



Second-quarter for FYE March 31, 2015
Presentation Material

November 6, 2014
e-Seikatsu Co., Ltd.
TSE Mothers 3796

1. Summary of Second-quarter Results for FYE
March 31, 2015
2. Business Forecast
3. Business Overview
4. Appendix
 - Financial Data
 - Business Outline

1. Summary of Second-quarter Results for FYE March 31, 2015

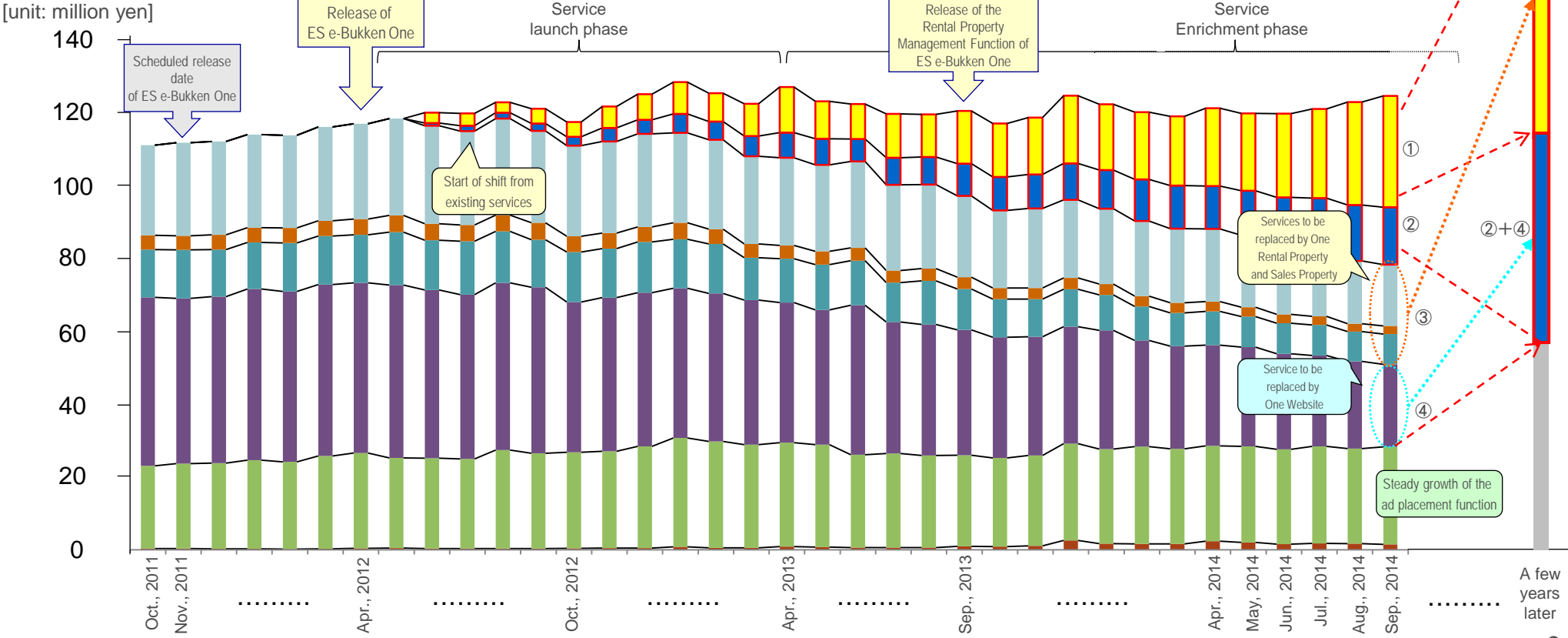
“ES e-Bukken One” is Becoming Our Core Cloud Computing Service



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

- ES e-Bukken One (Rental Property + Sales Property)
- ES e-Bukken One WebSite
- ES e-Bukken One Rental Property
- ES e-Bukken One Sales Property
- ES Sales Support
- ES-WebSite
- Ad Placement Function for Rental Property
- Ad Placement Function for Sales Property

| ES e-Bukken One [unit: # of contracts or companies of service provision] | | 2012 Oct. | Nov. | Dec. | 2013 Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | 2014 Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. |
|--|-------|-----------|------|------|-----------|------|------|------|-----|------|------|------|------|------|------|------|-----------|------|------|------|-----|------|------|------|------|
| Rental Property | New | 48 | 59 | 65 | 76 | 80 | 78 | 94 | 99 | 95 | 101 | 104 | 106 | 109 | 120 | 132 | 143 | 146 | 148 | 159 | 163 | 168 | 178 | 198 | 221 |
| | Shift | 27 | 36 | 47 | 57 | 55 | 57 | 60 | 61 | 63 | 68 | 71 | 77 | 81 | 79 | 84 | 85 | 94 | 98 | 103 | 107 | 119 | 132 | 173 | 189 |
| Sales Property | New | 23 | 28 | 35 | 42 | 42 | 48 | 60 | 63 | 62 | 68 | 66 | 71 | 74 | 78 | 93 | 96 | 92 | 96 | 101 | 100 | 101 | 101 | 107 | 111 |
| | Shift | 8 | 10 | 18 | 21 | 23 | 28 | 32 | 35 | 37 | 44 | 44 | 47 | 49 | 48 | 48 | 48 | 51 | 52 | 53 | 53 | 54 | 54 | 59 | 62 |
| Total | | 106 | 133 | 165 | 196 | 200 | 211 | 246 | 258 | 257 | 281 | 285 | 301 | 313 | 325 | 357 | 372 | 383 | 394 | 416 | 423 | 442 | 465 | 537 | 583 |
| Companies | | 91 | 113 | 138 | 167 | 173 | 182 | 212 | 222 | 219 | 237 | 241 | 254 | 263 | 275 | 297 | 311 | 323 | 329 | 347 | 356 | 371 | 384 | 420 | 445 |


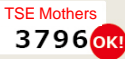





Recognized as a Service Subject to the Subsidy for Cloud Computing from the Ministry of Economy, Trade and Industry

Among firms that offer cloud computing services specializing in realty, only our company has been registered.

A subsidy is provided, when a firm that has installed ICT equipment by itself and operates information systems or a firm that uses information systems with the housing service of a data center shifts to the registered cloud computing service “ES e-Bukken One” .(*)

* If a firm applies to the office for subsidy application (Sustainable Open Innovation Initiative) and satisfies the criteria for screening, the firm will receive a subsidy (up to one third of cost for small and medium-sized firms, up to one fifth of cost for other firms).

| Screening criteria | Results of ES e-Seikatsu |
|--|--|
| <input checked="" type="checkbox"/> Energy-saving property | Use of a data center with the PUE value* being less than 2.5  |
| <input checked="" type="checkbox"/> Business continuity | Requirements satisfied as a listed company  |
| <input checked="" type="checkbox"/> Securing of security | ITSMS and ISMS obtained  |
| <input checked="" type="checkbox"/> Provision of the cloud service | 1,285 companies and 2,355 stores as of Aug. 2014  |
| <input checked="" type="checkbox"/> Data center facilities | Aseismic performance, entry control, emergency power sources  |

* PUE (Power Usage Effectiveness) value: indicator of electricity usage efficiency at a data center.



<Deadline for application>
Application must reach the office for subsidy application by Friday, November 28, 2014.

<Regarding target services>
ES e-Bukken One Rental Property, ES e-Bukken One Sales Property, ES e-Bukken One Website

- <Conditions>
1. Businesses will be conducted inside Japan.
 2. The information systems operated with ICT equipment, etc. owned by clients will be shifted to our cloud service, and the ICT equipment, etc. will be removed.
 3. The information system shifted to the cloud service will be continued to be used for at least one year.
 4. Some energy will be saved by shifting of the information system to the cloud service.

Up to one third of the cost for shift will be subsidized!

Profit increased considerably from the same period of the previous year, while sales decreased slightly.

- Consolidated sales: 902 million yen (FY2014 2Q 915 million yen, YOY change -13 million yen, -1.5%)
 - Cloud Service revenue: 845 million yen (FY2014 2Q 850 million yen YOY change -4 million yen -0.6%)
 - Including **monthly recurring revenue of Turnkey services: 737 million yen (FY2014 2Q 743 million yen, YOY change -6 million yen, -0.8%)**
- Consolidated operating profit: 51 million yen (FY2014 2Q 14 million yen, YOY change +37 million yen 3.7 times)
- Net income: 29 million yen (FY2014 2Q -2 million yen, YOY change +32 million yen)

Sales of our “Cloud Service” are steady.

- Focus on new client acquisitions as well as up-selling to existing Cloud Service clients. Solid growth in monthly ARPU.
 - Monthly ARPU: approx. 111,200 yen/company ※as of the end of Sep. 2014
FY2014 2Q approx. 103,800 yen/company ※as of the end of Sep. 2013

The functions of “ES e-Bukken One” were upgraded and enriched, and the shift from existing services was promoted.

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

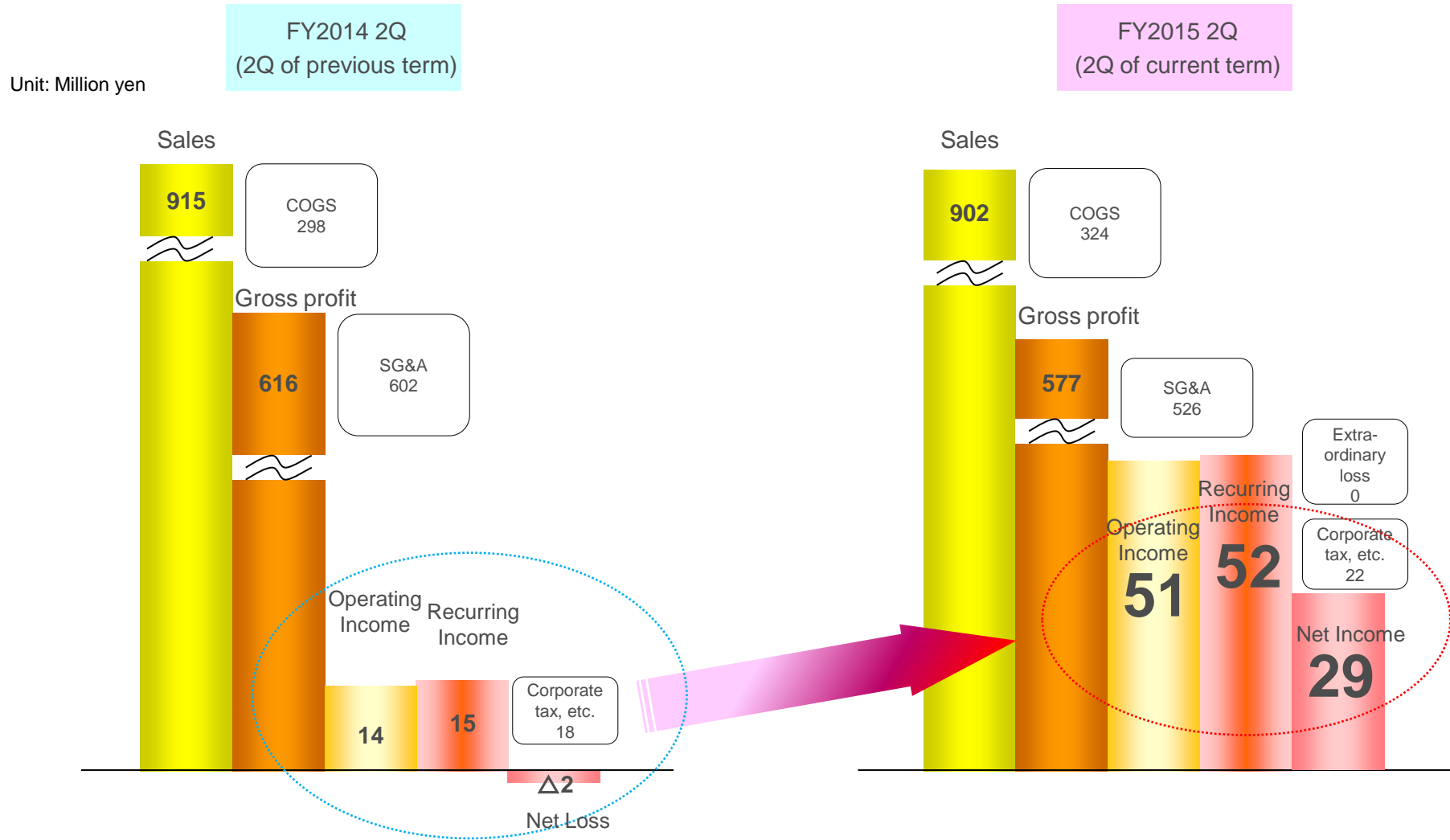
* Cloud Service revenue figures have not been adjusted for internal transactions.

