increase by about 126 million yen YOY. "Turnkey services (upfront revenue)" revenue is expected to remain unchanged, thus "Turnkey services" total revenue is expected to increase by about 127 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 Revenue Forecast (Breakdown)

Item (Unit: million yen)	FY2014 Forecast	First-quarter Results FY2014	Progress Rate as % of Full-term Forecast	(Reference) Full-term Results FY2013
Cloud Service	1,820	432	23.7%	1,701
Turnkey services *	1,652	389	23.6%	1,524
Up-front revenue	52	11	21.9%	51
Monthly recurring revenue	1,600	377	23.6%	1,473
Non-turnkey services *	168	42	25.5%	176
Network Solution	35	8	24.9%	35
Advanced-Cloud Service	100	13	13.8%	94
Ad related services	52	11	21.3%	57
System Development	48	2	5.8%	37
Total	1,955	454	23.3%	1,832

* 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 this announcement.
 Actual results may differ materially from the forecast figures.

* 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

New options and features for “ES e-Bukken One” to follow

【Our Turnkey services】

ES いい物件 Install RENT 賃貸

ES いい物件 RENT 賃貸

ES 管理 RENT 賃貸

ES いい物件 SALE 売買

ES 営業支援 RENT 賃貸

ES 顧客管理 SALE 売買

ES いい物件 RENT 賃貸
自社HPオプション

ES いい物件 SALE 売買
自社HPオプション

ES WebSite

ES Mobile

2013

2014

Released in April 2012

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

New home sales option

Enhanced functionality of Rental Property Products and Property Sales Products

Enhanced My page functionality

Enhanced website functionality

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

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

* HP is abbreviation for “Homepage.”

* Development and product launch schedule subject to change.

② Features of Our New Service, "ES e-Bukken One"

“ES e-Bukken One” is THE one stop solution for real estate agencies

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

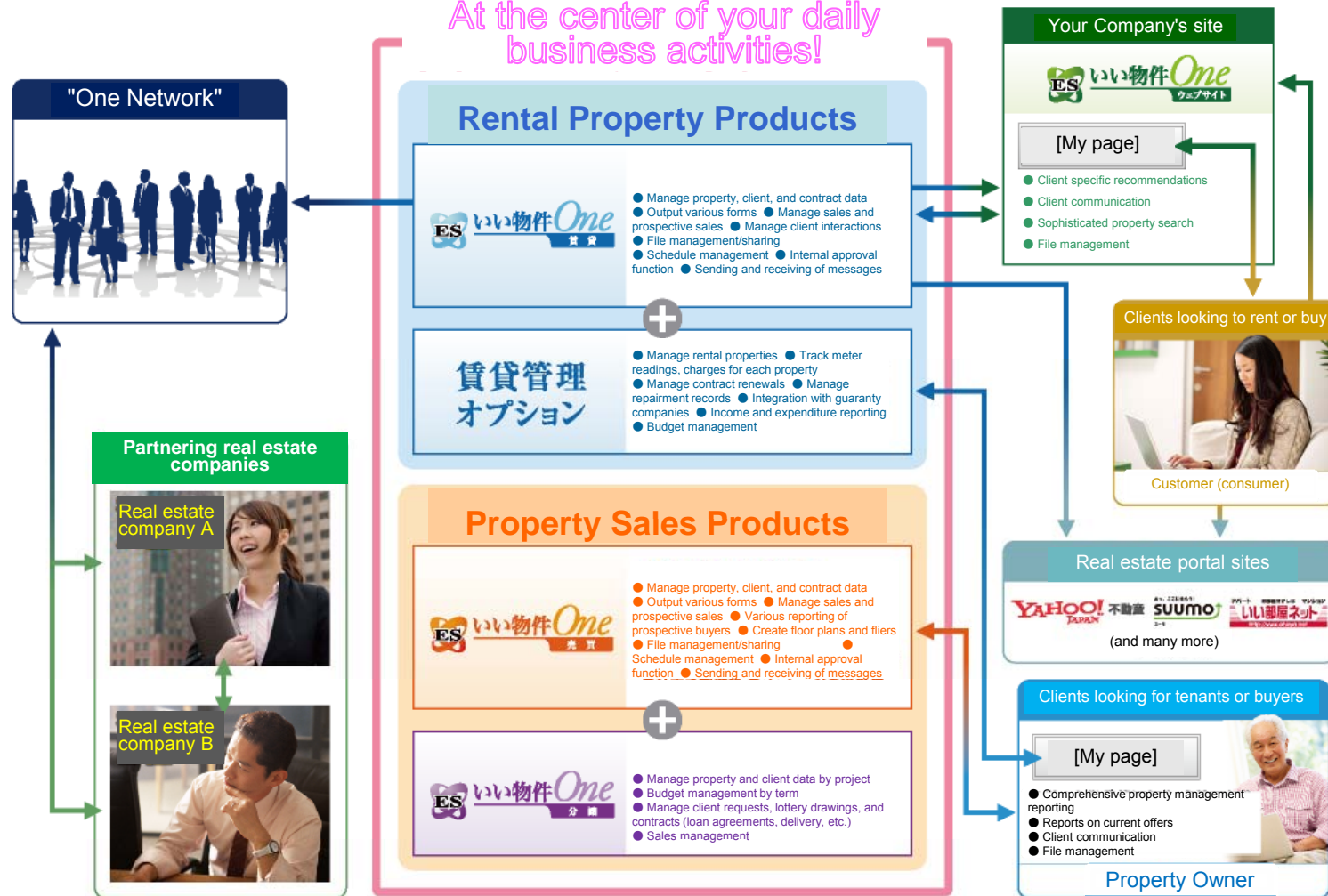
- Potential clients can easily try out the key features of “ES e-Bukken One” before deciding to sign-up for the full featured "paid version." Upgrading to the “paid version” is made quick and easy with a dedicated website.

