



FY2017 Full-term Results
Presentation Material

May 11, 2017
e-Seikatsu Co., Ltd.
Securities code: 3796

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1. Summary of Full-term Results for FYE March 31, 2017

Sales and profit grew year on year.

- Consolidated sales: 1,986 million yen (FY2016 1,934 million yen, YOY change +52 million yen, +2.7%)
 - Cloud Service revenue: 1,894 million yen (FY2016 1,829 million yen, YOY change +64 million yen, +3.5%)
 - **Including monthly recurring revenue of Turnkey services: 1,713 million yen (FY2016 1,625 million yen, YOY change +88 million yen, +5.4%)**
- Consolidated operating income: 153 million yen (FY2016 125 million yen, YOY change +28 million yen, +22.3%)
- Net income: 88 million yen (FY2016 62 million yen, YOY change +26 million yen, +42.5%)

The annual sales of “cloud services” marked a record high.

- Focus on new client acquisitions as well as up-selling to existing clients. Solid growth in monthly ARPU.
 - Monthly ARPU: approx. 122,800 yen/company ※as of the end of Mar. 2017
FY2016 approx. 122,800 yen/company ※as of the end of Mar. 2016

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

- Additional development of “ES e-Bukken One” continued. Expanding services and enhancing usability have been achieved.
- We signed a distributorship contract for the online conference cloud of NTT TechnoCross Corporation (former NTT IT Corporation), and started sales.

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

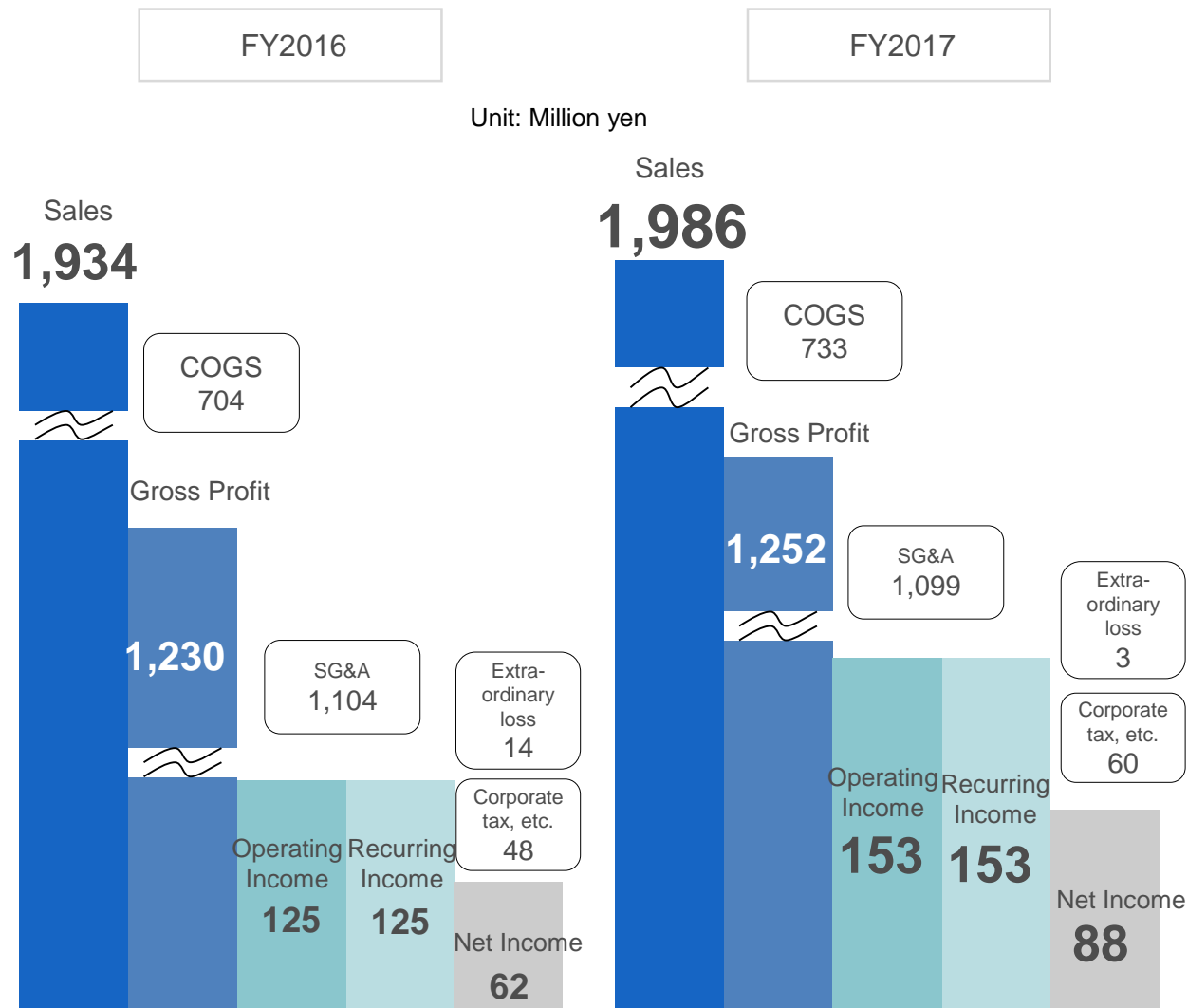
* Figures rounded down to the nearest million yen.

* Ratios rounded to the nearest decimal place.

- Sales rose around 52 million yen YOY to 1,986 million yen. Operating income grew around 28 million yen YOY to 153 million yen.

- COGS increased due to personnel expenses, depreciation of service development and system maintenance, etc.

- SG&A expenses decreased as a result of decline in depreciation cost for internal systems.



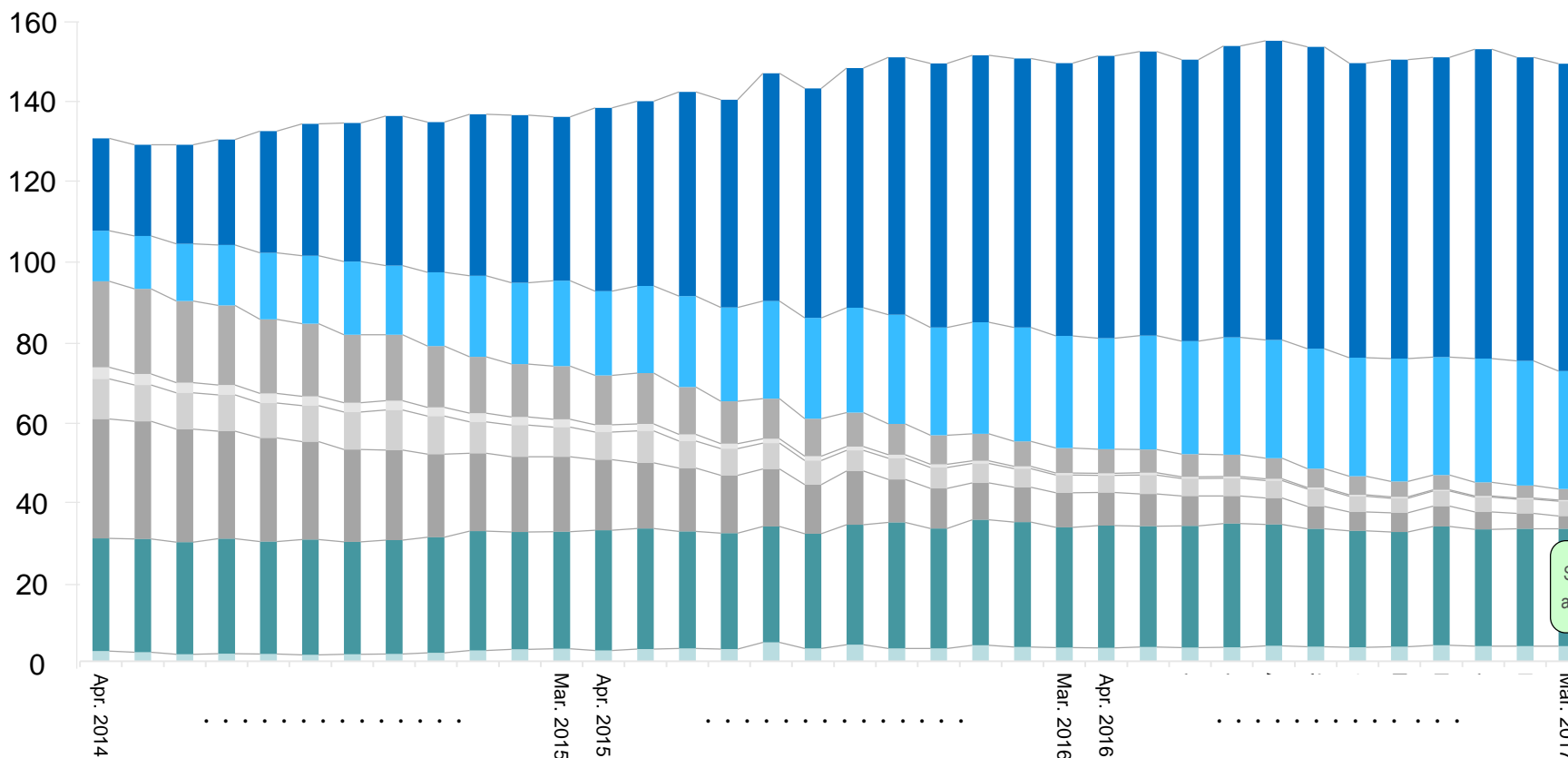
* Figures rounded down to the nearest million yen.

“ES e-Bukken One” is 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

[unit: million yen]



The customers who have used existing services will shift to ES e-Bukken One by the end of Mar. 2018.

Services to be replaced by One Rental Property and Sales Property

Service to be replaced by One Website

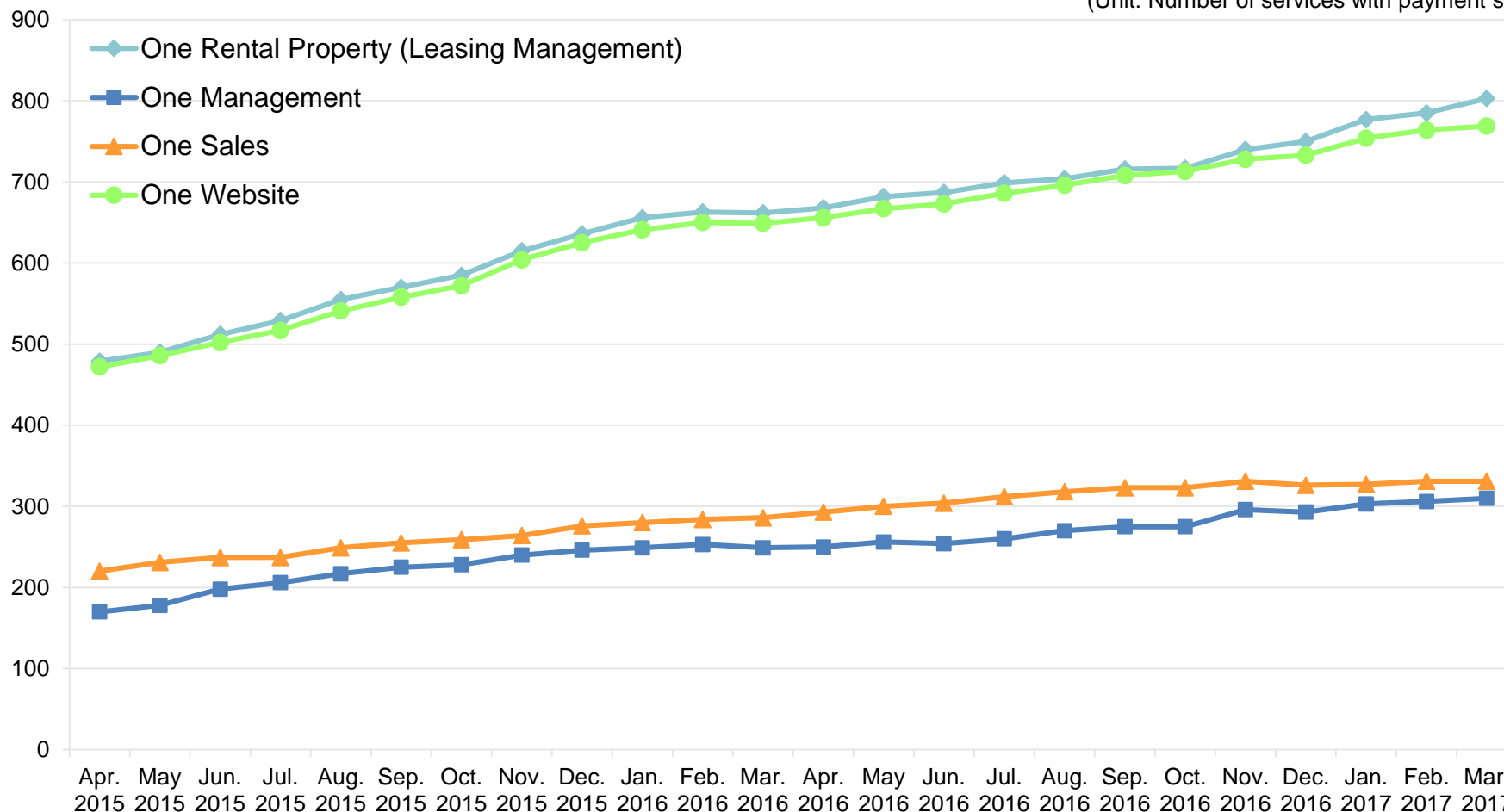
Steady growth of the ad placement function

* 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)

