



Third-quarter for FYE March 31, 2021
Presentation Material

February 4, 2021
e-Seikatsu Co., Ltd.
Securities code: 3796

Table of contents

1. Summary of Third-quarter Results for FYE March 31, 2021
2. Summary of Recent Business Results
3. Earnings Forecast and Future Prospects
4. Business Overview

1. Summary of Third-quarter Results for FYE March 31, 2021

Consolidated Sales/Operating Income

ARR: **1,951** million yen
(Up 2.9% YOY)

Sales: **1,635** million yen
(Up 4.1% YOY)

Operating income: **51** million yen
(Down 32.9% YOY)

Number of Fee-paying Client Companies

1,433 companies
(△ 21 companies compared to
December of the previous year)

ARPU (Average Revenue Per User)

Approx. **122** thousand yen
(Approx. 110 thousand yen in
December of the previous term)

Subscription Gross Profit Margin

56.3%
(62.7% in the same period
of the previous term)

Subscription Sales Ratio

91.7%
(92.0% in the same period
of the previous term)

MRR Termination Rate

0.47%

*1 Figures rounded down to the nearest million yen. Ratios rounded to the nearest decimal place.

*2 ARR (Annual Recurring Revenue) was obtained by multiplying the MRR in Dec. 2020 by 12.

*3 MRR (Monthly Recurring Revenue) was obtained by subtracting initial costs from monthly subscription sales.

*4 ARPU (average revenue per user) is calculated by dividing “subscription sales” in December 2020 by “the number of subscribed companies” in the same month and rounded down to the nearest thousand yen.

*5 Subscription gross profit margin is a gross profit margin of “subscription sales” excluding “one-off sales”.

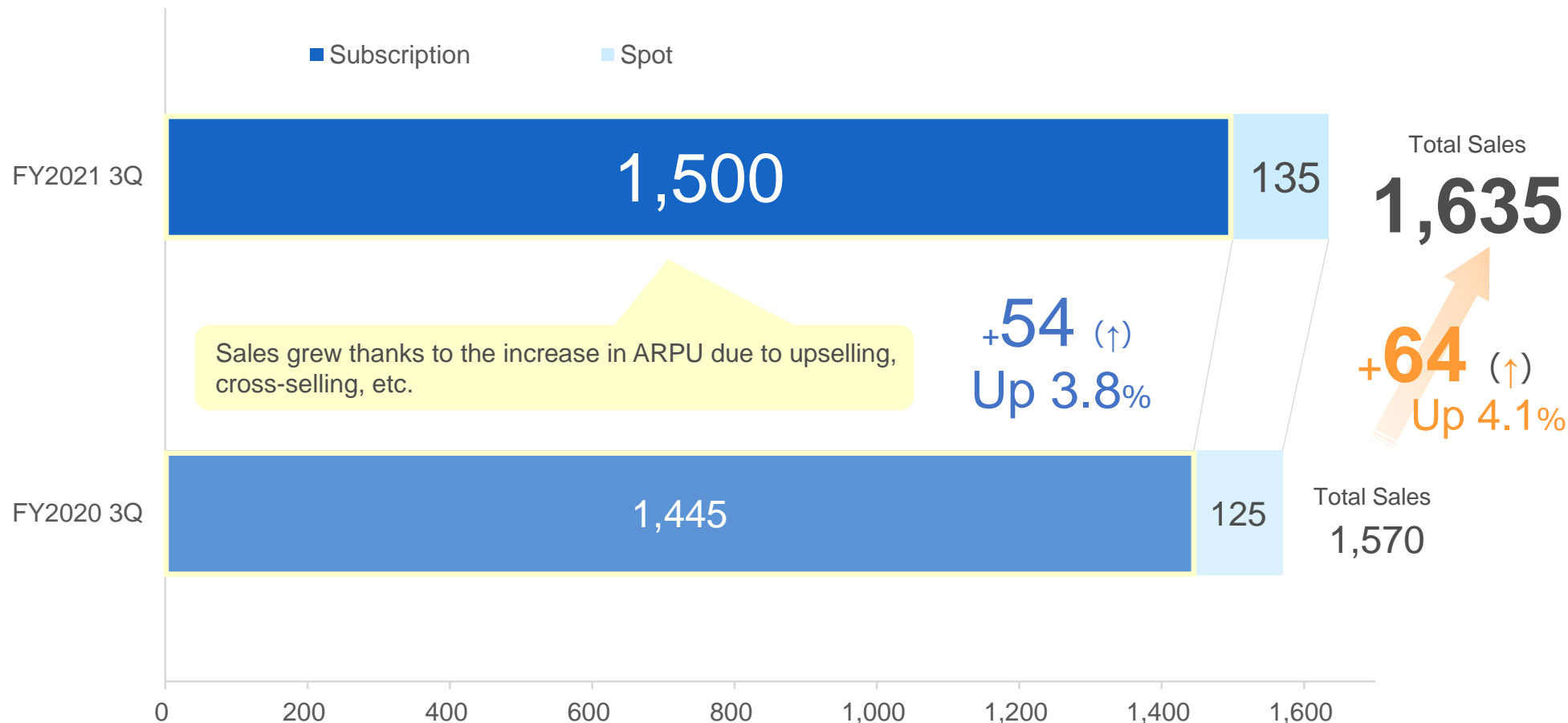
*6 Subscription sales ratio is the ratio of “subscription sales”, which is recurrent revenue such as monthly charges for cloud and SaaS, to total sales.