③ Outline of Our New Service, "ES e-Bukken One"



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 Client Testimonials - 1 -

We achieved centralized information management and operational efficiency.

Rental property broker: YS-HOME Co., Ltd.



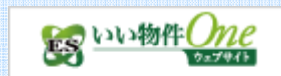
<http://www.yshome.jp/>

“We used to spend too much time and too many staff to update and manage real estate property information. It also took us a lot of time and effort to make contract documents.

We also had difficulties sharing information among stores and between the head office and stores.

e-Seikatsu provided the ideal solution, and we can now operate our business more smoothly and efficiently.”

Utilized services and key benefits



- ✓ **Dramatic reduction in time and manual effort to enter data** into real estate portal sites.
- ✓ **Reduction in time to make** contract-related documents.
- ✓ **Enhanced operational efficiency** via information sharing among stores and departments.
- ✓ **Increased inquiries** from Web Site.

⑤ Client Testimonials - 2 -

We achieved successful information sharing among our many stores.

Rental property management: Apple Real Estate Co., Ltd.



<http://www.apple-co.jp/>

“Our major issue was not being able to share information, especially property information, among stores as the number of our stores increased and our sales area expanded. Payment processing was also done manually and required a lot of time and effort. In order to solve these issues, we successfully migrated from our legacy system to “ES e-Bukken One,” and we are very satisfied with the achieved benefits.”

Utilized services and key benefits



- Enhanced operational efficiency** via real estate property information sharing.
- Simplified sales management** by using electronic transaction ledgers.
- Less time spent on payment processing** with online banking integration.
- Smooth migration** thanks to the flexibility of “ES e-Bukken One.”

⑥ Key Points

Further promote our Cloud Solution "Turnkey services"

Expand and grow our client base

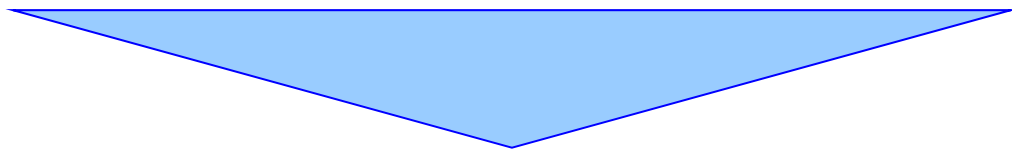
- ▶ Continue to focus on new client acquisition as well as improving client support and follow-up marketing efforts.

Improve sales and operational 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.