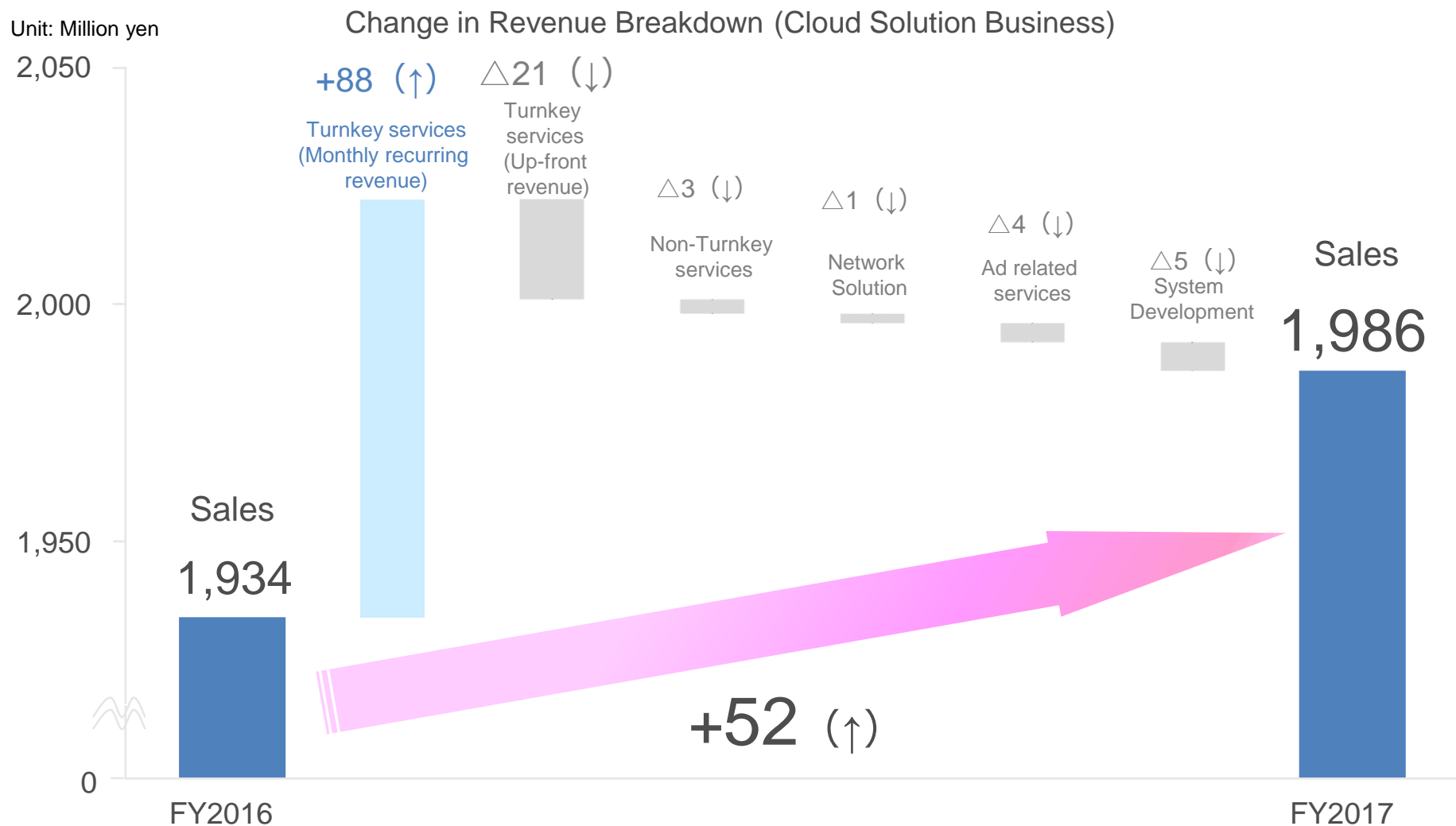


* The number means the sum of the number of new contracts and the number of shifts from existing services.

* 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."

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) | FY2016 | FY2017 | YOY change | YOY change (%) |
|---------------------------|--------|--------|------------|----------------|
| Cloud Service | 1,829 | 1,894 | 64 | 3.5% |
| Turnkey services * | 1,697 | 1,764 | 67 | 4.0% |
| Up-front revenue | 71 | 50 | △21 | △29.4% |
| Monthly recurring revenue | 1,625 | 1,713 | 88 | 5.4% |
| Non-turnkey services * | 132 | 129 | △3 | △2.3% |
| Network Solution | 35 | 34 | △1 | △3.3% |
| Advanced-Cloud Service | 68 | 57 | △10 | △14.8% |
| Ad related services | 23 | 19 | △4 | △17.7% |
| System Development | 44 | 38 | △5 | △13.3% |
| Total | 1,934 | 1,986 | 52 | 2.7% |

* 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.

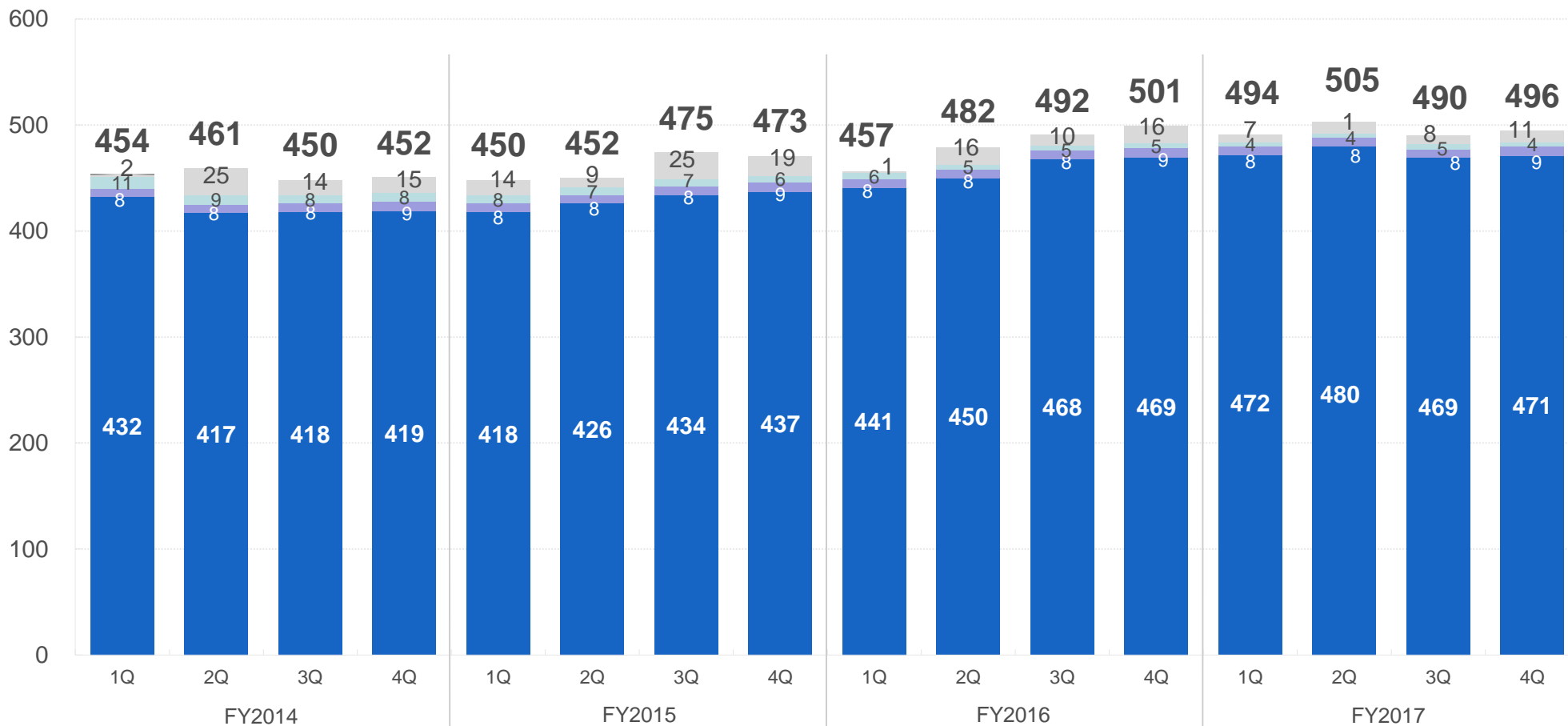
* '-' indicates zero yen, '0' indicates an amount less than one million yen.

* Figures rounded down to the nearest million yen.

Transition of Sales by Item (Cloud Solution Business)

Unit: Million yen

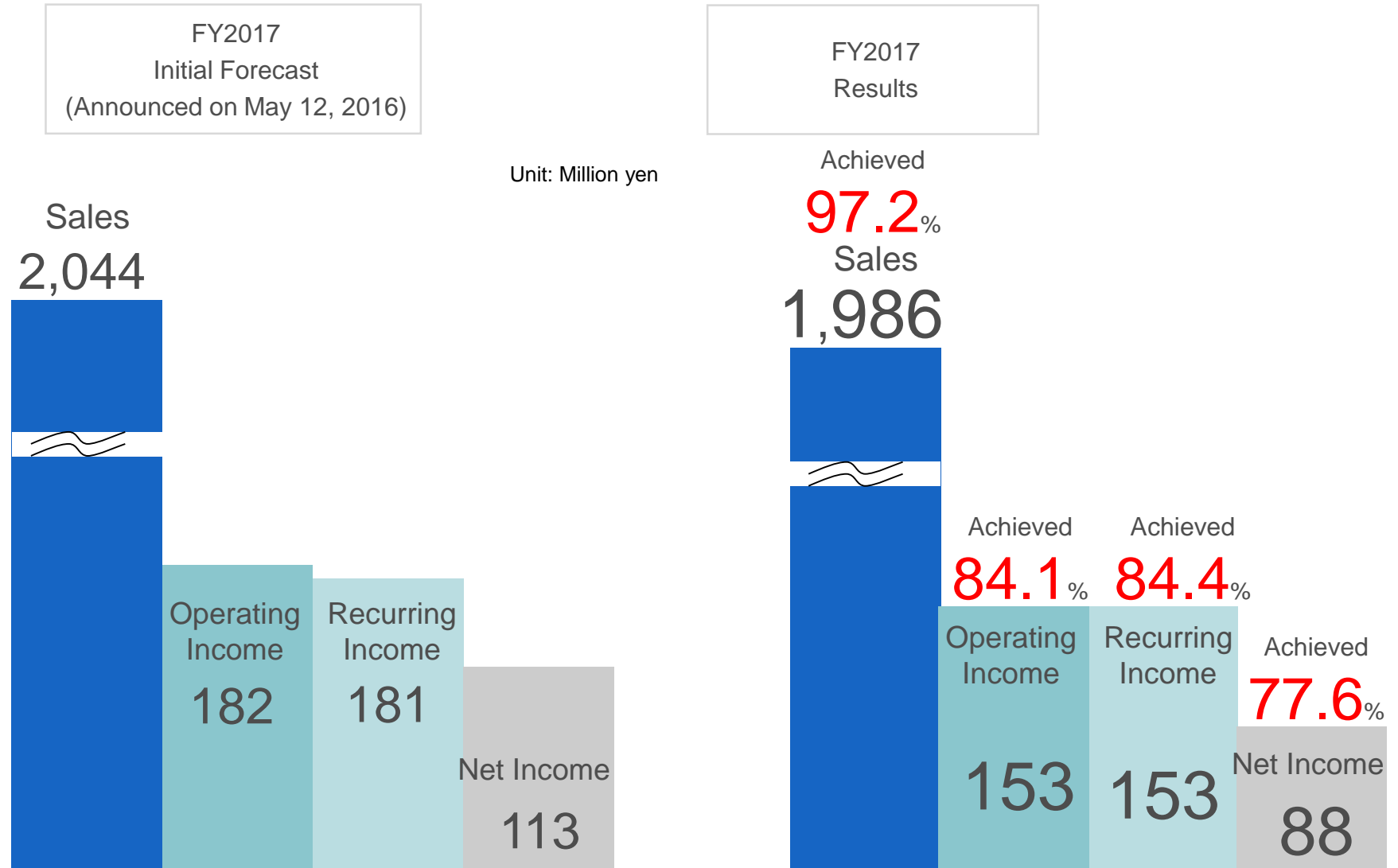
■ Cloud Service
 ■ Network Solution
 ■ A-Cloud Service (Ad related services)
 ■ A-Cloud Service (System Development)



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

* Figures rounded down to the nearest million yen.

Initial Earnings Forecast vs Actual Consolidated Earnings



* Figures rounded down to the nearest million yen.

Breakdown of Initial Sales Forecast vs Actual Sales (Cloud Solutions Business)

| Item (Million yen) | FY2017 Initial Forecast (Announced on May 12, 2016) | FY2017 Results | Difference | Achieved |
|---------------------------|--|-------------------|------------|----------|
| Cloud Service | 1,948 | 1,894 | △54 | 97.2% |
| Turnkey services * | 1,841 | 1,764 | △77 | 95.8% |
| Up-front revenue | 65 | 50 | △14 | 78.1% |
| Monthly recurring revenue | 1,776 | 1,713 | △62 | 96.5% |
| Non-turnkey services * | 106 | 129 | 22 | 121.5% |
| Network Solution | 34 | 34 | △0 | 99.8% |
| Advanced-Cloud Service | 61 | 57 | △3 | 94.6% |
| Ad related services | 21 | 19 | △2 | 90.1% |
| System Development | 40 | 38 | △1 | 97.0% |
| Total | 2,044 | 1,986 | △57 | 97.2% |

* 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.

