



Second-quarter for FYE March 31, 2016
Presentation Material

November 5, 2015
e-Seikatsu Co., Ltd.
TSE Mothers 3796

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March 31, 2016
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1. Summary of Second-quarter Results for FYE March 31, 2016

Sales increased from the same quarter of the previous year. (However, the operating income decreased due to the rising costs.)

- Consolidated sales: 939 million yen (FY2015 2Q 902 million yen, YOY change +37 million yen, +4.1%)
 - Cloud Service revenue: 892 million yen (FY2015 2Q 845 million yen, YOY change +46 million yen, +5.6%)
 - **Including monthly recurring revenue of Turnkey services: 788 million yen (FY2015 2Q 737 million yen, YOY change +51 million yen, +6.9%)**
- Consolidated operating income: 32 million yen (FY2015 2Q 51 million yen, YOY change -18 million yen, -36.2%)
 - Rising costs caused by depreciation expenses for additional development etc, personnel expenses for the increased number of employees, cost for the shift to in-company system clouds and other factors.
- Net income: 16 million yen (FY2015 2Q 29 million yen, YOY change -12 million yen, -43.4%)

Sales of our “Cloud Service” are steady. A record high has been renewed.

- Focus on new client acquisitions as well as up-selling to existing clients. Solid growth in monthly ARPU.
 - Monthly ARPU: approx. 119,400 yen/company ※as of the end of Sep. 2015
FY2015 2Q approx. 111,200 yen/company ※as of the end of Sep. 2014

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

- Expansion of our services with additional development of ES e-Bukken One.
- Business alliance with NTT IT CORPORATION for future computerization of real estate transactions.
- ES e-Bukken One received the “Grand Prix-Society and Industry of the “ASPIC Cloud Award 2015.”

* 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.

“ES e-Bukken One” won
“Grand Prix-Society and Industry” of
“ASPIC Cloud Award 2015*.”



* ASPIC Cloud Award 2015 is given to excellent and socially beneficial cloud services in Japan, hosted by ASPIC and sponsored by the Ministry of Internal Affairs and Communications, etc

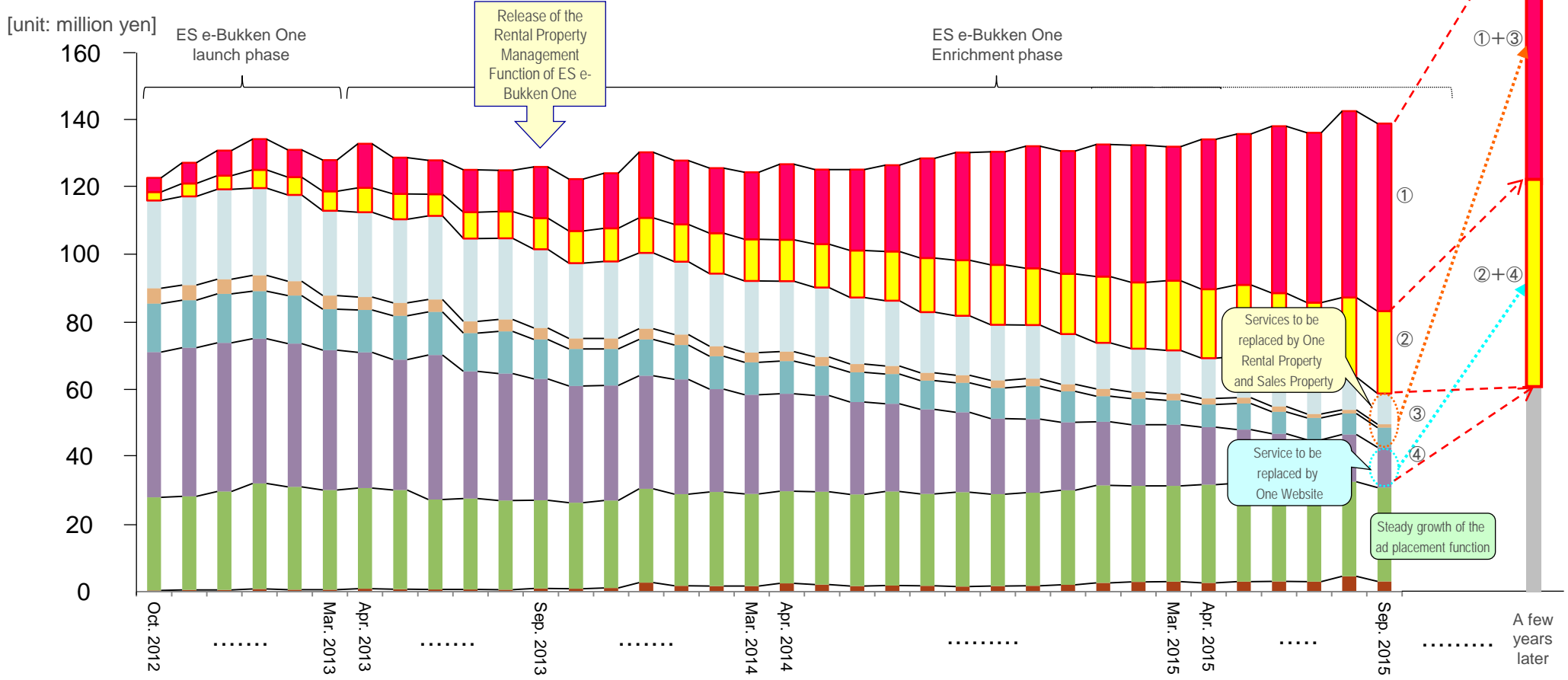
* ASPIC (ASP-SaaS-Cloud Consortium) was established in 1999 as a nonprofit organization with a purpose to develop and support the “Cloud-ASP-SaaS-Data Center Project.” Since then, ASPIC has been creating and expanding market as well as securing safe and reliable market for cloud service, which is positively expected as social infrastructure, in cooperation with the Ministry of Internal Affairs and Communications

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



- 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

Breakdown of Cloud Computing Service (Turnkey services) Sales

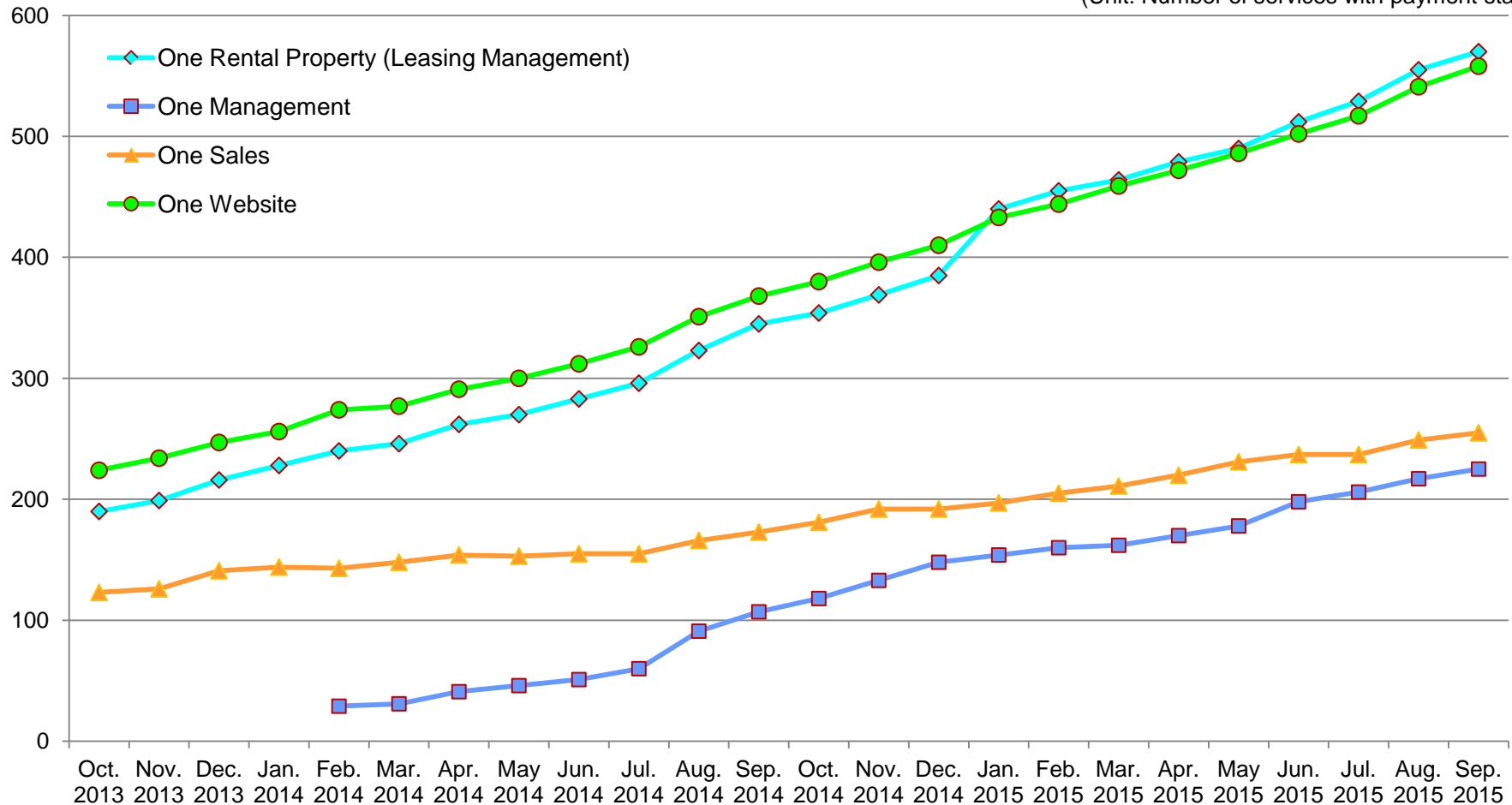


* Each sales breakdown category is the total of initial and monthly fees.

The Number of Licenses Provided is Increasing Steadily

Transition of Number of Licenses by Service

(Unit: Number of services with payment started)



* The number means the sum of the number of new contracts and the number of shifts from existing services.

* The above value does not include the number of charge-free licenses.