*7 MRR termination rate is the number of MRRs (including existing changes) lost in December 2020 divided by the MRR of November 2020.

Subscription sales, which generate recurring revenues, were strong

Breakdown of Sales Fluctuation

Unit: Million yen



* Subscription --- Recurring revenues that are continuously generated every month unless there is cancellation, such as monthly fee income for cloud services.

Spot --- Non-recurring revenues that are generated temporarily only during the relevant month, such as payment income for contract development and system installation support services.

* In order to provide information that can be easily understood by everyone, we reviewed the sales disclosure categories from FYE March 31, 2021, and displayed them as two categories: subscription/spot.

* Figures rounded down to the nearest million yen.

Quarterly sales grew steadily

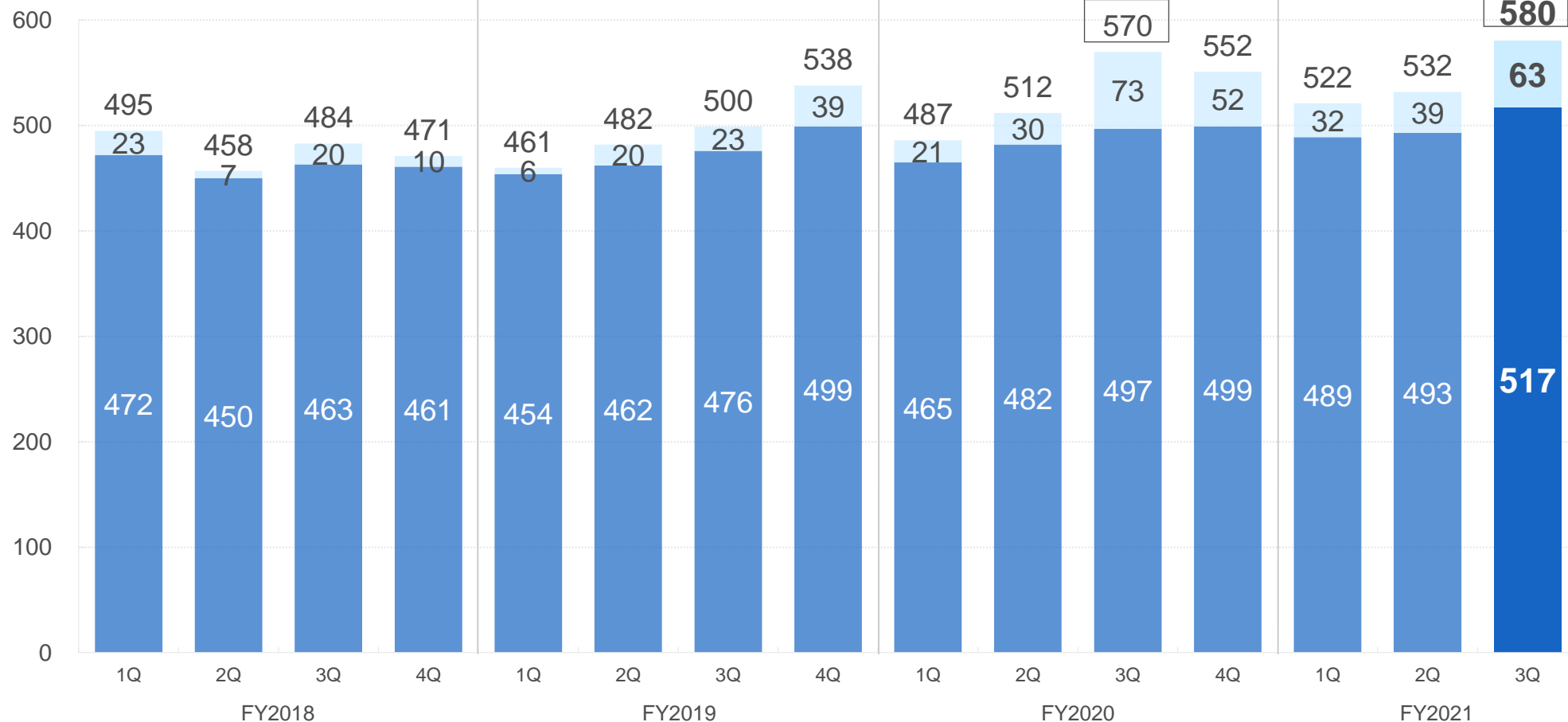
Variation in Sales (Cloud Solution Business)