* Figures rounded down to the nearest million yen.

* Ratios rounded to the nearest decimal place.

Consolidated Income Statement

Expenses were curtailed by streamlining business processes and profits increased.



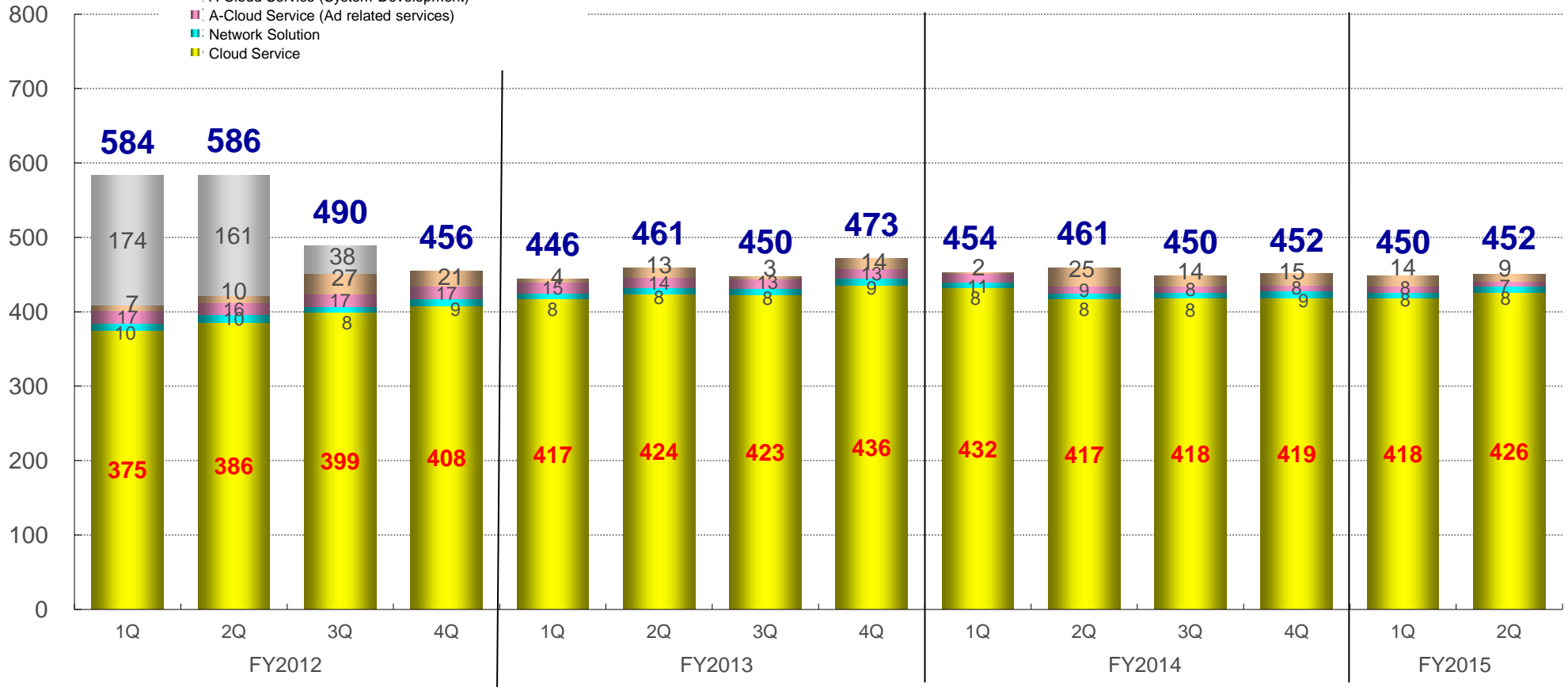
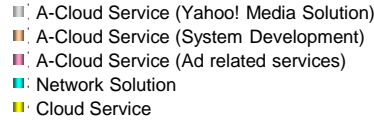
* Figures rounded down to the nearest million yen.

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

Cloud Solution Business Sales Category Breakdown

Increasing “Cloud Service” revenue

Unit: Million yen

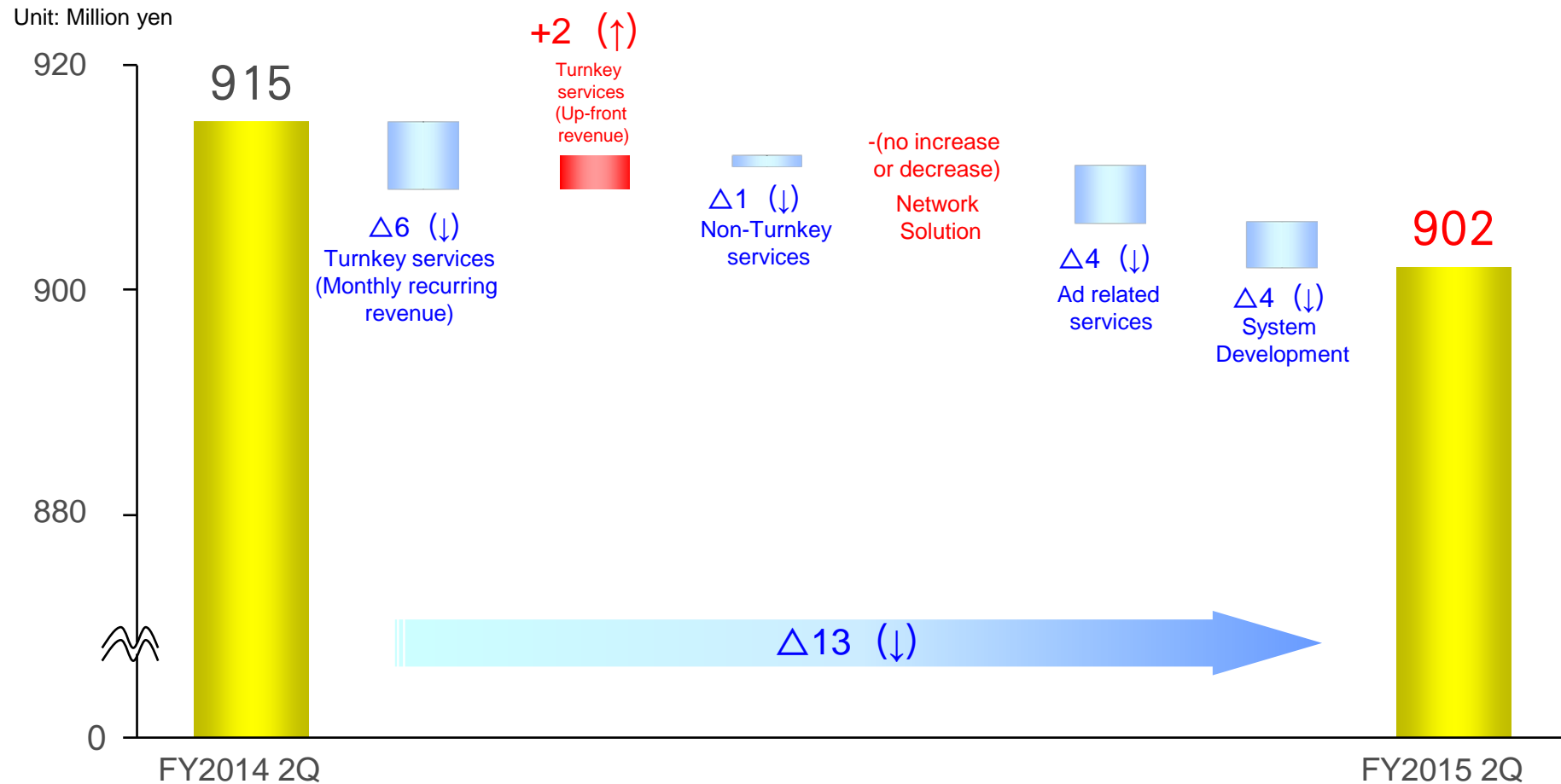


* Advanced-Cloud Service (Yahoo! Media Solution) sales were concluded in FY2012 3Q (at the end of November, 2011).

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

* Figures rounded down to the nearest million yen.

Cloud Solution Business Change in Revenue Breakdown



- * 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.

Cloud Solution Business Revenues by Product

| Item (Million yen) | Apr.-Sep. FY2014 | Apr.-Sep. FY2015 | YOY change | YOY change (%) |
|---------------------------|------------------|------------------|------------|----------------|
| Cloud Service | 850 | 845 | △4 | △0.6% |
| Turnkey services * | 765 | 761 | △3 | △0.4% |
| Up-front revenue | 21 | 24 | 2 | 13.8% |
| Monthly recurring revenue | 743 | 737 | △6 | △0.8% |
| Non-turnkey services * | 84 | 83 | △1 | △1.9% |
| Network Solution | 17 | 17 | — | — |
| Advanced-Cloud Service | 48 | 39 | △8 | △17.9% |
| Ad related services | 20 | 15 | △4 | △22.5% |
| System Development | 27 | 23 | △4 | △14.5% |
| Total | 915 | 902 | △13 | △1.5% |

* 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.