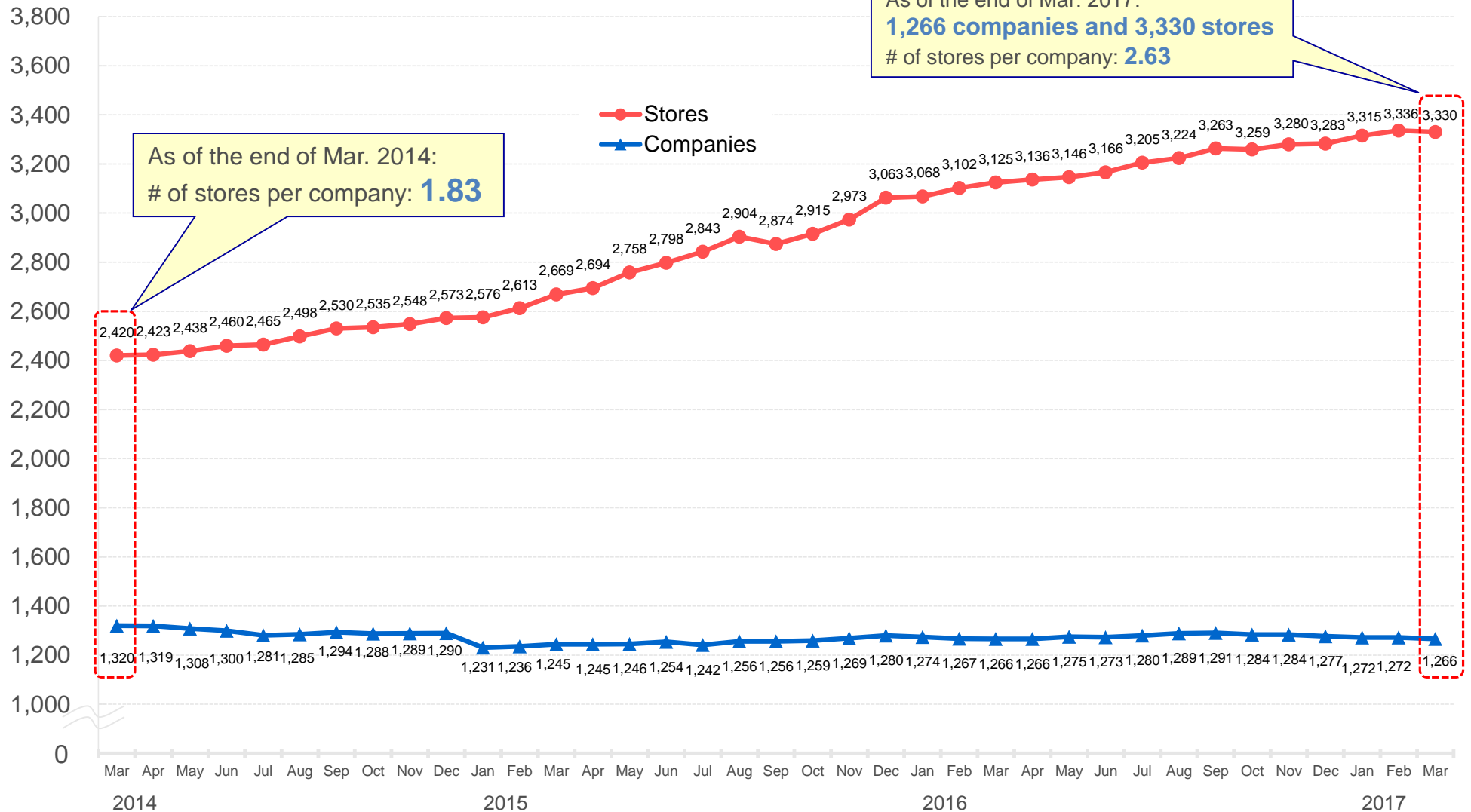
* Cloud Solution Business sales figures have not been adjusted for internal transactions.

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

* Figures rounded down to the nearest million yen.

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

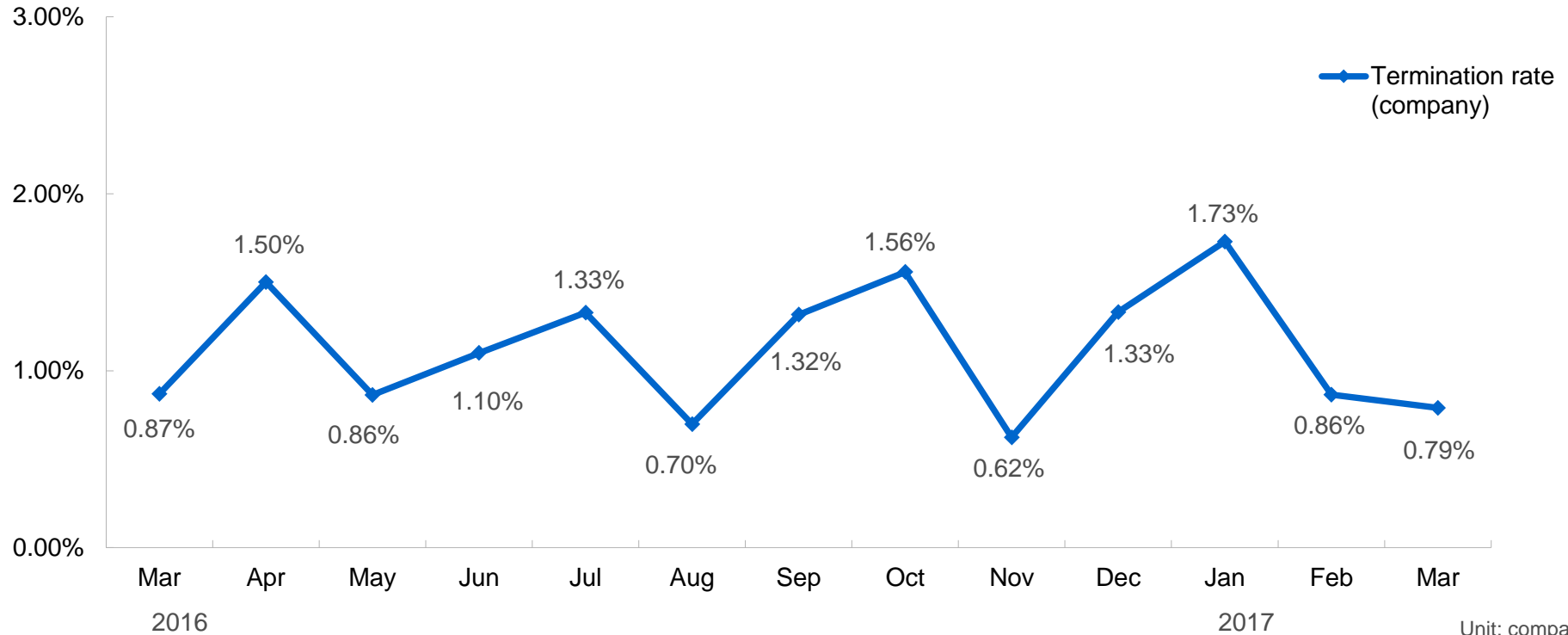
Transition of Number of Companies and Stores Using Our Services



* 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.

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

Transition of Termination Rate



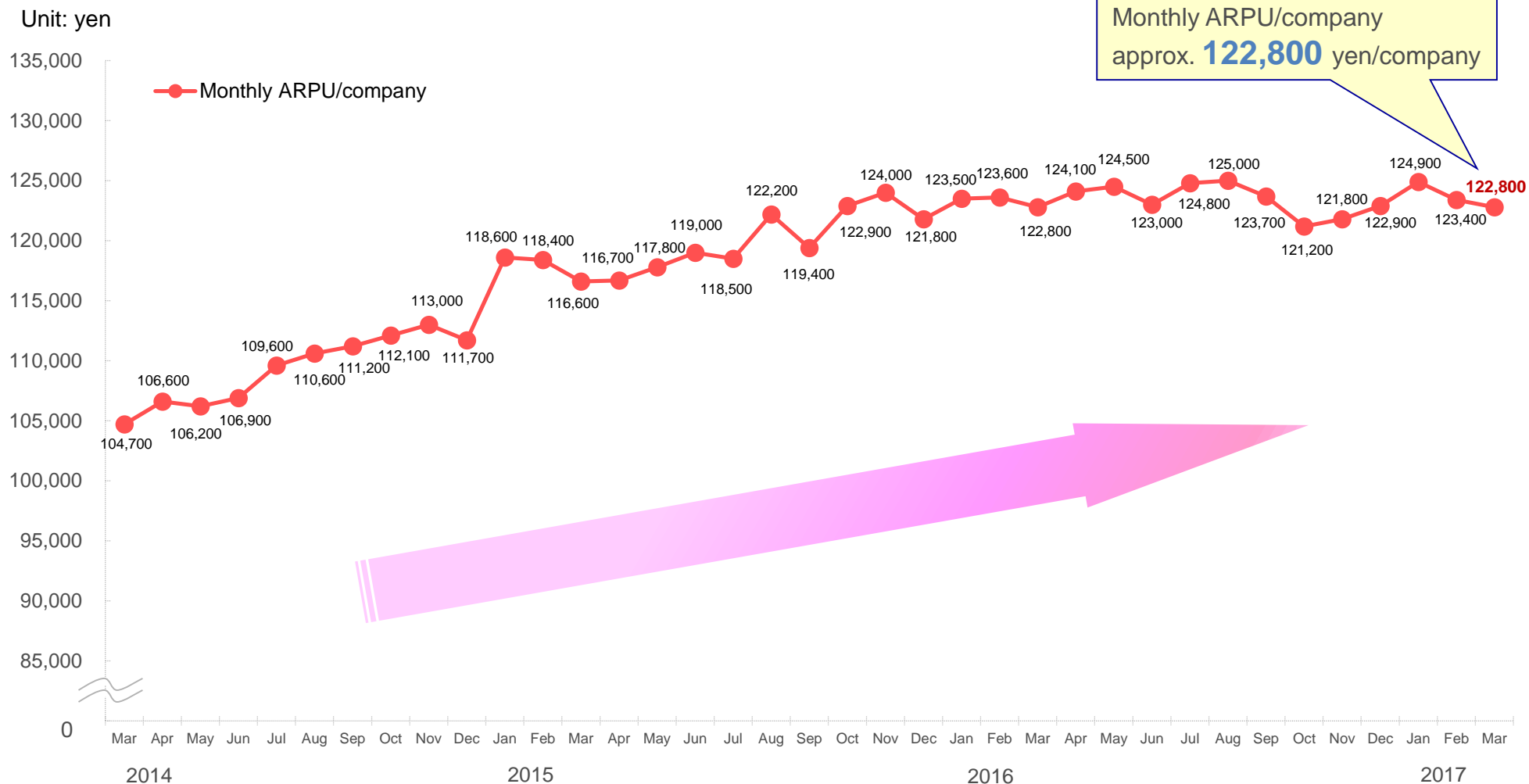
| | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Ave. |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|
| # of companies | 11 | 19 | 11 | 14 | 17 | 9 | 17 | 20 | 8 | 17 | 22 | 11 | 10 | 14.3 |
| Termination Rate | 0.87% | 1.50% | 0.86% | 1.10% | 1.33% | 0.70% | 1.32% | 1.56% | 0.62% | 1.33% | 1.73% | 0.86% | 0.79% | — |

* 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.

Resulting in a Steady Increase in Monthly ARPU

Transition of Monthly ARPU



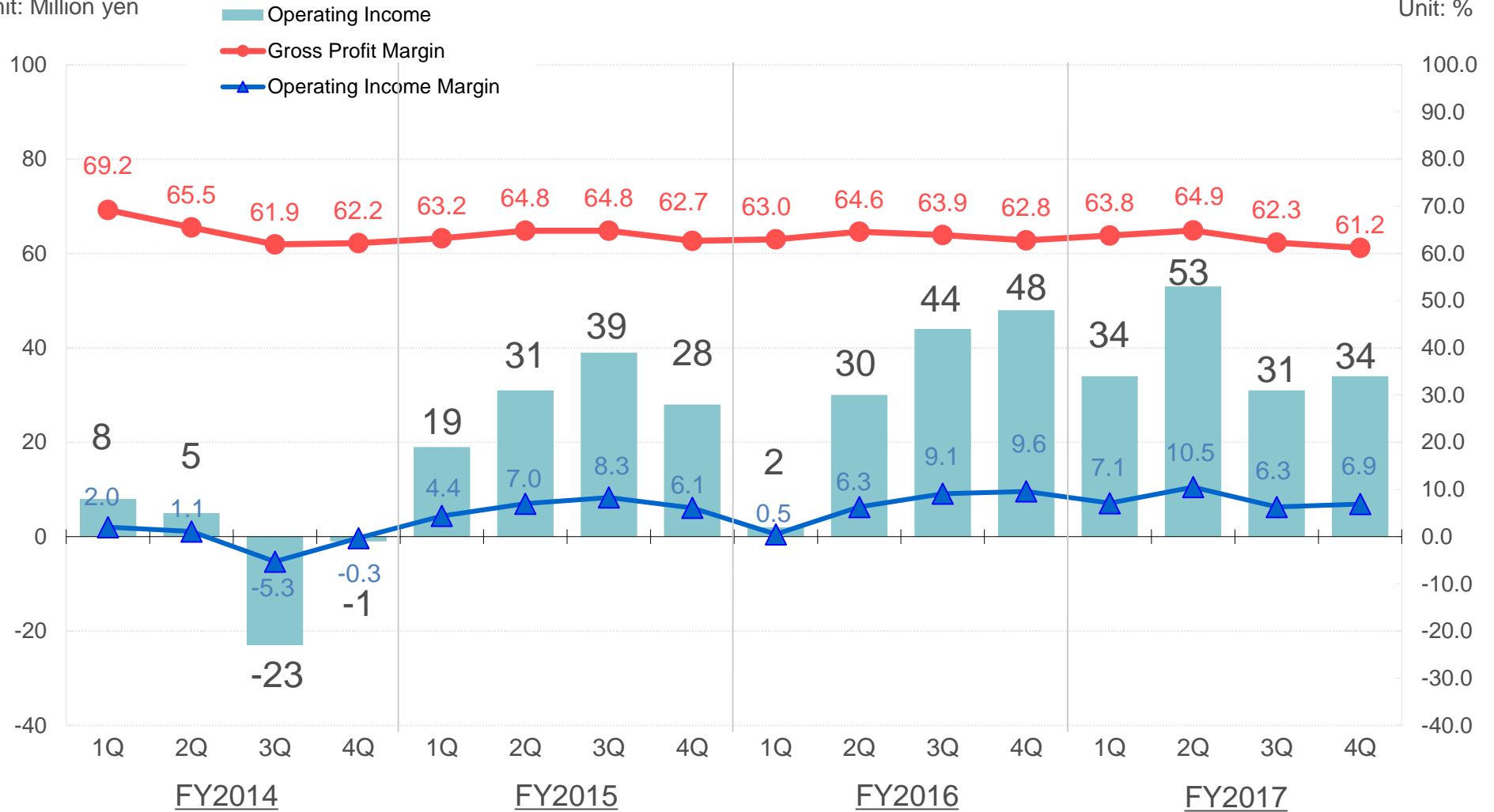
* Monthly ARPU =
$$\frac{\text{Cloud Service revenue in a given month}}{\text{The number of companies 'Billed Clients' in a given month}}$$

* Figures rounded down to the nearest hundred yen.

