

FY2014 Full-term Results

TSE Mothers 3796

May 8, 2014



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 Full-term Results for FYE March 31, 2014
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 - (2) Company Profile

1

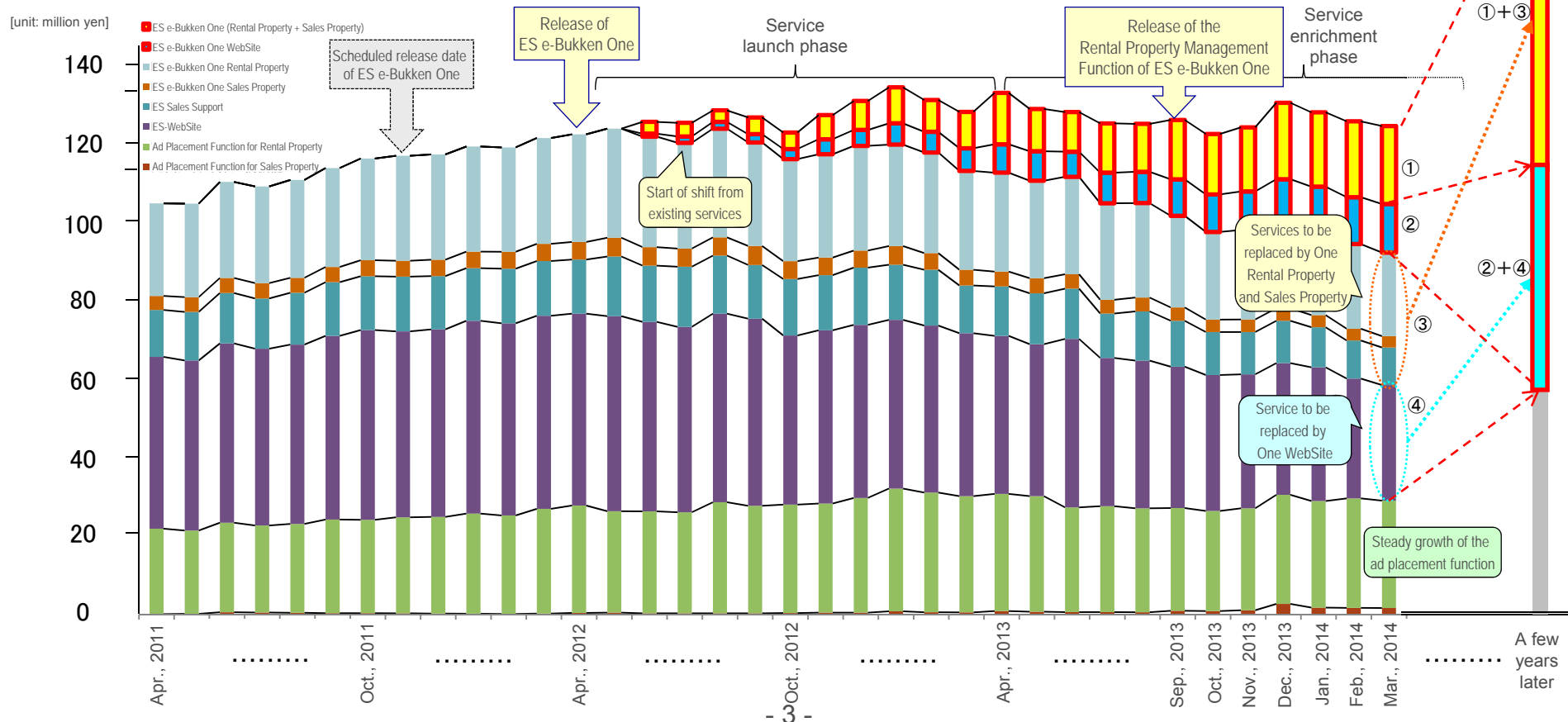
Summary of Full-term Results for FYE March 31, 2014

① “ES e-Bukken One” is Becoming Our Core Cloud Computing Service

Sales are growing, while the new core service “ES e-Bukken One” is replacing existing services.

“ES e-Bukken One” will become the “pillar” of turnkey services over the next 2~3 years.

ES e-Bukken One [unit: # of companies of service provision]		2012												2013												2014		
		Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.			
Rental Property	New	0	0	13	25	32	41	48	59	65	76	80	78	94	99	95	101	104	106	109	120	132	143	146	148			
	Shift	0	0	1	5	6	17	27	36	47	57	55	57	60	61	63	68	71	77	81	79	84	85	94	98			
Sales Property	New	0	0	9	13	17	21	23	28	35	42	42	48	60	63	62	68	66	71	74	78	93	96	92	96			
	Shift	0	0	1	1	1	4	8	10	18	21	23	28	32	35	37	44	44	47	49	48	48	48	51	52			
Total		0	0	24	44	56	83	106	133	165	196	200	211	246	258	257	281	285	301	313	325	357	372	383	394			

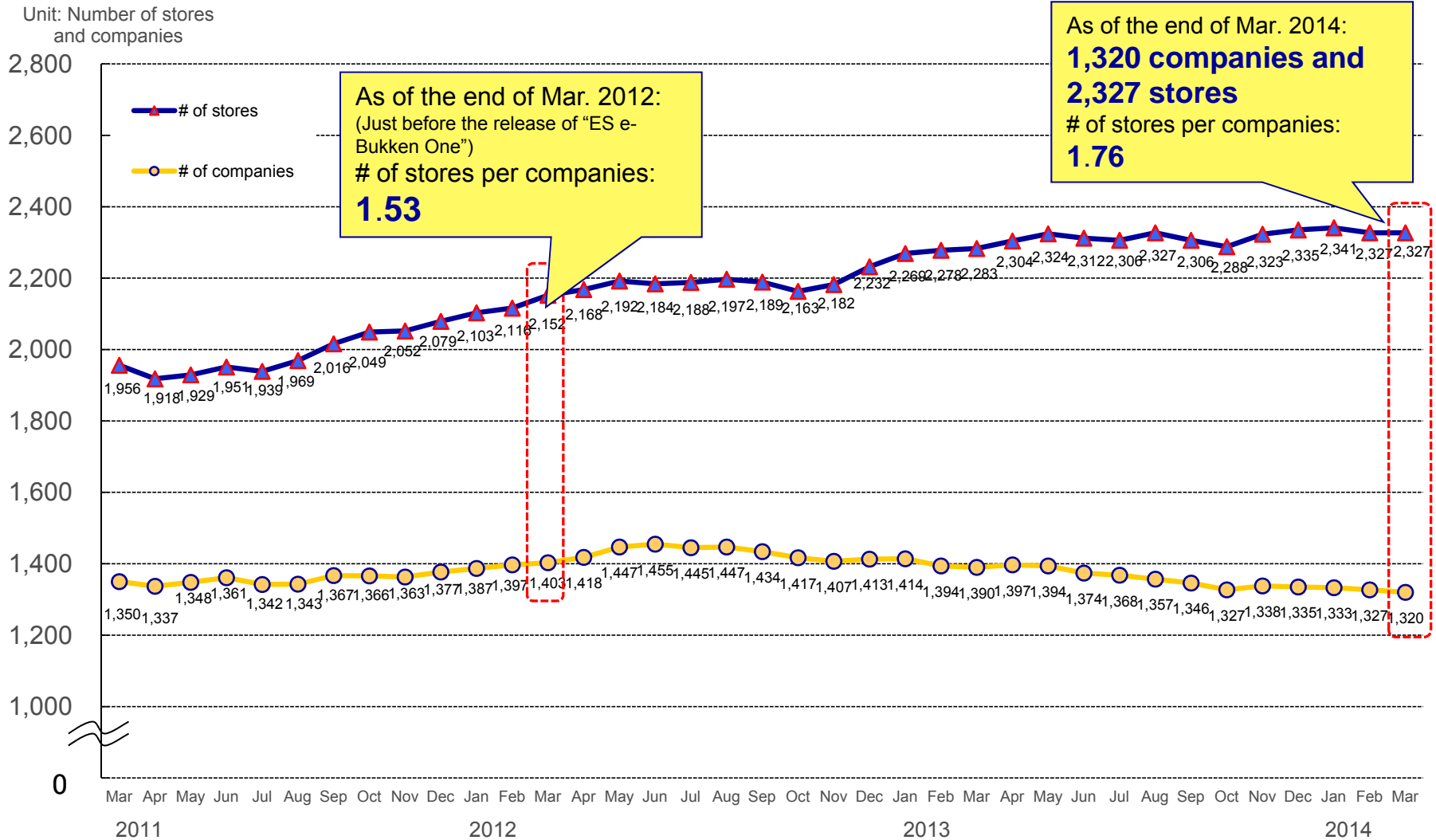


② Plans for Releasing and Expanding ES e-Bukken One

- “ES e-Bukken One Rental Property” and “ES e-Bukken One Sales Property” released in April, 2012, after a delay of five months. (Decision to further postpone the release of the “Rental Property Management Function”)
- Service launch phase (FY ending March, 2013): focus was placed on improving and optimizing the performance of the newly released “ES e-Bukken One Rental Property” and “ES e-Bukken One Sales Property.”
- Service enhancement phase (FY ending March, 2014): additional enhancements and improvements were made for both “ES e-Bukken One Rental Property” and “ES e-Bukken One Sales Property.”
- The “Rental Property Management Function” was released in September, 2013. The first function-enhanced version was released in April 2014, and the second version is to be released around the summer of 2014.
- Started offering “Smart Convert” in March 2014.
- FY ending March, 2015 will be a year of continuous service enhancements as well as a strong emphasis on migrating clients of existing services to the new “ES e-Bukken One” (database migration). Over the next 2~3 years, we will complete the migration process to “ES e-Bukken One” and enter a service/sales expansion phase.

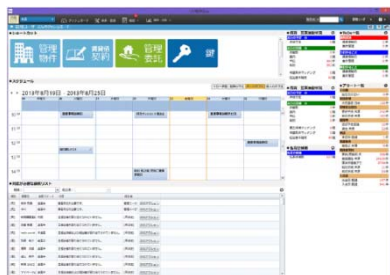
③Number of Cloud Service Clients

After the introduction of “ES e-Bukken One,” the clients that have more than one store have been increasing.



* As for “ES e-Bukken One,” a contract is signed and fees are charged for each companies.
 As for the number of stores, the total number of stores registered by clients (real estate companies).

Released in Sep. 2013. The first edition of enhanced functions was introduced in Apr. 2014.



【Transaction management function】 Integrated management of tenant inquiries and property repair, etc. history

- Convenient “To-do” list integrated with various status management information
- Quotes for repairs can be easily registered by copy/paste
- Journal data output of sales and procurement information

Fees (tax excluded)

➤ **Exclusive management type**

- Initial setting fee 100,000 yen
- Monthly charge 20,000 yen/company or higher (up to 500 houses)



【Entrusted management agreement】 Manage all essential information regarding each rental property under management

- Covers various disclaimers for sub-leases
- Managing key dates for events such as rent reviews and entrusted management agreement renewals
- Easily manage properties of various types of ownership, such as investment properties with sectional ownership, as well as company owned properties

➤ **Rent management type**

- Initial setting fee 200,000 yen
- Monthly charge 30,000 yen/company or higher (up to 500 houses)



【Rent payment management function】 Integrated management of deposits and withdrawals data

- Deposits/withdrawals data directly downloaded from Internet banking accounts
- Automatic and intelligent learning capabilities for improved cross-checking of deposits and withdrawals
- Alert features based on future delinquency predictions

In addition, you can use the “Leasing management type” of “ES e-Bukken One Rental Property,” which does not include the Rental Property Management Function.

スマートOneコンバート

Release of an original real estate information format for posting information
in all portal sites on real estate throughout Japan at once
- To post information in more portal sites on real estate more swiftly -

- Interlocked real estate portal site (linked in Mar. 2014)
“Sumaity (<http://sumaity.com/>)” (operated by Kakaku.com, Inc.)
- Real estate portal sites to be interlocked in May 2014 or later around the summer
“Rental O-uccino (<http://www.o-uccino.jp/>)” (operated by O-uccino, Inc.)
“door Rental (<https://chintai.door.ac/>)” (operated by Livesense Inc.)
“Homemate (<https://www.homemate.co.jp/>)” (operated by Token Corporation)
- Other than those above, the linkage with about 20 media is being coordinated.

Sales decreased slightly from the previous term, but the deficit was reduced.