YonY +1.7%

Unit: Million yen

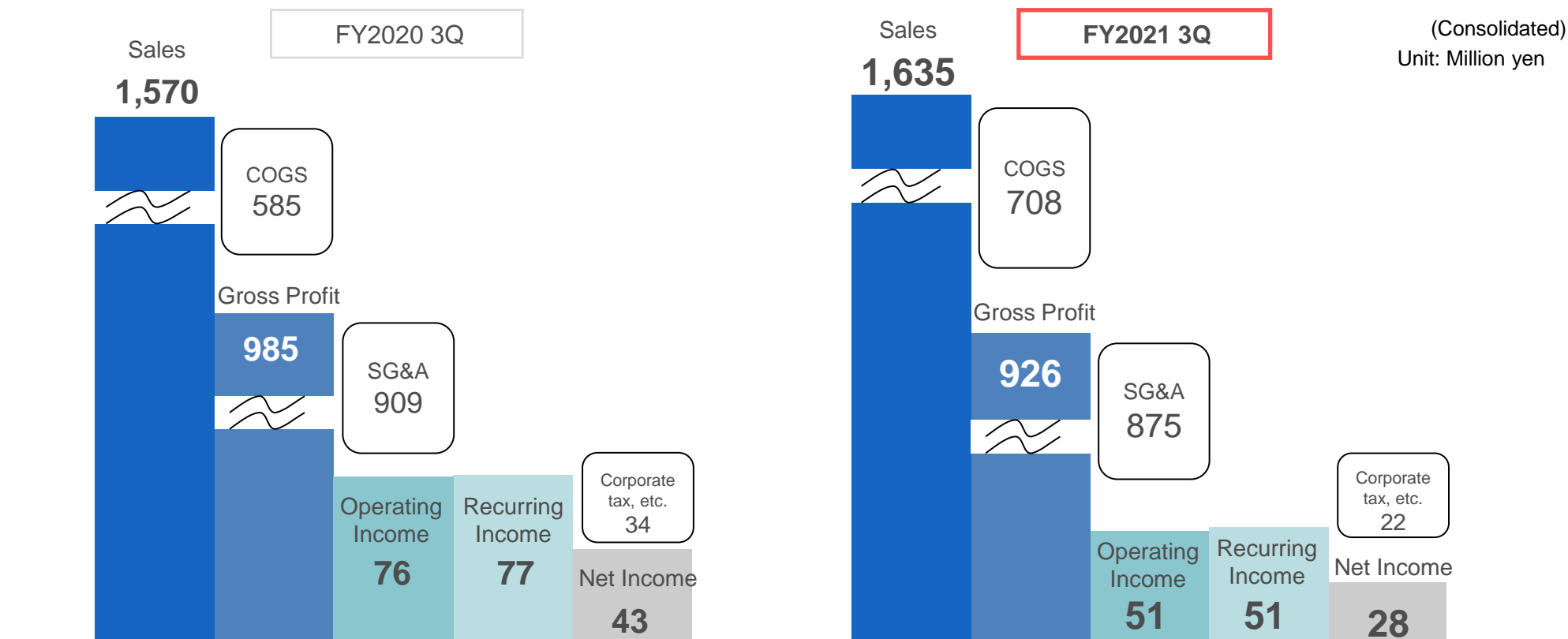
■ Subscription

■ Spot



* Figures rounded down to the nearest million yen.