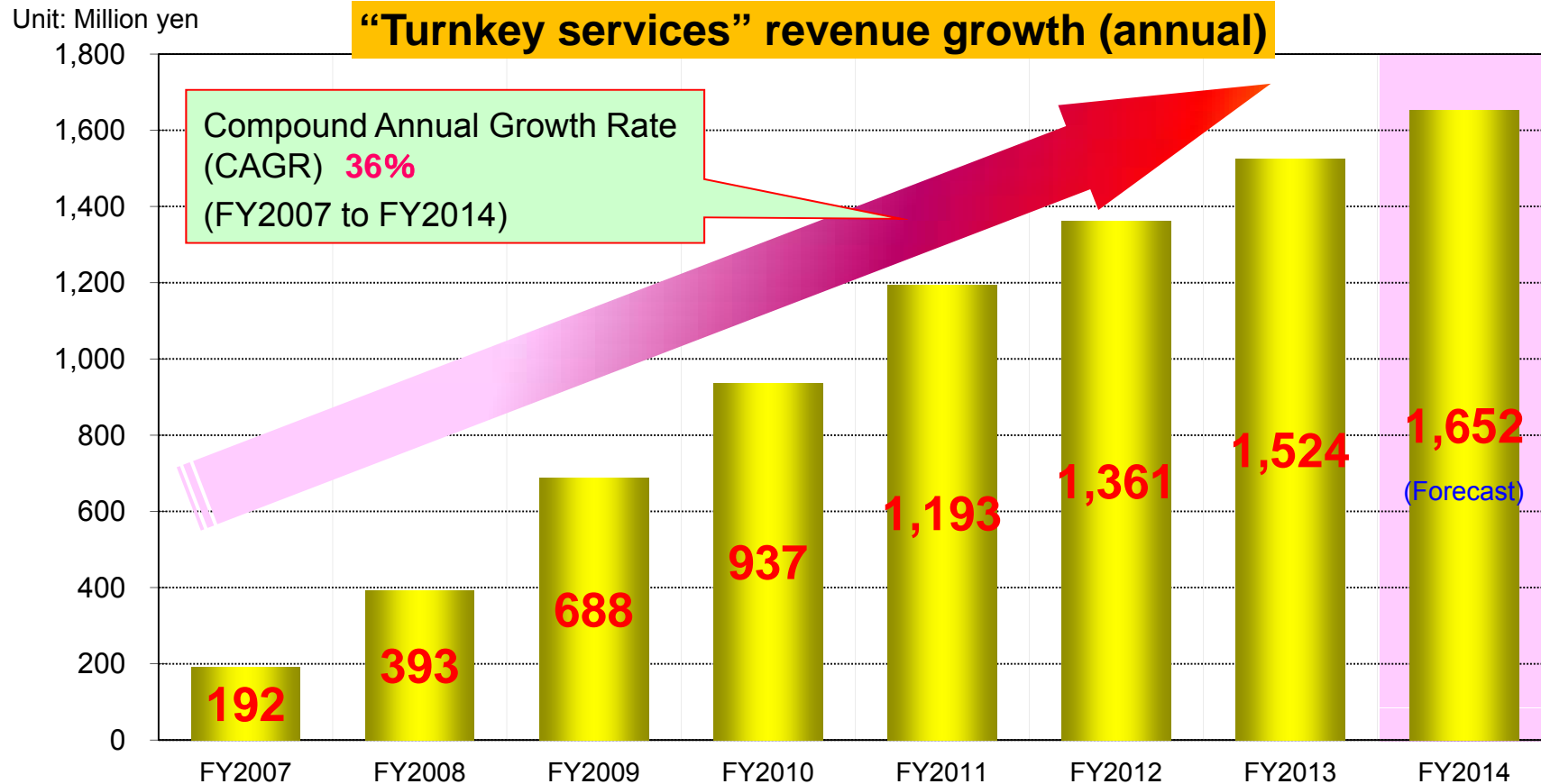
We aim to become the leading "cloud computing" company for the real estate industry

Milestones and key indicators:

Number of clients: **5,000 companies** · ARPU: \geq **¥100,000/month** · Cloud Service: **Gross profit margin > 70%**

⑦ Growth Potential of Cloud Service (Turnkey services)

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



- * “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 Consolidated Income Statement (Quarterly basis)

(Million yen)	FY2012				FY2013				FY2014			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales	584	585	491	456	446	461	450	473	454			
Gross Profit	372	386	330	323	309	317	305	324	314			
Gross Profit Margin	63.8%	65.9%	67.3%	70.8%	69.3%	68.8%	67.8%	68.6%	69.2%			
Operating Profit	76	90	35	14	△22	△19	△12	21	8			
Operating Profit Margin	13.1%	15.5%	7.2%	3.3%	△5.1%	△4.1%	△2.8%	4.5%	2.0%			
Recurring Profit	77	91	41	15	△22	△18	△13	21	8			
Recurring Profit Margin	13.2%	15.6%	8.4%	3.4%	△5.0%	△4.0%	△2.9%	4.5%	1.9%			
Extraordinary Income	—	—	—	—	—	—	—	—	—			
Extraordinary Loss	—	20	△0	7	—	7	1	1	—			
Quarter Net Income	40	36	17	△4	△21	△22	△17	2	△1			
Net Income Margin	6.9%	6.2%	3.5%	△0.9%	△4.7%	△4.9%	△3.8%	0.4%	△0.3%			

- * Quarterly figures are not audited (cumulative figures are audited).
- * '—' indicates zero yen, '0' indicates an amount less than one million yen.
- * Figures are rounded down to the nearest million yen.