- Consolidated sales: 1,820 million yen (FY2013 1,831 million yen, YOY change -11 million yen, -0.6%)
 - Cloud Service revenue: 1,687 million yen (FY2013 1,701 million yen YOY change -14 million yen -0.8%)
 - Including **monthly recurring revenue of Turnkey services: 1,479 million yen (FY2013 1,473 million yen, YOY change +6 million yen, +0.4%)**
- Consolidated operating profit: -11 million yen (FY2013 -33 million yen, YOY change +22 million yen)
- Net income: -36 million yen (FY2013 -58 million yen, YOY change +22 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. 104,700 yen/company ※as of the end of Mar. 2014
FY2013 approx. 102,200 yen/company ※as of the end of Mar. 2013

Strengthening and enrichment of functions, including “Rental property management function” of “ES e-Bukken One”

- Additional functions were added to “ES e-Bukken One Sales Property” and “ES e-Bukken One Website” to meet the requests of customers
“Rental Property Management Function” and “Smart Convert” were released, to start full-scale sales activities.

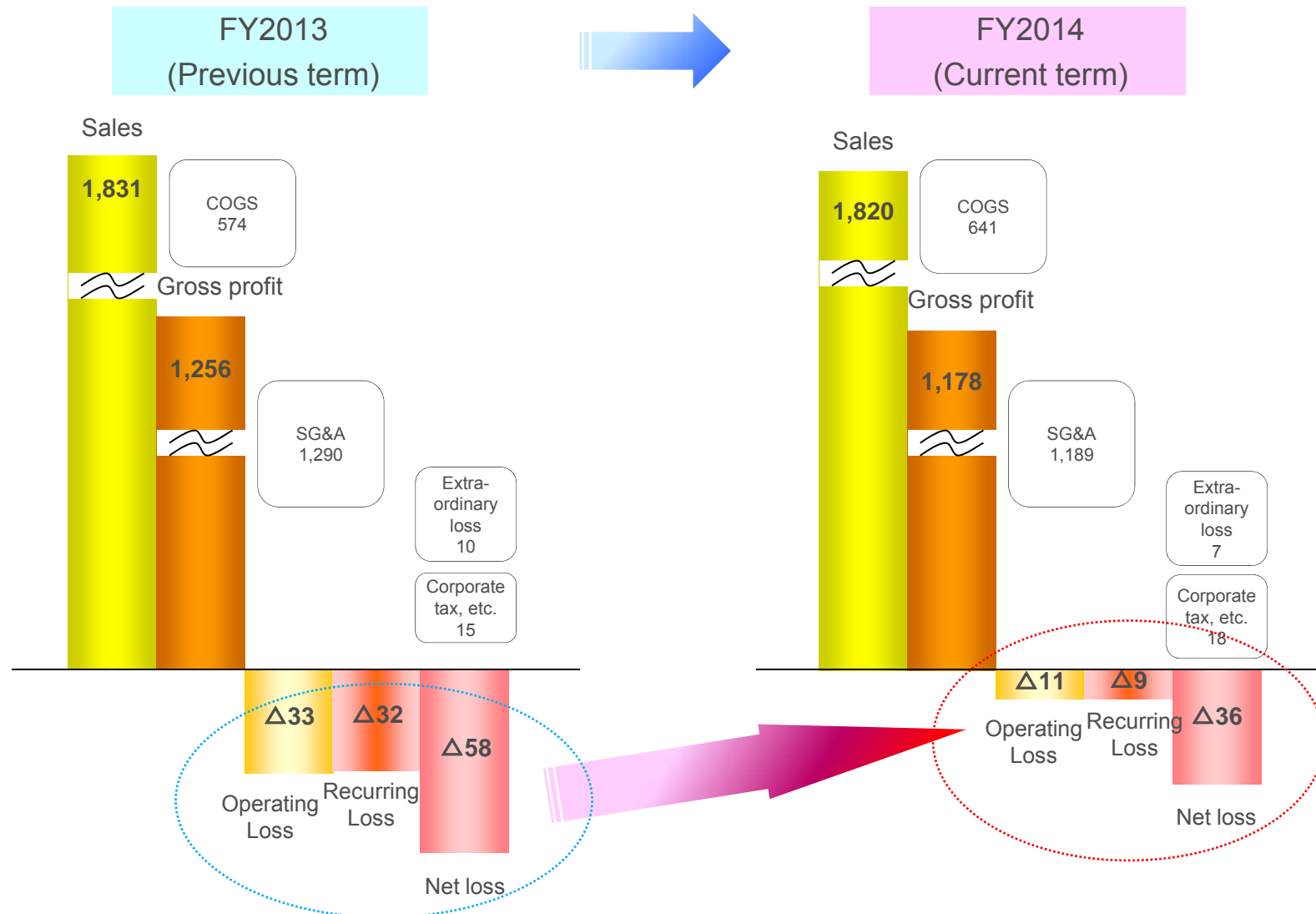
* Cloud Service revenue figures have not been adjusted for internal transactions.

* Figures rounded down to the nearest million yen.

* Ratios rounded to the nearest decimal place.

⑦ Consolidated Income Statement

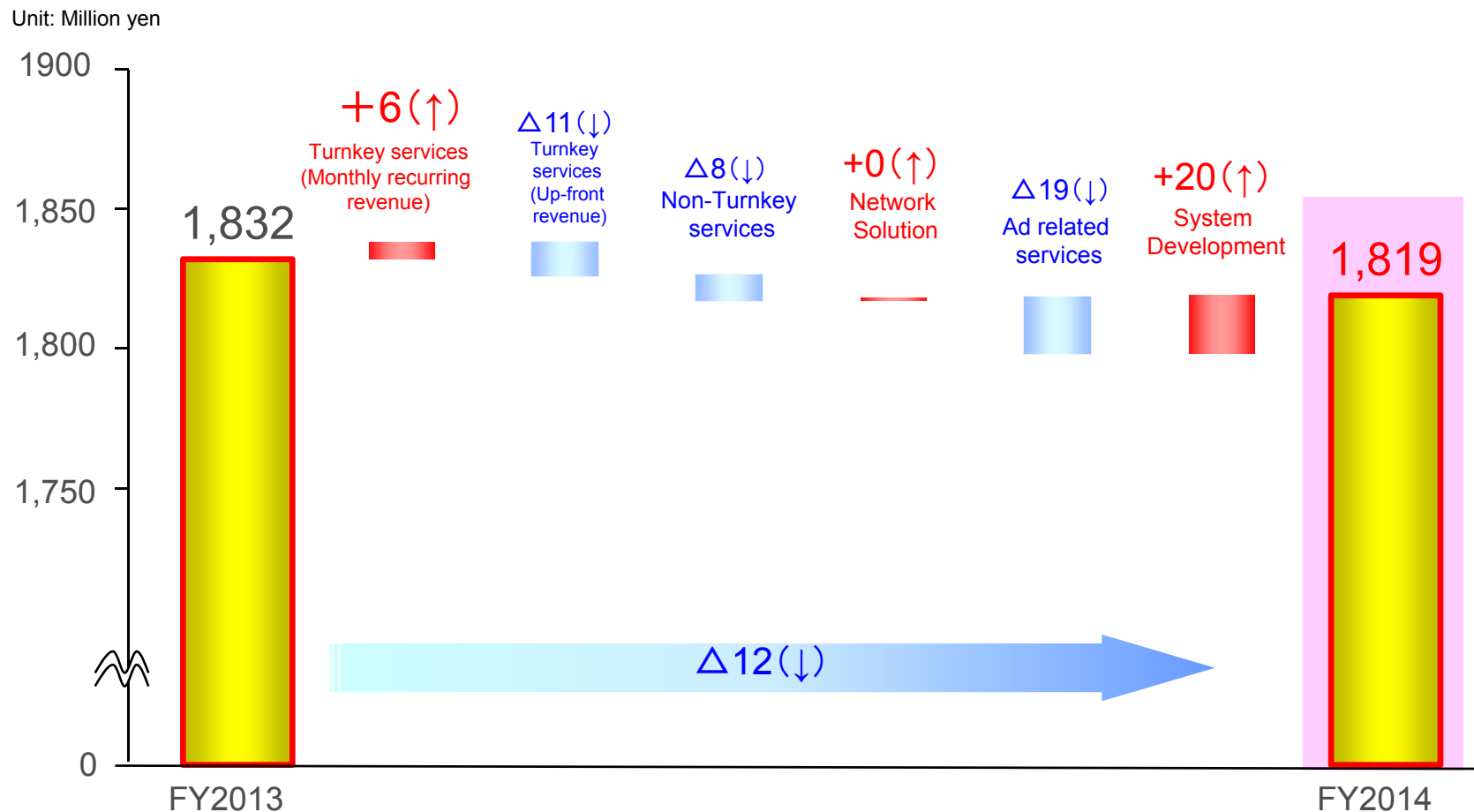
Reduce the deficit as compared with the previous year through promoting cost management



* Figures rounded down to the nearest million yen.

⑧ Cloud Solution Business Change in Revenue Breakdown

In addition to core “Turnkey services” (monthly recurring revenue), revenue from System Development increased.



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

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

* Figures rounded down to the nearest million yen.

⑨Cloud Solution Business Revenue (YOY change)

Item (Million yen)	FY2013	FY2014	YOY change	YOY change (%)
Cloud Service	1,701	1,687	△14	△0.8%
Turnkey services *	1,524	1,519	△5	△0.4%
Up-front revenue	51	39	△11	△23.2%
Monthly recurring revenue	1,473	1,479	6	0.4%
Non-turnkey services *	176	168	△8	△4.8%
Network Solution	35	36	0	0.7%
Advanced-Cloud Service	94	95	0	1.0%
Ad related services	57	38	△19	△33.8%
System Development	37	57	20	54.9%
Total	1,832	1,819	△12	△0.7%

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

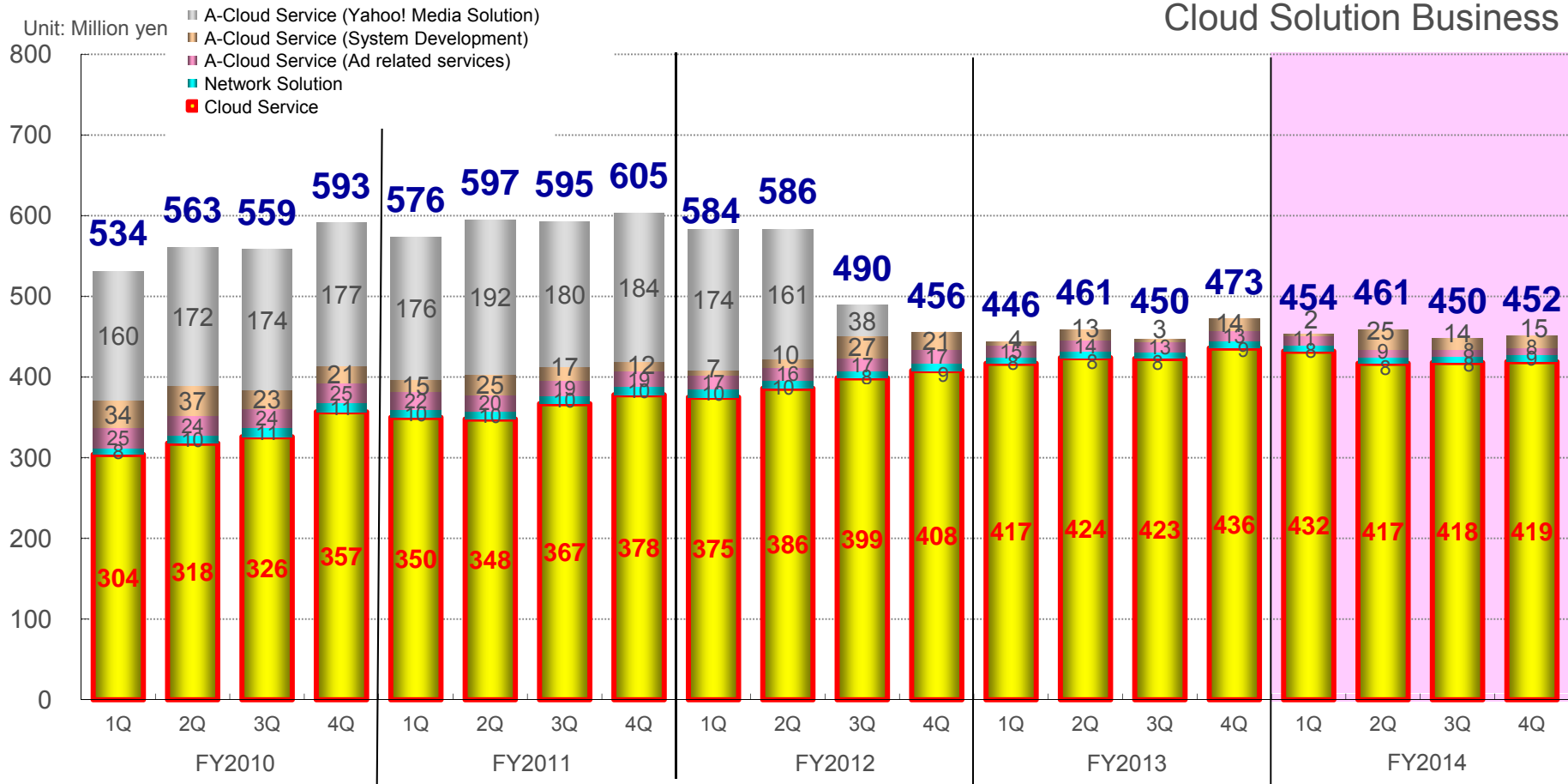
* Cloud Solution Business sales figures have not been adjusted for internal transactions.