Transition of Operating Income (Consolidated)

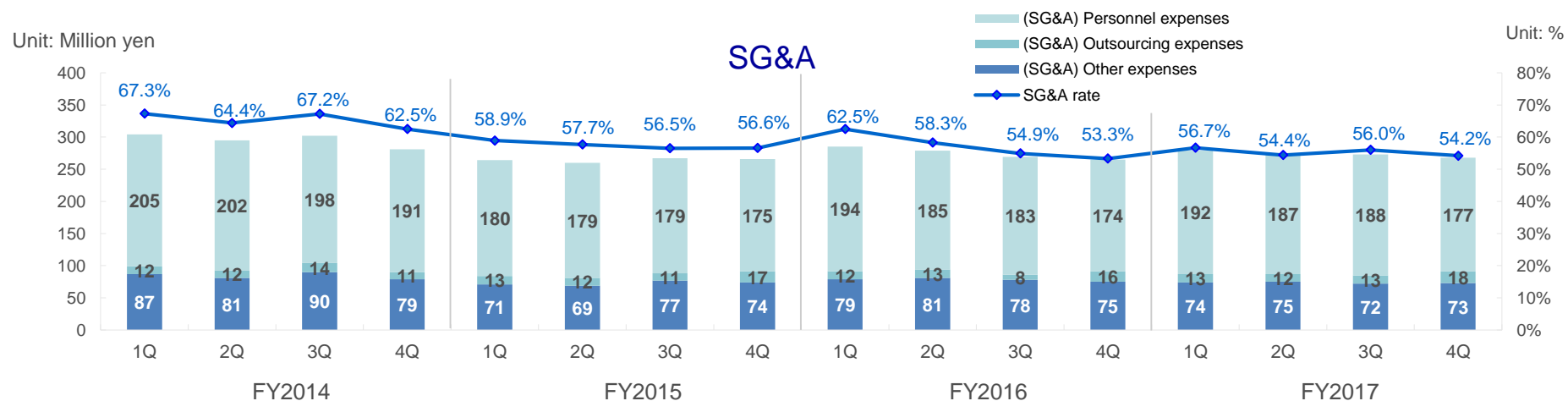
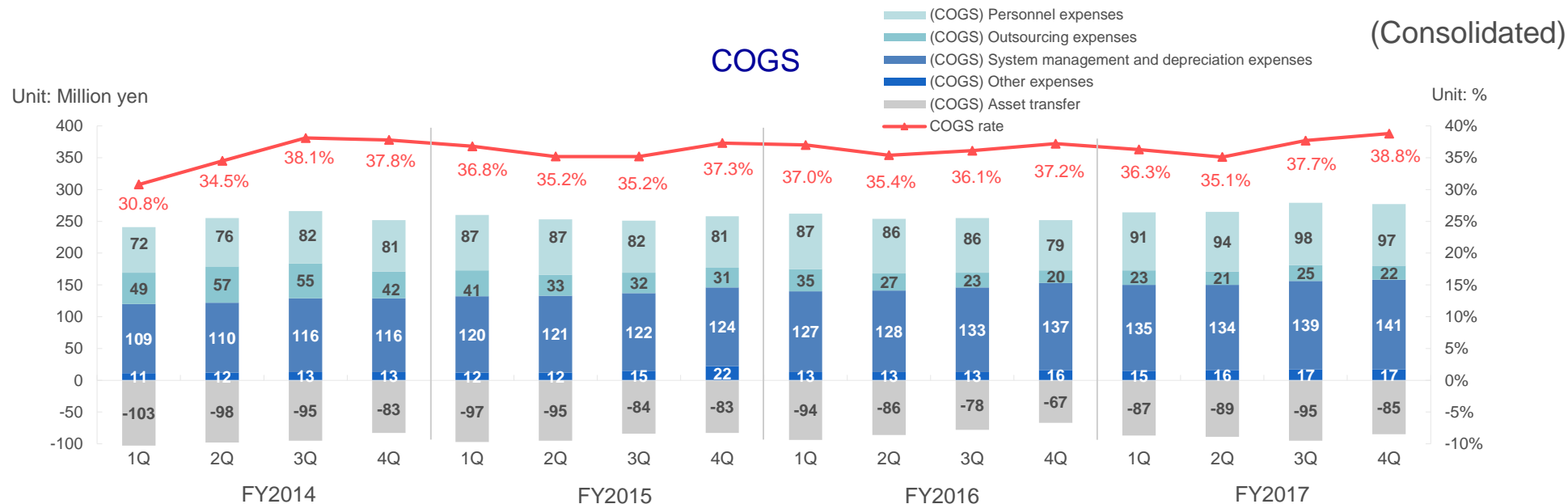
Unit: Million yen

Unit: %



* Figures rounded down to the nearest million yen.

Total Expenses are Under Control



* (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

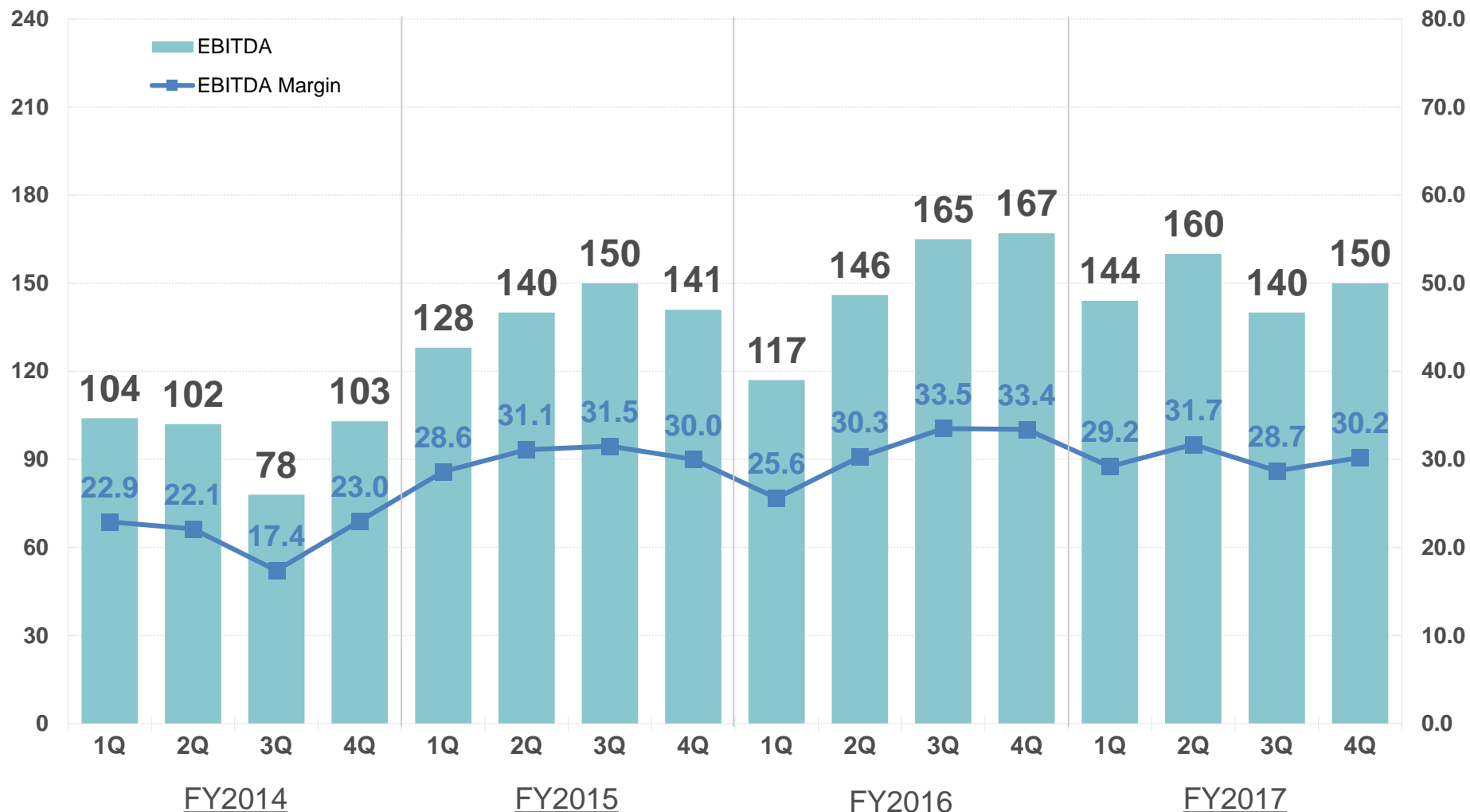
* (SG&A) Outsourcing expenses: Advertising expenses, recruitment related expenses, consultant fees, payment commission, etc.

* Figures rounded down to the nearest million yen.

Transition of EBITDA (Consolidated)

Unit: Million yen

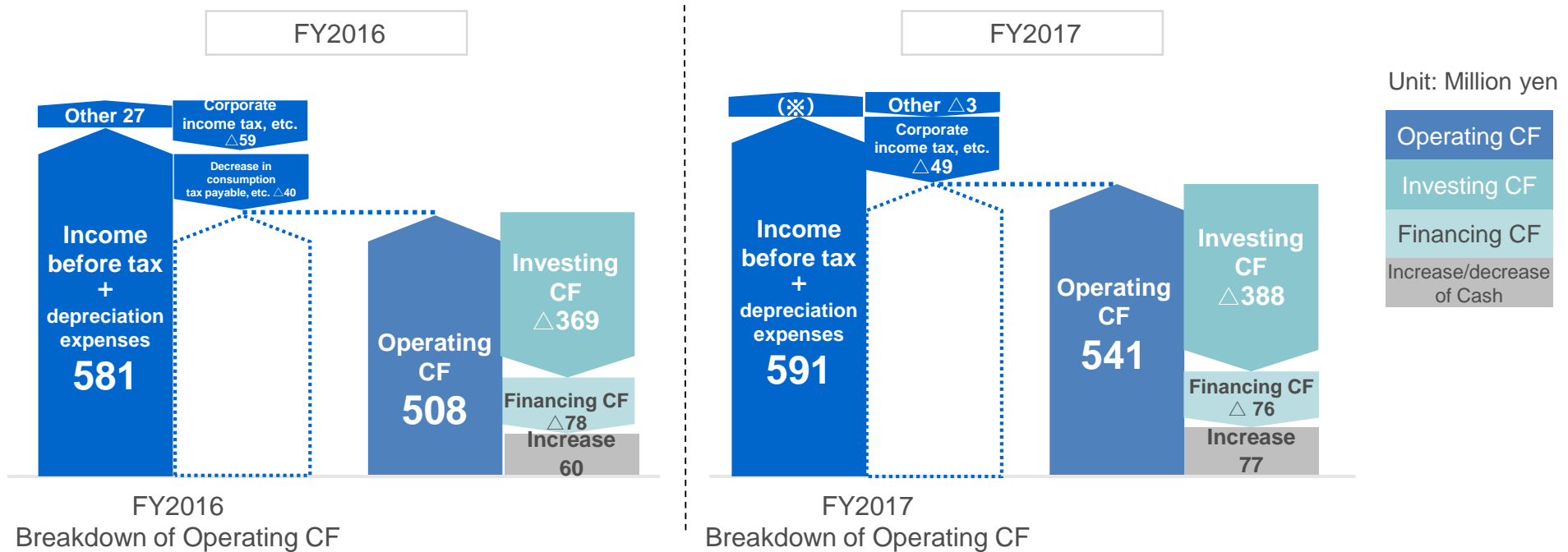
Unit: %



* Figures rounded down to the nearest million yen.

Operating Cash Flow Increased as a Result of Profit Growth.

Cash Flow Statement (Consolidated)



(*) Increase in consumption tax payable, etc. 3

| <Key Points> | FY2016 | FY2017 |
|--|-----------|-----------|
| Operating Activities ① Income before tax + depreciation expenses | 581M yen | 591M yen |
| ② Increase in consumption tax payable, etc. (△ Decrease) | △40M yen | 3M yen |
| ③ Payment of corporate income tax, etc. (△) | △59M yen | △49M yen |
| Investing Activities ④ Expenses in system development such as services (△) | △328M yen | △344M yen |
| ⑤ Purchase of fixtures and furnitures, etc. (△) | – M yen | △13M yen |
| ⑥ Expenses due to the purchase of assets (HW/SW) (△) | △29M yen | △6M yen |
| Financing Activities ⑦ Payment of year-end dividend (△) | △24M yen | △27M yen |
| ⑧ Expenses due to repayment of lease obligations (△) | △54M yen | △48M yen |

* Figures rounded down to the nearest million yen.