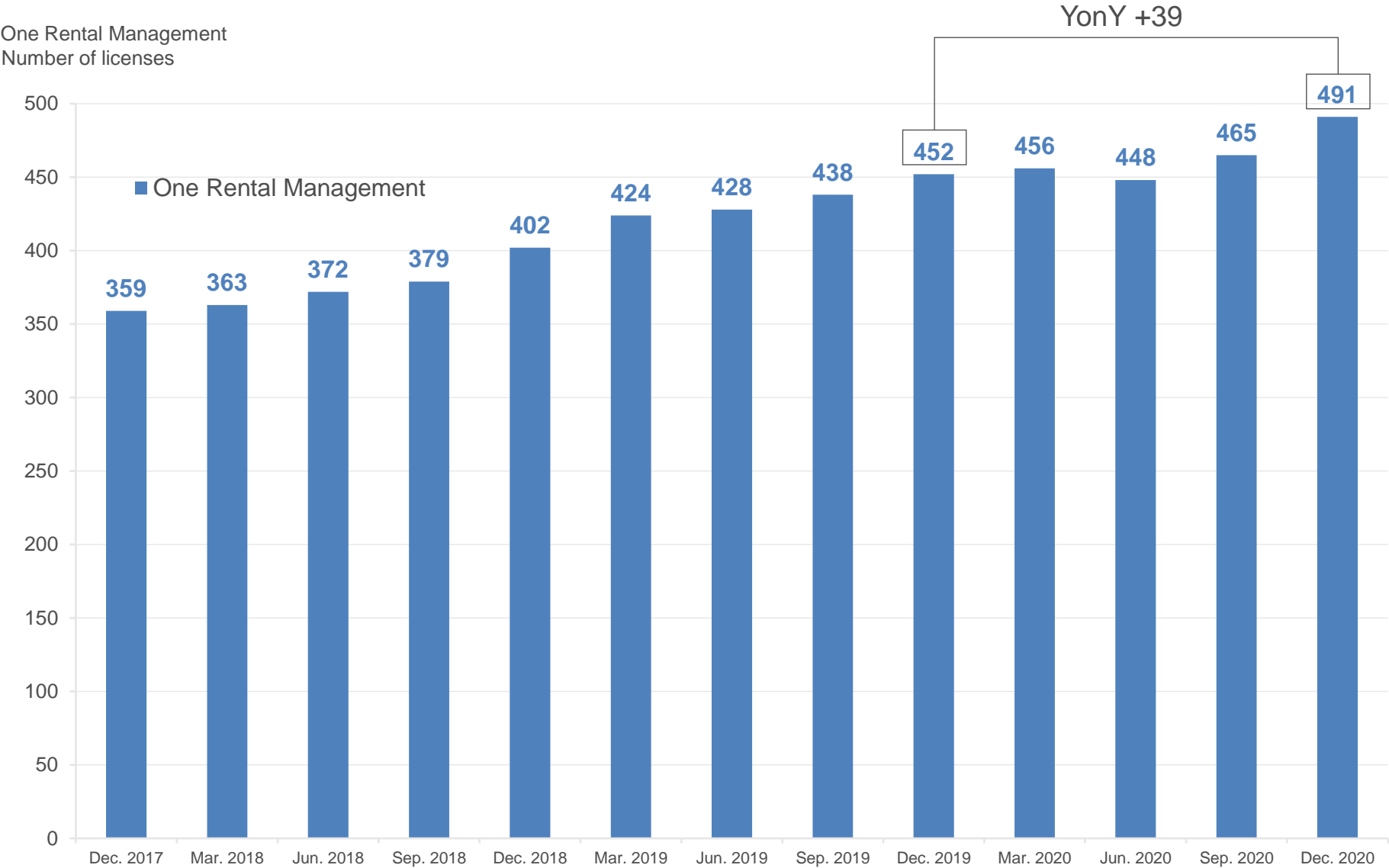
We continued investment for future business, including the full-scale renewal of the foundation for services



- We made new transactions healthily through marketing activities, mainly online, and increased sales amid the coronavirus crisis.
- Cost: As we have been shifting to IaaS (Infrastructure as a Service), the charges for using IaaS, etc. augmented. We also incurred the expenses for the existing data center of our company, which is still in operation, but to be discontinued this term.
- SG&A: Online sales support became common, and operating costs were streamlined.