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

* Figures rounded down to the nearest million yen.

⑩ Sales Category Breakdown

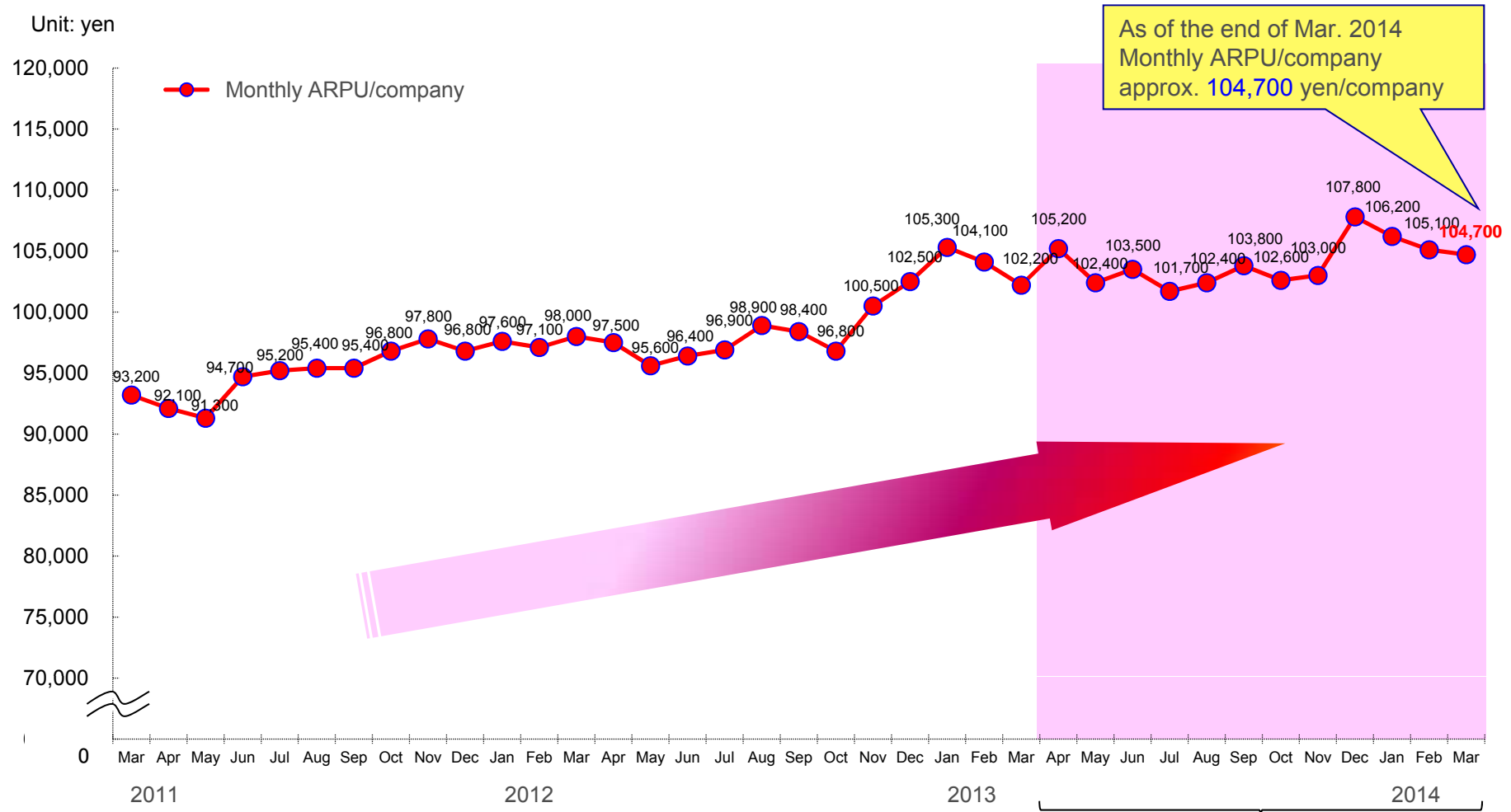
Increasing "Cloud Service" revenue



* 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.

⑪ Cloud Service Monthly ARPU

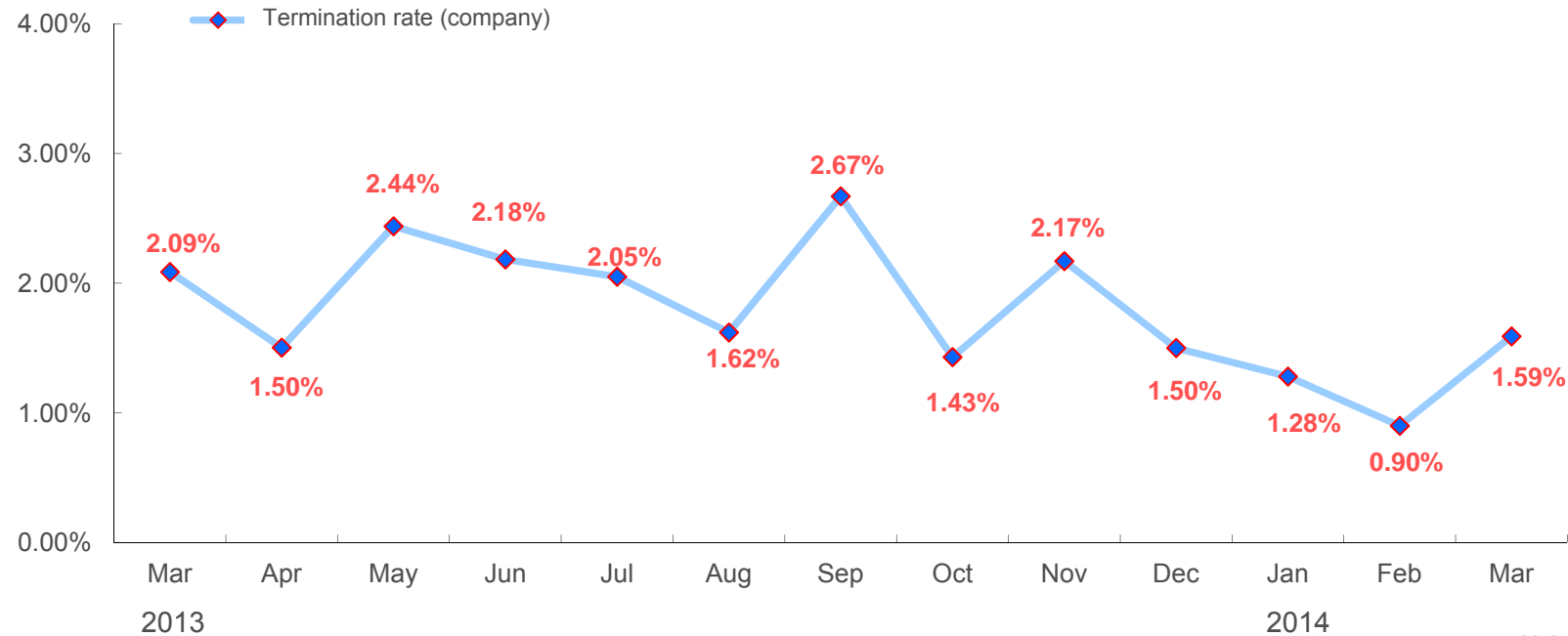
Resulting in a steady increase in monthly ARPU



* 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.

⑫ Cloud Service Client Termination Rate

Continuous efforts to improve client satisfaction, leading to higher retention

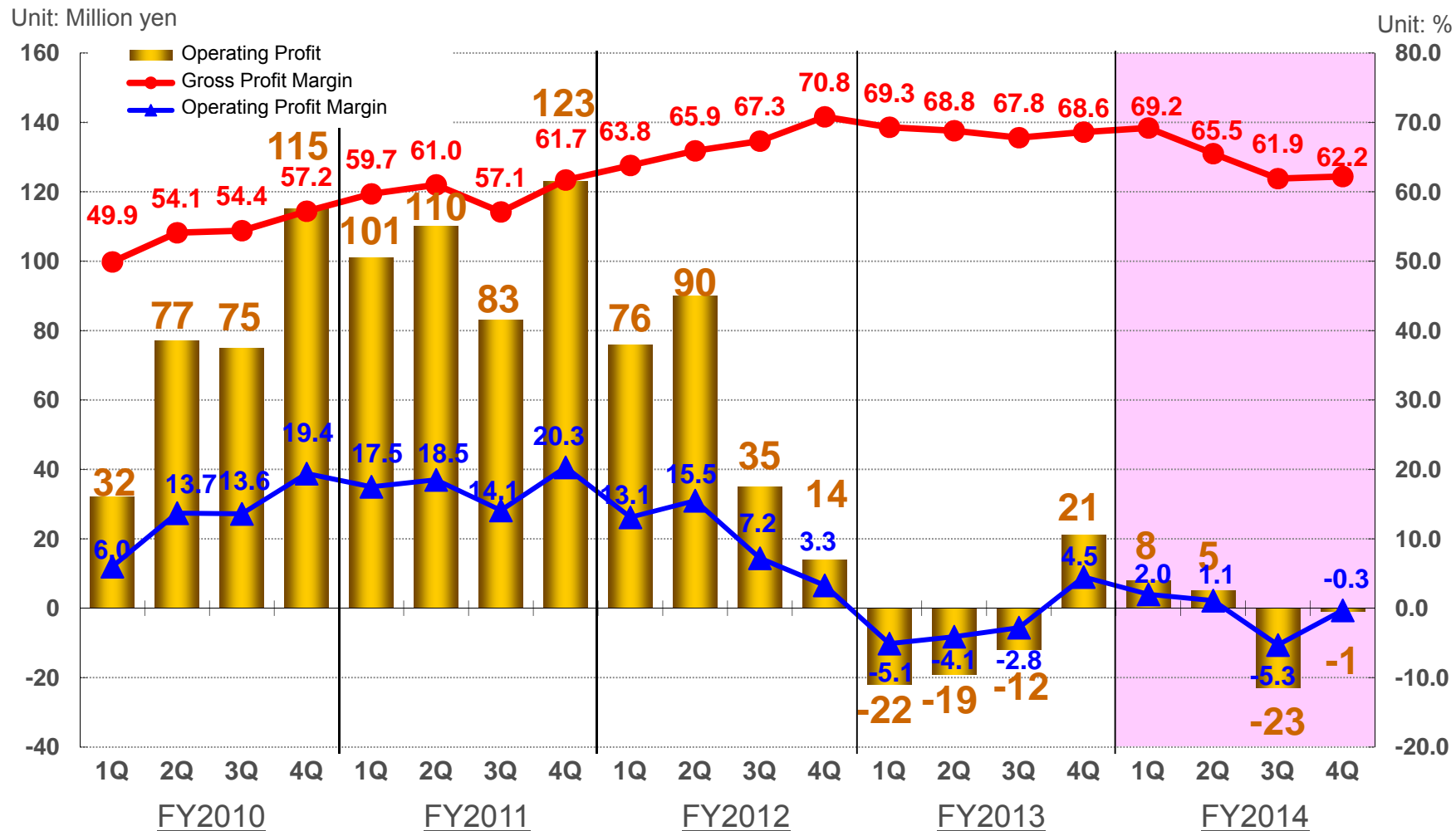


Unit: companies

	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Ave.
# of companies	29	21	34	30	28	22	36	19	29	20	17	12	21	24.5
Termination Rate	2.09%	1.50%	2.44%	2.18%	2.05%	1.62%	2.67%	1.43%	2.17%	1.50%	1.28%	0.90%	1.59%	—