* The total number of "One Rental (management option)," "One Rental (full-time management)," and "One Rental (rent management)" is expressed by "One Management."

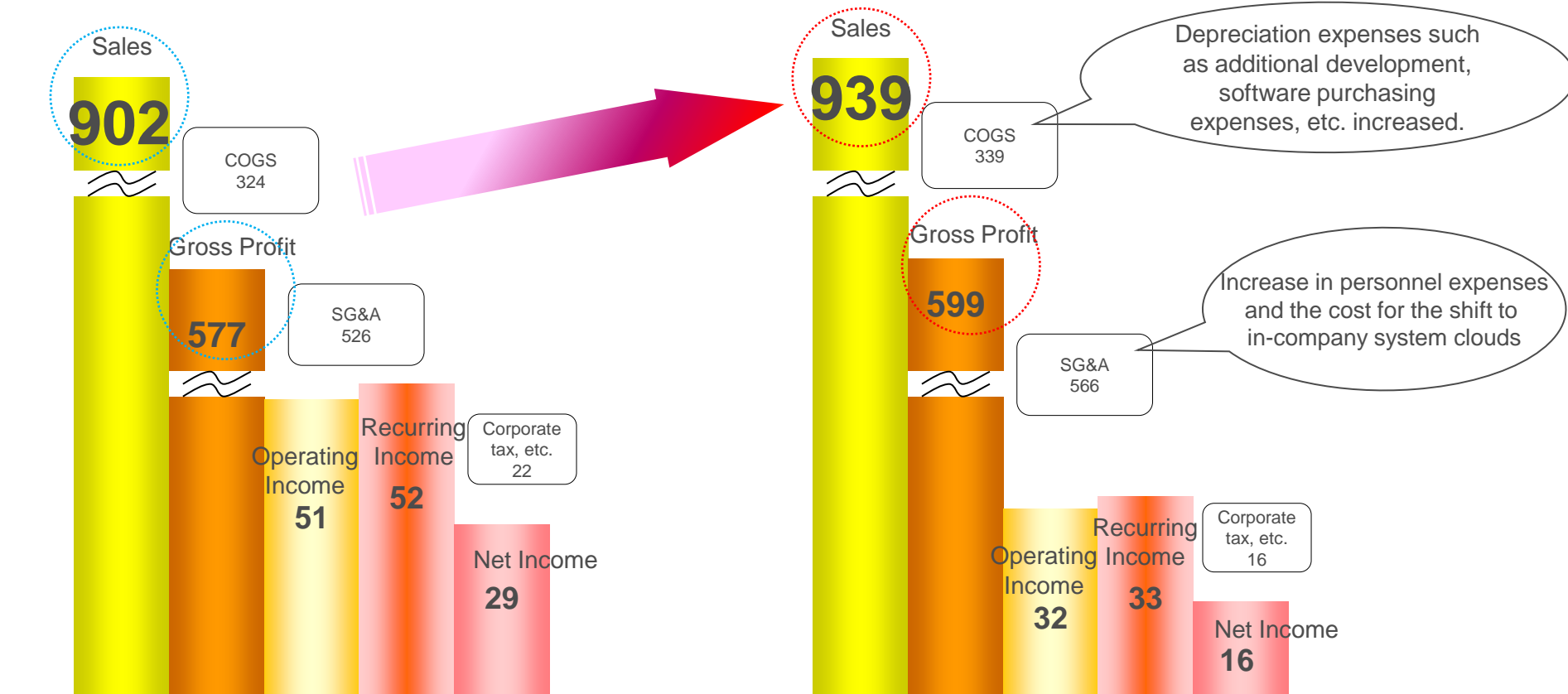
Steady Increase in Sales Compared to the Same Period of the Previous Year

Income Statement (Consolidated)

Unit: Million yen

FY2015 2Q
(2Q of previous term)

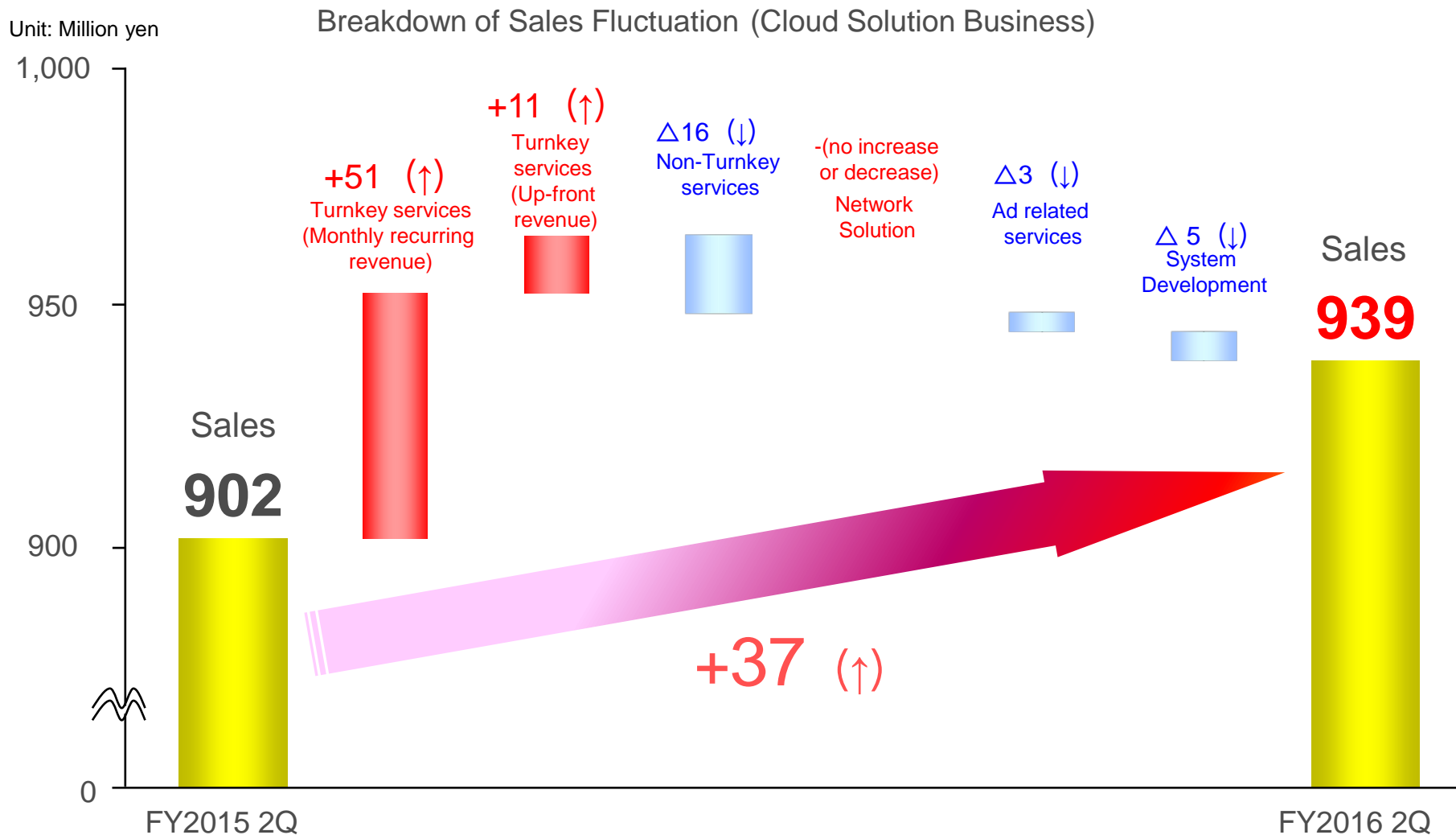
FY2016 2Q
(2Q of current term)



* Figures rounded down to the nearest million yen.

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

Increase in Revenue Mainly due to Our Core Turnkey Services (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.

Cloud Solution Business Revenues by Product

Item (Million yen)	Apr.-Sep. FY2014	Apr.-Sep. FY2015	YOY change	YOY change (%)
Cloud Service	845	892	46	5.6%
Turnkey services *	761	824	63	8.3%
Up-front revenue	24	36	11	48.8%
Monthly recurring revenue	737	788	51	6.9%
Non-turnkey services *	83	67	△16	△19.3%
Network Solution	17	17	—	—
Advanced-Cloud Service	39	30	△9	△24.2%
Ad related services	15	12	△3	△24.6%
System Development	23	18	△5	△24.0%
Total	902	939	37	4.1%

* 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.