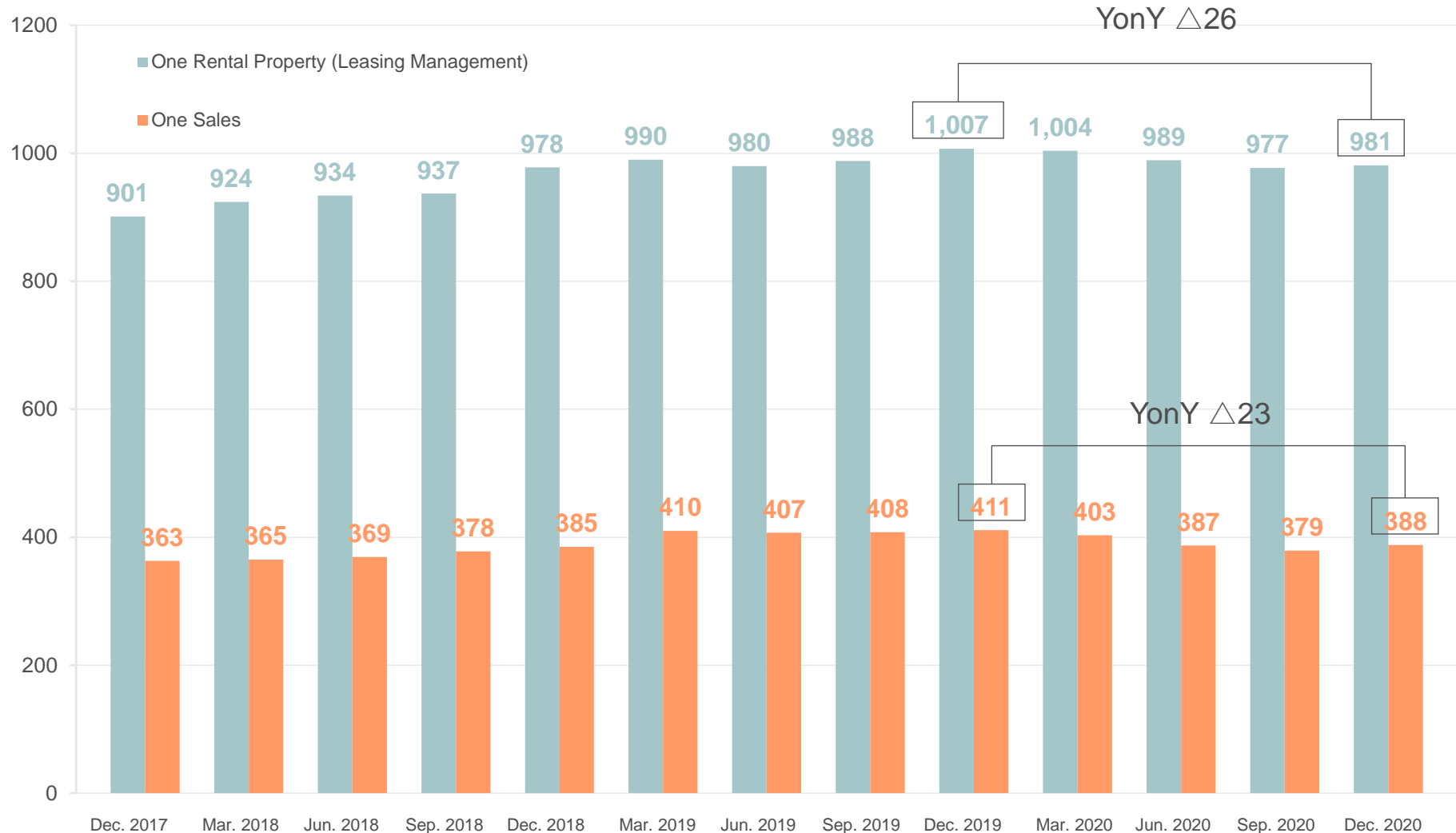
* Figures rounded down to the nearest million yen.

Cloud and SaaS services utilization by rental properties management companies, which is strategically important, was strong