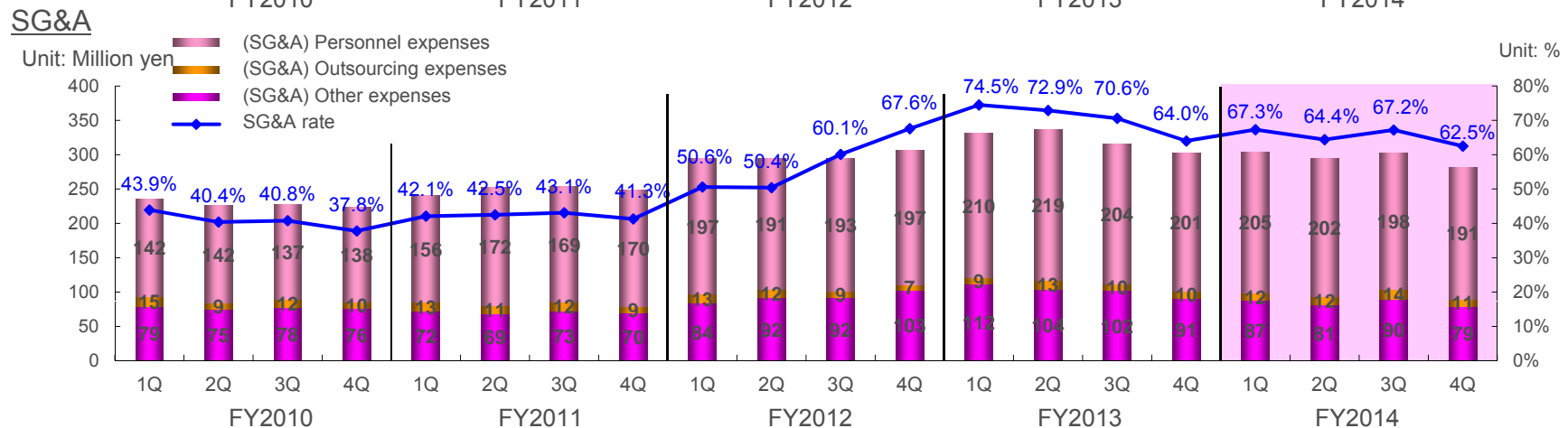
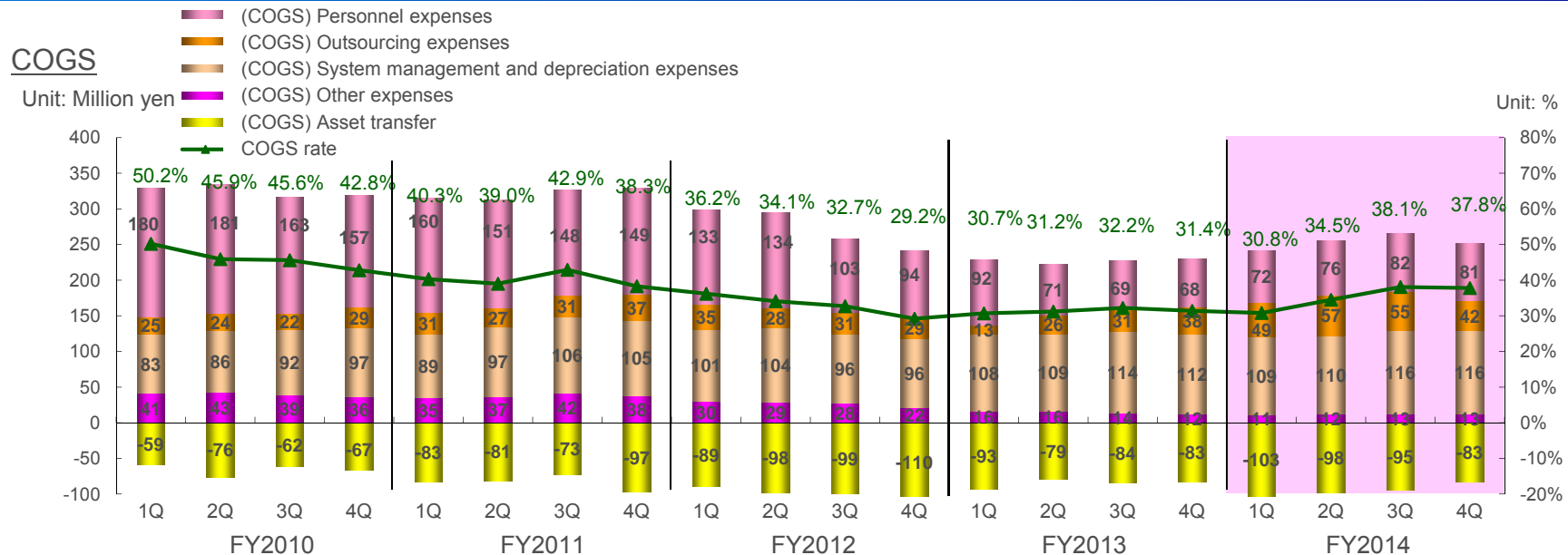
* Termination Rate = $\frac{\text{\# of companies withdrawing in a given month}}{\text{\# of companies in a given month}}$

⑬ Consolidated Quarterly Results



* Figures rounded down to the nearest million yen.

⑭ Quarterly COGS/SG&A



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

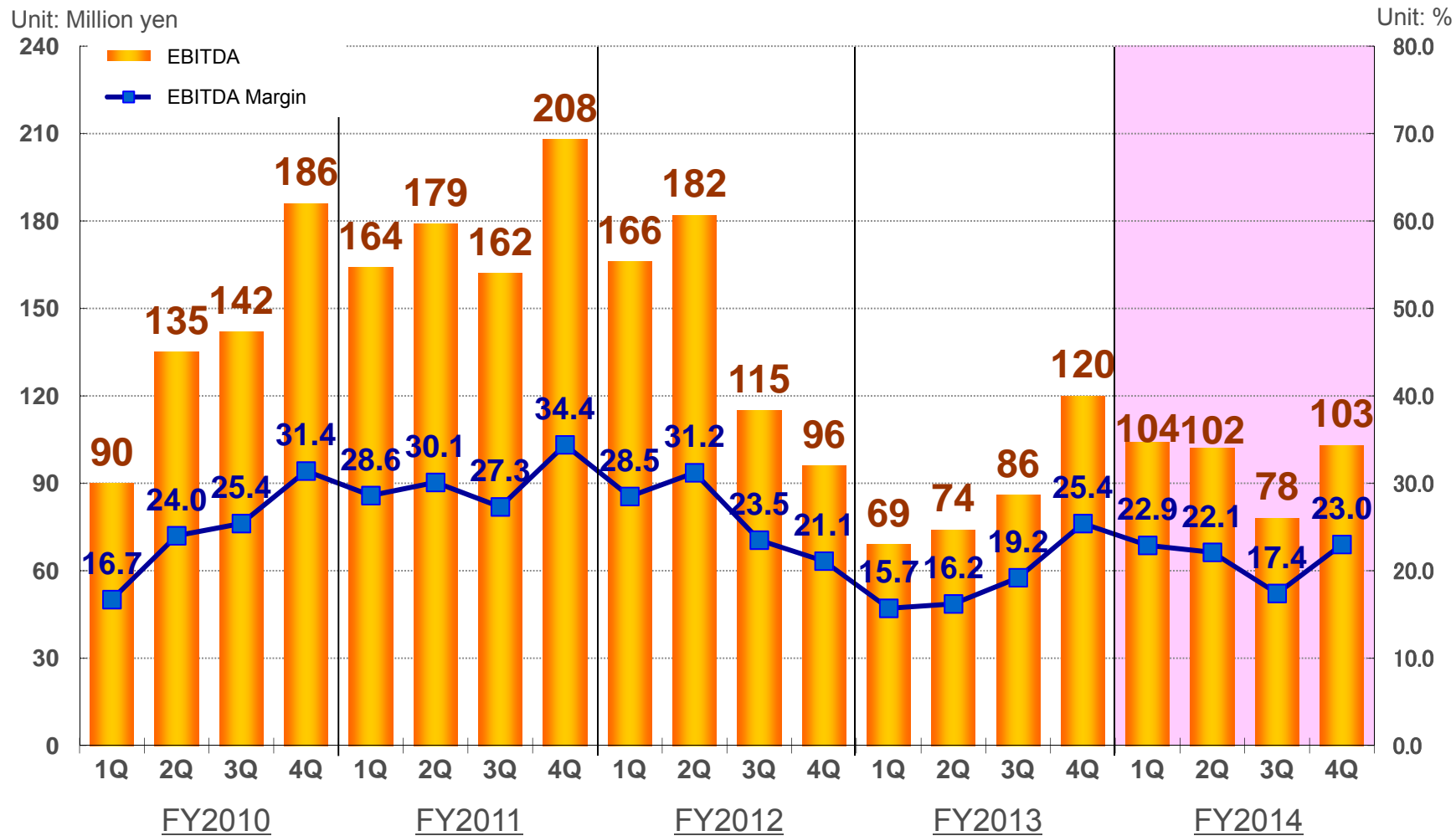
(COGS) Asset transfer: Inventory assets(goods in process), portion allowances for software under development listed under COGS

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

* Figures rounded down to the nearest million yen.

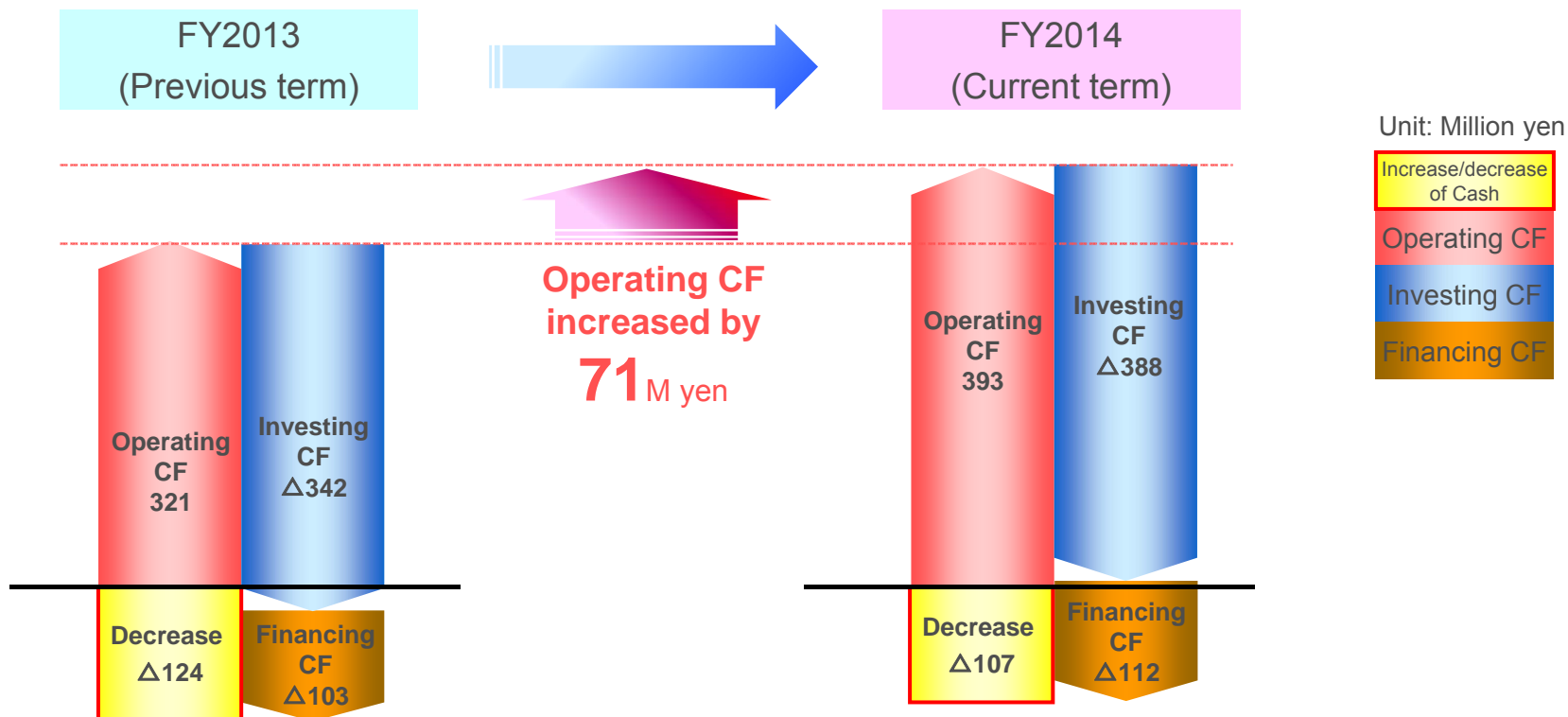
⑮ Quarterly EBITDA (consolidated)

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



* Figures rounded down to the nearest million yen.