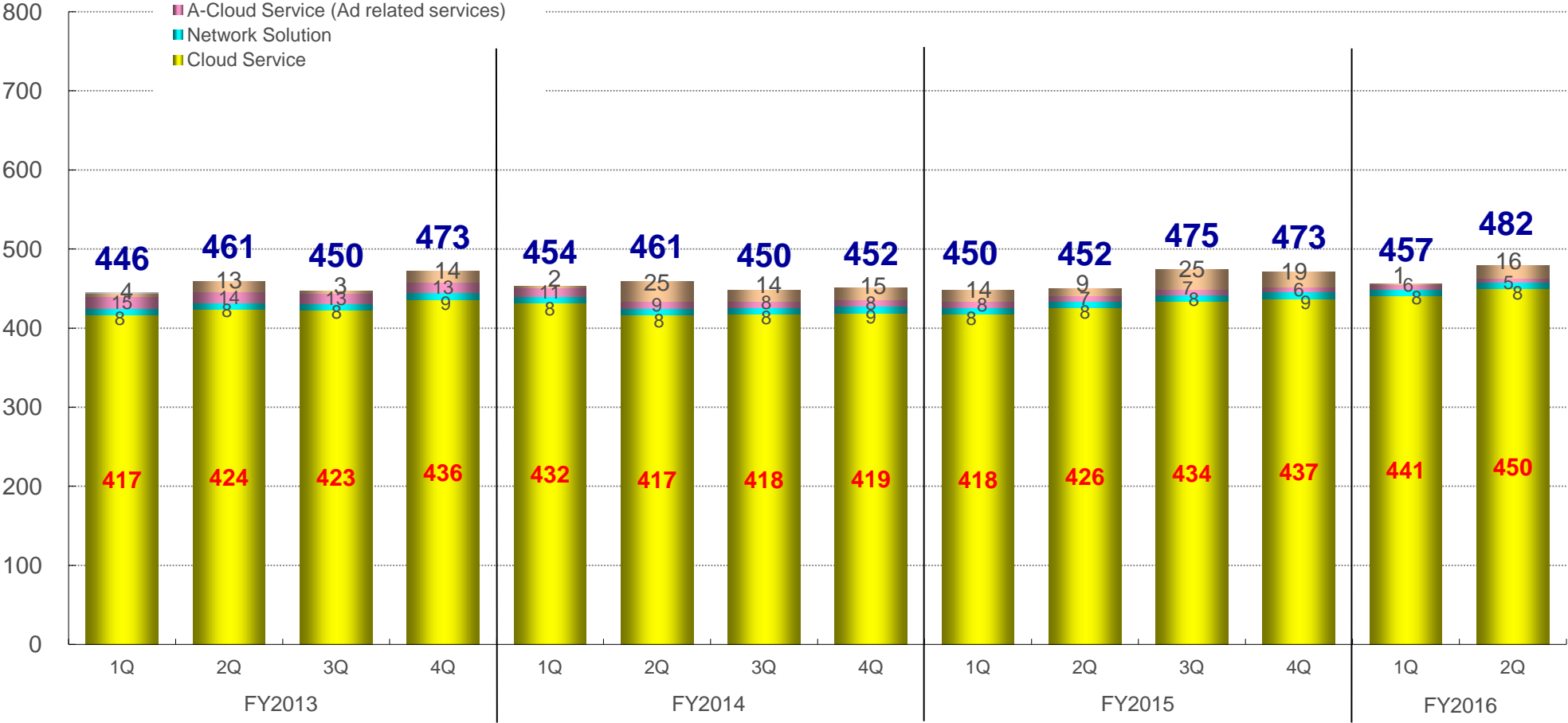
* '-' indicates zero yen, '0' indicates an amount less than one million yen.

* Figures rounded down to the nearest million yen.

Transition of Sales by Item (Cloud Solution Business)

Unit: Million yen

- A-Cloud Service (System Development)
- A-Cloud Service (Ad related services)
- Network Solution
- Cloud Service

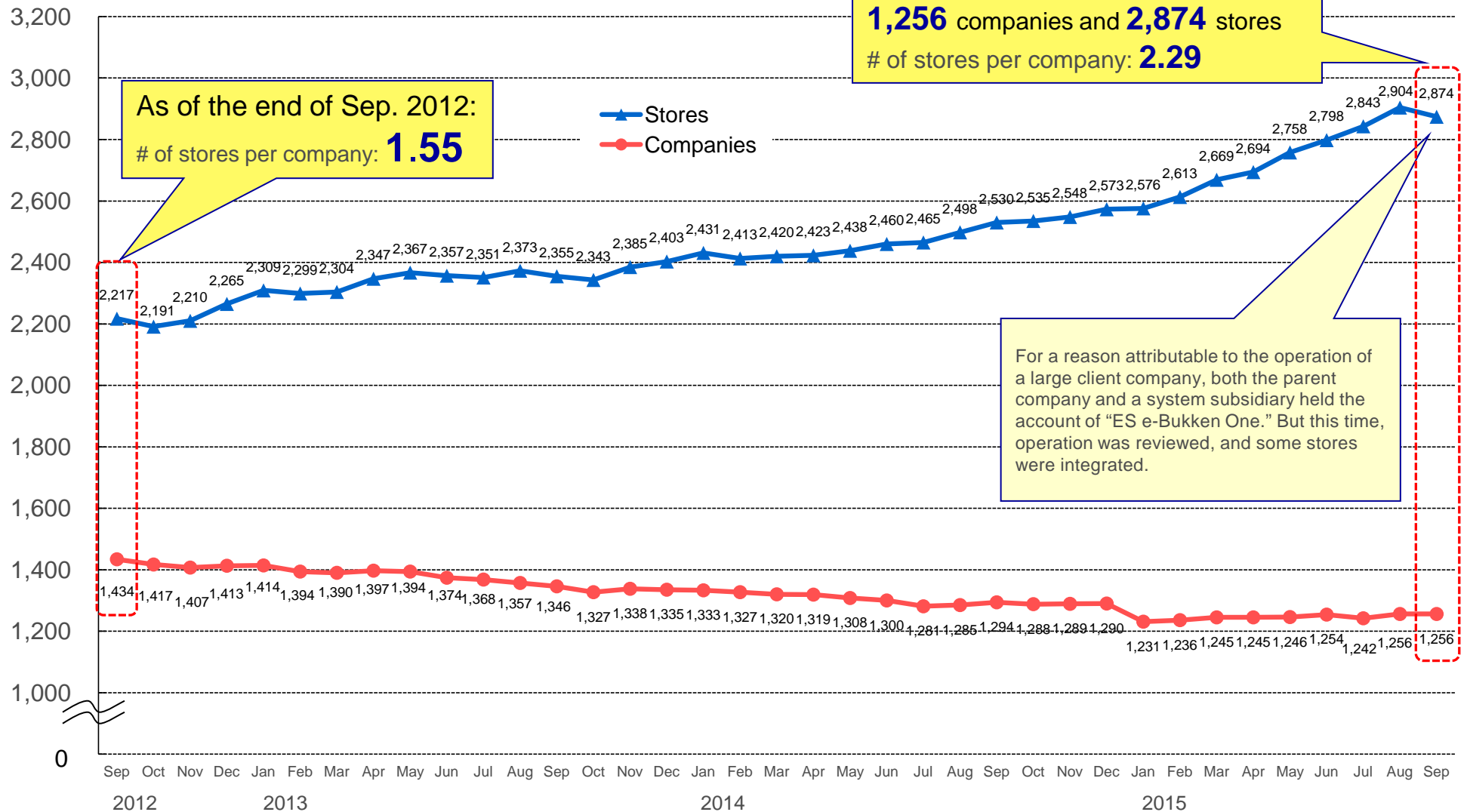


* Cloud Solution Business sales figures have not been adjusted for internal transactions.

* Figures rounded down to the nearest million yen.

Number of Stores per Company (Clients Having Multiple Stores) is Expanding

Transition of Number of Companies and Stores Using Our Services



As of the end of Sep. 2012:
of stores per company: **1.55**

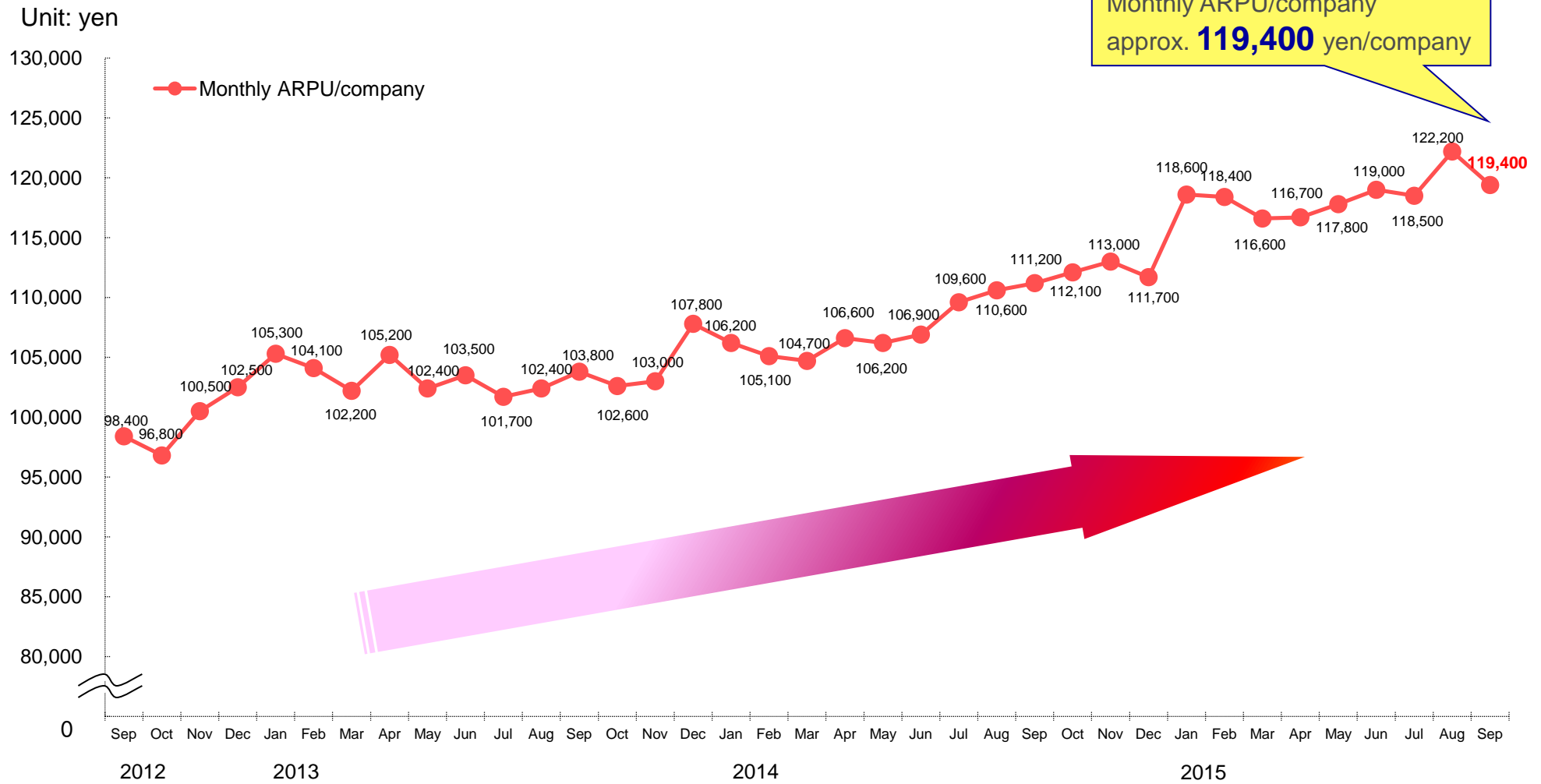
As of the end of Sep. 2015:
1,256 companies and **2,874** stores
of stores per company: **2.29**

For a reason attributable to the operation of a large client company, both the parent company and a system subsidiary held the account of "ES e-Bukken One." But this time, operation was reviewed, and some stores were integrated.