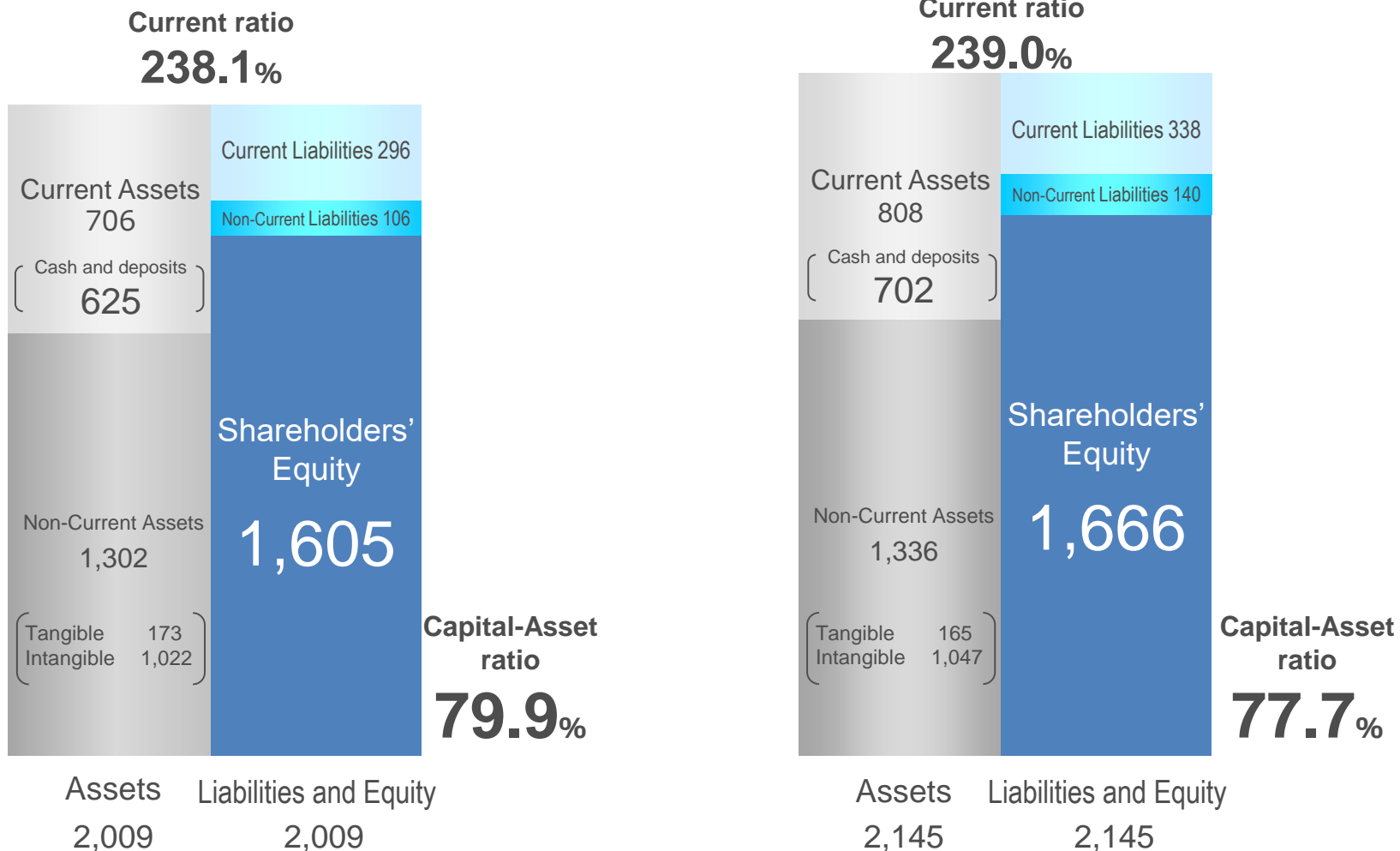
* '0' indicates an amount less than one million yen.

Consolidated Balance Sheet YOY Comparison

As of the end of March, 2016

Unit: Million yen

As of the end of March, 2017



* Figures rounded down to the nearest million yen.

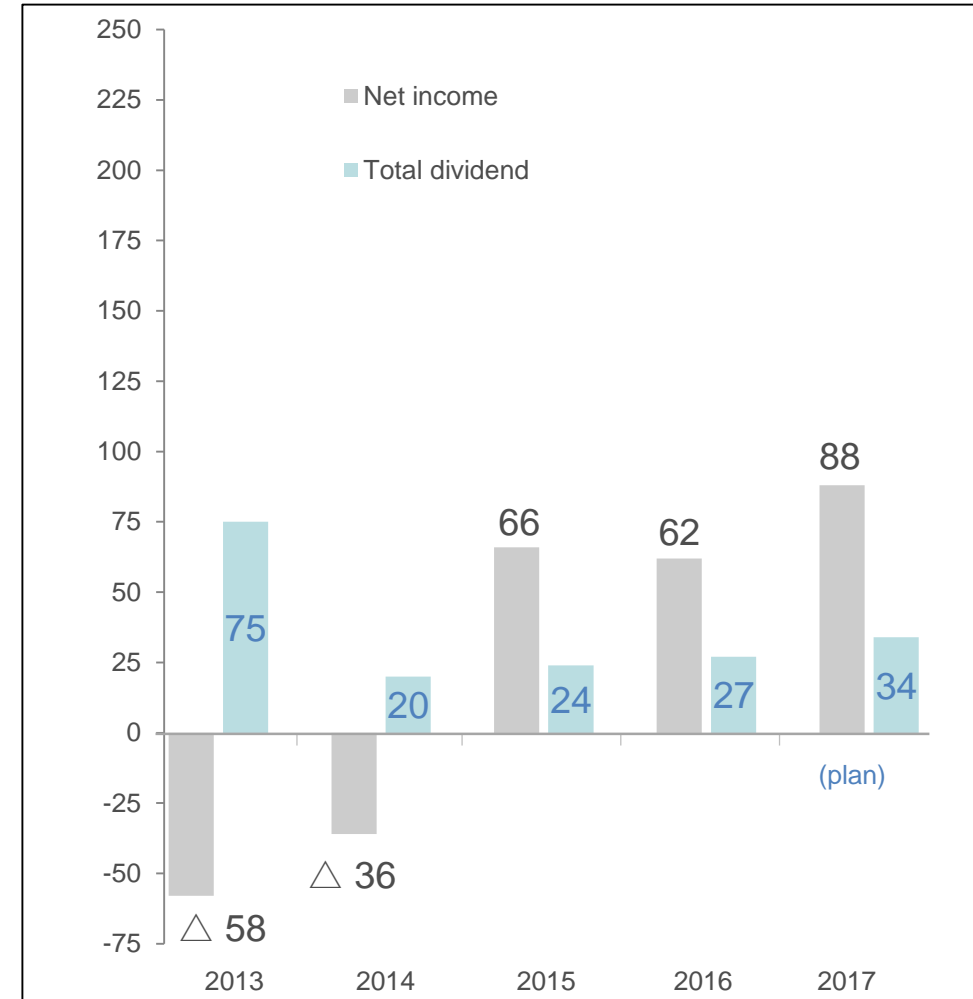
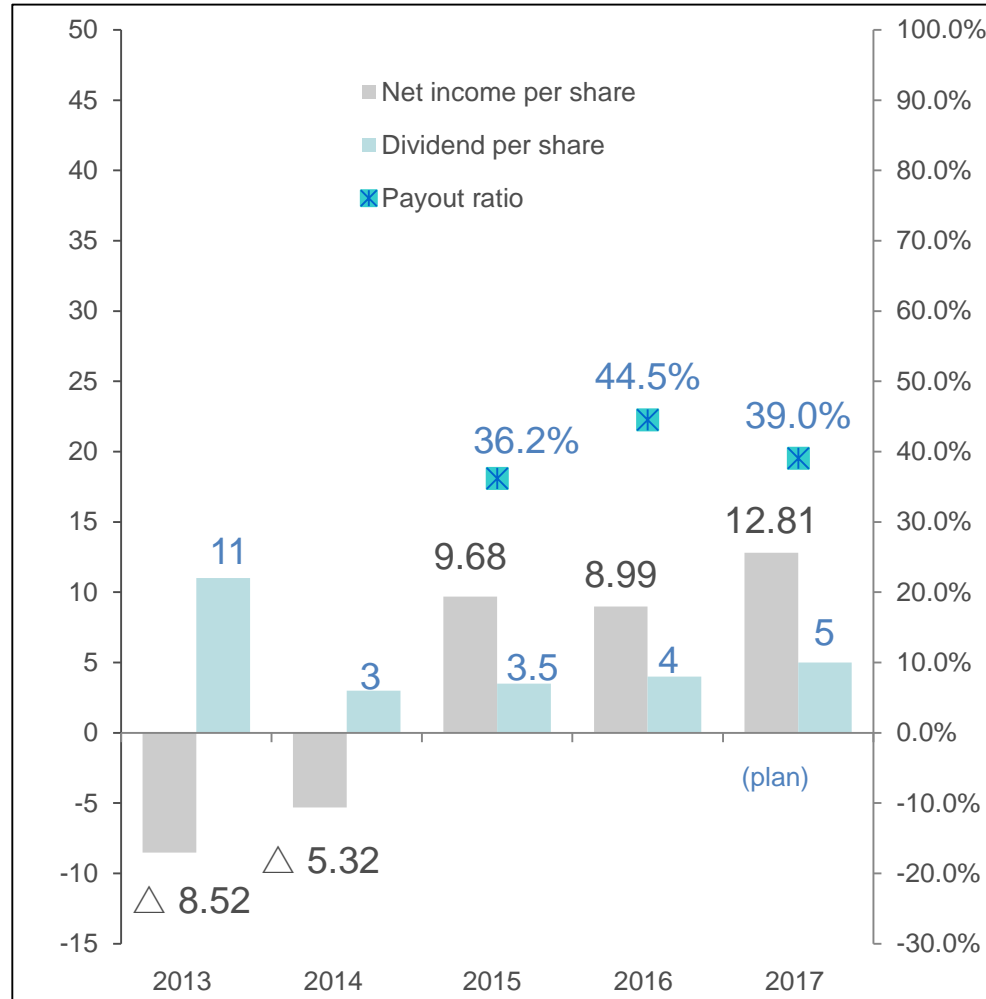
Continuing Return to Shareholders Through Dividends, with FY2017 Dividend being 5 Yen per Share

Per Share Information

Total Payout

Unit: yen

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 14th period.

* Figures are rounded down to the nearest million yen.

2. Business Forecast

Revenue, Cost, Profit, Dividend

- Sales are estimated to increase to 1,941 million yen, a decrease of 44 million yen from 1,986 million yen in the previous term. The sales of the turnkey services “ES e-Bukken One,” which the mainstay of our business, are forecasted to keep growing, but the cloud services targeted at specific customers (non-turnkey services) are scheduled to be discontinued in the first half. This discontinuance is projected to decrease sales by about 73 million yen, which will not be offset by the sales growth of the turnkey services.
- The total cost (sum of COGS and SG&A) is estimated to be 1,874 million yen, an increase of approx. 41 million yen from 1,833 million yen in the previous term.
- For both COGS and SG&A, personnel cost, etc. are estimated to augment.
- Annual operating income is estimated to decrease by about 86 million yen from 153 million yen in the previous term to 66 million yen, as sales are projected to drop about 44 million yen and total cost is forecasted to augment about 41 million yen.
- Maintains year-end dividend of 5 yen per share (prior year forecast 5 yen per share).

Marketing strategy

- We establish the installation promotion division, to facilitate the swift installation of the rental management function of “ES e-Bukken One.”
- Final stage for shifting from existing services to “ES e-Bukken One.” We complete the shift by the end of this term.
- Our service has become subject to the IT subsidy system. We promote “ES e-Bukken One” and increase new clients.

Cloud service development strategy

- We will continue to strengthen and expand the functions of “ES e-Bukken One” in order to improve 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.