② Consolidated Balance Sheet (Quarterly basis)

(Million yen)	FY2012				FY2013				FY2014			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Current Assets Total	858	951	821	808	709	699	670	691	635			
Non-Current Assets Total	1,202	1,277	1,298	1,329	1,350	1,357	1,333	1,324	1,311			
Assets Total	2,061	2,228	2,119	2,137	2,060	2,057	2,003	2,016	1,947			
Current Liability Total	260	348	230	250	263	270	243	264	274			
Non-Current Liability Total	85	129	123	118	124	137	128	117	115			
Liability Total	346	477	353	368	388	408	371	381	390			
Net Assets Total	1,715	1,751	1,765	1,768	1,671	1,649	1,631	1,634	1,556			
Liability & Net Assets Total	2,061	2,228	2,119	2,137	2,060	2,057	2,003	2,016	1,947			

* Figures are rounded down to the nearest million yen.

③ Consolidated Cash Flow Statement (Quarterly basis)

(Million yen)	FY2012				FY2013				FY2014			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
CF from Operating Activities	8	223	74	132	75	107	17	120	103			
CF from Investing Activities	△84	△103	△101	△117	△100	△80	△74	△88	△82			
CF from Financing Activities	△56	△15	△6	1	△69	△18	△7	△7	△71			
Net increase in cash and cash equivalents (△decrease)	△132	103	△33	16	△94	8	△63	24	△50			
Cash and Cash Equivalents (end of term)	590	694	661	677	583	592	528	553	502			

* 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

		FY2012				FY2013				FY2014			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Cloud Service	Cloud Service	375	386	399	408	417	424	423	436	432			
	Turnkey services	319	333	349	359	371	379	380	393	389			
	Up-front revenue	7	6	9	7	10	13	15	11	11			
	Monthly recurring revenue	312	326	340	351	360	366	364	381	377			
	Non-turnkey services	55	53	49	49	45	44	43	43	42			
Network Solution	10	10	8	9	8	8	8	9	8				
Advanced-Cloud Service	Advanced-Cloud Service	199	189	82	38	20	28	17	27	13			
	Ad related services	17	16	17	17	15	14	13	13	11			
	System Development	7	10	27	21	4	13	3	14	2			
	Yahoo! Media Solution	174	161	38	—	—	—	—	—	—			
Sales Total	584	586	490	456	446	461	450	473	454				
COGS	COGS	211	199	160	133	136	143	145	148	139			
	SG & A	296	295	295	309	332	336	318	303	306			
Cost Total	508	495	456	442	469	480	463	452	446				
Operating Profit	76	90	34	14	△23	△19	△13	21	8				
Recurring Profit	77	91	40	15	△22	△18	△13	21	8				
Number of Cloud Service clients (Companies)	1,361	1,367	1,377	1,403	1,455	1,434	1,413	1,390	1,374				
Number of employees (Non-consolidated)	167	163	150	147	154	147	142	137	140				

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

* Quarterly income figures are not audited (cumulative figures are audited).