* 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.

Resulting in a Steady Increase in Monthly ARPU

Transition of Monthly ARPU

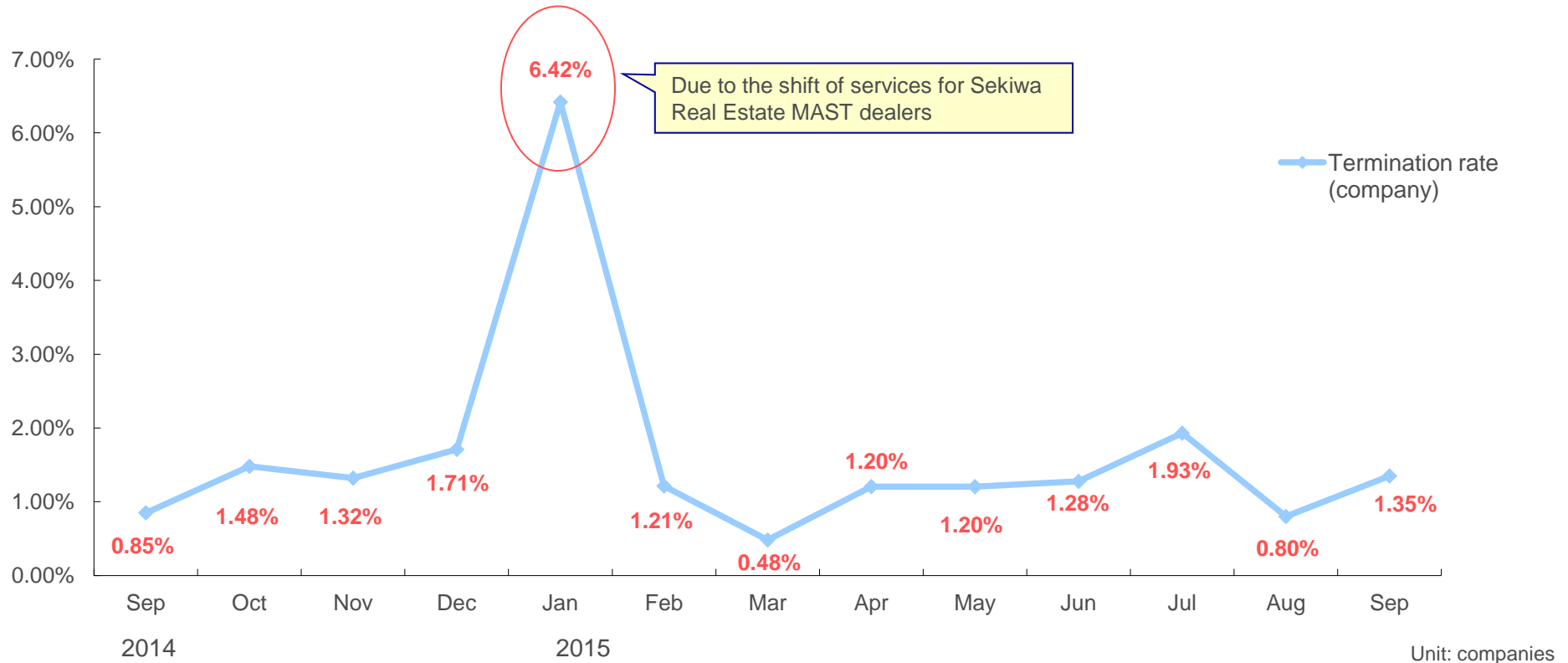


$$\text{Monthly ARPU} = \frac{\text{Cloud Service revenue in a given month}}{\text{The number of companies 'Billed Clients' in a given month}}$$

* Figures rounded down to the nearest hundred yen.

The Quality of Support Systems and Services was Enhanced, for Raising Customer Retention Rate

Transition of Termination Rate



Unit: companies

	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Ave.
# of companies	11	19	17	22	79	15	6	15	15	16	24	10	17	20.5
Termination Rate	0.85%	1.48%	1.32%	1.71%	6.42%	1.21%	0.48%	1.20%	1.20%	1.28%	1.93%	0.80%	1.35%	—

* 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.

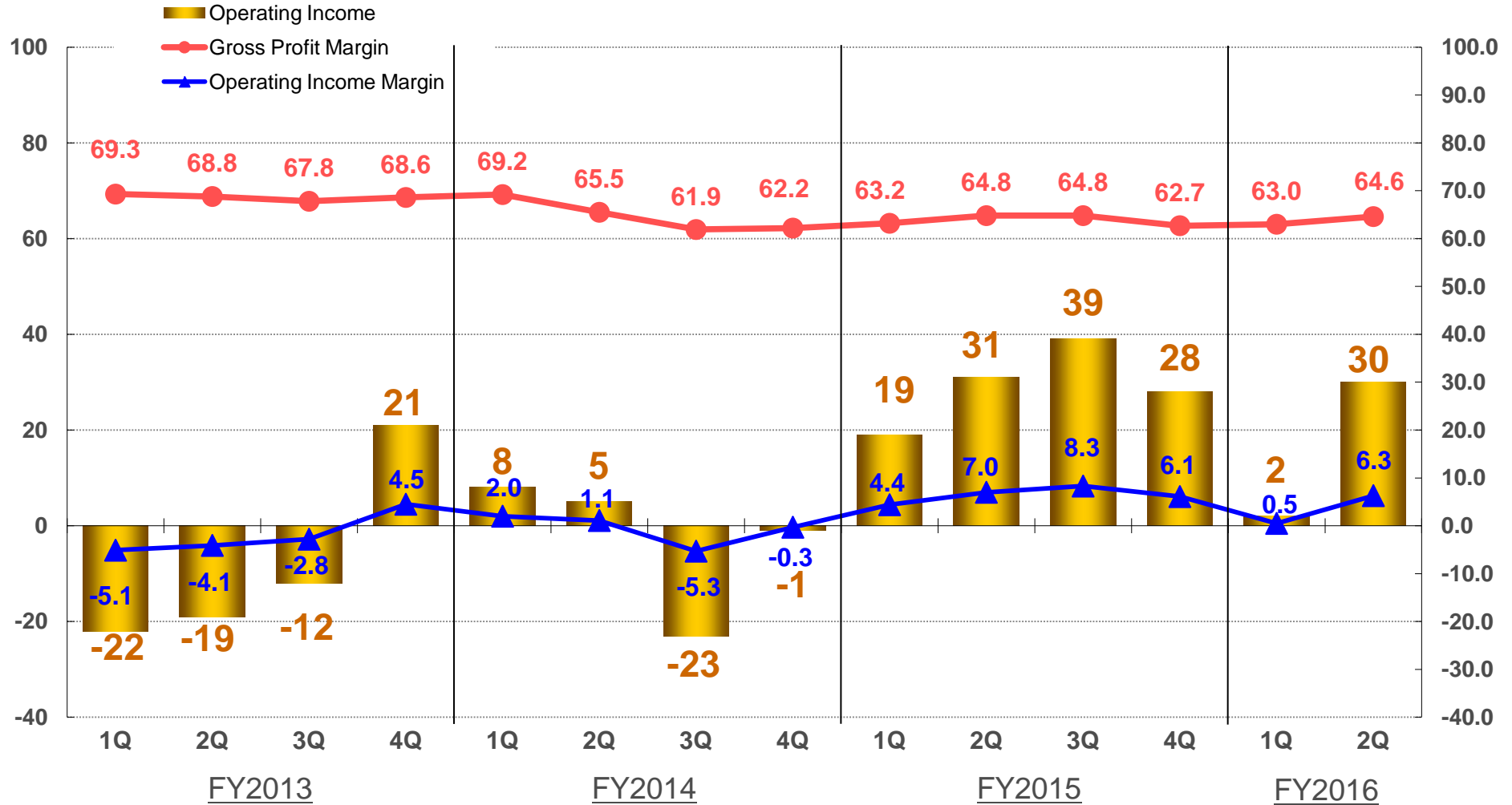
* Sekiwa Real Estate MAST dealers had used our existing service for posting real estate information in Sekiwa Real Estate's website. As we started offering the same kind of function through "ES e-Bukken One" in January 2015, we changed or shifted services for dealers when they demanded. On the other hand, 45 corporations did not choose to keep using our service, and the service for them was terminated or cancelled. Accordingly, the monthly number of cancellations increased temporarily.

Operating Income Increased in Surplus. Further Expansion of Profit is Targeted

Transition of Operating Income (Consolidated)

Unit: Million yen

Unit: %



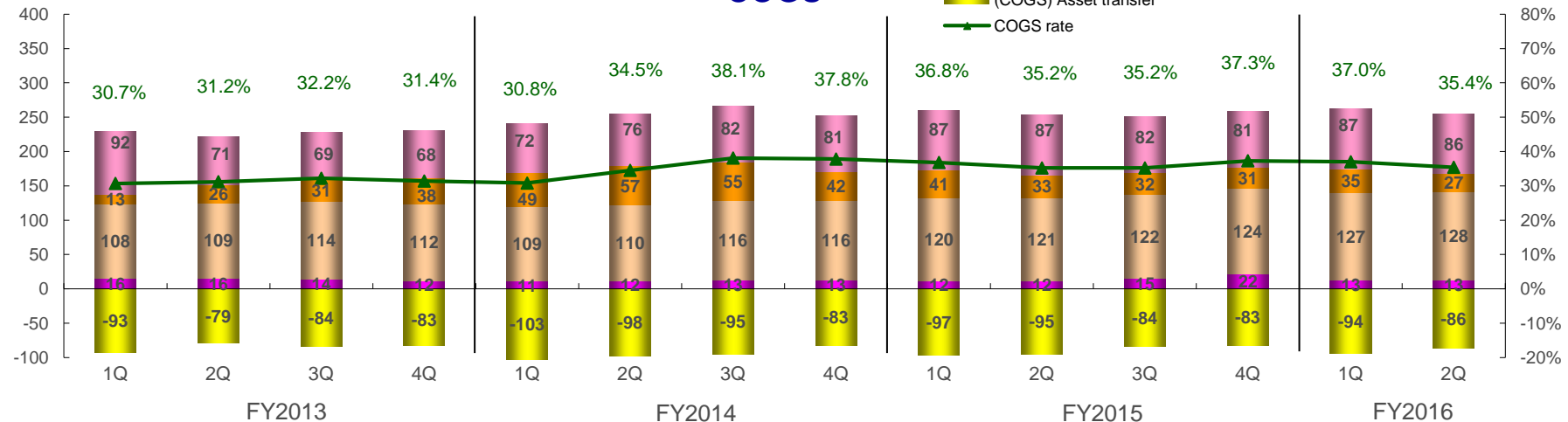
* Figures rounded down to the nearest million yen.