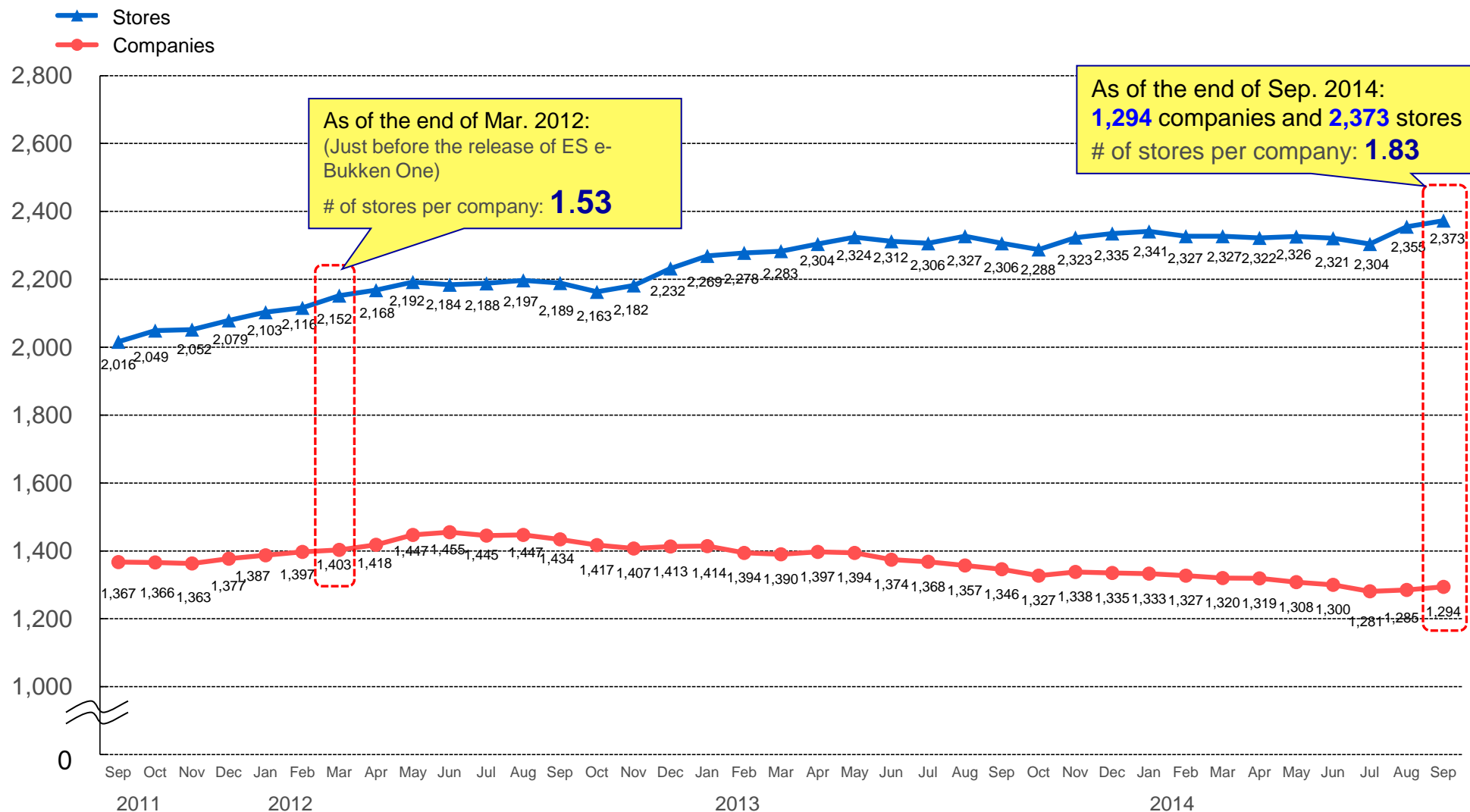
* Cloud Solution Business sales figures have not been adjusted for internal transactions.

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* Figures rounded down to the nearest million yen.

Number of Cloud Service Clients

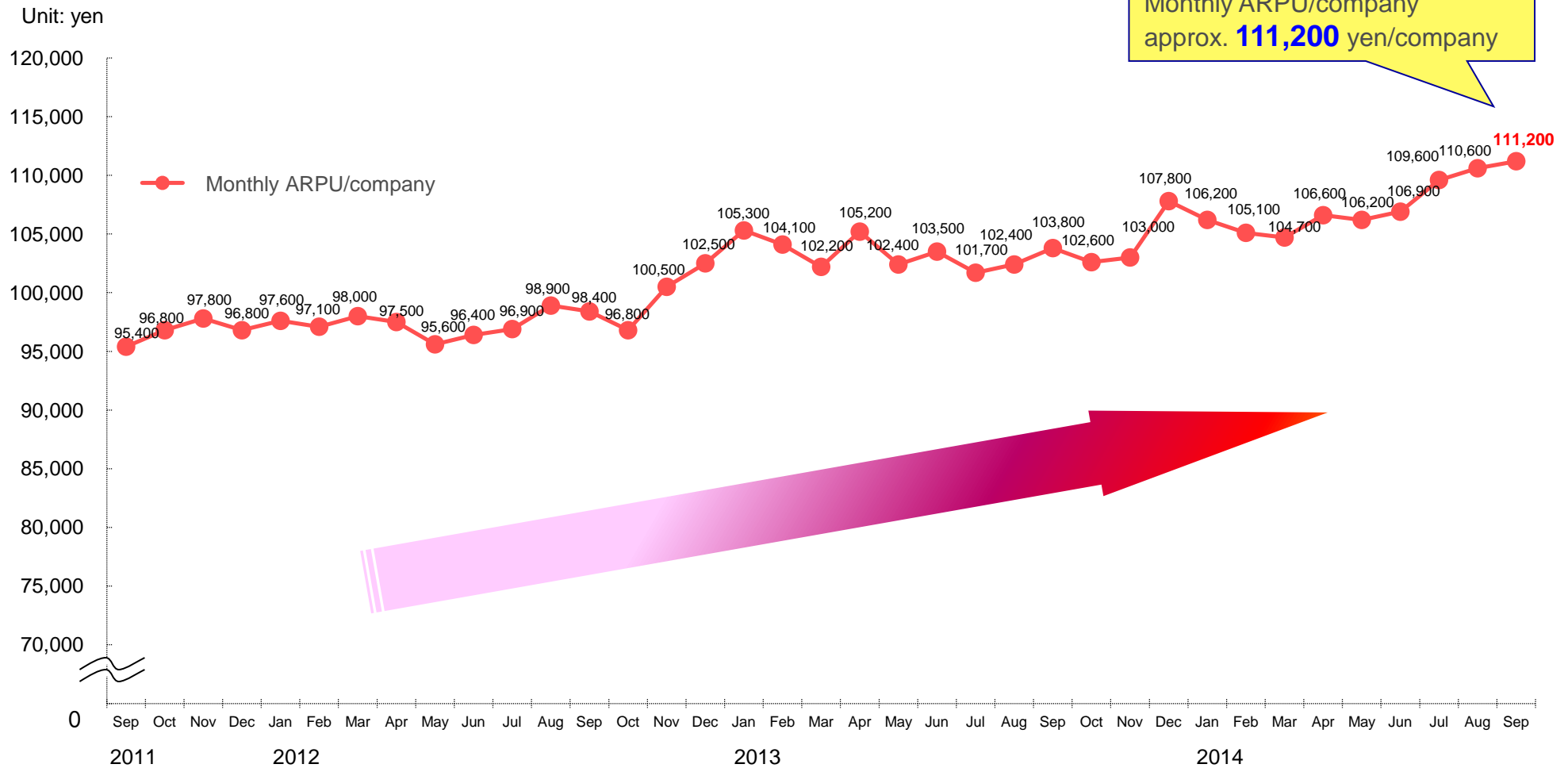
Number of stores per company is expanding with the release of “ES e-Bukken One”.



* As for ES e-Bukken One, contracts are concluded and fees are charged for individual corporations. As for the number of stores, the total number of stores used and registered by clients (real estate companies) was counted.

Cloud Service Monthly ARPU

Resulting in a steady increase in monthly ARPU

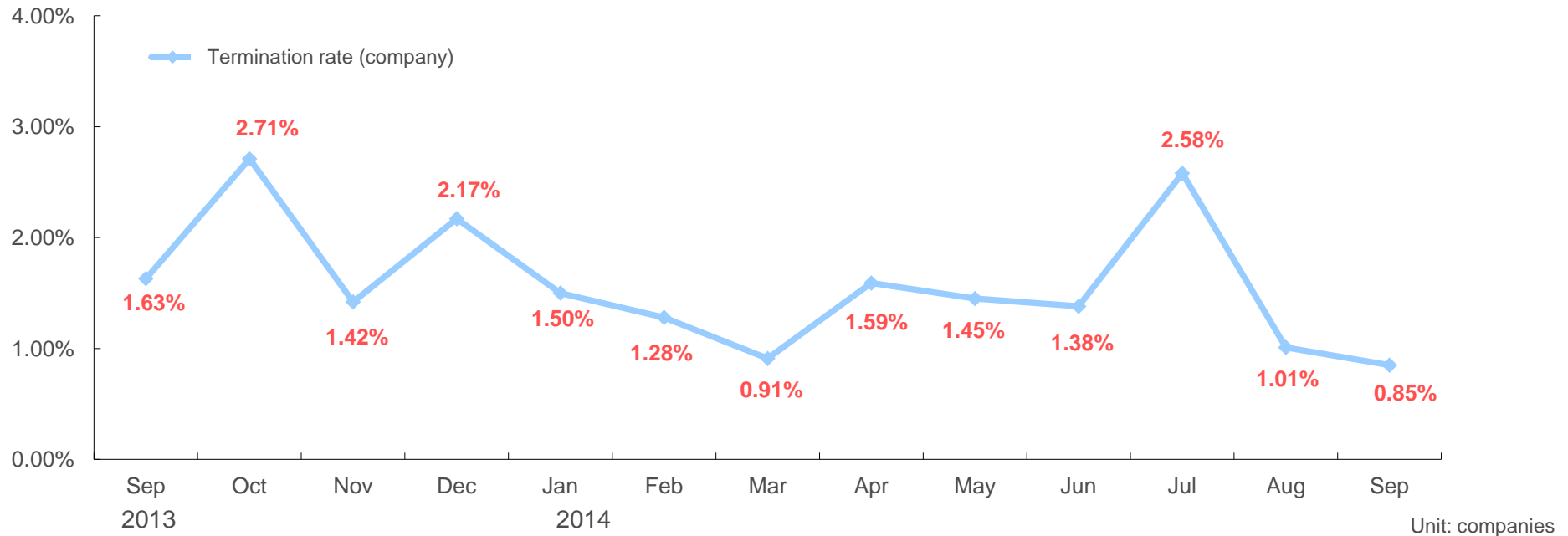


* Monthly ARPU = $\frac{\text{Cloud Service revenue in a given month}}{\text{The number of companies 'Billed Clients' in a given month}}$

* Figures rounded down to the nearest hundred yen.

Cloud Service Client Termination Rate

The quality of support systems and services was enhanced, for raising customer retention rate.



| | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug | Sep. | Ave. |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|
| # of companies | 22 | 36 | 19 | 29 | 20 | 17 | 12 | 21 | 19 | 18 | 33 | 13 | 11 | 20.8 |
| Termination Rate | 1.63% | 2.71% | 1.42% | 2.17% | 1.50% | 1.28% | 0.91% | 1.59% | 1.45% | 1.38% | 2.58% | 1.01% | 0.85% | — |

* Termination rate is obtained by dividing the number of companies that have cancelled our service in each month by the number of companies whom we have charged.