⑩ Consolidated Cash Flow



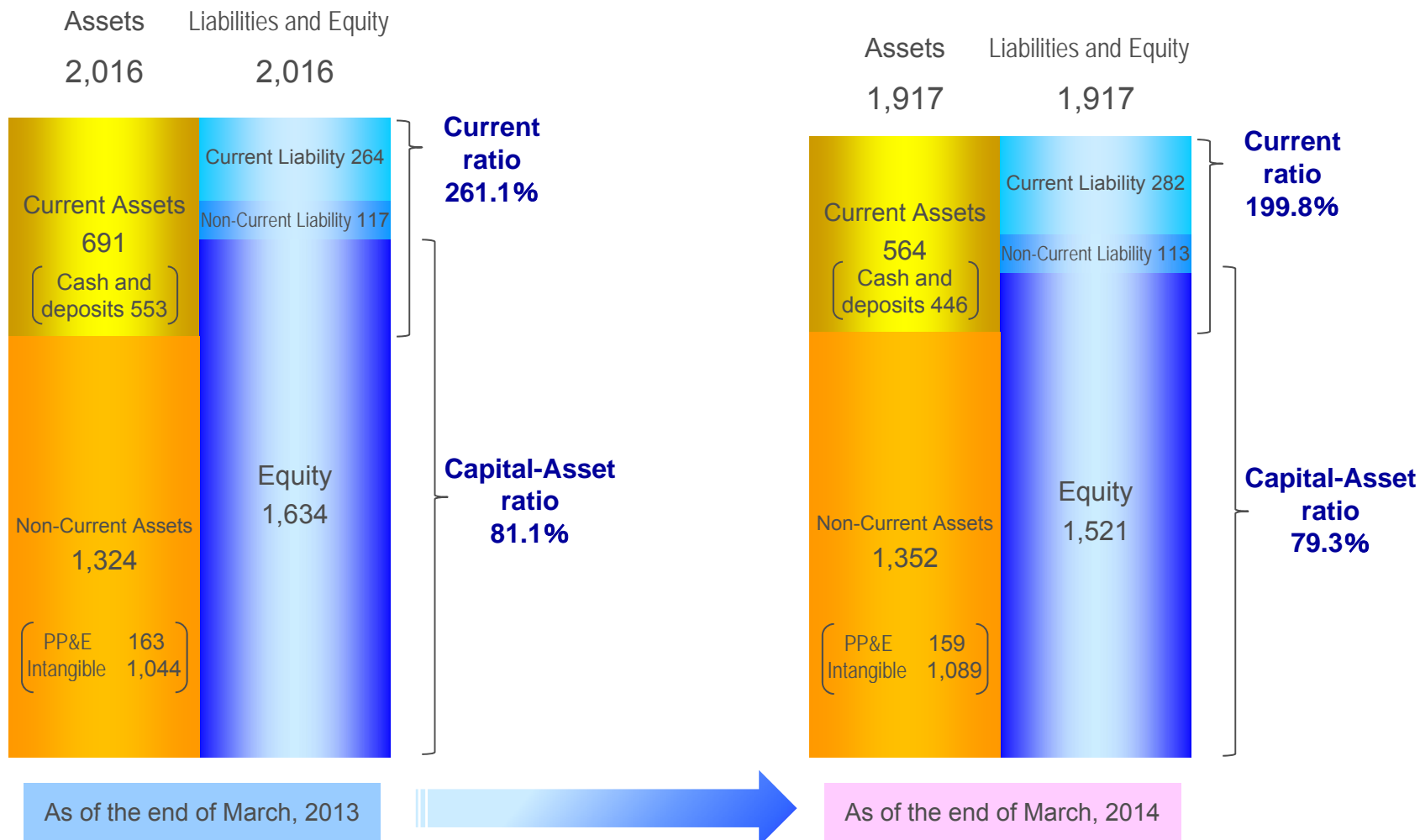
<Key Points>						
Operating Activities	①	Income before tax + depreciation expenses	FY2013	341M yen	FY2014	381M yen
	②	Payment of corporate tax, etc. and refund	FY2013	Δ45M yen	FY2014	39M yen
Investing Activities	③	Expenses due to in-house software development	FY2013	Δ341M yen	FY2014	Δ378M yen
	④	Expenses due to the purchase of assets (HW/SW)	FY2013	Δ8M yen	FY2014	Δ12M yen
	⑤	Income from the redemption of lease and guarantee deposits	FY2013	24M yen	FY2014	27M yen
Financing Activities	⑥	Payments for lease and guarantee deposits	FY2013	Δ0M yen	FY2014	Δ20M yen
	⑦	Expenses due to repayment of lease obligations	FY2013	Δ27M yen	FY2014	Δ36M yen

* Figures rounded down to the nearest million yen.

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

⑰ Consolidated Balance Sheet YOY Comparison

Financially sound

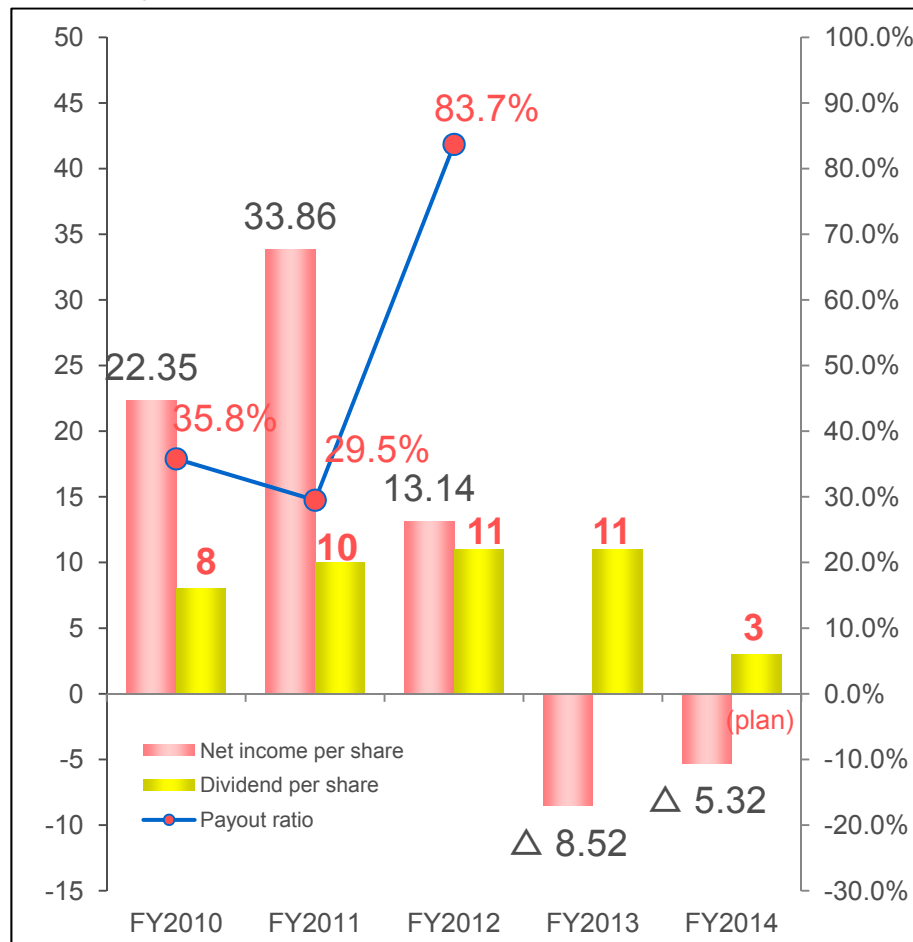


* Figures rounded down to the nearest million yen.

We have been paying dividends.

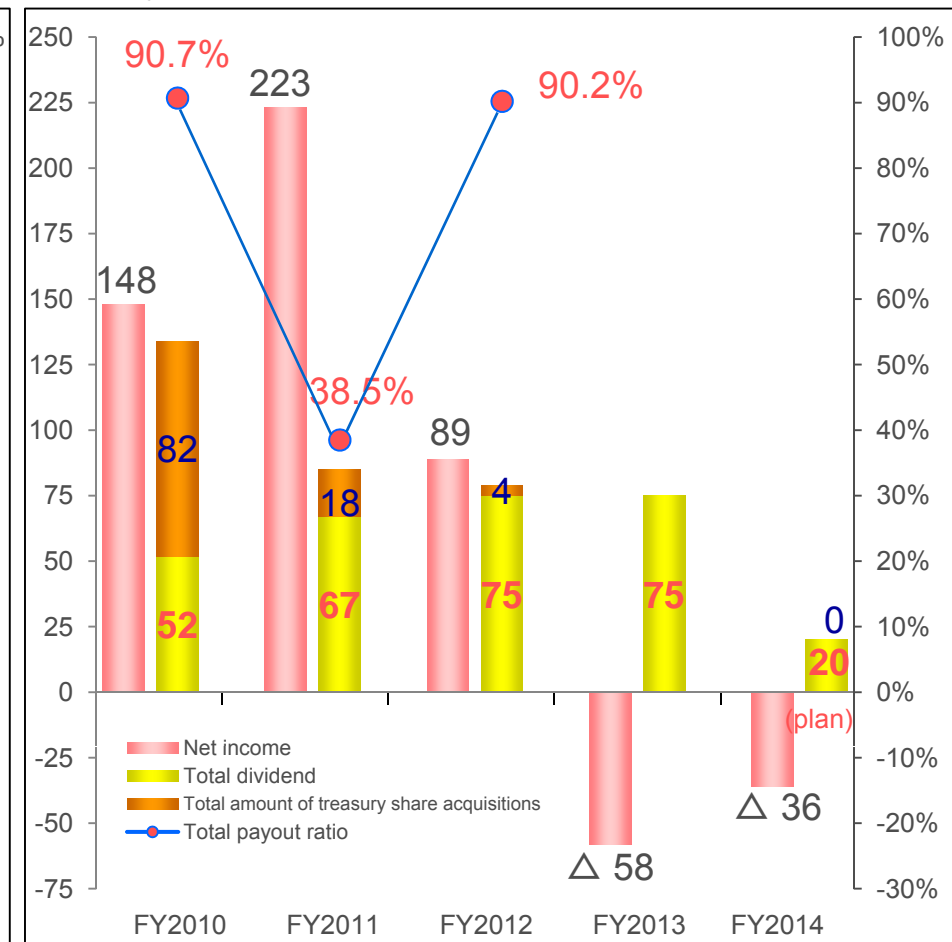
Per Share Information

Unit: Million yen



Total Payout Ratio

Unit: Million yen



*We conducted a 1:100 stock split of common stocks as of October 1, 2013.
The "Dividend per share" and "Net Income per share" are calculated assuming that the said stock split was conducted at the beginning of FY2010.

* Figures are rounded down to the nearest million yen.
'0' indicates an amount less than one million yen. Blank indicates that no dividend was paid.

⑱ Shareholder Return Amount

Consolidated	11th period FY2010	12th period FY2011	13th period FY2012	14th period FY2013	15th period FY2014
① Dividend (yen/share)	8yen	10yen	11yen	11yen	(plan) 3yen
② Total amount of dividend paid	52,128,800yen	67,694,000yen	75,897,800yen	75,897,800yen	(plan) 20,704,575yen
③ Total number of shares purchased	224,700shares	62,300shares	17,800shares	— shares	75shares
④ Total amount of shares purchased	82,754,510yen	18,140,250yen	4,473,180yen	— yen	25,275yen
⑤ Total amount of dividends paid + shares purchased (= ②+④)	134,883,310yen	85,834,250yen	80,370,980yen	75,897,800yen	20,729,850yen
⑥ Net Income	148,707thousand-yen	223,015thousand-yen	89,151thousand-yen	△58,790thousand-yen	△36,686thousand-yen
⑦ Net Income per share (yen/share)	yen sen 22.35	yen sen 33.86	yen sen 13.14	yen sen △8.52	yen sen △5.32
⑧ Pay-out ratio (= ①/⑦)	35.8%	29.5%	83.7%	—%	—%
⑨ Total Payout ratio (= ⑤/⑥)	90.7%	38.5%	90.2%	—%	—%

*We conducted a 1:100 stock split of common stocks as of October 1, 2013. The “Total number of shares purchased” and “Net Income per share” are calculated assuming that the said stock split was conducted at the beginning of 11th period.

2

FYE March 2015 Forecast

①Key Points

Revenue, Cost, Profit, Dividend

- Sales are estimated to increase to 1,882 million yen, an increase of 62 million yen from 1,820 million yen in the previous term. We promote mainly the Rental Property (including the “Rental Property Management Function”), Sales Property, and Websites of the turnkey services “ES e-Bukken One.”
- The total cost (sum of COGS and SG&A) is estimated to be 1,849 million yen, nearly equal to the value in the previous term: 1,831 million yen. The cost of sales will include the depreciation for improving and adding the functions of “ES e-Bukken One” and the increment in system operation and maintenance expenses for fortifying servers, etc. The SG&A expenses are estimated to decreased through the rigorous management of the cost for sales activities.
- Operating profit forecast of 33 million yen (In FY2014, operating loss of 11 million yen).
- Year-end dividend forecast of 3 yen per share (prior year 3 yen per share(plan)).