Total Expenses are Under Control

(Consolidated)

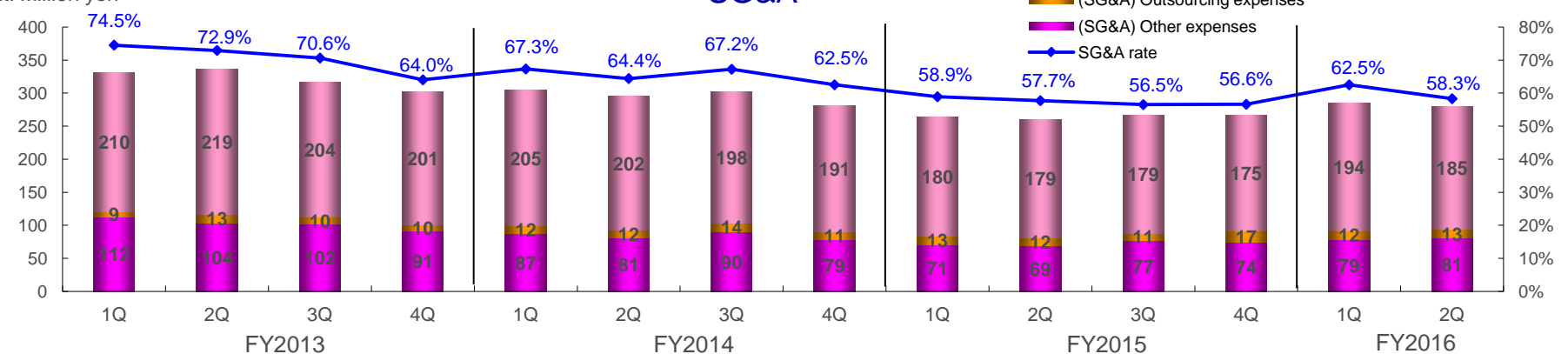
Unit: Million yen

COGS



Unit: Million yen

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.

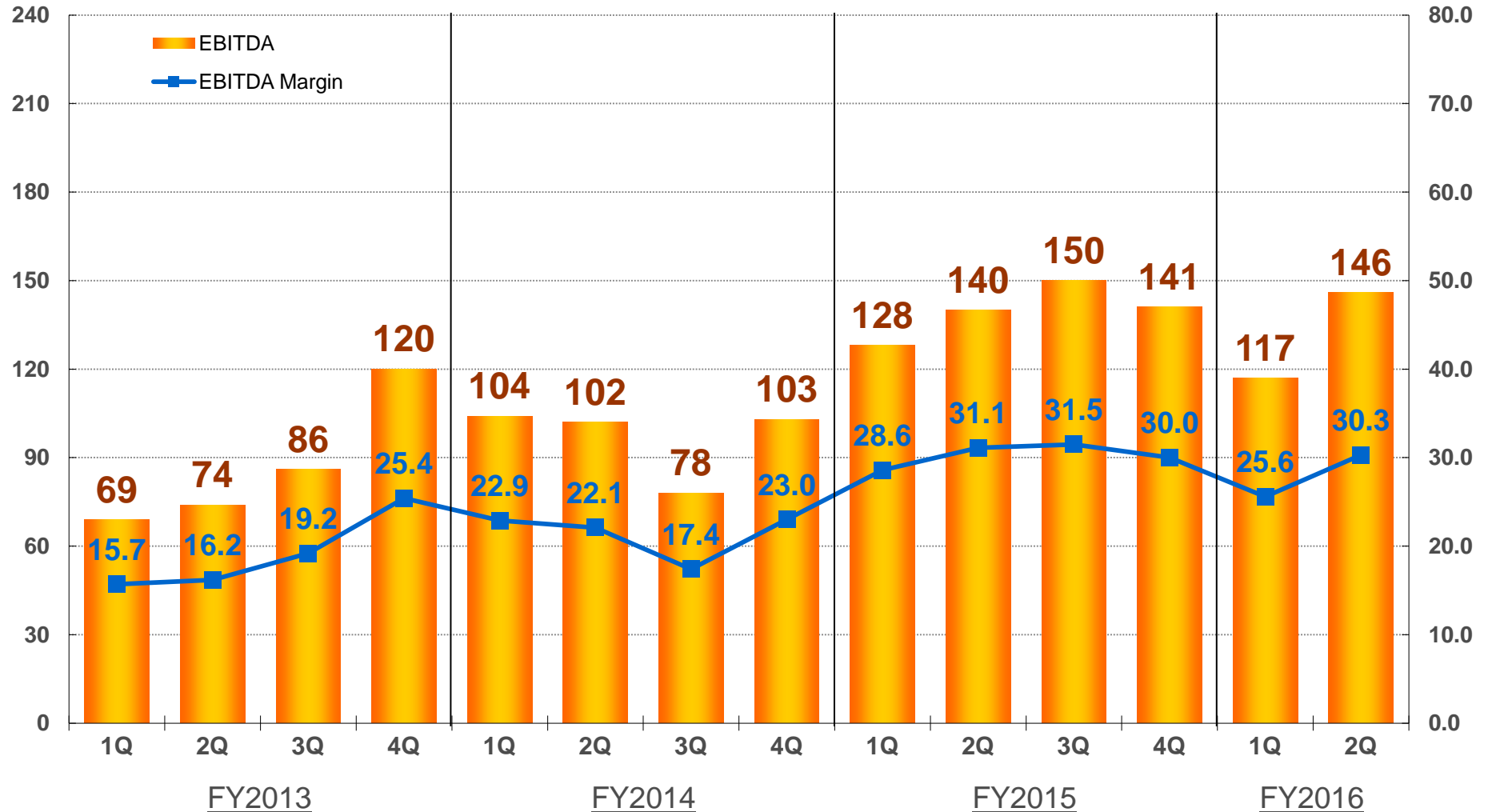
* Figures rounded down to the nearest million yen.

Stable EBITDA (Operating Income + Depreciation)

Transition of EBITDA (Consolidated)

Unit: Million yen

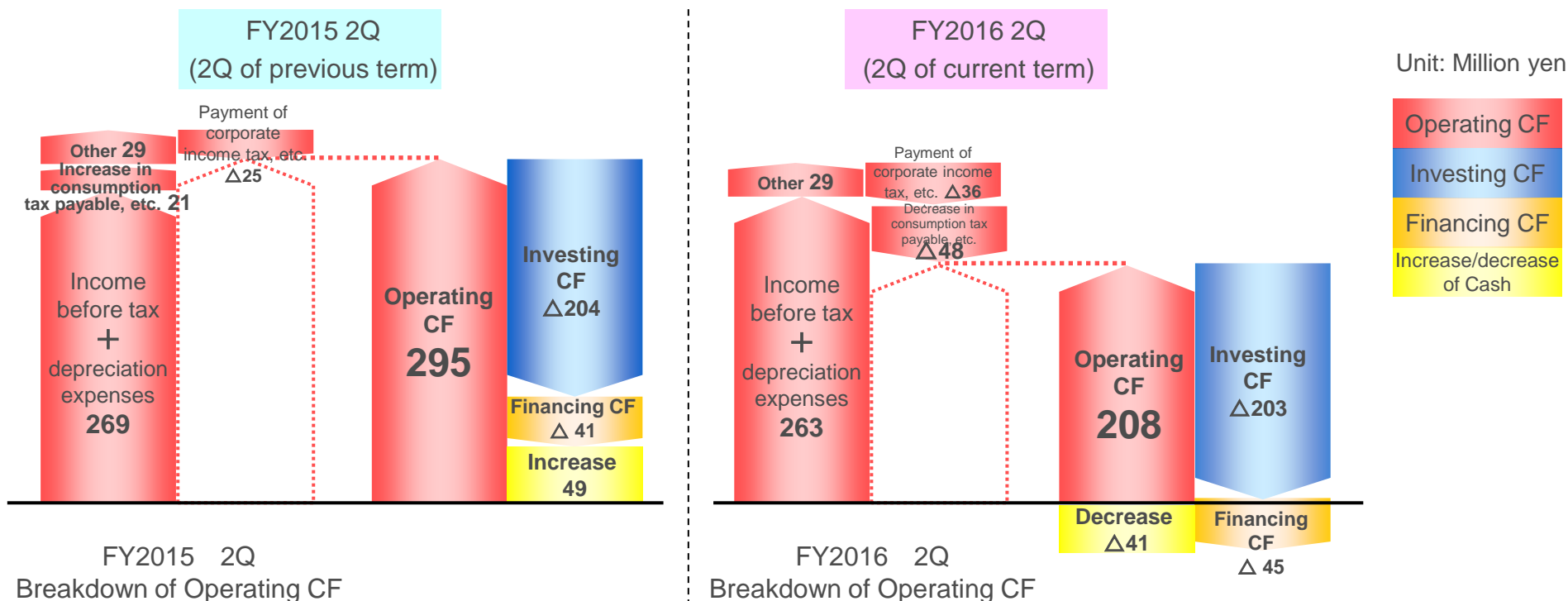
Unit: %



* Figures rounded down to the nearest million yen.