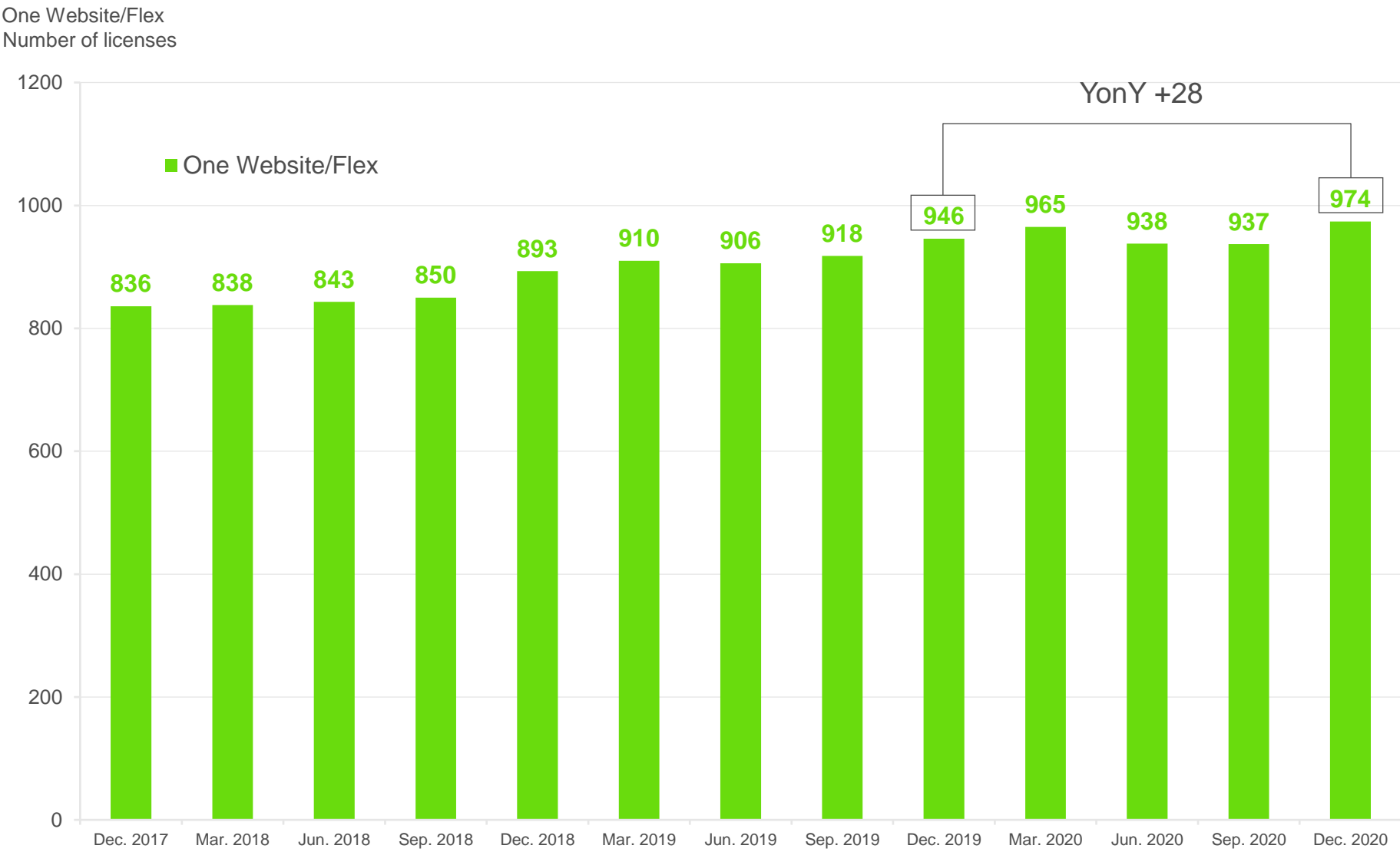


Cloud and SaaS service utilization by leasing and brokerage companies was stagnant.