Marketing strategy

- We will focus on new client acquisition as well as follow-up marketing efforts (up-sell) including introduction of our new service to existing clients.
- We will further strengthen our client support function in preparation for the expansion in the number of clients served.
- We will focus our marketing efforts targeting medium to large sized clients.
- We will continue to focus our marketing activities mainly in each of our primary markets (Tokyo, Kansai, Chukyo, Fukuoka).

Cloud service development strategy

- Continuous development for strengthening and enriching the functions of “ES e-Bukken One” with the purpose of further improving the convenience for customers.

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

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

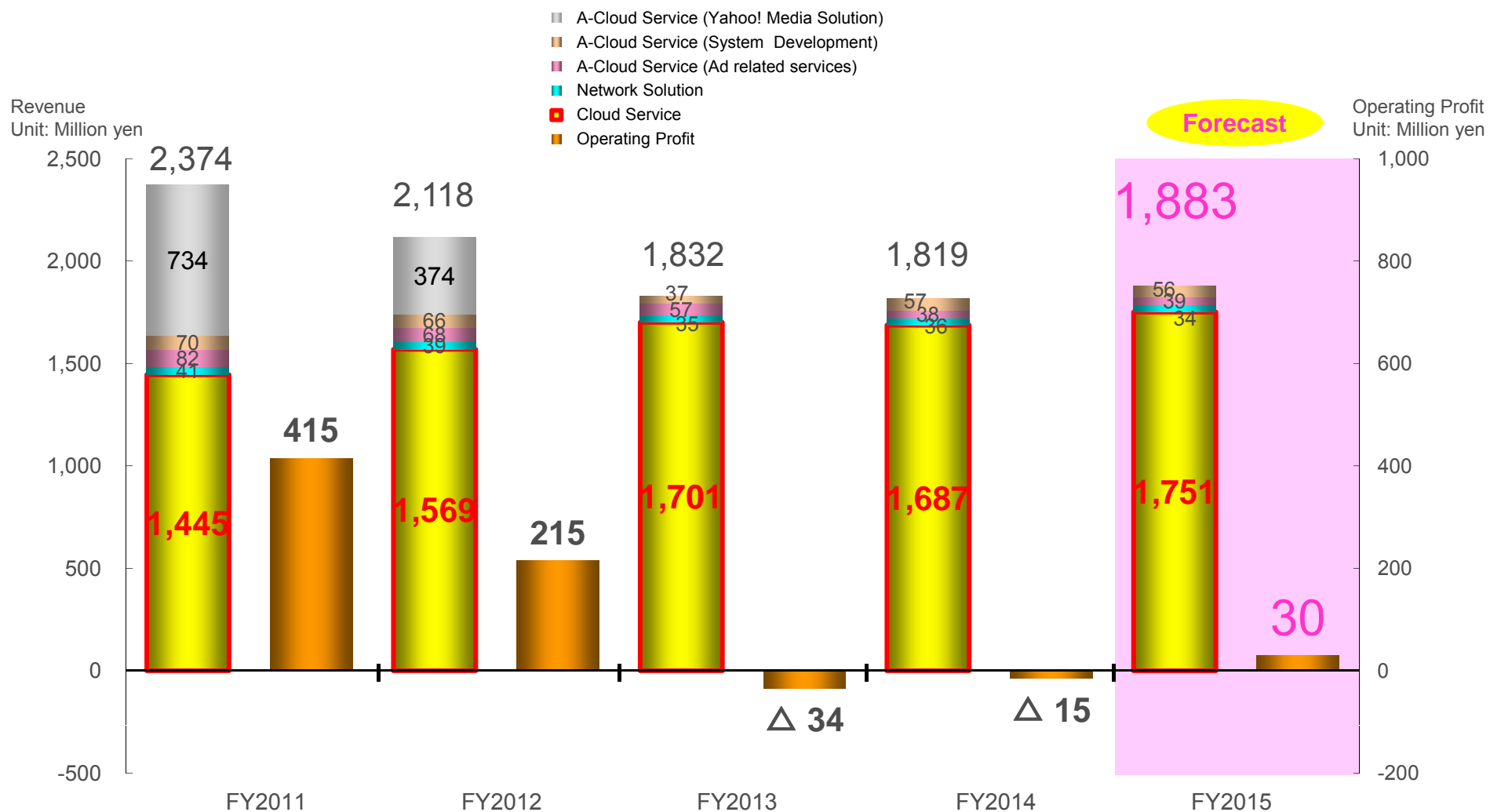
② Consolidated Operating Forecast and Dividend Forecast

(Million yen)	Mid-term Forecast FY2015	Full-term Forecast FY2015 (①)	Full-term Results FY2014 (②)	Difference (①-②)	YOY change (%)
Sales	918	1,882	1,820	62	3.4%
Operating Profit	7	33	△11	44	—
Recurring Profit	7	32	△9	41	—
Net Income	3	12	△36	48	—

	Dividend per share
Full-term dividend (forecast) (FYE March 2015)	3yen
Full-term dividend (plan) (FYE March 2014)	3yen

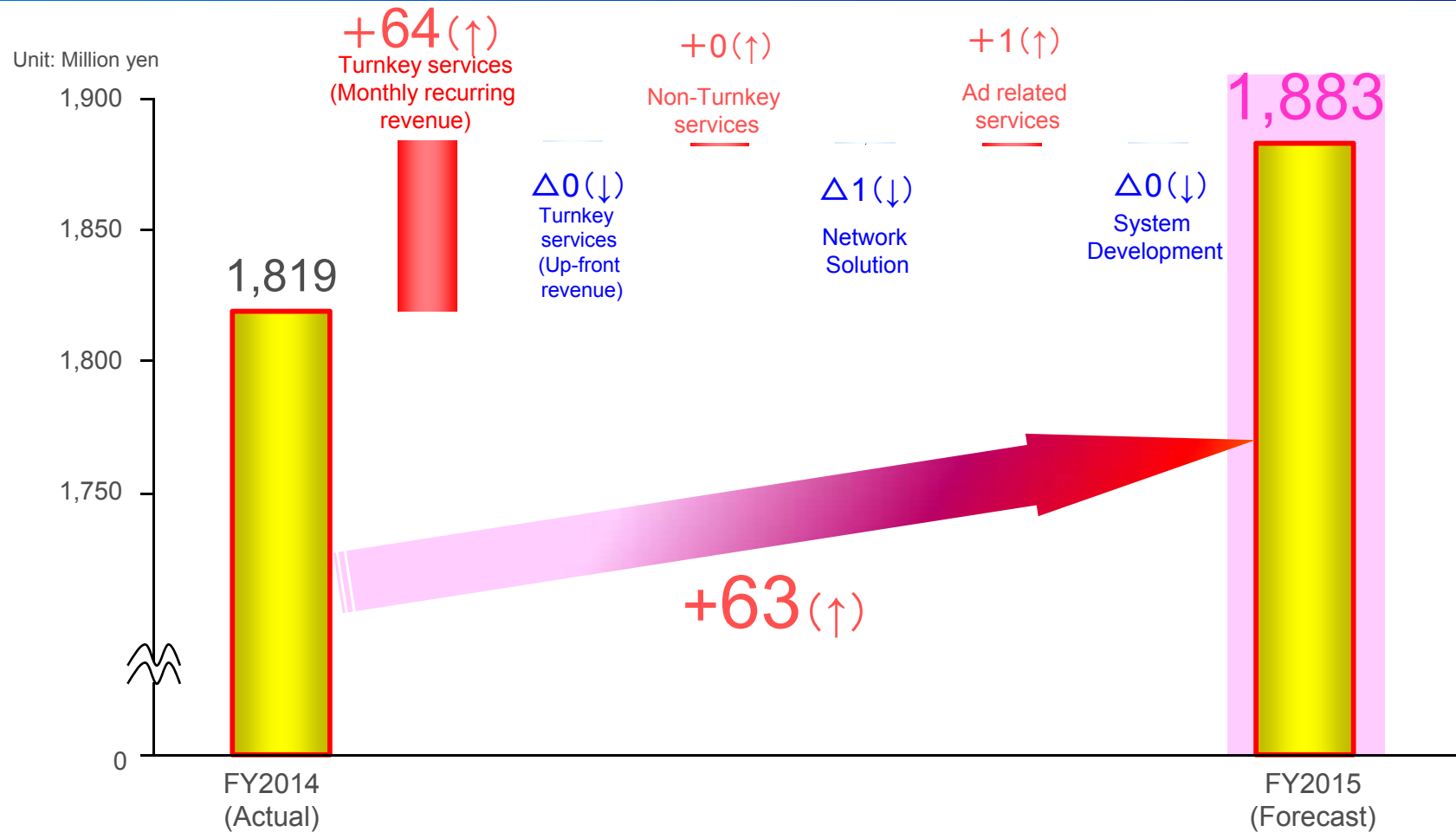
- * Forecast figures are based on information available at the time of this announcement.
Actual results may differ materially from the forecast figures.
- * Figures rounded down to the nearest million yen.

③ 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.

④ Cloud Solution Business Change in Revenue Breakdown



<Key Points>
 Further promoting “ES e-Bukken One,” our “turnkey services (monthly recurring revenue)” revenue is expected to increase by about 64 million yen YOY, and the total sales of the cloud solution business are estimated to increase by about 63 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 Full-term Revenue Forecast Breakdown

Item (Unit: million yen)	FY2015 Forecast (①)	FY2014 Actual (②)	YOY Change (① - ②)	YOY Change %
Cloud Service	1,751	1,687	64	3.8%
Turnkey services *	1,583	1,519	64	4.2%
Up-front revenue	38	39	△0	△2.2%
Monthly recurring revenue	1,544	1,479	64	4.4%
Non-turnkey services *	168	168	0	0.2%
Network Solution	34	36	△1	△3.2%
Advanced-Cloud Service	96	95	0	0.6%
Ad related services	39	38	1	3.7%
System Development	56	57	△0	△1.4%
Total	1,883	1,819	63	3.5%

* 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.

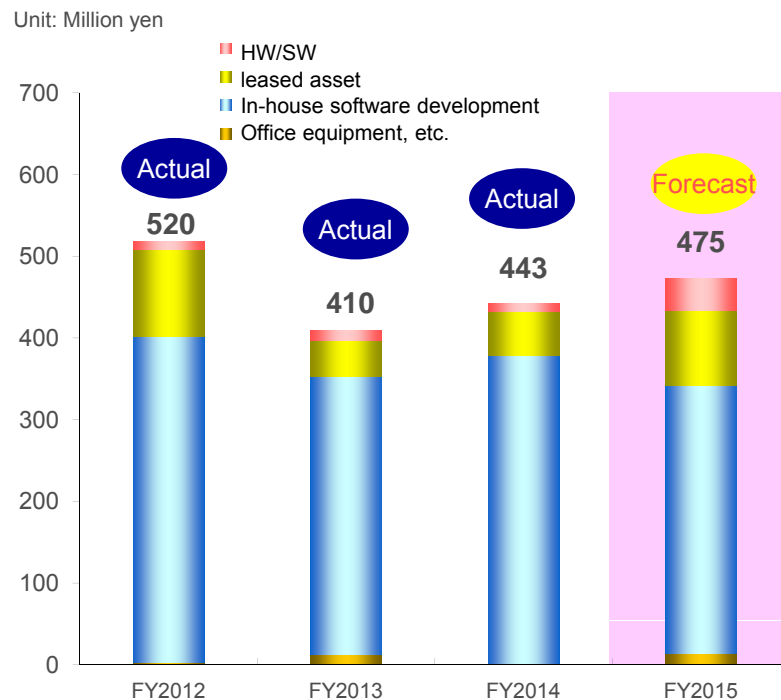
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 Actual results may differ materially from the forecast figures.

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* Figures rounded down to the nearest million yen.