Consumption Tax Hike Influenced Operating Cash Flow

Cash Flow Statement (Consolidated)



<Key Points>

Operating Activities	① Income before tax + depreciation expenses	
	② Payment of corporate income tax, etc. (△)	
	③ Increase in consumption tax payable, etc. (△ Decrease)	
Investing Activities	④ Expenses due to in-house software development (△)	
	⑤ Expenses due to the purchase of assets (HW/SW) (△)	
Financing Activities	⑥ Payment of year-end dividend (△)	
	⑦ Expenses due to repayment of lease obligations (△)	

FY2015 2Q

① Income before tax + depreciation expenses	269M yen
② Payment of corporate income tax, etc. (△)	△25M yen
③ Increase in consumption tax payable, etc. (△ Decrease)	21M yen
④ Expenses due to in-house software development (△)	△193M yen
⑤ Expenses due to the purchase of assets (HW/SW) (△)	△6M yen
⑥ Payment of year-end dividend (△)	△20M yen
⑦ Expenses due to repayment of lease obligations (△)	△20M yen

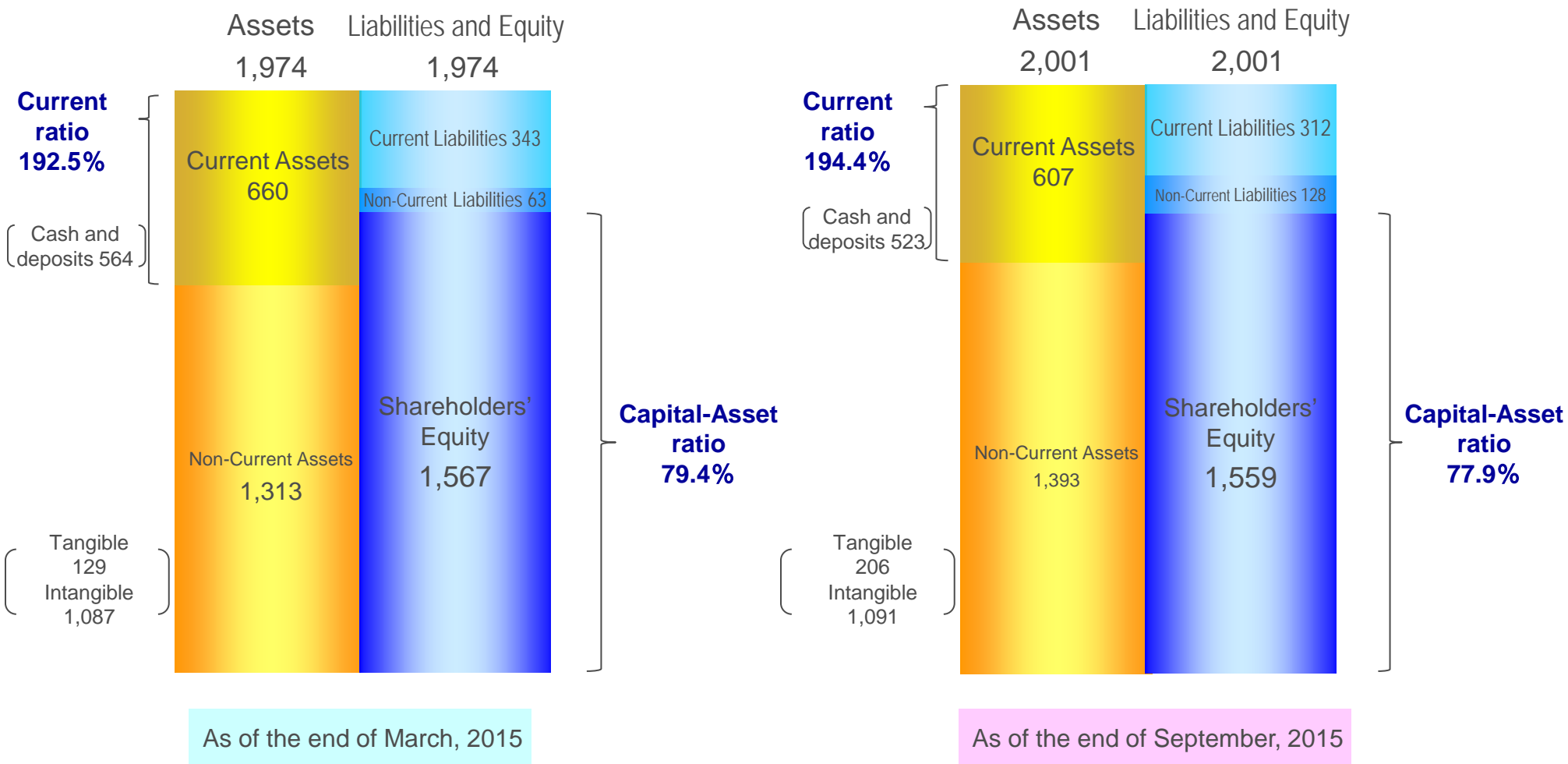
FY2016 2Q

① Income before tax + depreciation expenses	263M yen
② Payment of corporate income tax, etc. (△)	△36M yen
③ Increase in consumption tax payable, etc. (△ Decrease)	△48M yen
④ Expenses due to in-house software development (△)	△182M yen
⑤ Expenses due to the purchase of assets (HW/SW) (△)	△21M yen
⑥ Payment of year-end dividend (△)	△24M yen
⑦ Expenses due to repayment of lease obligations (△)	△21M yen

* Figures rounded down to the nearest million yen.

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

Consolidated Balance Sheet YOY Comparison



* Figures rounded down to the nearest million yen.

2. Business Forecast

(Million yen)	Mid-term Forecast FY2016	Second-quarter Results FY2016	Progress Rate as % of Mid-term Forecast	Full-term Forecast FY2016	(Reference) Full-term Results FY2015
Sales	946	939	99.3%	1,955	1,851
Operating Income	29	32	110.2%	130	119
Recurring Income	28	33	114.3%	128	120
Net Income	16	16	98.2%	74	66

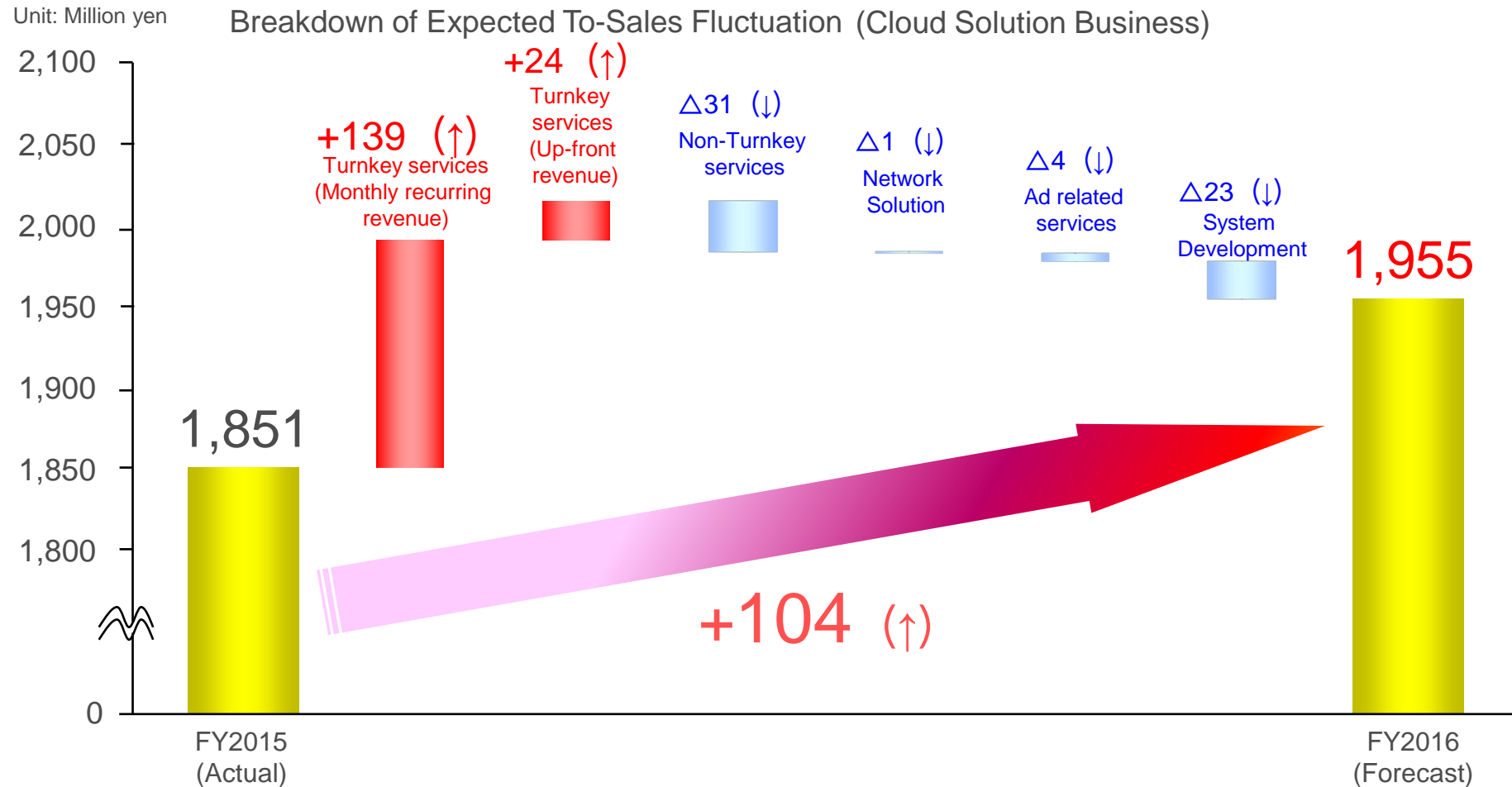
	Dividend per share
Full-term dividend (forecast) (FYE March 2016)	4.00yen
Full-term dividend (actual) (FYE March 2015)	3.50yen

* 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.