One Rental Property (Leasing Management)/One Sales
Number of licenses

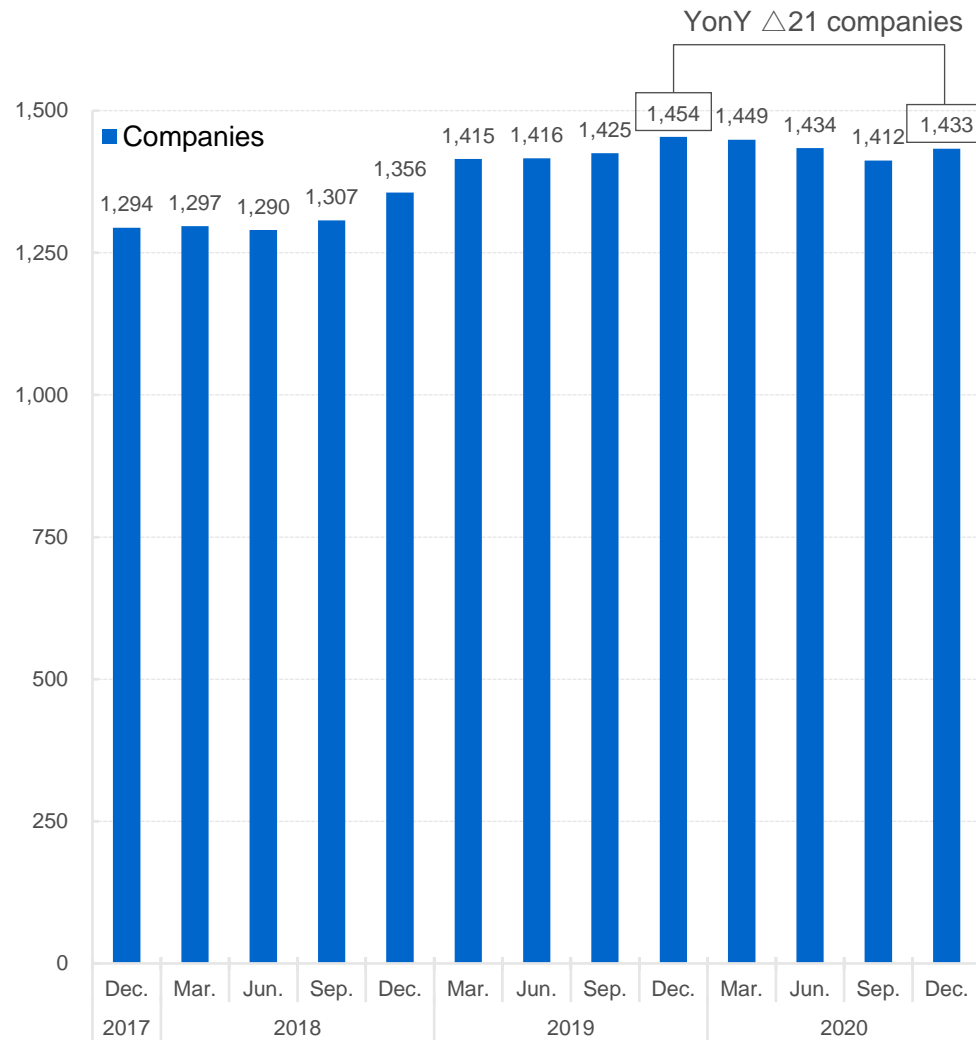


After renewal, the digital marketing SaaS grew steadily

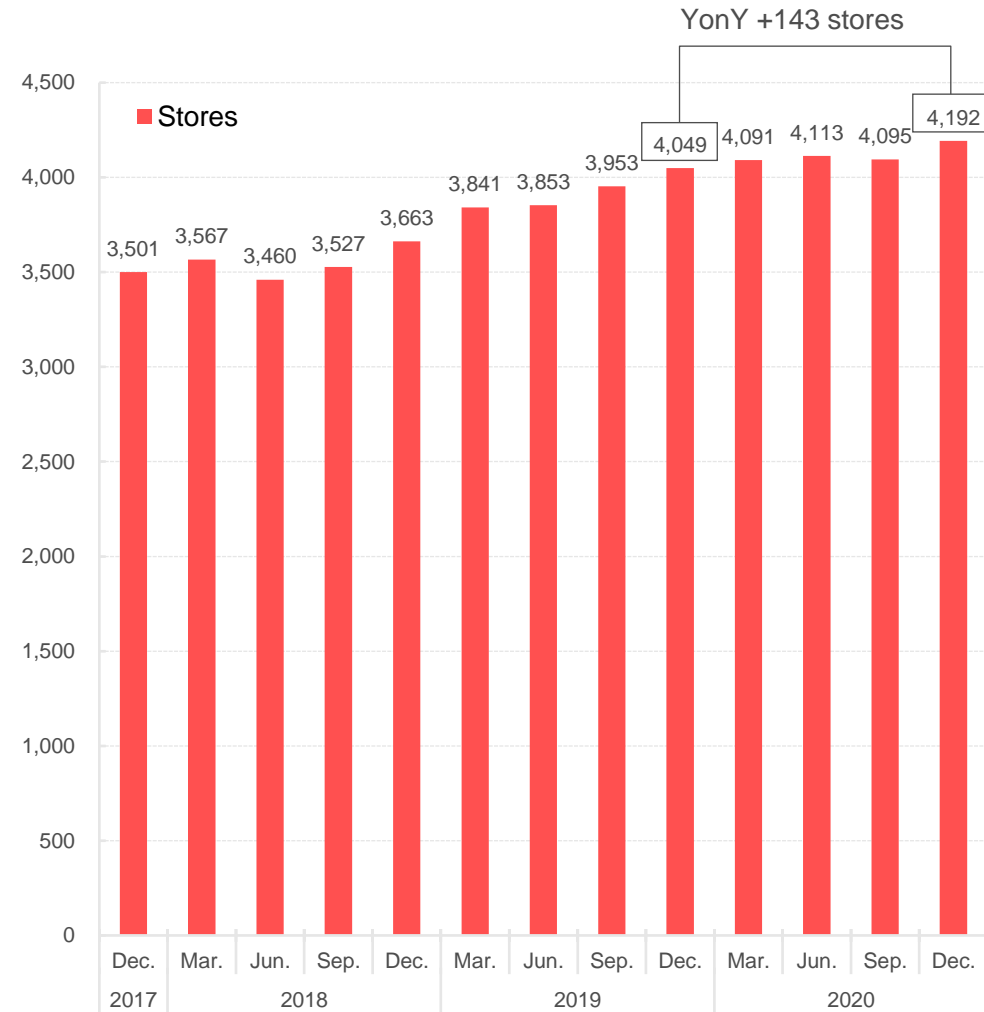


The style of “unified management of multiple shops” utilizing the cloud and SaaS services is being popularized