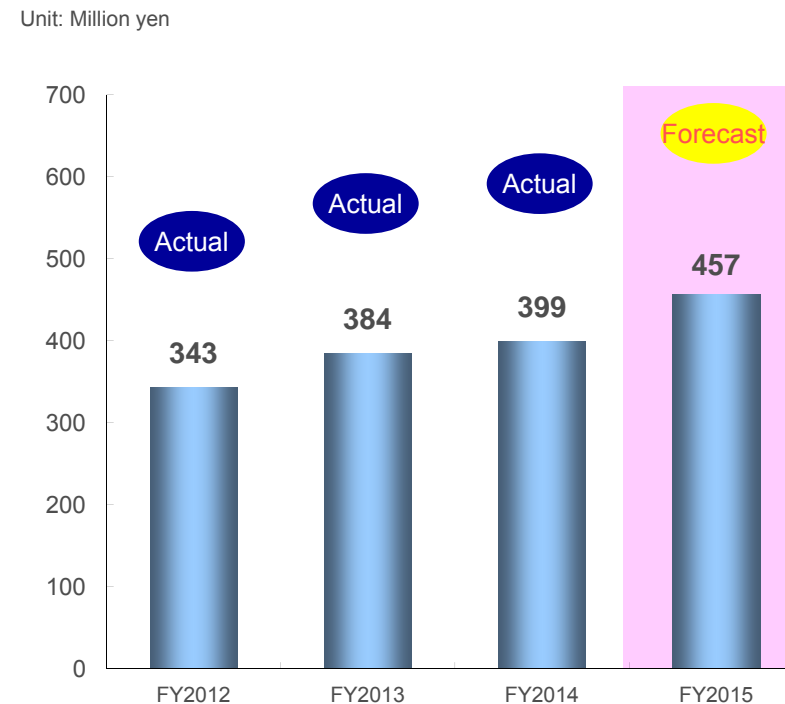
⑥ Investment Plan

Investment Amount



(Million yen)	2012/3 Actual	2013/3 Actual	2014/3 Actual	2015/3 Forecast
HW/SW	10	12	9	32
leased asset	106	44	55	92
In-house software development	399	341	378	335
Office equipment, etc.	3	12	0	14
Total	520	410	443	475

Depreciation



(Million yen)	2012/3 Actual	2013/3 Actual	2014/3 Actual	2015/3 Forecast
Depreciation	343	384	399	457

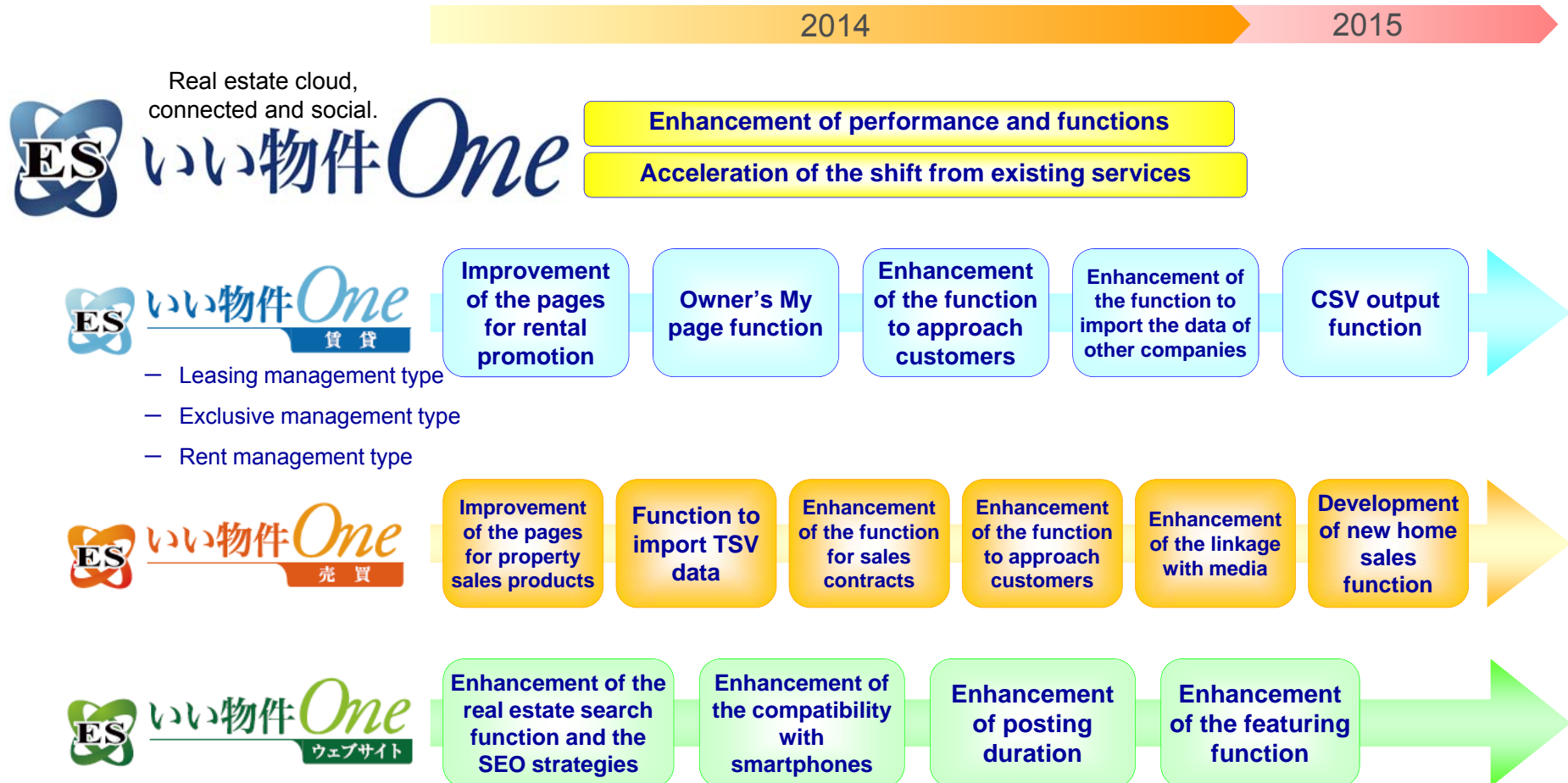
* Figures rounded down to the nearest million yen.
* Investment plan with regards to the Cloud Solution Business.

3

Our Business Strategy

①Cloud Service Development Road Map

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



We plan to have existing customers upgrade to “ES e-Bukken One” as offered.

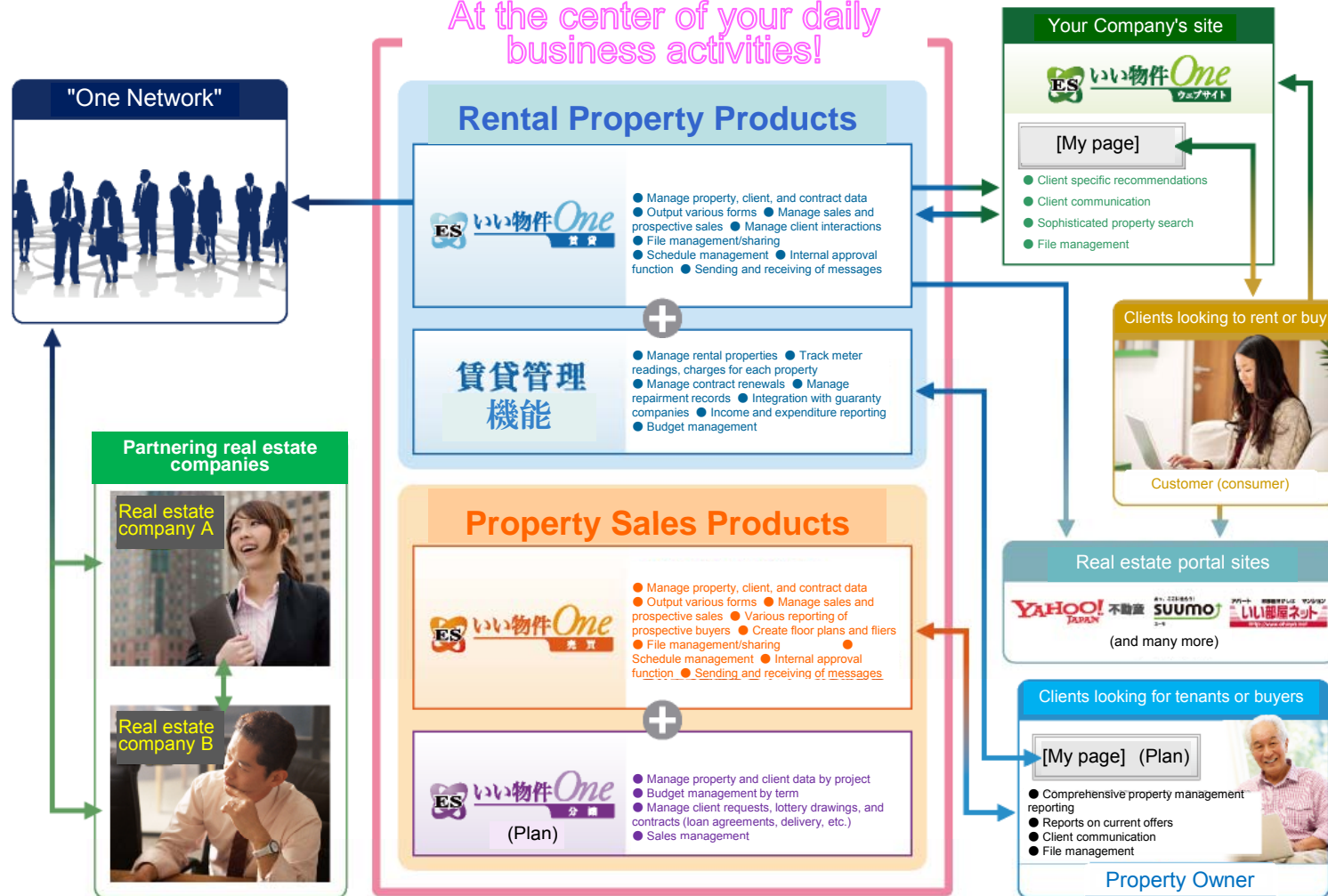
* Development and product launch schedule subject to change.

②Outline of "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!



③ Evolving Real Estate Business with “ES e-Bukken One”

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.

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.

④ Client Testimonials - 1 -

We achieved centralized information management and operational efficiency.

YS-HOME Co.,Ltd.



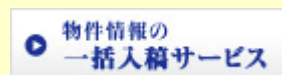
<http://www.yshome.jp/>

“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 to enter data into the real estate portal site.
- ✓ 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.

Apple Real Estate co., Ltd.



“Our major issue was not being able to share information, especially property information, among stores, as the number of stores increase and our sales area expand. To verify bank account activity, we also used to cross check deposits and withdrawals and manually update and reconcile the bank books. In order to solve these issues, we migrated from our existing system to e-Seikatsu, and we are very satisfied.”

Utilized services and key benefits



物件情報の一括入稿サービス

- ✓ Enhanced operational efficiency via real estate property information sharing.
- ✓ Simplified sales management work by using a transaction ledger.
- ✓ Saved troublesome deposit management work by integrating with firm banking system.
- ✓ Smooth transfer from the old system thanks to free-style format.

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

Mile stone/ Target indicators

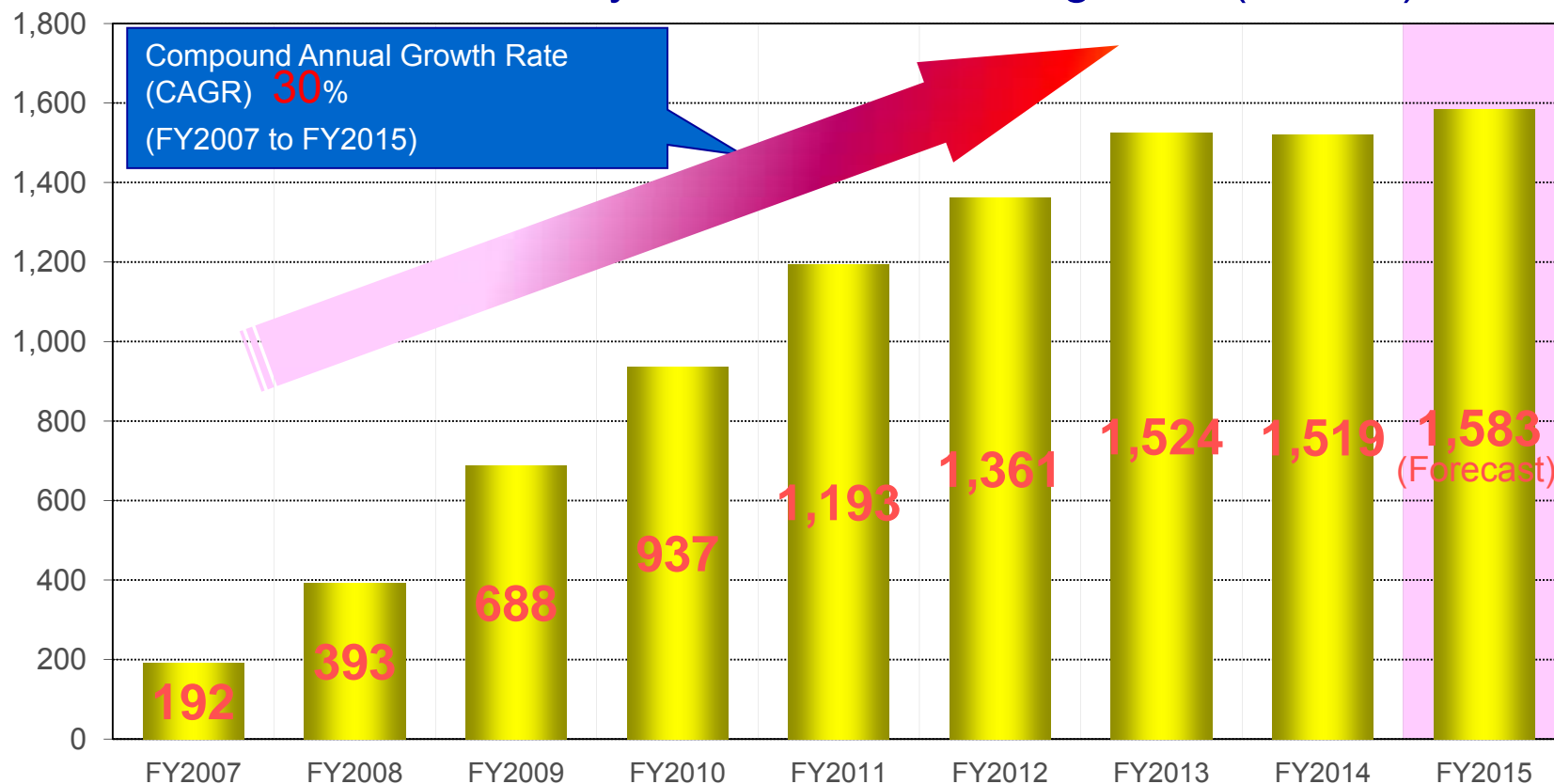
Number of clients : **5,000 companies** · ARPU : **≧ ¥100,000/month** · Cloud Service : **Gross profit margin > 70%**