Cloud Service (Turnkey Services) Contributes



<Key Points>

Further promoting “ES e-Bukken One,” our “turnkey services (monthly recurring revenue)” revenue is expected to increase by about 139 million yen YOY, and the total sales of the cloud solution business are estimated to increase by about 104 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 Forecast Breakdown

Item (Unit: million yen)	FY2016 Forecast	Second-quarter Results FY2016	Progress Rate as % of Forecast	(Reference) Full-term Results FY2015
Cloud Service	1,850	892	48.2%	1,717
Turnkey services *	1,715	824	48.1%	1,551
Up-front revenue	82	36	44.1%	57
Monthly recurring revenue	1,633	788	48.3%	1,493
Non-turnkey services *	134	67	50.2%	165
Network Solution	34	17	50.0%	35
Advanced-Cloud Service	70	30	42.6%	98
Ad related services	25	12	46.9%	30
System Development	45	18	40.2%	68
Total	1,955	939	48.1%	1,851

* 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.

* The above 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. Business Overview

To Become the Best Real Estate Information Technology Company in Japan

Target Index

- Number of clients **5,000** companies
- Monthly ARPU **more than ¥100,000**
- Gross profit margin on Cloud Service **more than 70%**

Expand and grow our client base

To keep increasing clients by evolving services and 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)

New Options and Features for “ES e-Bukken One” to Follow

Development Roadmap

2015

2016



Enhancement of performance and functions

Acceleration of the shift from existing services



Enhancement of the function to approach customers

Owner's My page function

Strengthening of the function to get data of other companies

Improvement of the contract info function



Enhancement of the appraisal function

Strengthening of the function to get data of other companies

Enhancement of the function to approach customers

Enhancement of the linkage with media

Sales-in-Lot Function



Enhancement of the featuring function

Enhancement of the compatibility with smartphones

Enhancement of the real estate search function and the SEO strategies

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

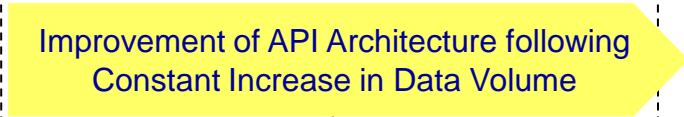
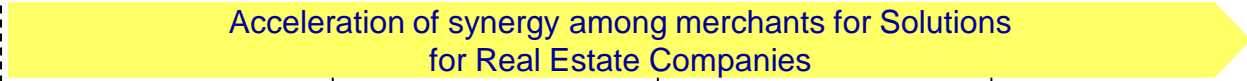
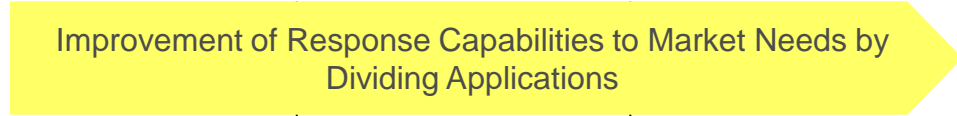
* Development and product launch schedule subject to change.



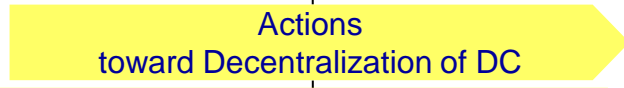
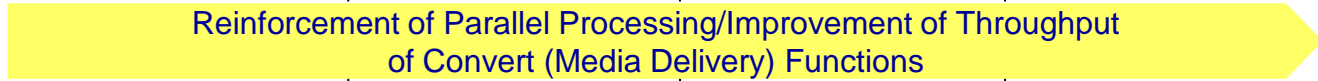
Existing Services



Improvement of Service Development Cycles and Function Reinforcement



Service Quality Improvement and Capacity Increase



*The above schedule is a plan at the present moment and is subject to change.



- The freshness of information is maintained with the function to upload data to major Internet media at the same time (with high interlocking precision)
- With full CMS function, a corporate website which interlocks with property information can be constructed
- ES e-Bukken one supports data distribution of property information among collaborative real estate companies

Soliciting, Rent Management, and Repair Management are all Fully Covered (Lease)

Soliciting ①

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

Contracts ②

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



All tasks are covered by Cloud!

<p>Contract update</p> <p>To update lease contracts</p> <p> Lease contracts</p> <ul style="list-style-type: none"> • Explanation of contract update • Update settlement notes • Record management • Progress management • To store electronic files 	<p>Contract cancellation</p> <p>To cancel lease contracts</p> <p> 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 	
<p>Rent collection</p> <p>To collect rents, etc.</p> <p> Rent management</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
<p>Operation and coordination</p> <p>To conclude and update contracts for management entrustment</p> <p> 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> <p> Transactions</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> <p> Keys</p>
<p>Business administration</p> <p>To manage sales, deposits and withdrawals</p> <p> Deposits and withdrawals</p> <p> Sales</p> <p> Journalization</p> <p>To manage tasks</p> <p> Schedule</p> <p> ToDo</p> <p> Approval</p>		

Payment ③

Repair ④

4. Appendix

Financial Data

Business Outline

Financial Data

“ES e-Bukken One” License and User Numbers

(Unit: Number of services with payment started, companies)

ES e-Bukken One		2013 Oct.	Nov.	Dec.	2014 Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	2015 Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.
Rental Property (Leasing Management)	New	109	120	132	143	146	148	159	163	167	172	182	195	194	202	212	221	223	230	237	241	251	253	267	273
	Shift	81	79	84	85	94	98	103	107	116	124	141	150	160	167	173	219	232	234	242	249	261	276	288	297
Rental Property (Leasing Management) Total		190	199	216	228	240	246	262	270	283	296	323	345	354	369	385	440	455	464	479	490	512	529	555	570
One Management	New	0	5	10	18	20	20	25	29	29	33	43	52	57	64	73	78	80	80	88	92	104	101	110	111
	Shift	0	0	7	7	9	11	16	17	22	27	48	55	61	69	75	76	80	82	82	86	94	105	107	114
One Management Total		0	5	17	25	29	31	41	46	51	60	91	107	118	133	148	154	160	162	170	178	198	206	217	225
One Sales	New	74	78	93	96	92	96	101	100	101	101	107	111	118	126	125	128	131	134	140	148	153	152	158	161
	Shift	49	48	48	48	51	52	53	53	54	54	59	62	63	66	67	69	74	77	80	83	84	85	91	94
One Sales Total		123	126	141	144	143	148	154	153	155	155	166	173	181	192	192	197	205	211	220	231	237	237	249	255
Website	New	128	141	152	159	165	166	179	184	187	194	203	211	212	221	229	239	239	250	256	265	272	274	283	290
	Shift	96	93	95	97	109	111	112	116	125	132	148	157	168	175	181	194	205	209	216	221	230	243	258	268
Website Total		224	234	247	256	274	277	291	300	312	326	351	368	380	396	410	433	444	459	472	486	502	517	541	558
Companies		263	275	297	311	323	329	347	356	371	384	420	445	462	483	503	564	589	600	623	643	669	688	721	741

* “Shifts” are transfers from other services to the “ES e-Bukken One” service.

* Free accounts are not included in the above numbers.

* The total number of “One Rental (management option),” “One Rental (full-time management),” and “One Rental (rent management)” is expressed by “One Management.”

(Million yen)	FY2014				FY2015				FY2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales	454	461	451	452	450	452	476	473	457	481		
COGS	139	158	171	171	165	159	167	176	169	170		
Gross Profit	314	302	279	281	284	292	308	296	288	311		
Gross Profit Margin	69.2%	65.5%	61.9%	62.2%	63.2%	64.8%	64.8%	62.7%	63.0%	64.6%		
SG & A	305	297	303	283	264	261	268	267	286	280		
Operating Income	8	5	△23	△1	19	31	39	28	2	30		
Operating Income Margin	2.0%	1.1%	△5.3%	△0.3%	4.4%	7.0%	8.3%	6.1%	0.5%	6.3%		
Recurring Income	8	6	△23	△1	20	32	38	29	2	31		
Recurring Income Margin	1.9%	1.5%	△5.3%	△0.3%	4.5%	7.1%	8.2%	6.2%	0.4%	6.4%		
Extraordinary Income	—	—	—	—	—	—	—	—	—	—		
Extraordinary Loss	—	0	4	3	0	0	0	0	—	—		
Quarter Net Income	△1	△1	△25	△8	11	17	22	15	△1	17		
Net Income Margin	△0.3%	△0.4%	△5.7%	△1.8%	2.5%	3.9%	4.7%	3.3%	△0.3%	3.7%		

* 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)	FY2014				FY2015				FY2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Current Assets Total	635	619	573	564	526	578	613	660	567	607		
Non-Current Assets Total	1,311	1,329	1,339	1,352	1,349	1,335	1,333	1,313	1,298	1,393		
Assets Total	1,947	1,949	1,912	1,917	1,876	1,913	1,947	1,974	1,866	2,001		
Current Liabilities Total	274	288	274	282	264	293	319	343	264	312		
Non-Current Liabilities Total	115	105	107	113	99	90	75	63	59	128		
Liabilities Total	390	394	382	395	364	383	395	406	324	441		
Net Assets Total	1,556	1,555	1,529	1,521	1,512	1,529	1,552	1,567	1,542	1,559		
Liabilities & Net Assets Total	1,947	1,949	1,912	1,917	1,876	1,913	1,947	1,974	1,866	2,001		

* Figures are rounded down to the nearest million yen.

Consolidated Cash Flow Statement

(Million yen)	FY2014				FY2015				FY2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
CF from Operating Activities	103	154	63	70	132	162	145	145	38	169		
CF from Investing Activities	△82	△109	△95	△100	△115	△88	△97	△103	△94	△109		
CF from Financing Activities	△71	△21	△8	△9	△28	△13	△10	△10	△32	△13		
Net increase in cash and cash equivalents (△decrease)	△50	23	△40	△39	△11	60	37	31	△87	45		
Cash and Cash Equivalents (end of term)	502	526	485	446	434	495	533	564	477	523		

* Quarterly cash flow statements 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 Revenues by Product

		FY2014				FY2015				FY2016			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Cloud Service		432	417	418	419	418	426	434	437	441	450		
	Turnkey services	389	375	376	377	376	384	393	396	407	417		
	Up-front revenue	11	10	12	6	9	14	18	15	18	17		
	Monthly recurring revenue	377	365	364	371	367	370	374	381	389	399		
	Non-turnkey services	42	42	41	41	41	41	41	41	33	33		
Network Solution		8	8	8	9	8	8	8	9	8	8		
Advanced-Cloud Service		13	34	23	23	22	17	32	25	7	22		
	Ad related services	11	9	8	8	8	7	7	6	6	5		
	System Development	2	25	14	15	14	9	25	19	1	16		
Sales Total		454	461	450	452	450	452	475	473	457	482		
Number of Cloud Service clients (Companies)		1,374	1,346	1,335	1,320	1,300	1,294	1,290	1,245	1,254	1,256		
Number of employees (Non-consolidated)		140	138	137	133	138	140	134	131	146	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.