Although Sales and Profit are Estimated to Decline, the Dividend will Remain 5 Yen/Share.

| (Million yen) | Mid-term Forecast FY2018 | Full-term Forecast FY2018 | Full-term Results FY2017 | Difference | YOY change (%) |
|------------------|--------------------------|---------------------------|--------------------------|------------|----------------|
| Sales | 962 | 1,941 | 1,986 | △44 | △2.3% |
| Operating income | 12 | 66 | 153 | △86 | △56.4% |
| Recurring income | 11 | 65 | 153 | △87 | △57.0% |
| Net Income | 2 | 33 | 88 | △55 | △62.3% |

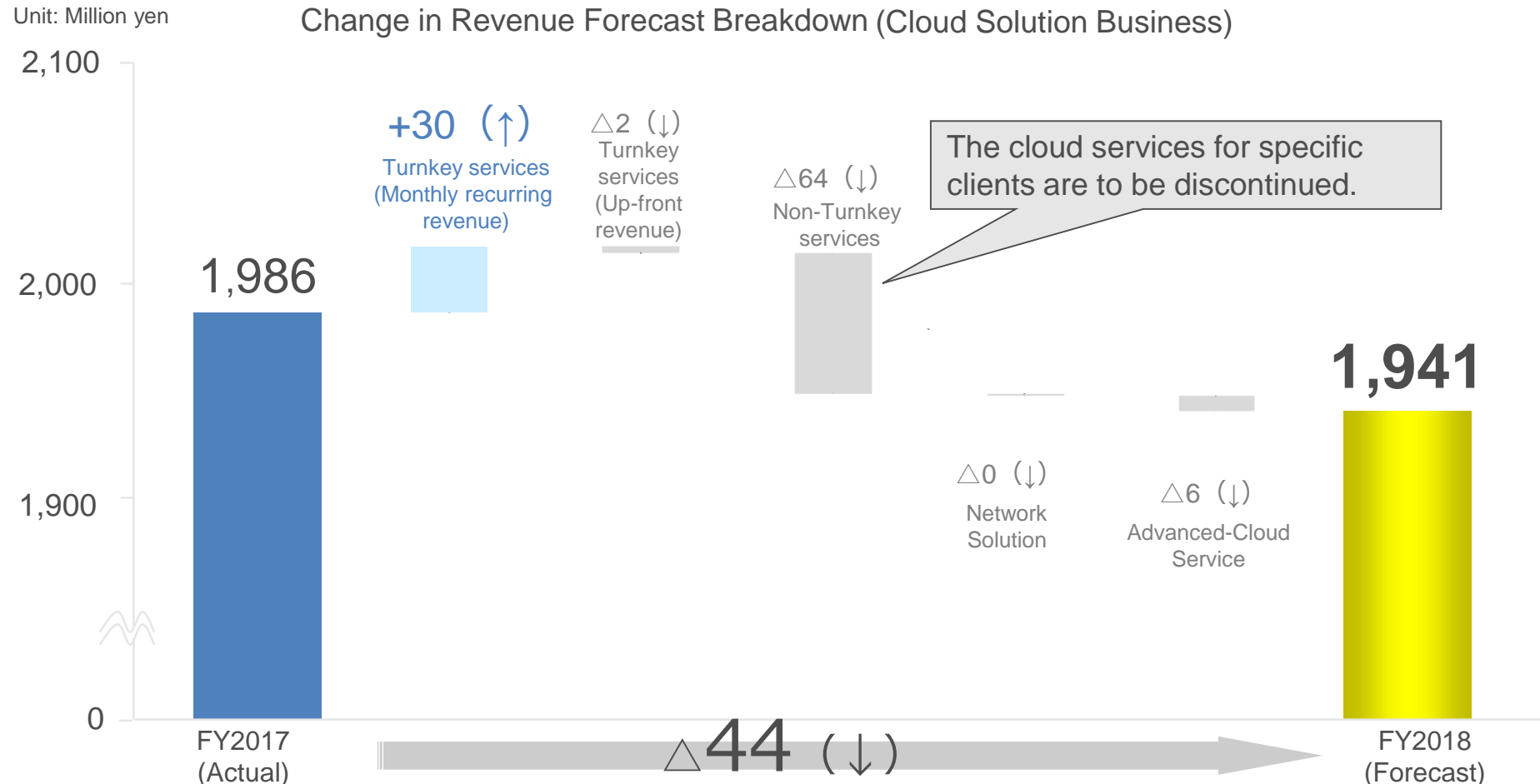
| | Dividend per share |
|--|--------------------|
| Full-term dividend (forecast) (FYE March 2018) | 5.00yen |
| Full-term dividend (plan) (FYE March 2017) | 5.00yen |

* 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.

Sales Forecast: Sales of the Turnkey Services are Estimated to Keep Growing Steadily.



<Key Points>

Further promoting “ES e-Bukken One,” our “turnkey services (monthly recurring revenue)” revenue is expected to increase by about 30 million yen YOY, but the sales of Non-Turnkey cloud services are forecasted to decrease. Accordingly, the total sales of the cloud solution business are projected to drop by about 44 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) | FY2017 | FY2018 | YOY change | YOY change (%) |
|---------------------------|--------------|--------------|------------|----------------|
| Cloud Service | 1,894 | 1,856 | △37 | △2.0% |
| Turnkey services * | 1,764 | 1,791 | 27 | 1.5% |
| Up-front revenue | 50 | 47 | △2 | △5.9% |
| Monthly recurring revenue | 1,713 | 1,743 | 30 | 1.8% |
| Non-turnkey services * | 129 | 64 | △64 | △50.1% |
| Network Solution | 34 | 33 | △0 | △2.5% |
| Advanced-Cloud Service | 57 | 51 | △6 | △10.8% |
| Total | 1,986 | 1,941 | △44 | △2.3% |

* 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.

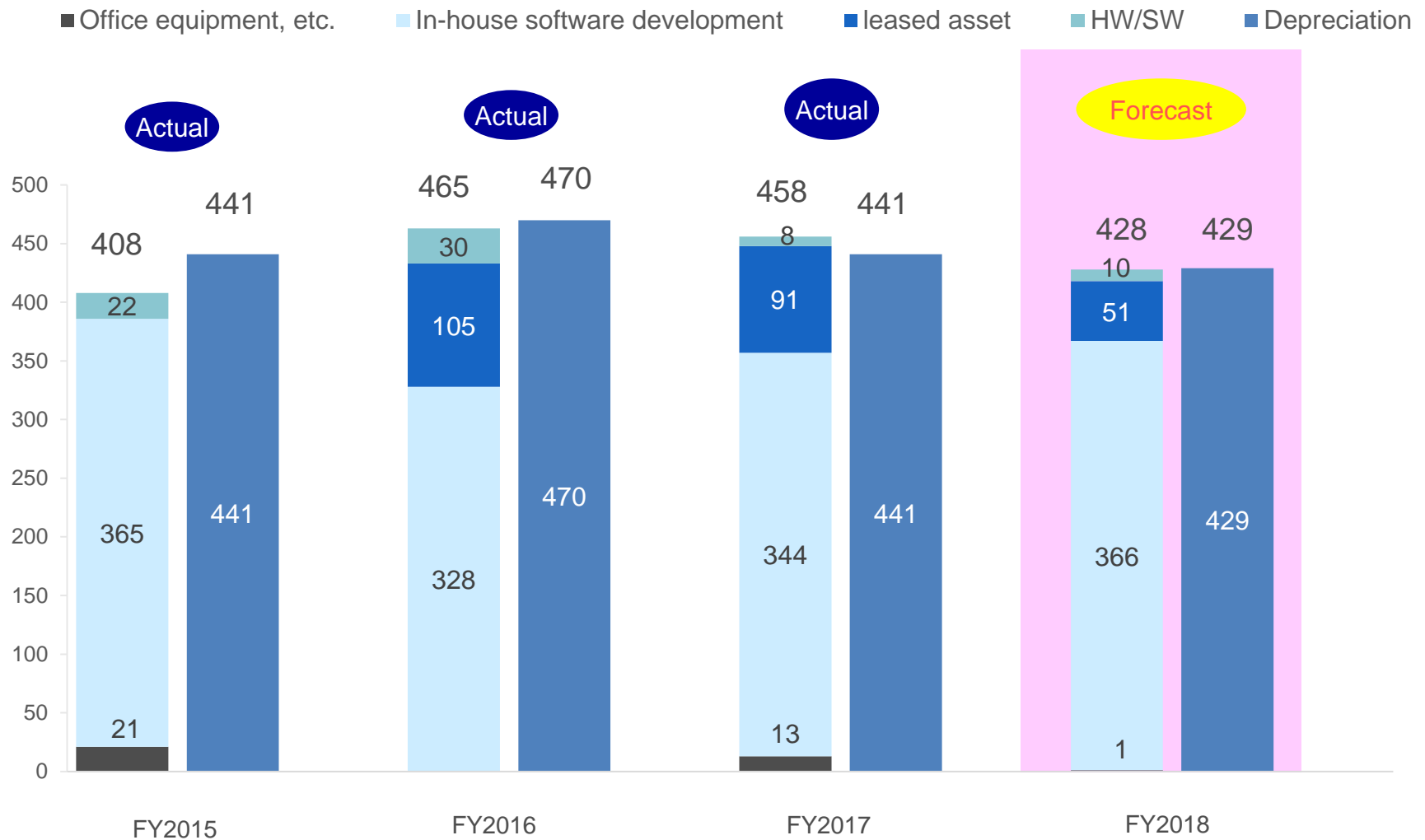
* From the term ended Mar. 2017, the sales of “Ad-related services” and the sales of “system development” in Advanced-Cloud Service are summed up, and posted as the sales of “Advanced-Cloud Service” because the disclosure-related importance degraded.

* 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.

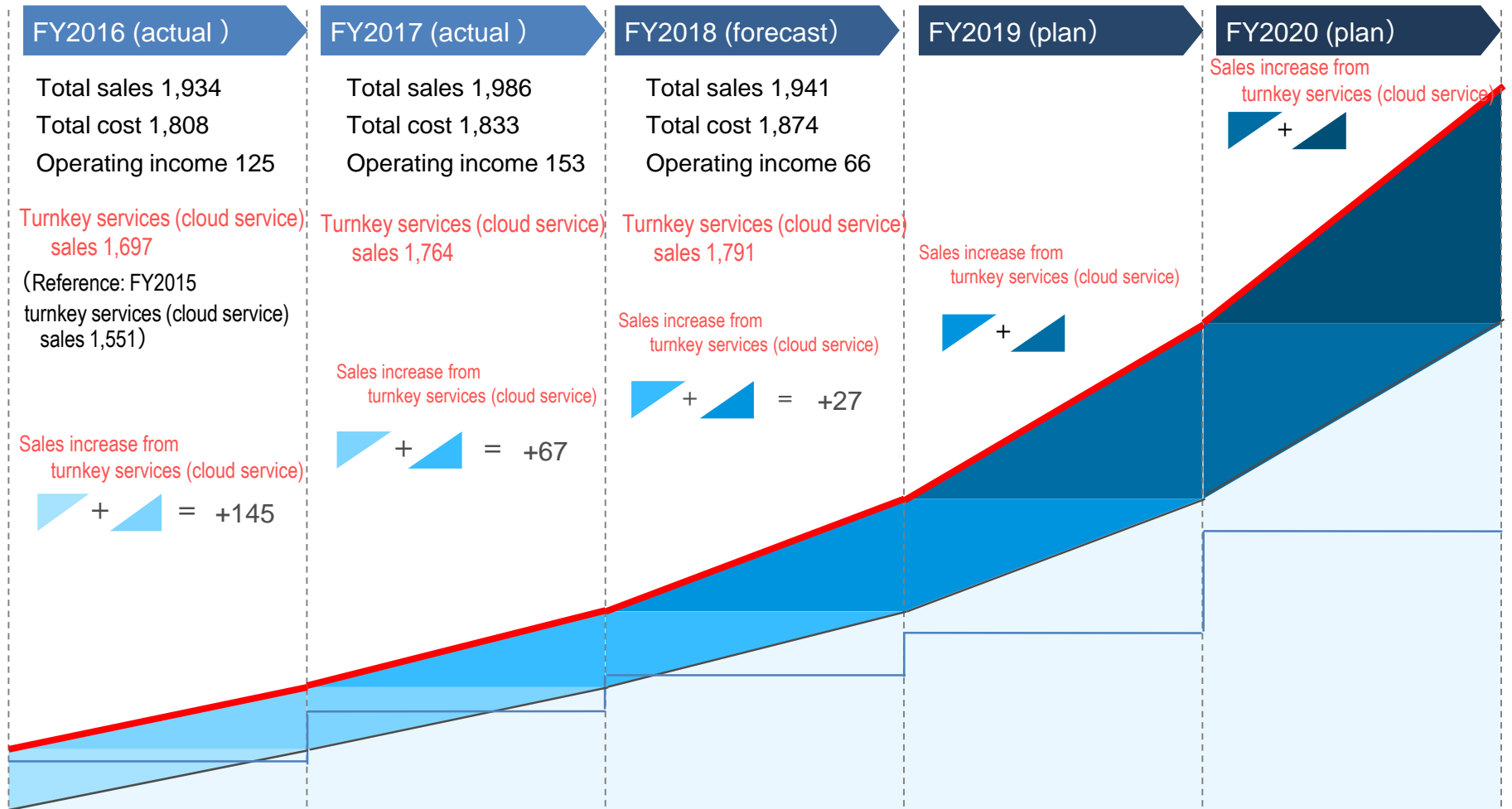
Investments for Growth to be Kept Within Depreciation Levels



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

Through Continuous Building-up, Steady Increase of Revenue is Expected.

Diagram of Revenue Structure of Turnkey Services (Cloud Service)



Sales of previous term
 Sales curve
 Total cost curve

* This diagram expresses the concept of the Company's revenue structure.
 * The planned figure for FY2018 is based on the currently available information.
 * The figures of turnkey services (cloud service) sales are the amount before adjustment of internal sales.

Unit: Million yen (Figures rounded down to the nearest million yen.)

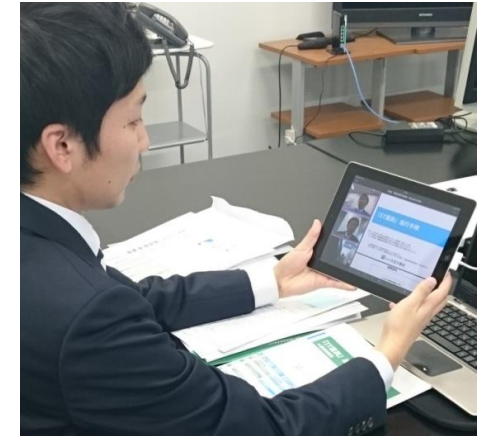
3. Business Overview

What is the “Explanation of Important Matters by IT”?

The current Building Lots and Buildings Transaction Business Act obliges real estate brokers to explain important matters to buyers face to face, but it will become possible to explain them online by using a “TV conference system,” etc.

What are the advantages of the “Explanation of Important Matters by IT”?

Users can save time and cost for transportation. Real estate agents can expect more rapid IT advancement in the future.




Customers can confirm the real estate transaction expert license through a camera.

What is the goal of e-Seikatsu?


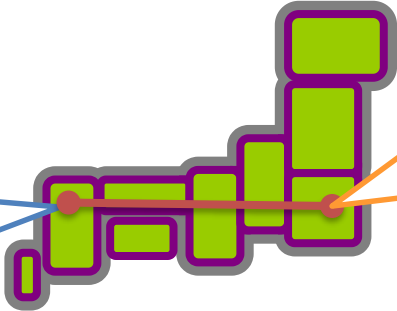
IT is advancing in the real estate market, including the “Explanation of Important Matters by IT”. The Company is aiming to enhance efficiency of the real estate market by enriching and promoting IT services related to real estate businesses. This way, the Company will contribute to the healthy development of the market.