* "# of companies" means the number of companies that have cancelled our service and are no longer charged in the month concerned.

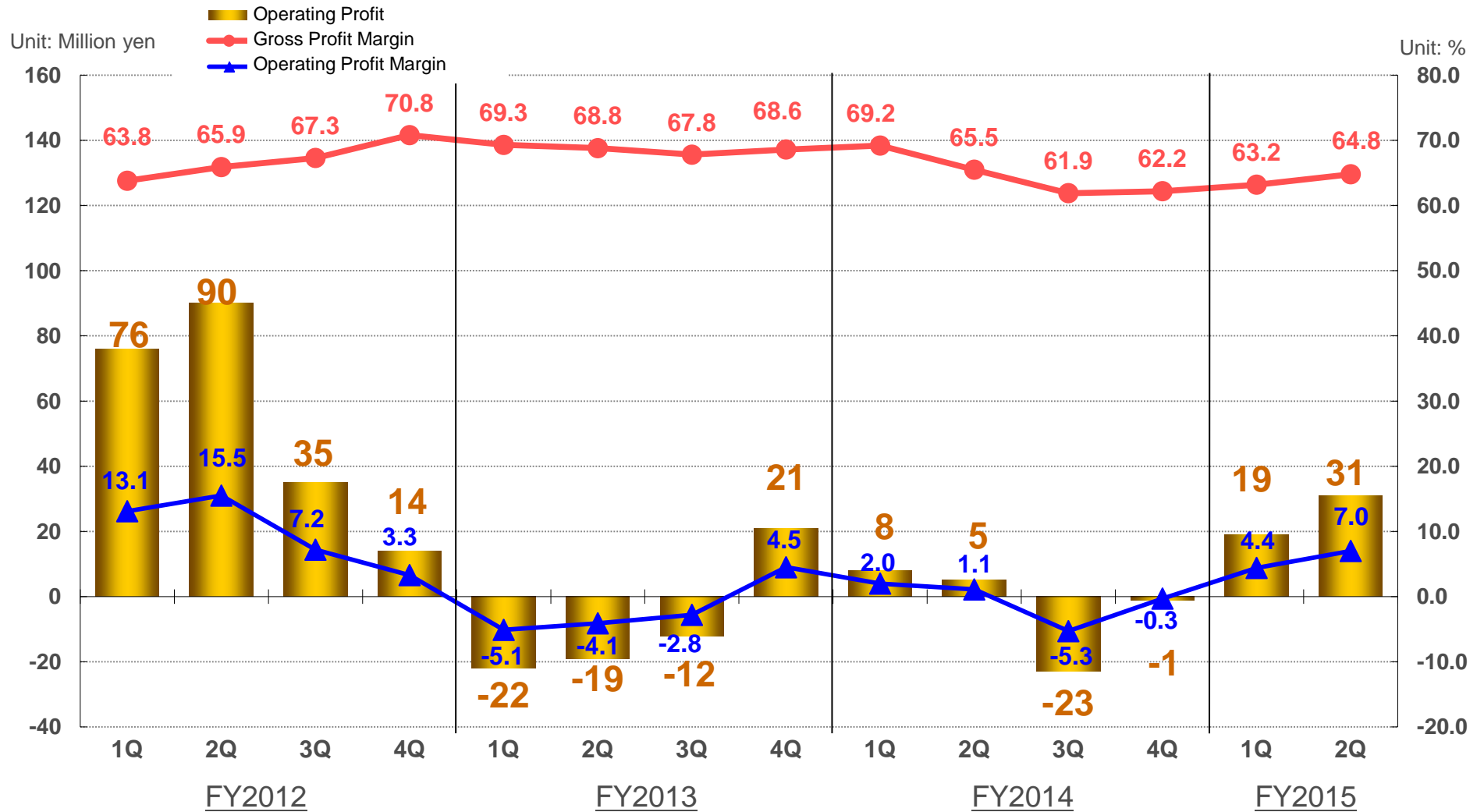
※ From the second quarter of the current term (Jul. 2014), the following definition of the number of cancelling companies has been used.

(Before revision) The number of cancelling companies means the number of companies that have cancelled all services in the month concerned.

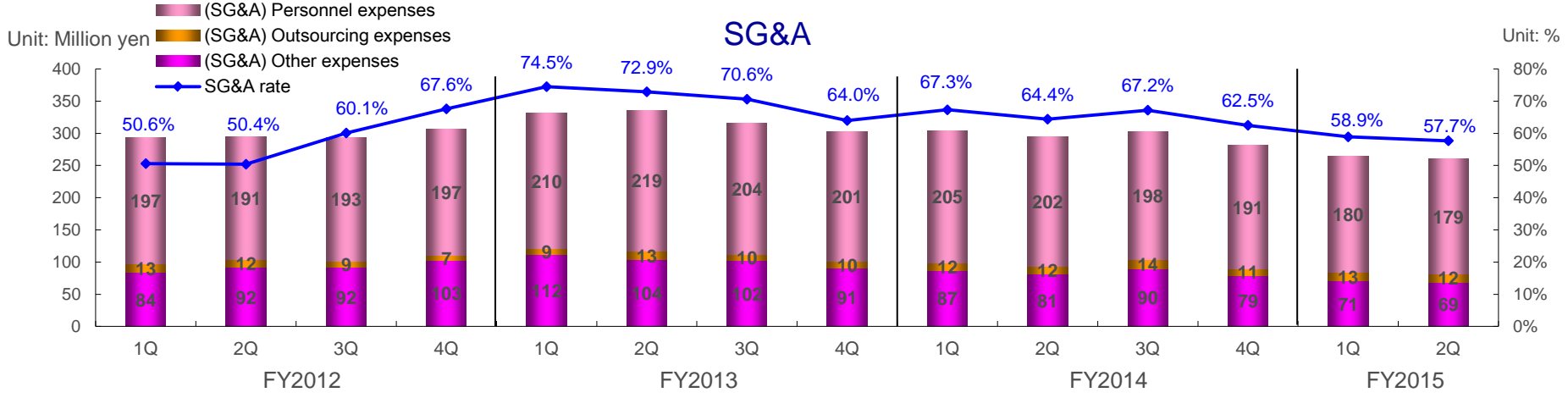
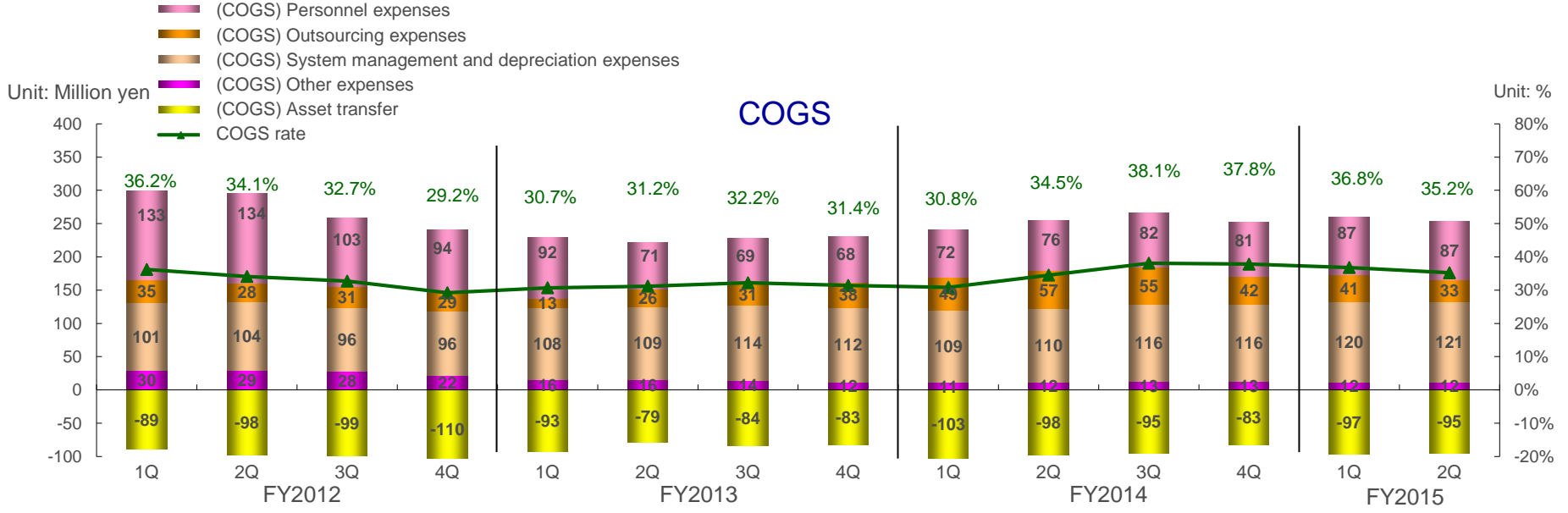
(After revision) The number of companies means the number of companies that have cancelled all services and are no longer charged in the month concerned.

As for termination rate, the above table shows the values revised retroactively from Sep. 2013.