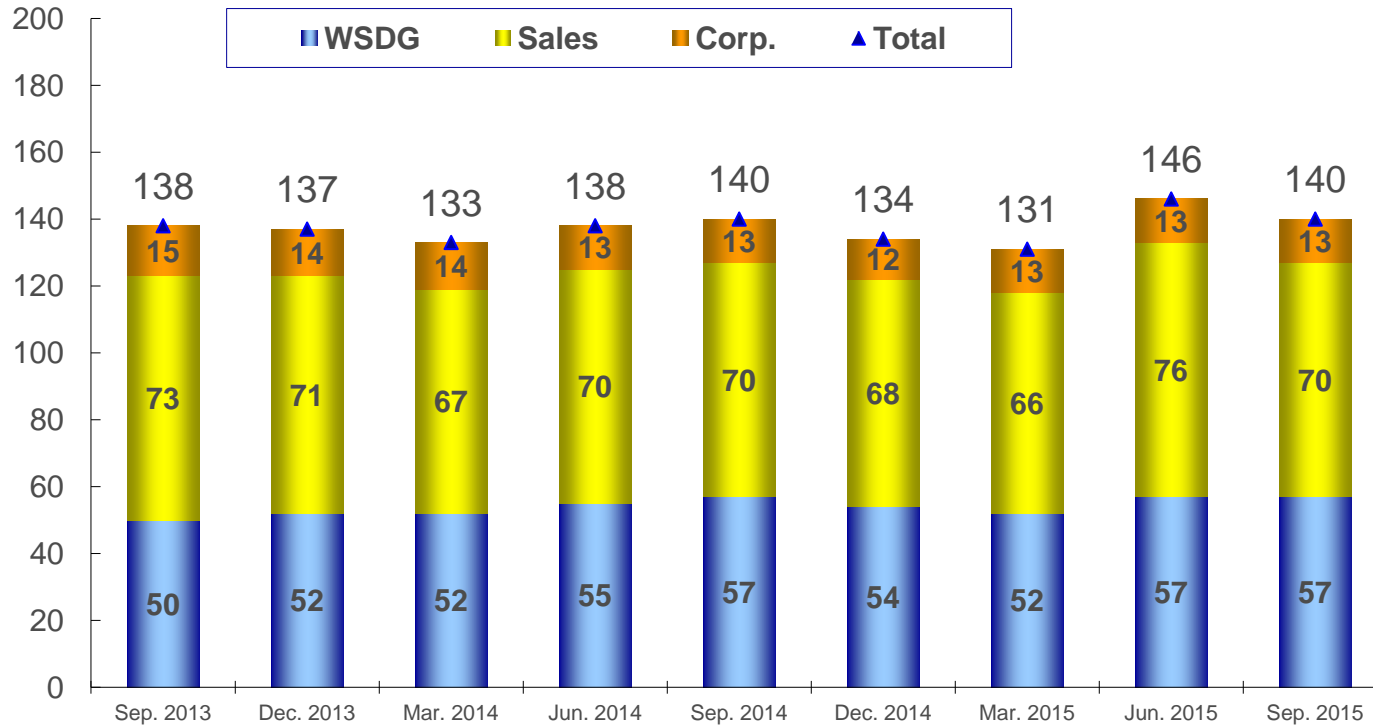
* Quarterly income figures are not audited (cumulative figures are audited).

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

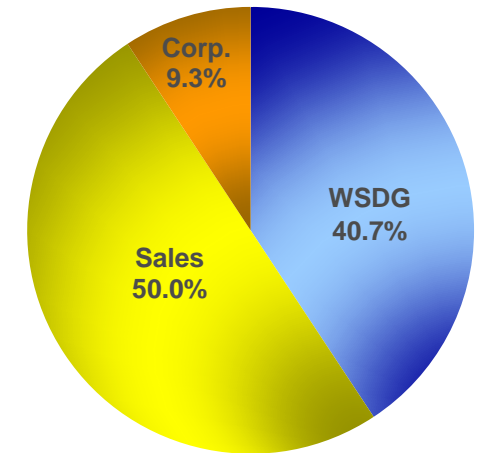
* Figures are rounded down to the nearest million yen.

Number of Employees

Unit: Employees



Number of Employees



Breakdown by Division
(September, 2015)

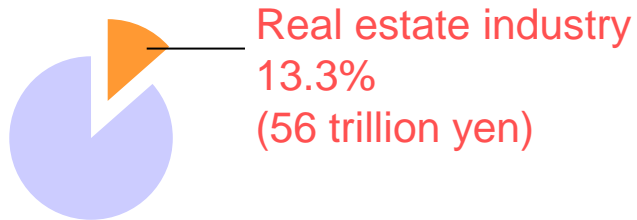
* Excluding directors, advisors, and part-time workers.

* 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 **13.3%**
(2013) of GDP (422 trillion yen (nominal))



Source: National Accounts for 2013 (GDP by economic activity)

Total real estate assets equals **1,681 trillion yen**
(2013)

Residential
349 trillion yen



Non-residential **211 trillion yen**



Land 1,120 trillion yen

Source: National Accounts for 2013 (National assets)



Number of homes
60.63 million units

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



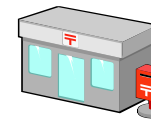
There are **122,685 real estate agencies**
(as of the end of Mar. 2015)

Source: Real Estate Transaction Improvement Organization



much more than...

Convenience stores
52,397 stores (March 2015)



Post offices
24,182 offices (As of the end of Mar 2015)

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

**The number of potential clients
is enormous.**

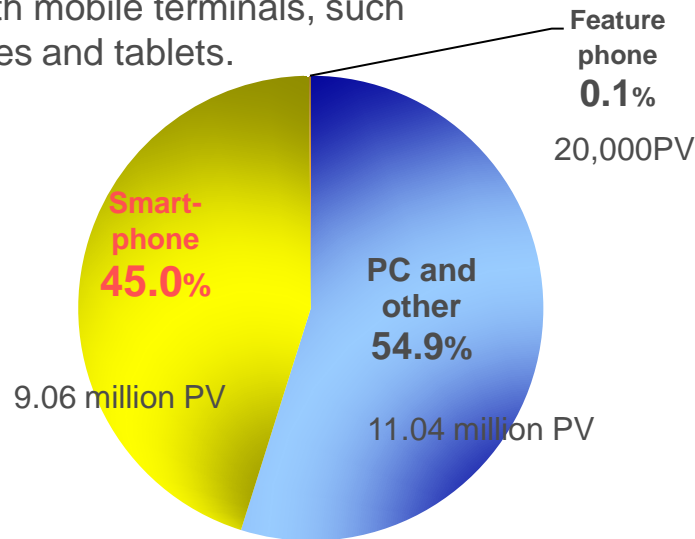
The **first contact** point with consumers is not stores, but the **Internet!**

It is indispensable to distribute fresh information through 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.



Comparison of the number of PV*

* Based on in-company investigation in July 2015, limiting to our customers.

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
- OO School district
- Balcony
- Wood Flooring

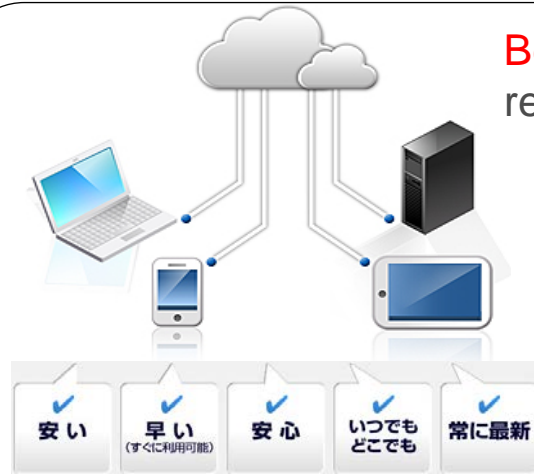
Utilizing a **database is essential** to succeed!

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

More than
4,400
items can be
stored for each
property

Large Demand for More “**Safe**” and “**User-Friendly**” Databases

“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!

Vision

To become an essential integral information infrastructure for the real estate market, where a variety of information on real estate is put together.



Mission

To create a market with high degree of satisfaction and reliability for all participants by enhancing the transparency of the market.

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

Swift cycle of “grasping needs → planning → development”

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

No bank borrowing and financially sound

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

- “ISO/IEC20000-1:2011” (International standard of IT service management system)
(Initial certification in October, 2009)
- “ISO/IEC27001:2013” (International standard of information security management system)
(Initial certification in August, 2006)

Certified under the “Information Disclosure Certification Systems for Safety and Reliability of Cloud Services”

The Company’s “ES e-Bukken One” cloud service gained a certification under the “Information Disclosure Certification Systems for Safety and Reliability of Cloud Services”, which was institutionalized by ASPIC (ASP-SaaS-Cloud Consortium), based on the guidelines published by the Ministry of Internal Affairs and Communications.

☆ Certification Date: December 16, 2014

☆ Certification Period: December 16, 2014 to December 18, 2016



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Higher customer satisfaction with high quality services

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 2015)

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 2015)



Governance System : Company with Audit Committee (from June 26, 2015)

Officers :	President & CEO	Kiyotaka Nakamura	Outside Director, Auditor (Full-Time)	Akira Hirano
	Executive Vice President & Co-CEO	Zenichi Maeno	Outside Director, Auditor	Masahito Omachi
	Executive Vice President & CFO	Hiroyuki Shiokawa	Outside Director, Auditor	Shinichi Shamoto
	Executive Vice President & COO	Hiroyoshi Kitazawa	Outside Director, Auditor	Masayasu Takahara
	Managing Director, CTO	Akira Matsuzaki		

Audit Corporation : The Kisaragi Audit Corporation

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.