Release of the Cloud Service for Online Meetings for Explaining Important Matters by IT



Yes, I can hear you.
I'd appreciate your cooperation today.

Customer (living in Fukuoka)




Then, I'll explain important matters about the real estate.
Can you hear me?

Real estate firm (in Tokyo)




Online customer services




To introduce real estate to customers at distant places "face to face"

Online preview



You can check the inside of real estate in your free time.

Online conclusion of a contract (explanation of import matters by IT)



You can sign a contract with your smartphone or tablet PC.



Real estate database

- Layout info
- Addresses, latitude/longitude info
- Equipment info
- Images
- ⋮



Contract database

- Lease contracts
- Management entrustment contracts
- ⋮



Database of organizations and employees

- Names or corporations and organizations
- Employees' names, numbers, and posts
- Contact info (email addresses and telephone numbers)
- ⋮



Customer database

- Customer categories (renting, lending, selling, or buying)
- Names, contact info, etc.
- Family structures
- Annual income and bank account info
- ⋮



Database of income, expenditure, and sales

- Rents and security deposits
- Deposit category
- Accounts
- ⋮

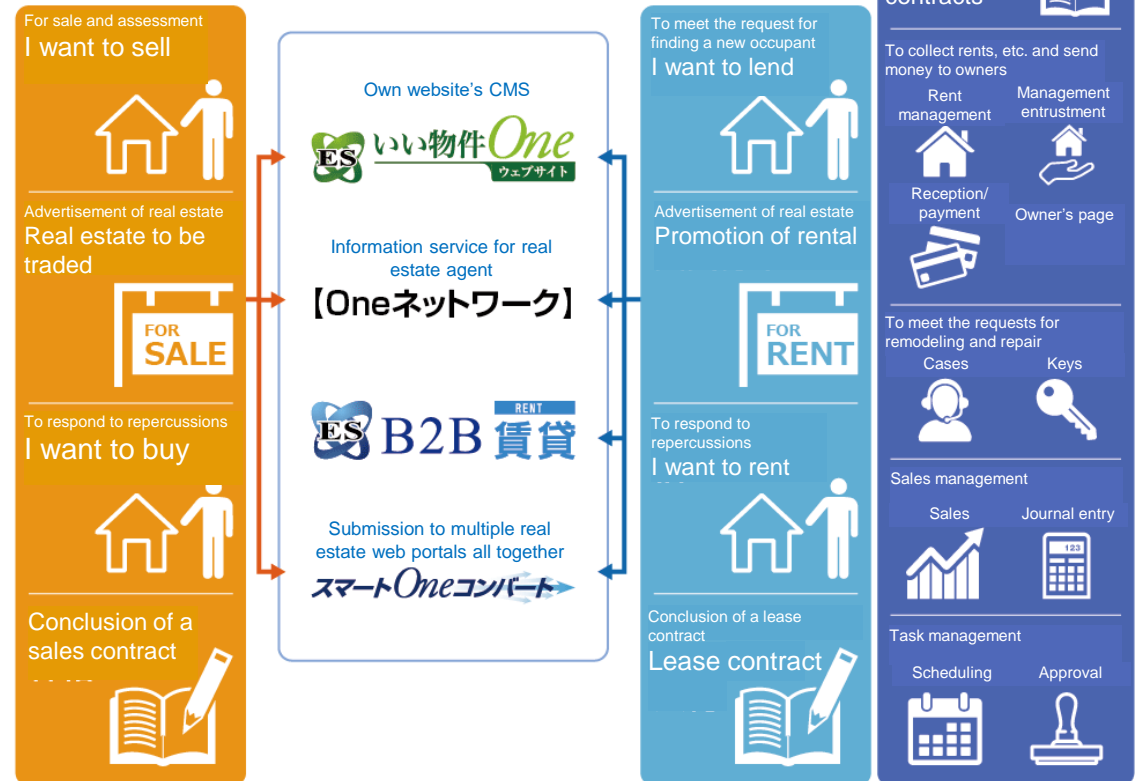
**More than 4,000 items
can be stored.**



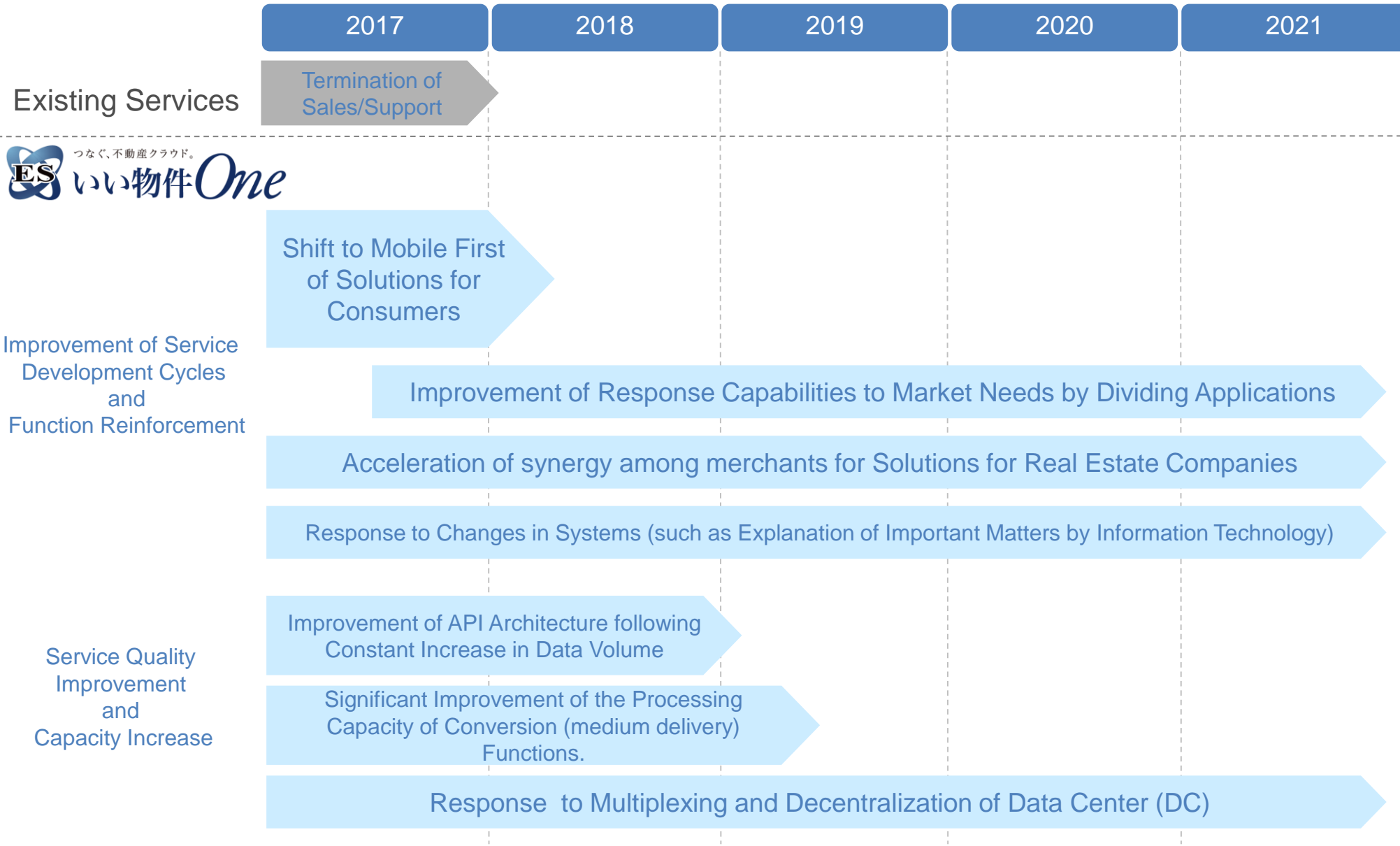
Business activities for real estate to be traded



Business activities for real estate for rental



Outlook for Future Service Developments



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

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 evolve ES e-Bukken One to real estate trade platforms

4. Appendix

Business Outline

Financial Data

Business Outline

- The real estate industry represents **12.9%** of GDP (466 trillion yen (nominal))



Real estate industry **12.9%** (60 trillion yen)

Source: National Accounts for 2015 (GDP by economic activity)

- Total real estate assets equals **1,684 trillion yen**

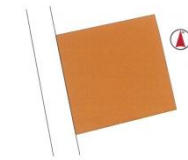
Residential
368 trillion yen



Non-residential
170 trillion yen



Land **1,145 trillion yen**

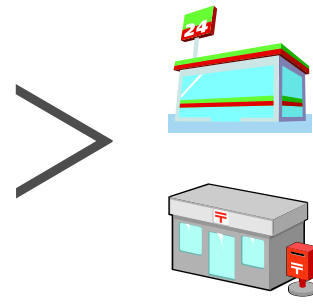


Source: National Accounts for 2015 (National assets)

- There are **123,307 real estate agencies**



Source: Real Estate Transaction Improvement Organization (As of the end of Mar 2016)



Convenience stores
54,018 stores (March 2016)

Source: JFA Convenience Store (monthly statistic report)

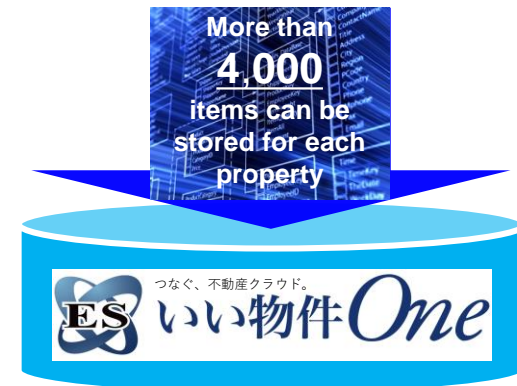
Post offices
24,452 offices (As of the end of Mar 2016)

Source: Japan Post Network Co., Ltd.

The number of potential clients is enormous.

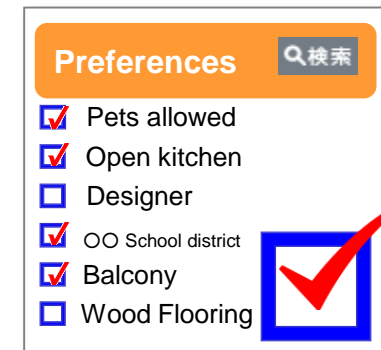
Real estate industry is an “Information industry”

- Requires immediate and accurate information
- The necessity of database that can manage the information on property, customers, and contracts together.

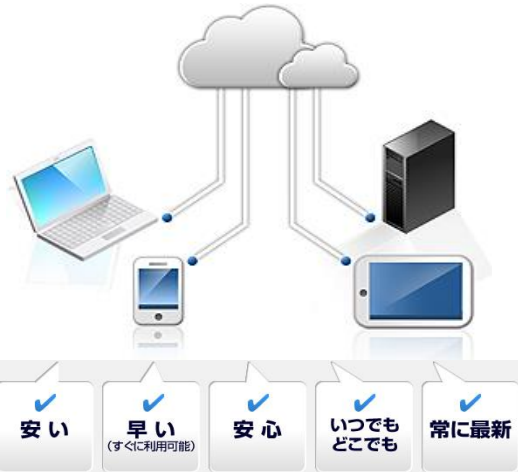


Diversified consumer needs!

- The necessity of comprehensive information database on real estate to satisfy a variety of preferences of consumers



Large Demand for More “User-Friendly” Databases



Benefits of Cloud Services

- 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.

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 → release”

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.

☆ Initial Certification Date: December 16, 2014

☆ (Current) Certification Period: December 16, 2016 to December 15, 2018



0183-1412



Higher customer satisfaction with high quality services

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 (System Development / Ad related services) | Flow / Stock | From time to time / Quarterly | % of Completion / One time / Monthly amount | System development revenue. Mostly client customization work done on our turnkey solution systems. 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.) |
| 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 March 2017)

Listing : Second 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 : 134 (As of the end of March 2017)

Governance System : Company with Audit Committee

| | | | | |
|-------------------|-----------------------------------|--------------------|---------------------------------------|-------------------|
| 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 : Kisaragi Audit Corporation

| | | | |
|------------------|----------------|-----------|---|
| Offices : | Headquarters | 〒106-0047 | 2-32, Minamiazabu 5-chome, Minato-ku, Tokyo |
| | Osaka office | 〒530-0011 | 4-20 Ofukacho, Kita-ku, Osaka |
| | Fukuoka office | 〒810-0001 | 11-17, Tenjin 1-chome, Chuo-ku, Fukuoka-shi, Fukuoka |
| | Nagoya office | 〒450-6490 | 28-12, Meieki 3-chome, Nakamura-ku, Nagoya-shi, Aichi |