Consolidated Operating Income

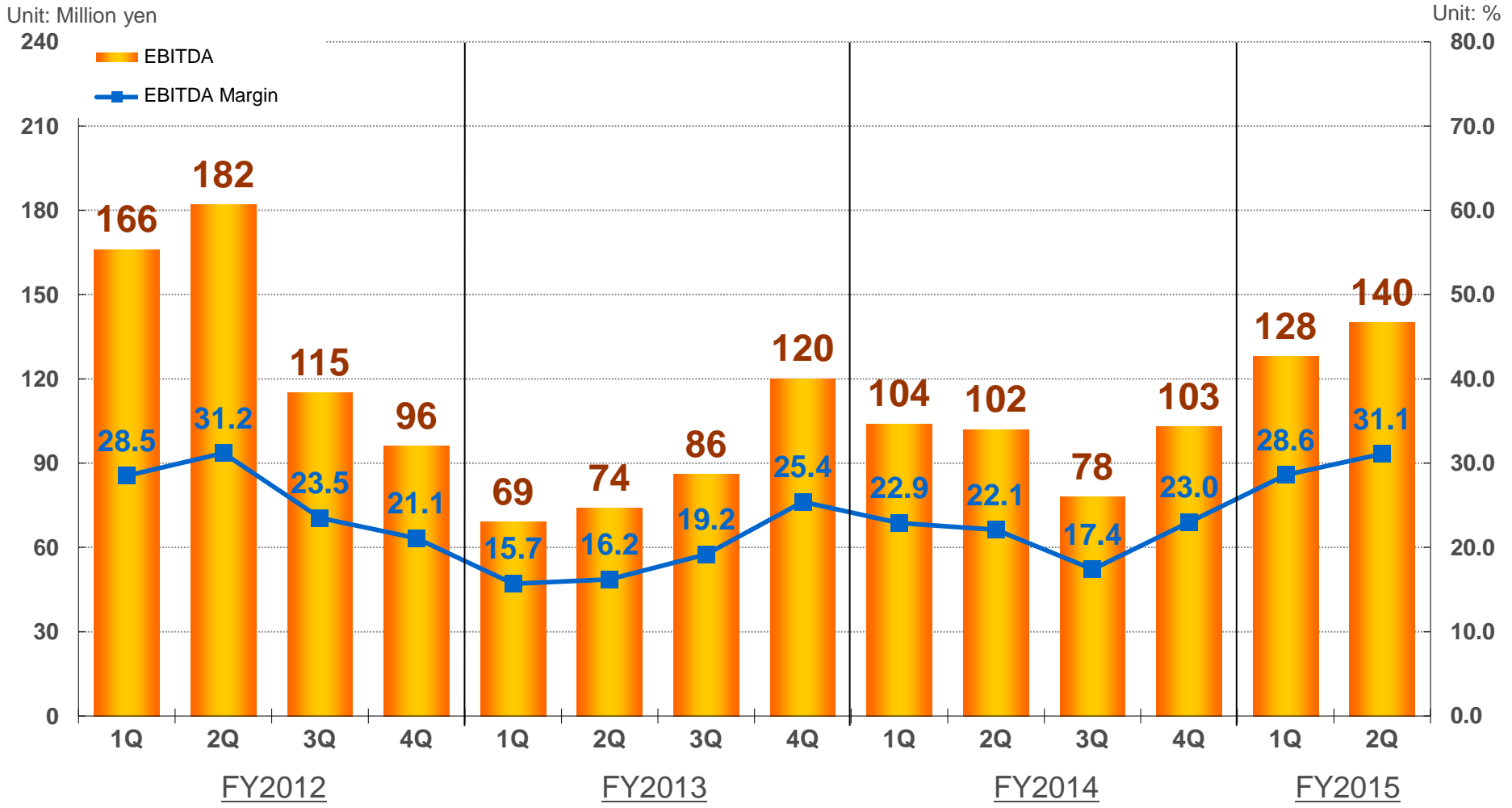


* Figures rounded down to the nearest million yen.



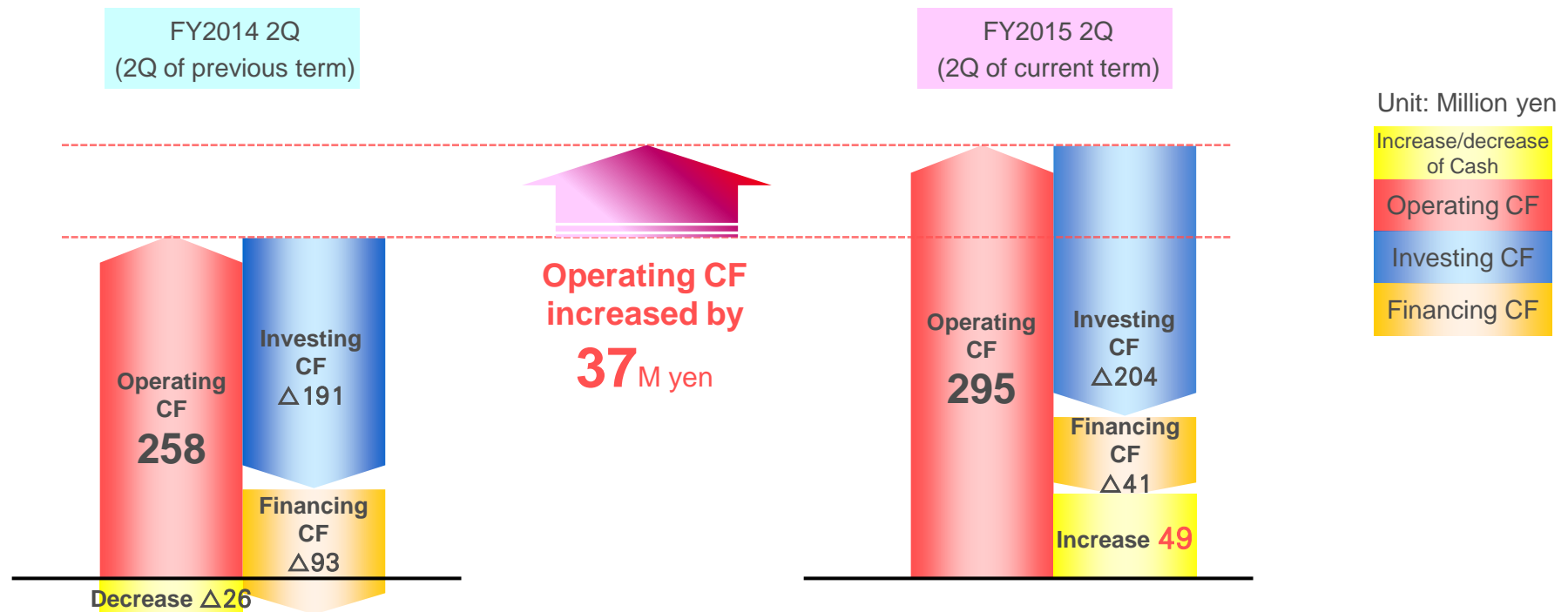
* (COGS) Outsourcing expenses: Outsourcing expenses, temporary recruitment expenses, procurement expenses, system usage expenses, etc.
 (COGS) Asset transfer: Inventory assets(goods in process), portion allowances for software under development listed under COGS
 * (SG&A) Outsourcing expenses: Advertising expenses, recruitment related expenses, consultant fees, payment commission, etc.
 * Figures rounded down to the nearest million yen.

Stable and growing EBITDA (operating profit + depreciation)



* Figures rounded down to the nearest million yen.

Consolidated Cash Flow



<Key Points>

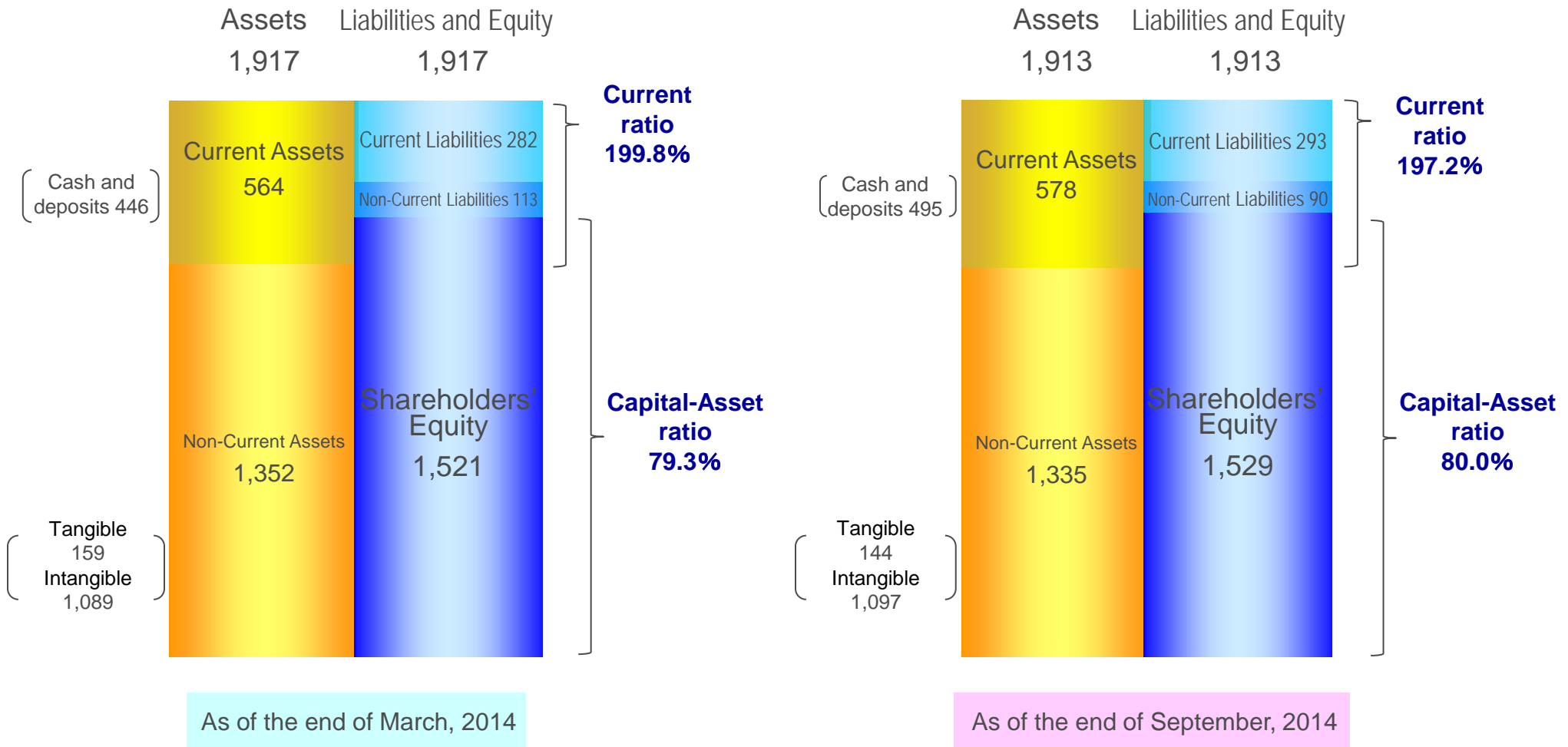
| | | | | | |
|----------------------|--|-----------|--------------------|-----------|--------------------|
| Operating Activities | ① Income before tax + depreciation expenses | FY2014 2Q | 207M yen | FY2015 2Q | 269M yen |
| | ② Payment of corporate tax, etc. | FY2014 2Q | $\Delta 3$ M yen | FY2015 2Q | $\Delta 25$ M yen |
| | ③ Refund of corporate income tax, etc. | FY2014 2Q | 42M yen | FY2015 2Q | — |
| Investing Activities | ④ Expenses due to in-house software development | FY2014 2Q | $\Delta 203$ M yen | FY2015 2Q | $\Delta 193$ M yen |
| | ⑤ Expenses due to the purchase of assets (HW/SW) | FY2014 2Q | $\Delta 10$ M yen | FY2015 2Q | $\Delta 6$ M yen |
| | ⑥ Construction, equipment installation, etc. | FY2014 2Q | $\Delta 0$ M yen | FY2015 2Q | $\Delta 13$ M yen |
| Financing Activities | ⑦ Payment of year-end dividend | FY2014 2Q | $\Delta 75$ M yen | FY2015 2Q | $\Delta 20$ M yen |
| | ⑧ Expenses due to repayment of lease obligations | FY2014 2Q | $\Delta 18$ M yen | FY2015 2Q | $\Delta 20$ M yen |

* Figures rounded down to the nearest million yen.

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

Consolidated Balance Sheet YOY Comparison

Financially sound



* Figures rounded down to the nearest million yen.