⑦ Growth Potential of Cloud Service (Turnkey services)

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

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 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	461	451	452
Gross Profit	372	386	330	323	309	317	305	324	314	302	279	281
Gross Profit Margin	63.8%	65.9%	67.3%	70.8%	69.3%	68.8%	67.8%	68.6%	69.2%	65.5%	61.9%	62.2%
Operating Profit	76	90	35	14	△22	△19	△12	21	8	5	△23	△1
Operating Profit Margin	13.1%	15.5%	7.2%	3.3%	△5.1%	△4.1%	△2.8%	4.5%	2.0%	1.1%	△5.3%	△0.3%
Recurring Profit	77	91	41	15	△22	△18	△13	21	8	6	△23	△1
Recurring Profit Margin	13.2%	15.6%	8.4%	3.4%	△5.0%	△4.0%	△2.9%	4.5%	1.9%	1.5%	△5.3%	△0.3%
Extraordinary Income	—	—	—	—	—	—	—	—	—	—	—	—
Extraordinary Loss	—	20	△0	7	—	7	1	1	—	0	4	3
Quarter Net Income	40	36	17	△4	△21	△22	△17	2	△1	△1	△25	△8
Net Income Margin	6.9%	6.2%	3.5%	△0.9%	△4.7%	△4.9%	△3.8%	0.4%	△0.3%	△0.4%	△5.7%	△1.8%

* 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	619	573	564
Non-Current Assets Total	1,202	1,277	1,298	1,329	1,350	1,357	1,333	1,324	1,311	1,329	1,339	1,352
Assets Total	2,061	2,228	2,119	2,137	2,060	2,057	2,003	2,016	1,947	1,949	1,912	1,917
Current Liability Total	260	348	230	250	263	270	243	264	274	288	274	282
Non-Current Liability Total	85	129	123	118	124	137	128	117	115	105	107	113
Liability Total	346	477	353	368	388	408	371	381	390	394	382	395
Net Assets Total	1,715	1,751	1,765	1,768	1,671	1,649	1,631	1,634	1,556	1,555	1,529	1,521
Liability & Net Assets Total	2,061	2,228	2,119	2,137	2,060	2,057	2,003	2,016	1,947	1,949	1,912	1,917

* 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	154	63	70
CF from Investing Activities	△84	△103	△101	△117	△100	△80	△74	△88	△82	△109	△95	△100
CF from Financing Activities	△56	△15	△6	1	△69	△18	△7	△7	△71	△21	△8	△9
Net increase in cash and cash equivalents (△decrease)	△132	103	△33	16	△94	8	△63	24	△50	23	△40	△39
Cash and Cash Equivalents (end of term)	590	694	661	677	583	592	528	553	502	526	485	446

* 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.

④Other Data (Quarterly basis)

Cloud Solution Business

		FY2012				FY2013				FY2014			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Cloud Service		375	386	399	408	417	424	423	436	432	417	418	419
	Turnkey services	319	333	349	359	371	379	380	393	389	375	376	377
	Up-front revenue	7	6	9	7	10	13	15	11	11	10	12	6
	Monthly recurring revenue	312	326	340	351	360	366	364	381	377	365	364	371
	Non-turnkey services	55	53	49	49	45	44	43	43	42	42	41	41
Network Solution		10	10	8	9	8	8	8	9	8	8	8	9
Advanced-Cloud Service		199	189	82	38	20	28	17	27	13	34	23	23
	Ad related services	17	16	17	17	15	14	13	13	11	9	8	8
	System Development	7	10	27	21	4	13	3	14	2	25	14	15
	Yahoo! Media Solution	174	161	38	—	—	—	—	—	—	—	—	—
Sales Total		584	586	490	456	446	461	450	473	454	461	450	452
	COGS	211	199	160	133	136	143	145	148	139	158	171	171
	SG & A	296	295	295	309	332	336	318	303	306	297	305	283
Cost Total		508	495	456	442	469	480	463	452	446	456	476	454
Operating Profit		76	90	34	14	△23	△19	△13	21	8	4	△26	△2
Recurring Profit		77	91	40	15	△22	△18	△13	21	8	6	△26	△2
Number of Cloud Service clients (Companies)		1,361	1,367	1,377	1,403	1,455	1,434	1,413	1,390	1,374	1,346	1,335	1,320
Number of employees (Non-consolidated)		167	163	150	147	154	147	142	137	140	138	137	133

* 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).

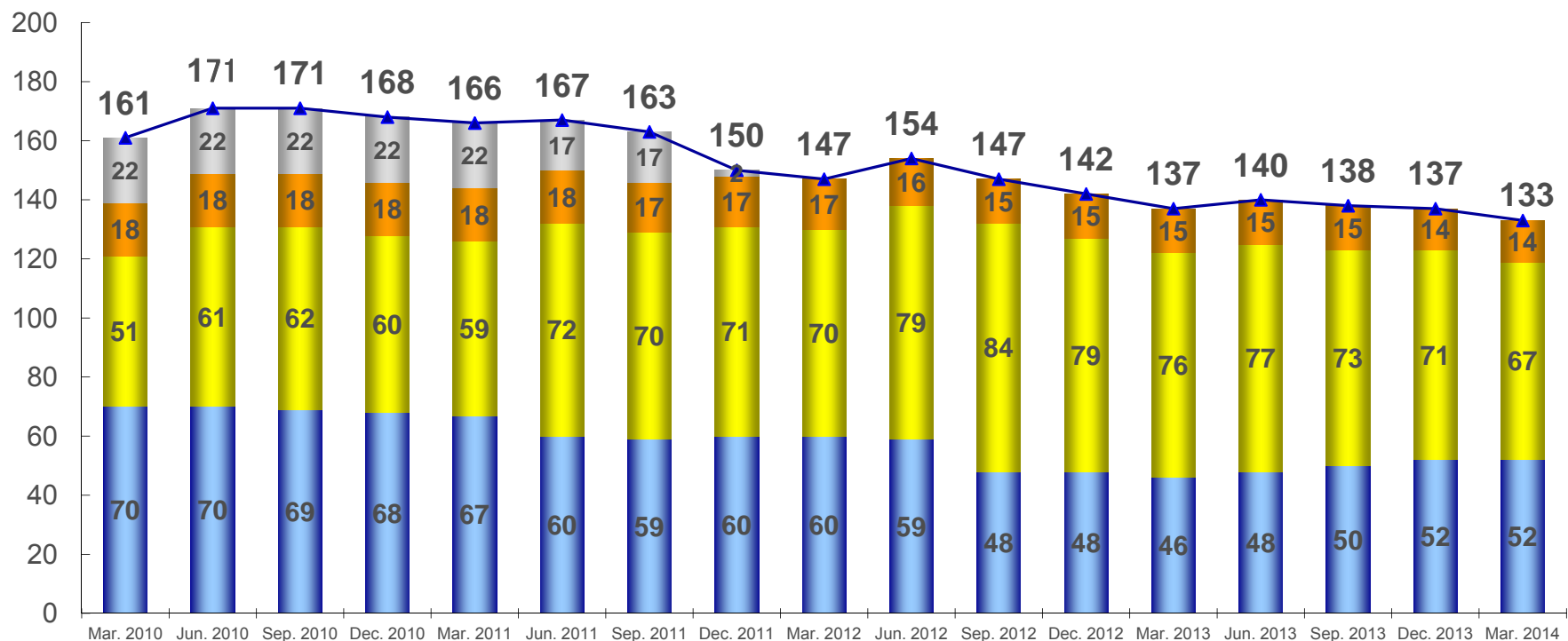
* "Yahoo! Media Solution" operations were concluded in FY2012 3Q (at the end of November 2011).

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

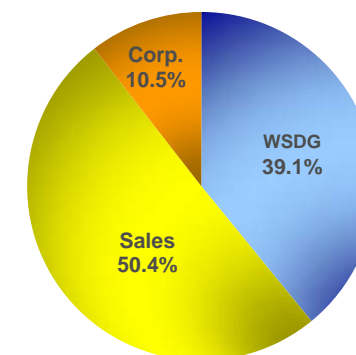
* Figures are rounded down to the nearest million yen.

⑤ Number of Employees (Non-consolidated)

Unit: Employees



- * 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

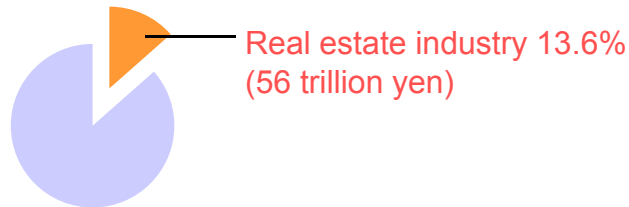


March 31, 2014

(2) Company Profile

① Specialization in the Large Real Estate Field

The real estate industry represents **13.6%** (2012) of GDP (416 trillion yen (nominal))



Source: National Accounts for 2012 (GDP by economic activity)

Total real estate assets equals **1,690 trillion yen** (2012)

Residential **339 trillion yen**



Non-residential **207 trillion yen**



Land **1,143 trillion yen**

Source: National Accounts for 2012 (National assets)



Number of homes **57.58 million units**

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



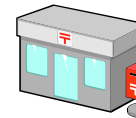
There are **122,510 real estate agencies** (as of the end of 2012)

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



much more than...

Convenience stores
49,930 stores (March 2014)



Post offices
24,224 offices (As of the end of Mar 2014)

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.

②The Real Estate Industry is an “Information Industry”

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

A database that can manage the information on property, customers, and contracts together is required.



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

It is indispensable to respond to consumers' needs for collecting information that changed due to the Internet.



Diversified consumer needs!

In order to satisfy a variety of preferences of consumers timely and appropriately, it is essential to glean comprehensive information on real estate and register images.

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
- It is necessary to manage the information on real estate, customers, and contracts together (develop a database).

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.

④Competitive Advantage of e-Seikatsu

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 for cloud service Turnkey services Operation services of customized solutions (resulting from A-cloud system development work)
	Network Solution	Stock (MRR)	Annual	Monthly amount	System operation and management fees. Operating and managing our various systems utilizing client assets (i.e. operating on HW and SW owned by clients).
	Advanced-Cloud Service (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 March 2014)
Listing :	Mothers section of the Tokyo Stock Exchange (Code: 3796)
Relationship banks :	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Resona Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Trust Bank, Limited
# of employees :	133 (As of the end of March 2014)
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 :	GRAND FRONT OSAKA TOWER A, 4-20 Ofukacho, 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

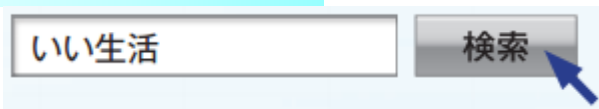
⑨ e-Seikatsu Official Websites (Japanese)

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 Career Information 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