Financial Data

“ES e-Bukken One” License and User Numbers

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

| ES e-Bukken One | | 2015 Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | 2016 Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | 2017 Jan. | Feb. | Mar. |
|--|-------|--------------|-----|------|------|------|------|------|------|------|--------------|------|------|------|-----|------|------|------|------|------|------|------|--------------|-------|-------|
| Rental Property (Leasing Management) | New | 237 | 241 | 251 | 253 | 267 | 273 | 285 | 304 | 315 | 322 | 323 | 322 | 329 | 337 | 339 | 348 | 352 | 358 | 362 | 369 | 371 | 382 | 381 | 379 |
| | Shift | 242 | 249 | 261 | 276 | 288 | 297 | 300 | 311 | 321 | 334 | 340 | 340 | 339 | 345 | 348 | 351 | 352 | 358 | 355 | 371 | 379 | 395 | 404 | 424 |
| Rental Property (Leasing Management) Total | | 479 | 490 | 512 | 529 | 555 | 570 | 585 | 615 | 636 | 656 | 663 | 662 | 668 | 682 | 687 | 699 | 704 | 716 | 717 | 740 | 750 | 777 | 785 | 803 |
| One Management | New | 88 | 92 | 104 | 101 | 110 | 111 | 114 | 120 | 125 | 126 | 126 | 122 | 123 | 126 | 123 | 126 | 138 | 141 | 143 | 146 | 146 | 152 | 155 | 157 |
| | Shift | 82 | 86 | 94 | 105 | 107 | 114 | 114 | 120 | 121 | 123 | 127 | 127 | 127 | 130 | 131 | 134 | 132 | 134 | 132 | 150 | 147 | 151 | 151 | 153 |
| One Management Total | | 170 | 178 | 198 | 206 | 217 | 225 | 228 | 240 | 246 | 249 | 253 | 249 | 250 | 256 | 254 | 260 | 270 | 275 | 275 | 296 | 293 | 303 | 306 | 310 |
| One Sales | New | 140 | 148 | 153 | 152 | 158 | 161 | 164 | 167 | 175 | 177 | 177 | 180 | 187 | 193 | 197 | 203 | 210 | 216 | 218 | 221 | 215 | 215 | 217 | 217 |
| | Shift | 80 | 83 | 84 | 85 | 91 | 94 | 95 | 97 | 101 | 103 | 107 | 106 | 106 | 107 | 107 | 109 | 108 | 107 | 105 | 110 | 111 | 112 | 114 | 114 |
| One Sales Total | | 220 | 231 | 237 | 237 | 249 | 255 | 259 | 264 | 276 | 280 | 284 | 286 | 293 | 300 | 304 | 312 | 318 | 323 | 323 | 331 | 326 | 327 | 331 | 331 |
| Website | New | 256 | 265 | 272 | 274 | 283 | 290 | 301 | 323 | 335 | 343 | 345 | 344 | 351 | 357 | 360 | 370 | 379 | 386 | 392 | 396 | 396 | 405 | 406 | 403 |
| | Shift | 216 | 221 | 230 | 243 | 258 | 268 | 271 | 281 | 290 | 298 | 305 | 305 | 305 | 310 | 313 | 316 | 317 | 322 | 321 | 332 | 337 | 349 | 358 | 366 |
| Website Total | | 472 | 486 | 502 | 517 | 541 | 558 | 572 | 604 | 625 | 641 | 650 | 649 | 656 | 667 | 673 | 686 | 696 | 708 | 713 | 728 | 733 | 754 | 764 | 769 |
| Companies | | 623 | 643 | 669 | 688 | 721 | 741 | 760 | 794 | 820 | 840 | 849 | 848 | 857 | 873 | 879 | 897 | 911 | 929 | 932 | 956 | 962 | 988 | 1,000 | 1,021 |

* “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.”

Consolidated Income Statement

| (Million yen) | FY2015 | | | | FY2016 | | | | FY2017 | | | |
|-------------------------|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|-------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Sales | 450 | 452 | 476 | 473 | 457 | 481 | 493 | 501 | 493 | 505 | 490 | 496 |
| COGS | 165 | 159 | 167 | 176 | 169 | 170 | 177 | 186 | 179 | 177 | 184 | 192 |
| Gross Profit | 284 | 292 | 308 | 296 | 288 | 311 | 315 | 315 | 314 | 327 | 305 | 303 |
| Gross Profit Margin | 63.2% | 64.8% | 64.8% | 62.7% | 63.0% | 64.6% | 63.9% | 62.8% | 63.8% | 64.9% | 62.3% | 61.1% |
| SG & A | 264 | 261 | 268 | 267 | 286 | 280 | 270 | 266 | 280 | 274 | 274 | 269 |
| Operating Income | 19 | 31 | 39 | 28 | 2 | 30 | 44 | 48 | 34 | 53 | 31 | 34 |
| Operating Income Margin | 4.4% | 7.0% | 8.3% | 6.1% | 0.5% | 6.3% | 9.1% | 9.6% | 7.1% | 10.5% | 6.3% | 6.9% |
| Recurring Income | 20 | 32 | 38 | 29 | 2 | 31 | 44 | 47 | 34 | 53 | 30 | 34 |
| Recurring Income Margin | 4.5% | 7.1% | 8.2% | 6.2% | 0.4% | 6.4% | 9.0% | 9.5% | 7.0% | 10.6% | 6.3% | 6.9% |
| Extraordinary Income | – | – | – | – | – | – | – | – | – | – | – | – |
| Extraordinary Loss | 0 | 0 | 0 | 0 | – | – | – | 14 | – | – | 3 | 0 |
| Quarter Net Income | 11 | 17 | 22 | 15 | △1 | 17 | 26 | 18 | 20 | 33 | 13 | 20 |
| Net Income Margin | 2.5% | 3.9% | 4.7% | 3.3% | △0.3% | 3.7% | 5.4% | 3.7% | 4.2% | 6.6% | 2.8% | 4.1% |

* 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.

Consolidated Balance Sheet

| (Million yen) | FY2015 | | | | FY2016 | | | | FY2017 | | | |
|--------------------------------|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|-------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Current Assets Total | 526 | 578 | 613 | 660 | 567 | 607 | 627 | 706 | 677 | 744 | 744 | 808 |
| Non-Current Assets Total | 1,349 | 1,335 | 1,333 | 1,313 | 1,298 | 1,393 | 1,348 | 1,302 | 1,287 | 1,297 | 1,272 | 1,336 |
| Assets Total | 1,876 | 1,913 | 1,947 | 1,974 | 1,866 | 2,001 | 1,976 | 2,009 | 1,965 | 2,041 | 2,017 | 2,145 |
| Current Liabilities Total | 264 | 293 | 319 | 343 | 264 | 312 | 272 | 296 | 269 | 322 | 293 | 338 |
| Non-Current Liabilities Total | 99 | 90 | 75 | 63 | 59 | 128 | 117 | 106 | 96 | 86 | 78 | 140 |
| Liabilities Total | 364 | 383 | 395 | 406 | 324 | 441 | 389 | 403 | 366 | 409 | 371 | 478 |
| Net Assets Total | 1,512 | 1,529 | 1,552 | 1,567 | 1,542 | 1,559 | 1,586 | 1,605 | 1,598 | 1,632 | 1,645 | 1,666 |
| Liabilities & Net Assets Total | 1,876 | 1,913 | 1,947 | 1,974 | 1,866 | 2,001 | 1,976 | 2,009 | 1,965 | 2,041 | 2,017 | 2,145 |

* Figures are rounded down to the nearest million yen.

Consolidated Cash Flow Statement

| (Million yen) | FY2015 | | | | FY2016 | | | | FY2017 | | | |
|---|--------|-----|-----|------|--------|------|-----|-----|--------|------|-----|-----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| CF from Operating Activities | 132 | 162 | 145 | 145 | 38 | 169 | 121 | 180 | 104 | 206 | 95 | 135 |
| CF from Investing Activities | △115 | △88 | △97 | △103 | △94 | △109 | △80 | △86 | △101 | △115 | △89 | △82 |
| CF from Financing Activities | △28 | △13 | △10 | △10 | △32 | △13 | △17 | △15 | △39 | △14 | △10 | △12 |
| Net increase in cash and cash equivalents (△decrease) | △11 | 60 | 37 | 31 | △87 | 45 | 23 | 78 | △36 | 77 | △4 | 40 |
| Cash and Cash Equivalents (end of term) | 434 | 495 | 533 | 564 | 477 | 523 | 546 | 625 | 588 | 666 | 662 | 702 |

* 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

| | | FY2015 | | | | FY2016 | | | | FY2017 | | | |
|---|---------------------------|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|-------|-------|
| | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Cloud Service | | 418 | 426 | 434 | 437 | 441 | 450 | 468 | 469 | 472 | 480 | 469 | 471 |
| | Turnkey services | 376 | 384 | 393 | 396 | 407 | 417 | 434 | 437 | 440 | 448 | 436 | 439 |
| | Up-front revenue | 9 | 14 | 18 | 15 | 18 | 17 | 22 | 13 | 13 | 15 | 11 | 10 |
| | Monthly recurring revenue | 367 | 370 | 374 | 381 | 389 | 399 | 412 | 424 | 426 | 432 | 425 | 428 |
| | Non-turnkey services | 41 | 41 | 41 | 41 | 33 | 33 | 33 | 31 | 32 | 32 | 32 | 32 |
| Network Solution | | 8 | 8 | 8 | 9 | 8 | 8 | 8 | 9 | 8 | 8 | 8 | 9 |
| Advanced-Cloud Service | | 22 | 17 | 32 | 25 | 7 | 22 | 15 | 21 | 12 | 15 | 13 | 15 |
| | Ad related services | 8 | 7 | 7 | 6 | 6 | 5 | 5 | 5 | 4 | 4 | 5 | 4 |
| | System Development | 14 | 9 | 25 | 19 | 1 | 16 | 10 | 16 | 7 | 11 | 8 | 11 |
| Sales Total | | 450 | 452 | 475 | 473 | 457 | 482 | 492 | 501 | 494 | 505 | 490 | 496 |
| Number of Cloud Service clients (Companies) | | 1,300 | 1,294 | 1,290 | 1,245 | 1,254 | 1,256 | 1,280 | 1,266 | 1,273 | 1,291 | 1,277 | 1,266 |
| Number of employees (Non-consolidated) | | 138 | 140 | 134 | 131 | 146 | 140 | 137 | 127 | 138 | 138 | 136 | 134 |

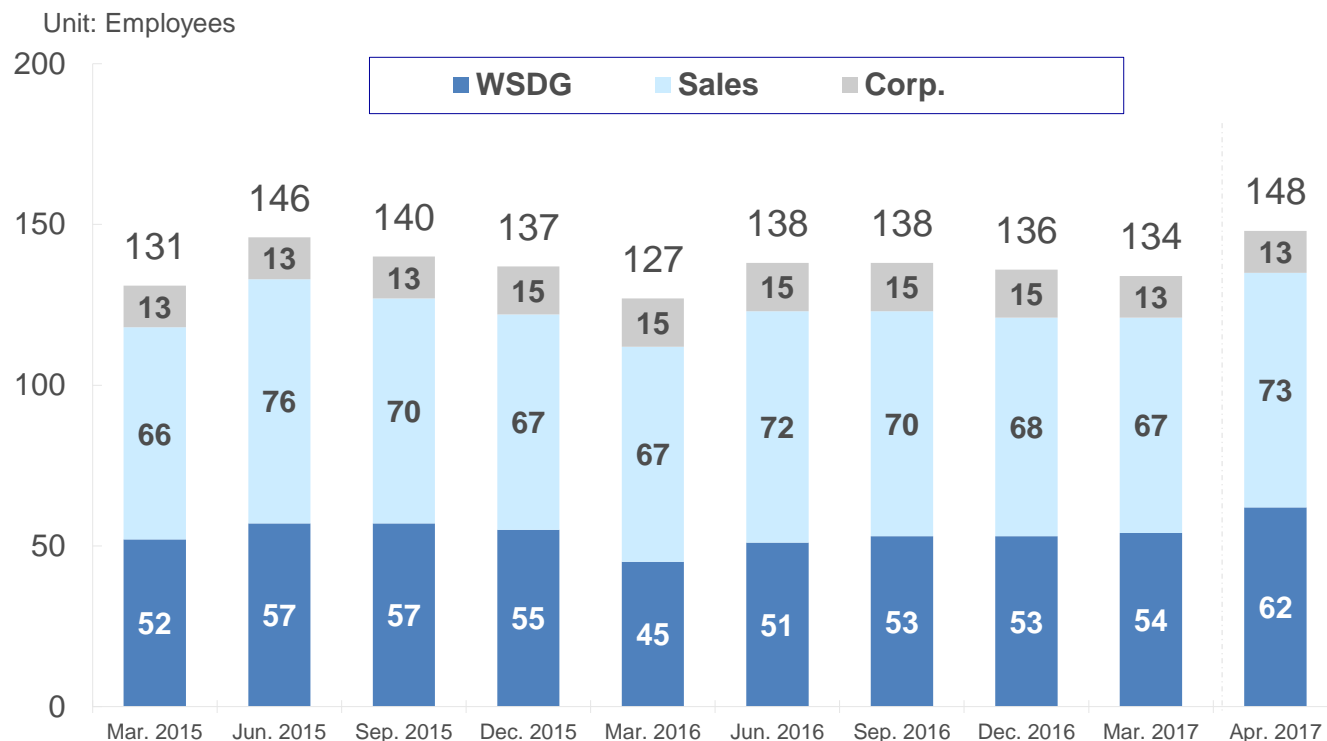
* Turnkey services Suite of standard system applications with up-front and monthly recurring revenue.

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

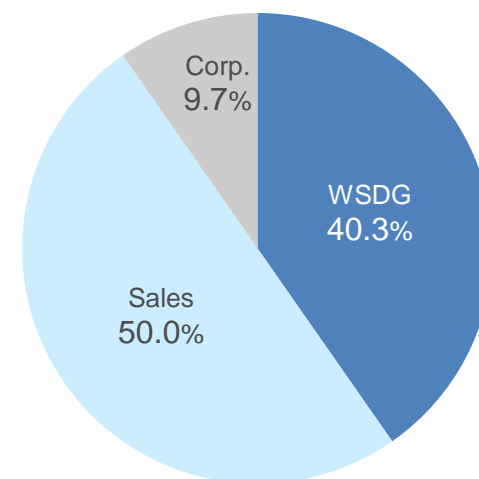
* Quarterly income figures are not audited (cumulative figures are audited).

* 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
(March, 2017)

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

* WSDG: Web Solution Development Group, Sales: Sales & Sales Planning Group, Corp: Corporate staff

* "Management Group" was renamed "Corporate Group" in Apr. 2017.



“ IT (Cloud) × Real Estate ”

e-Seikatsu is a “Real estate tech” company
that aims to realize a better real estate market by IT.

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.