2. Business Forecast

The upward revision to the full-year consolidated earnings forecast (profits) was announced on Oct. 23, 2014.

| (Million yen) | Latest Forecast (A) | Previous Forecast (B) | Increase/decrease (A-B) | Increase/decrease rate (%) | (Reference) Full-term Results FY2014 |
|----------------------|------------------------|------------------------|-------------------------|----------------------------|--------------------------------------|
| Sales | 1,838 | 1,882 | △44 | △2.4% | 1,820 |
| Operating Profit | 94 | 33 | 60 | 184.6% | △11 |
| Recurring Profit | 94 | 32 | 62 | 194.1% | △9 |
| Net Income | 52 | 12 | 40 | 328.3% | △36 |
| Net Income per Share | ^{Yen} 7.63 | ^{Yen} 1.78 | — | — | ^{Yen} △5.32 |

※ The estimated dividend has not been revised.

| | | | | | |
|--------------------|-------|-------|---|---|-------|
| Dividend per share | 3 yen | 3 yen | — | — | 3 yen |
|--------------------|-------|-------|---|---|-------|

* Forecast figures above 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.

Estimated profit is better than the original forecast.

Through the streamlining of business operation, expenses have been reduced.

→ Based on the results till the second quarter, all expense plans for the 3rd and 4th quarters have been revised.
(Total cost) original forecast: 1,849 million yen ⇒ revised forecast: 1,744 million yen

Sales are estimated to be slightly smaller than the target value, but increase from the previous term.

We focused on upgrading functions, meeting clients' requests, and supporting the shift to new services.

→ Sufficient time was consumed for improving the functions of services and satisfying clients' requests, slightly postponing the new release plan.

We engaged in follow-up activities for actualizing smoother shift from the existing services to "ES e-Bukken One."

Cloud Solution Business Full-term Revenue Forecast Breakdown

| Item (Unit: million yen) | FY2015 Forecast | Second-quarter Results FY2015 | Progress Rate as % of Forecast | (Reference) Full-term Results FY2014 |
|---------------------------|-----------------|-------------------------------|--------------------------------|--------------------------------------|
| Cloud Service | 1,718 | 845 | 49.2% | 1,687 |
| Turnkey services * | 1,553 | 761 | 49.0% | 1,519 |
| Up-front revenue | 51 | 24 | 47.8% | 39 |
| Monthly recurring revenue | 1,502 | 737 | 49.1% | 1,479 |
| Non-turnkey services * | 164 | 83 | 50.6% | 168 |
| Network Solution | 34 | 17 | 50.0% | 36 |
| Advanced-Cloud Service | 84 | 39 | 46.8% | 95 |
| Ad related services | 31 | 15 | 50.1% | 38 |
| System Development | 53 | 23 | 44.8% | 57 |
| Total | 1,838 | 902 | 49.1% | 1,819 |

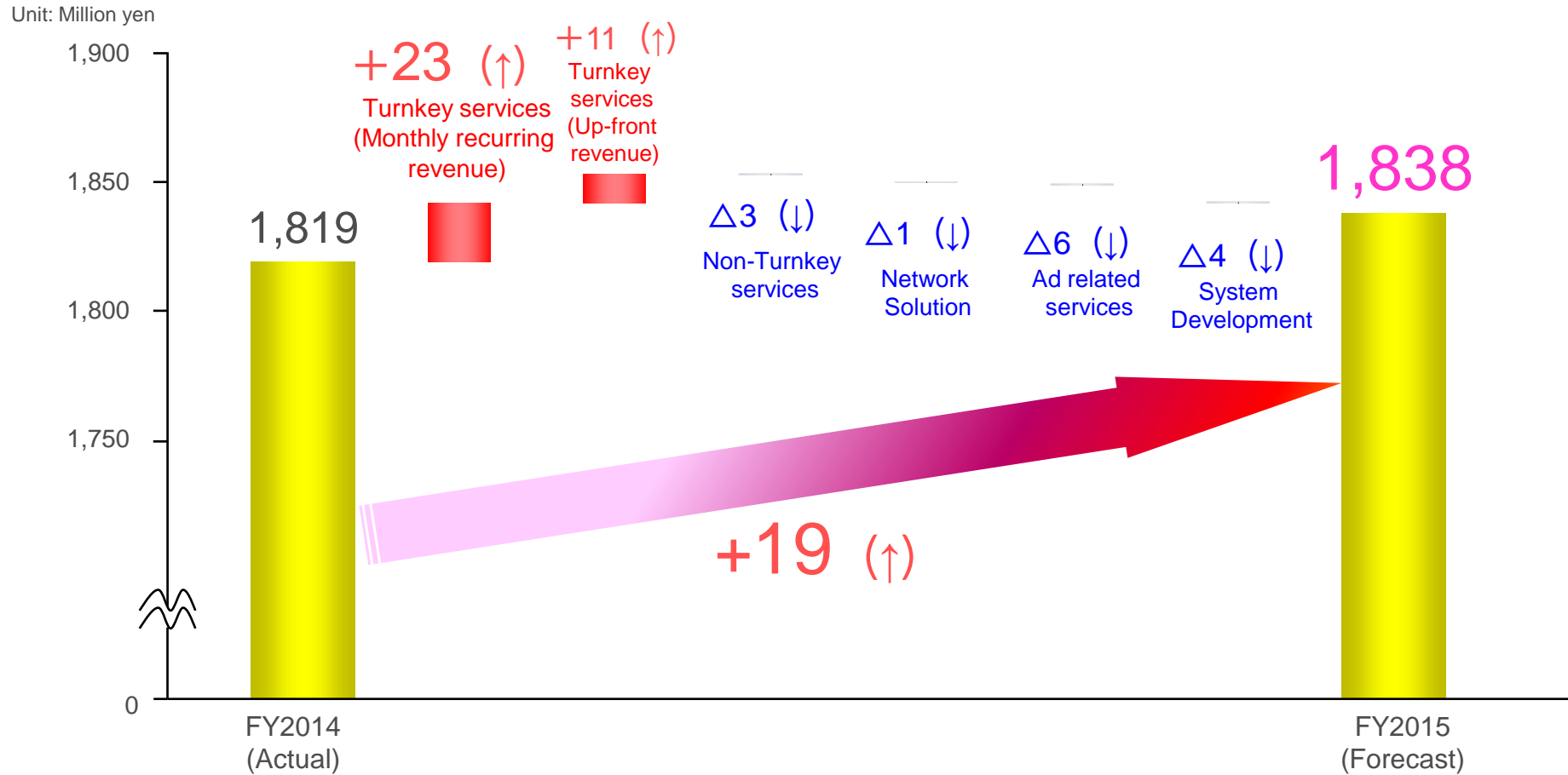
* Turnkey services Suite of standard system applications with up-front and monthly recurring revenue.
 Non-turnkey services ... Customized system applications with one-time and monthly recurring revenue.

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* Figures rounded down to the nearest million yen.

Cloud Solution Business Change in Revenue Breakdown



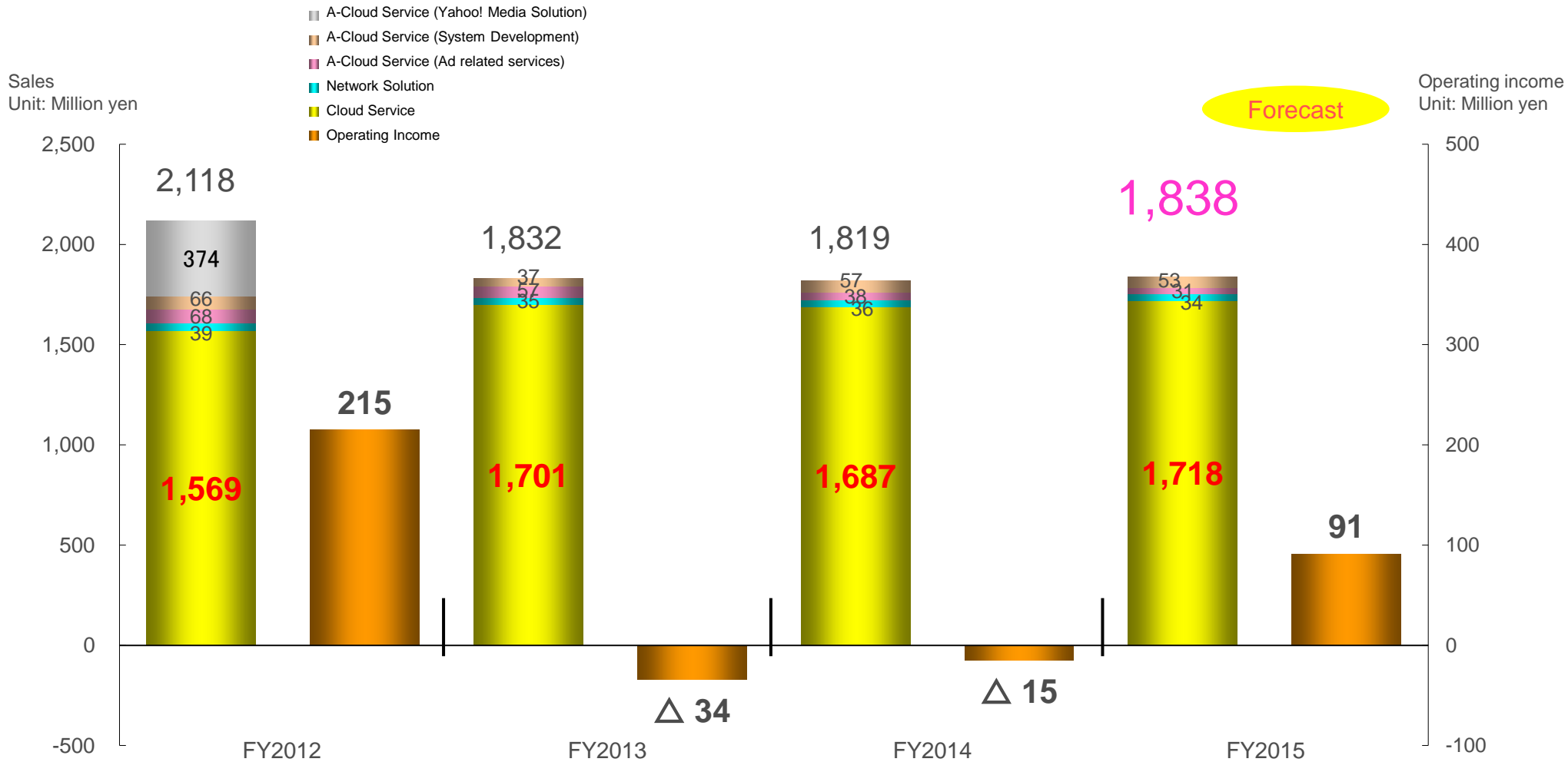
<Key Points>

Further promoting “ES e-Bukken One,” our “turnkey services (monthly recurring revenue)” revenue is expected to increase by about 23 million yen YOY, and the total sales of the cloud solution business are estimated to increase by about 19 million yen.

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

* Figures rounded down to the nearest million yen.