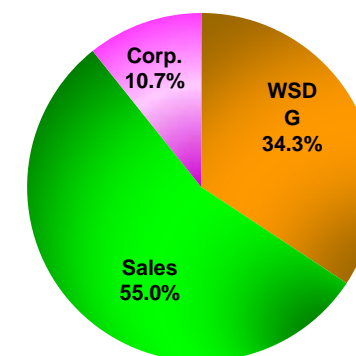
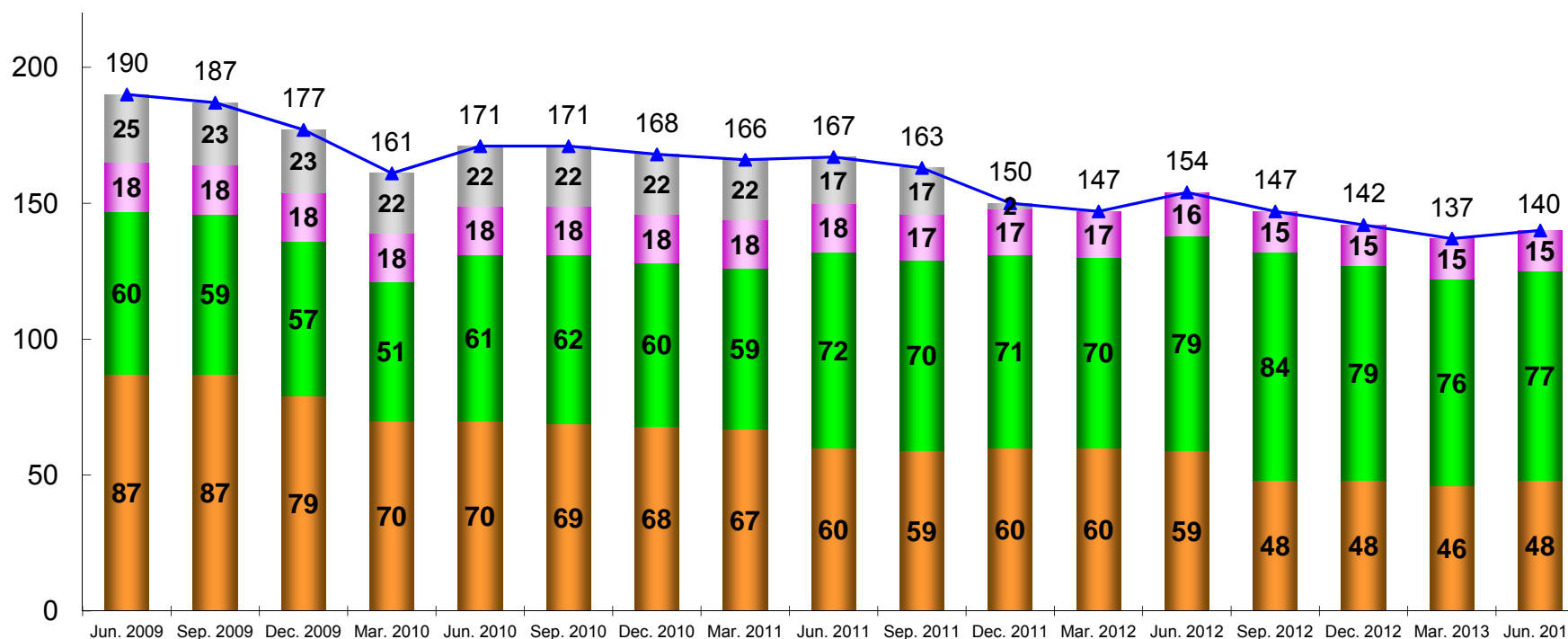
* "Yahoo! Media Solution" operations were concluded in FY2012 3Q (at the end of November 2011).

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

* Figures are rounded down to the nearest million yen.

⑤ Number of Employees (Non-consolidated)

Unit: Employees



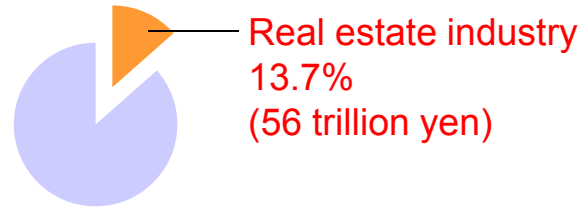
Jun. 30, 2013

- * Excluding directors, advisors, and part-time workers.
- * 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).
- * "MS" deleted due to the termination of "Yahoo! Media Solution" operations in November 2011 (reflected from Mar. 2012).
- * 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

(2) Company Profile

① Focused on the Real Estate Industry

The real estate industry represents **13.7%** (2011) of GDP (413 trillion yen (nominal))



Source: National Accounts for 2011 (GDP by economic activity)

Total real estate assets equals **1,710 trillion yen** (2011)

Residential
343 trillion yen

Non-residential
209 trillion yen

Land 1,156 trillion yen

Source: National Accounts for 2011 (National assets)



Number of homes
57.58 million units

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



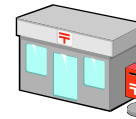
There are **123,922** real estate agencies (as of the end of 2011)

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



much more than...

Convenience stores
47,510 stores (March 2013)



Post offices
24,212 offices (As of the end of Sep. 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 検索

- 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

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: 1,374 companies (Subscribed Clients as of Jun. 2013) ※Monthly ARPU: approx. 103,500 yen/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.
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)

⑧ Company Profile

Established :	January 21, 2000
Paid-in capital :	628 million 411 thousand 540 yen (As of the end of June 2013)
Listing :	Mothers section of the Tokyo Stock Exchange (Code: 3796)
Relationship banks :	Resona Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Trust Bank, Limited
# of employees :	140 (As of the end of June 2013)
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, 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

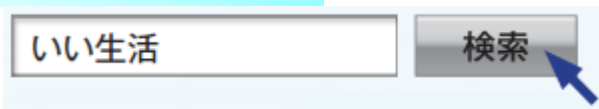
⑨ e-Seikatsu Official Websites (Japanese)

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