Cloud Solution Business Revenue and Operating Profit Forecast



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

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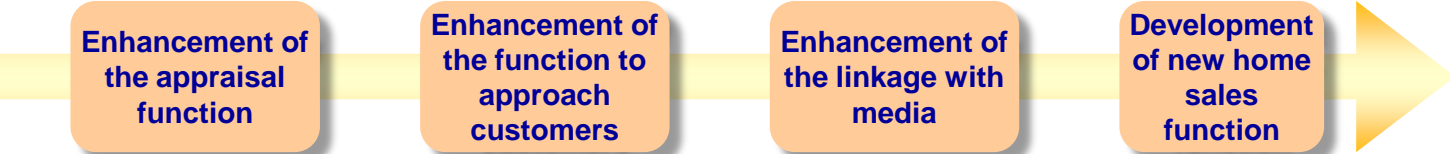
3. Business Overview

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



- Enhancement of performance and functions
- Acceleration of the shift from existing services

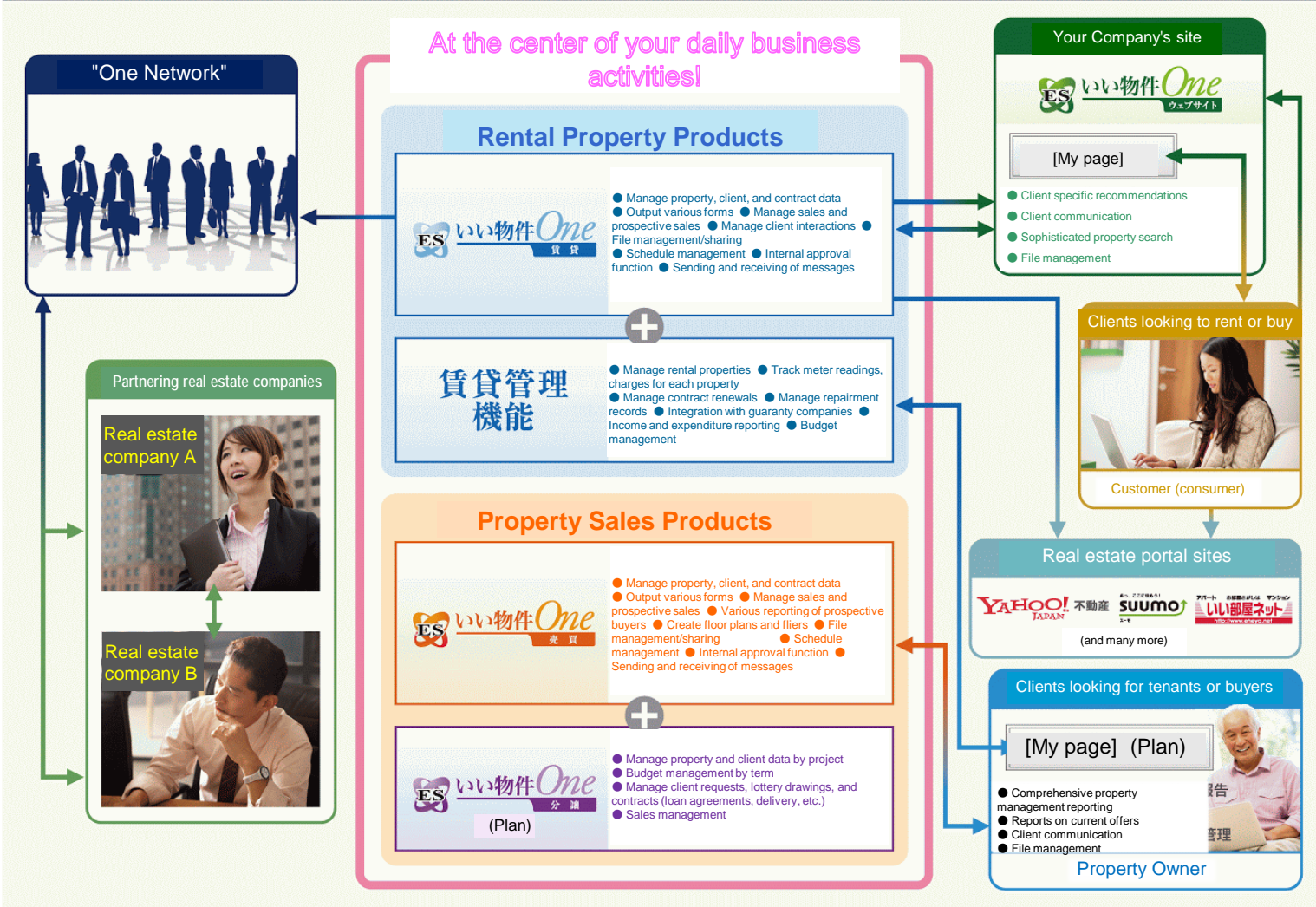
- Leasing management type
- Exclusive management type
- Rent management type


* We plan to have existing customers upgrade to “ES e-Bukken One” as offered.
 * Development and product launch schedule subject to change.

Outline of "ES e-Bukken One"

"ES e-Bukken One" is the one-stop-solution which covers every aspect of the business of real estate industry





All businesses of real estate can be started from this window!
 “Search and registration” window



You can grasp necessary info at a glance!
 “Dashboard” that can be customized



* Some functions can be used in the trial version.
* The function to post at once is an option.

Lease brokerage and agency businesses

To receive requests for solicitation

I want to lend

- To store transaction records

To advertise real estate

Solicitation for rental

- To post ads in their website
- To insert ads into the websites exclusively for dealers
- To insert ads into portal sites
- To print flyers
- Inter-dealer distribution
- To produce room layouts
- Management of surrounding facilities



To respond to feedbacks

I want to rent

- To deal with inquiries
- To automatically save feedbacks
- To manage the records of approaches to customers
- To produce rent estimates

To newly conclude lease contracts

Lease contracts

- Application forms
- Leaflets for explaining important items and contracts
- Settlement notes
- Transaction ledgers
- Progress management
- Storage of electronic files

Merits of conducting all tasks with a single system



| | | |
|--|---|---|
| <h3>Contract update</h3> <p>To update lease contracts</p> <ul style="list-style-type: none"> •Explanation of contract update •Update settlement notes •Record management •Progress management •To store electronic files | <h3>Contract cancellation</h3> <p>To cancel lease contracts</p> <ul style="list-style-type: none"> •To receive requests for cancellation •Cancellation settlement notes, restoration to the original state •Record management •Progress management •To store electronic files | |
| <h3>Rent collection</h3> <p>To collect rents, etc.</p> <ul style="list-style-type: none"> •Money transfer to bank accounts •Cooperation with factoring firms •Cooperation with guarantee firms •Management of reminders •To charge variable expenses | <p>To send money to outsourcers</p> <ul style="list-style-type: none"> •To offset expenses •To conduct payments on behalf of payers •Guarantee against delinquency •A variety of methods for calculating remunerations •Allocation to several owners •Sublease indemnification management •To produce comprehensive data of wire transfer | <p>To report to outsourcers</p> <ul style="list-style-type: none"> •To liberalize the design for the statements of incomes and expenditures •Plan to develop webpages that can be personalized by individual clients |
| <h3>Operation and coordination</h3> <p>To conclude and update contracts for management entrustment</p> <ul style="list-style-type: none"> •Sublease •To undertake operation •Full-time management •Real estate owned by companies | <p>To deal with inquiries, including requests for repair</p> <ul style="list-style-type: none"> •Inquiries from occupants •Inquiries from owners •Record of communications with governmental offices, etc. •Management of orders for repair received and placed •To store electronic files | <p>To manage keys</p> |
| <h3>Business administration</h3> <p>To manage sales, deposits and withdrawals</p> <ul style="list-style-type: none"> •Deposits and withdrawals •Sales •Journalization | <p>To manage tasks</p> <ul style="list-style-type: none"> •Schedule •ToDo •Approval | |

Data can be posted at once easily with a single button! A larger number of compatible sites.

スマートOneコンバート

Just press a single button to post data at once!
Compatible portal sites for real estate have been increased!



ネクスト社のポータルサイト



*Random order

* Through the release of “Smart One Convert,” it became possible to post data into the sites in the lower 2 rows. The other sites are covered by the existing service.

Topics for the 2nd Quarter (Part 3): Function to Produce a Static Page for Describing Each Building



Page showing the list of buildings

| 物件名 | 所在地 | 築年月 | 総戸数/階建 | 交通 |
|--------------------|--------------|-------------------|-----------------------|-------------------------|
| 港区 高層ビル5丁目マンション | 東京都港区高層ビル5丁目 | 2013年11月6日(築1年未満) | 10戸 10階建 地下1階建 | |
| 生活タワーマンション六本木 | 東京都港区六本木3丁目 | 2007年4月(築7年) | 71戸 10階建 地下1階建 | 東京メトロ南北線 六本木一丁目 徒歩2分 |
| 新宿区 新街グランドマンション | 東京都新宿区西新宿8丁目 | 2011年11月(築2年) | 130戸 40階建 地下3階建 | 東京メトロ丸の内線 西新宿 徒歩3分 |
| 目黒区 目黒タワーレジデンス | 東京都目黒区中目黒1丁目 | 2014年3月(築1年未満) | 100戸 29階建 地下1階建 | 東京メトロ日比谷線 中目黒 徒歩3分 |

Page showing the details of a building

- Customers can search for real estate by building name.
- To promote the “increase in access to the website” and “the lengthening of the time spent by visitors in the website.”
- You can produce static (fixed) pages “anytime, anywhere, easily” as you want.

We achieved centralized information management and operational efficiency.



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

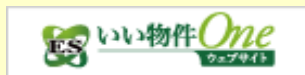
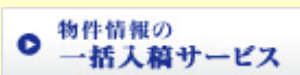
YS-HOME Co., Ltd.

“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.

We achieved successful information sharing among our many stores.

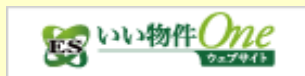
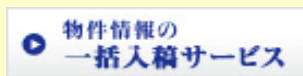


<http://www.apple-co.jp/>

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



- ✓ **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

To keep increasing clients by enriching the systems for the support for installation and clients

Improve sales and operation efficiency

To increase the average spending per client by improving additional values and lengthen the period of use by upgrading services

Future growth

To create information and commercial distribution in our platform (market place).



We will become an information infrastructure platform company for real estate industry.

Mile stone/ Target indicators

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

4. Appendix

Financial Data

Business Outline

Financial Data

| (Million yen) | FY2013 | | | | FY2014 | | | | FY2015 | | | |
|-------------------------|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|----|----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Sales | 446 | 461 | 450 | 473 | 454 | 461 | 451 | 452 | 450 | 452 | | |
| Gross Profit | 309 | 317 | 305 | 324 | 314 | 302 | 279 | 281 | 284 | 292 | | |
| Gross Profit Margin | 69.3% | 68.8% | 67.8% | 68.6% | 69.2% | 65.5% | 61.9% | 62.2% | 63.2% | 64.8% | | |
| Operating Profit | △22 | △19 | △12 | 21 | 8 | 5 | △23 | △1 | 19 | 31 | | |
| Operating Profit Margin | △5.1% | △4.1% | △2.8% | 4.5% | 2.0% | 1.1% | △5.3% | △0.3% | 4.4% | 7.0% | | |
| Recurring Profit | △22 | △18 | △13 | 21 | 8 | 6 | △23 | △1 | 20 | 32 | | |
| Recurring Profit Margin | △5.0% | △4.0% | △2.9% | 4.5% | 1.9% | 1.5% | △5.3% | △0.3% | 4.5% | 7.1% | | |
| Extraordinary Income | — | — | — | — | — | — | — | — | — | — | | |
| Extraordinary Loss | — | 7 | 1 | 1 | — | 0 | 4 | 3 | 0 | 0 | | |
| Quarter Net Income | △21 | △22 | △17 | 2 | △1 | △1 | △25 | △8 | 11 | 17 | | |
| Net Income Margin | △4.7% | △4.9% | △3.8% | 0.4% | △0.3% | △0.4% | △5.7% | △1.8% | 2.5% | 3.9% | | |

* 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.

| (Million yen) | FY2013 | | | | FY2014 | | | | FY2015 | | | |
|------------------------------|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|----|----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Current Assets Total | 709 | 699 | 670 | 691 | 635 | 619 | 573 | 564 | 526 | 578 | | |
| Non-Current Assets Total | 1,350 | 1,357 | 1,333 | 1,324 | 1,311 | 1,329 | 1,339 | 1,352 | 1,349 | 1,335 | | |
| Assets Total | 2,060 | 2,057 | 2,003 | 2,016 | 1,947 | 1,949 | 1,912 | 1,917 | 1,876 | 1,913 | | |
| Current Liability Total | 263 | 270 | 243 | 264 | 274 | 288 | 274 | 282 | 264 | 293 | | |
| Non-Current Liability Total | 124 | 137 | 128 | 117 | 115 | 105 | 107 | 113 | 99 | 90 | | |
| Liability Total | 388 | 408 | 371 | 381 | 390 | 394 | 382 | 395 | 364 | 383 | | |
| Net Assets Total | 1,671 | 1,649 | 1,631 | 1,634 | 1,556 | 1,555 | 1,529 | 1,521 | 1,512 | 1,529 | | |
| Liability & Net Assets Total | 2,060 | 2,057 | 2,003 | 2,016 | 1,947 | 1,949 | 1,912 | 1,917 | 1,876 | 1,913 | | |

* Figures are rounded down to the nearest million yen.

Consolidated Cash Flow Statement

| (Million yen) | FY2013 | | | | FY2014 | | | | FY2015 | | | |
|---|--------|-----|-----|-----|--------|------|-----|------|--------|-----|----|----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| CF from Operating Activities | 75 | 107 | 17 | 120 | 103 | 154 | 63 | 70 | 132 | 162 | | |
| CF from Investing Activities | △100 | △80 | △74 | △88 | △82 | △109 | △95 | △100 | △115 | △88 | | |
| CF from Financing Activities | △69 | △18 | △7 | △7 | △71 | △21 | △8 | △9 | △28 | △13 | | |
| Net increase in cash and cash equivalents (△decrease) | △94 | 8 | △63 | 24 | △50 | 23 | △40 | △39 | △11 | 60 | | |
| Cash and Cash Equivalents (end of term) | 583 | 592 | 528 | 553 | 502 | 526 | 485 | 446 | 434 | 495 | | |

* 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.

Cloud Solution Business

| | | FY2013 | | | | FY2014 | | | | FY2015 | | | |
|---|---------------------------|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|----|----|
| | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Cloud Service | | 417 | 424 | 423 | 436 | 432 | 417 | 418 | 419 | 418 | 426 | | |
| | Turnkey services | 371 | 379 | 380 | 393 | 389 | 375 | 376 | 377 | 376 | 384 | | |
| | Up-front revenue | 10 | 13 | 15 | 11 | 11 | 10 | 12 | 6 | 9 | 14 | | |
| | Monthly recurring revenue | 360 | 366 | 364 | 381 | 377 | 365 | 364 | 371 | 367 | 370 | | |
| | Non-turnkey services | 45 | 44 | 43 | 43 | 42 | 42 | 41 | 41 | 41 | 41 | | |
| Network Solution | 8 | 8 | 8 | 9 | 8 | 8 | 8 | 9 | 8 | 8 | | | |
| Advanced-Cloud Service | 20 | 28 | 17 | 27 | 13 | 34 | 23 | 23 | 22 | 17 | | | |
| Ad related services | 15 | 14 | 13 | 13 | 11 | 9 | 8 | 8 | 8 | 7 | | | |
| System Development | 4 | 13 | 3 | 14 | 2 | 25 | 14 | 15 | 14 | 9 | | | |
| Sales Total | | 446 | 461 | 450 | 473 | 454 | 461 | 450 | 452 | 450 | 452 | | |
| COGS | | 136 | 143 | 145 | 148 | 139 | 158 | 171 | 171 | 165 | 159 | | |
| SG & A | | 332 | 336 | 318 | 303 | 306 | 297 | 305 | 283 | 265 | 261 | | |
| Cost Total | | 469 | 480 | 463 | 452 | 446 | 456 | 476 | 454 | 431 | 421 | | |
| Operating Profit | | △23 | △19 | △13 | 21 | 8 | 4 | △26 | △2 | 18 | 31 | | |
| Recurring Profit | | △22 | △18 | △13 | 21 | 8 | 6 | △26 | △2 | 19 | 31 | | |
| Number of Cloud Service clients (Companies) | | 1,455 | 1,434 | 1,413 | 1,390 | 1,374 | 1,346 | 1,335 | 1,320 | 1,300 | 1,294 | | |
| Number of employees (Non-consolidated) | | 154 | 147 | 142 | 137 | 140 | 138 | 137 | 133 | 138 | 140 | | |

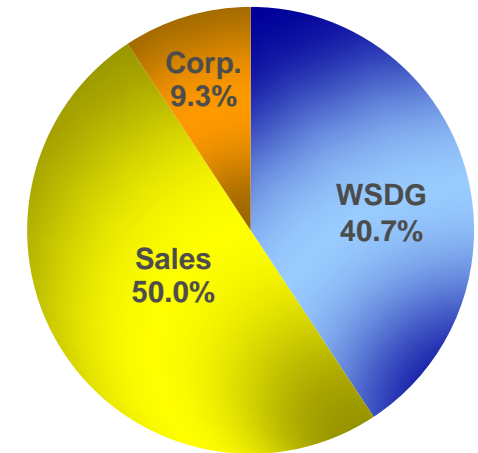
* Turnkey services Suite of standard system applications with up-front and monthly recurring revenue.
 Non-turnkey services ... Customized system applications with one-time and monthly recurring revenue.

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

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

* Figures are rounded down to the nearest million yen.

Number of Employees



Breakdown by Division
(September, 2014)

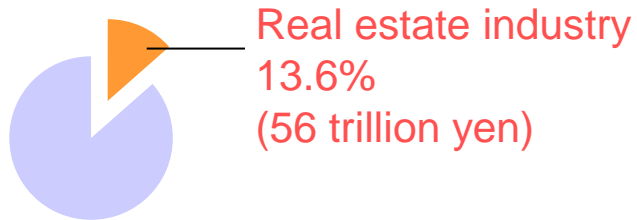
* Excluding directors, advisors, and part-time workers.

* WSDG: Web Solution Development Group, Sales: excluding MS, MS: Media Solution, Corp: Corporate staff

Business Outline

Focused on the Large Real Estate Industry

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
60.63 million units

Source: The 2013 Housing and Land Survey, Ministry of Internal Affairs and Communications Statistics Bureau (preliminary)



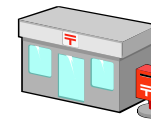
There are **122,100 real estate agencies**
(as of the end of Mar. 2014)

Source: Real Estate Transaction Improvement Organization

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 number of potential clients
is enormous.**

The 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 essential.




Diversified consumer needs!

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

Preferences
🔍 検索

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



The **first contact** point with consumers is not stores, but the **Internet!**

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



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

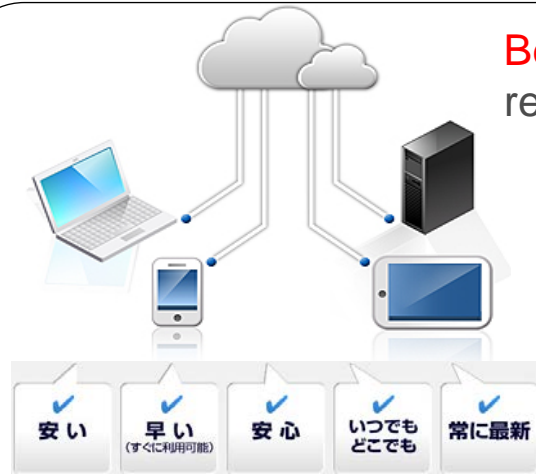
It is indispensable to make our services compatible with mobile terminals, such as smartphones and tablets.



Real estate info is **the most suitable to databases**, among commercial ones!

The real estate industry is evolving from the “**paper**”-dominated to the “**IT**”-dominated.

“Cloud Service” is Ideal for the Real Estate Industry



Benefits of Cloud Services (Shift from the age of buying systems to the age of renting systems)

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

Real estate firms are scattered nationwide.

The industry is not oligopolistic, but small and medium-sized firms are dominant.

Work flow can be united into some patterns.

Master info (such as addresses and railroad names) is frequently updated.

Cloud services specializing in real estate businesses are anticipated!

To pursue a single (large) field and offer “indispensable” systems for business

Our development staff who are versed in real estate businesses develop systems (accumulating know-how).

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

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

Obtained the certificates of international standards in order to improve our service level and customer satisfaction further.

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.”

Obtained “ISO/IEC20000-1:2011” (international standards) for improving our service level.

- ▶ 「ISO/IEC27001:2005」 (International standard of information security management system)
(Initial certification in August, 2006)
- ▶ 「ISO/IEC20000-1:2011」 (International standard of IT service management system)
(Initial certification in October, 2009)



Higher customer satisfaction with high quality services

Outline of ITSMS (ISO/IEC20000-1:2011) Registration

| | |
|----------------------------|--|
| Company Name | : e-Seikatsu Co., Ltd. |
| Registration number | : JMAQA-T001 |
| Applicable standard | : ISO/IEC20000-1:2011 |
| 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 1, 2014 |

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) |

Established : January 21, 2000

Paid-in capital : 628 million 411 thousand 540 yen (As of the end of September 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, Sumitomo Mitsui Trust Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation

of employees : 140 (As of the end of September 2014)

| | | | | |
|------------|-----------------------------------|--------------------|----------------------------|-------------------|
| Officers : | President & CEO | Kiyotaka Nakamura | Standing Corporate Auditor | Akira Hirano |
| | Executive Vice President & Co-CEO | Zenichi Maeno | Corporate Auditor | Masahito Omachi |
| | Executive Vice President & CFO | Hiroyuki Shiokawa | Corporate Auditor | Shinichi Shamoto |
| | Executive Vice President & COO | Hiroyoshi Kitazawa | Corporate Auditor | Masayasu Takahara |
| | Director, CTO | Akira Matsuzaki | | |

Audit Corporation : The Kisaragi Accounting Office

Offices : (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





The real estate industry will grow with cloud services.

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.