Variation in the Number of Companies Using Our Services
(Charged companies only)



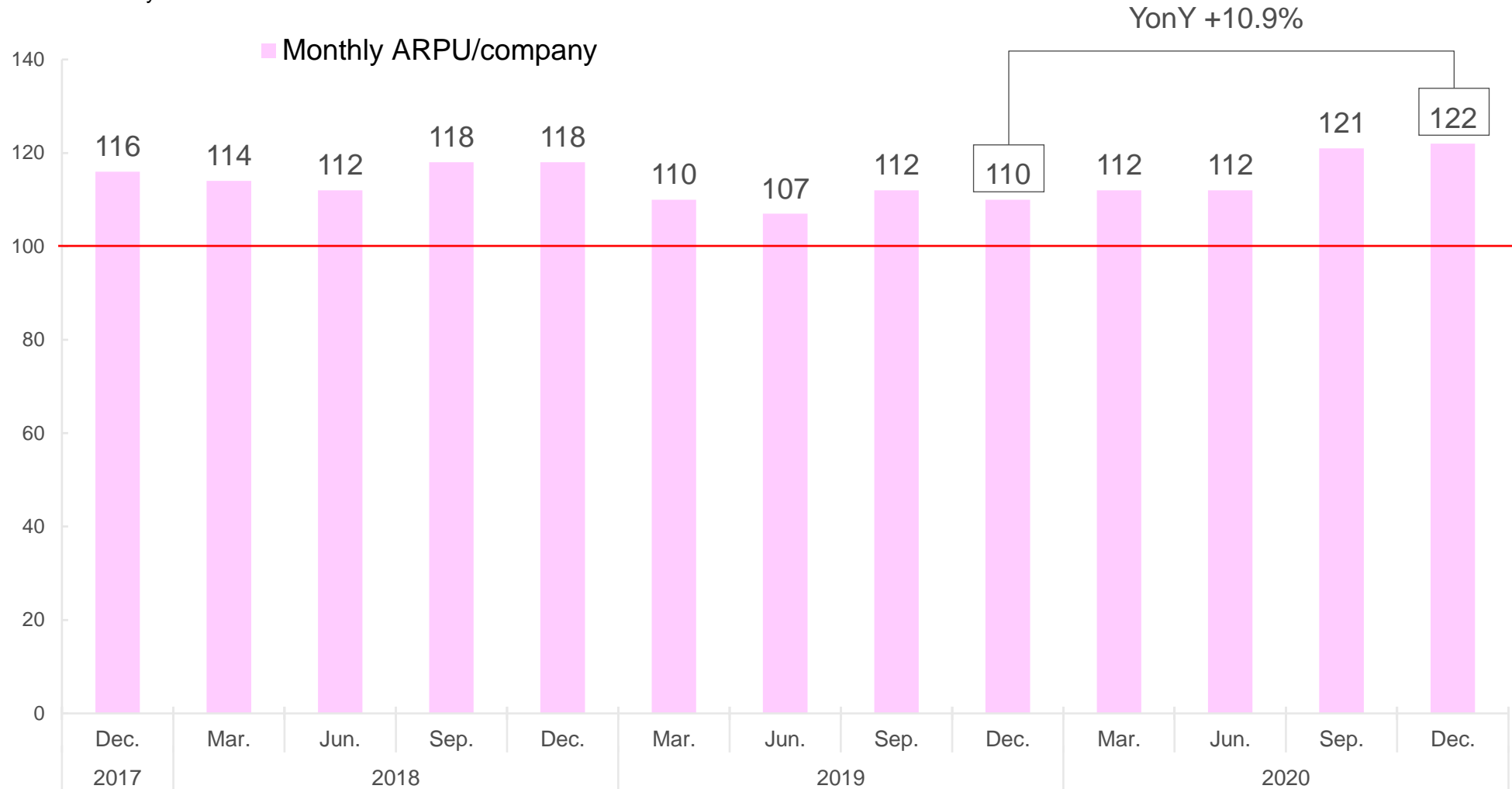
Variation in the Number of Stores Using Our Services



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

The continuous release of new services, etc. contributed, and ARPU is increasing

Unit: Thousand yen

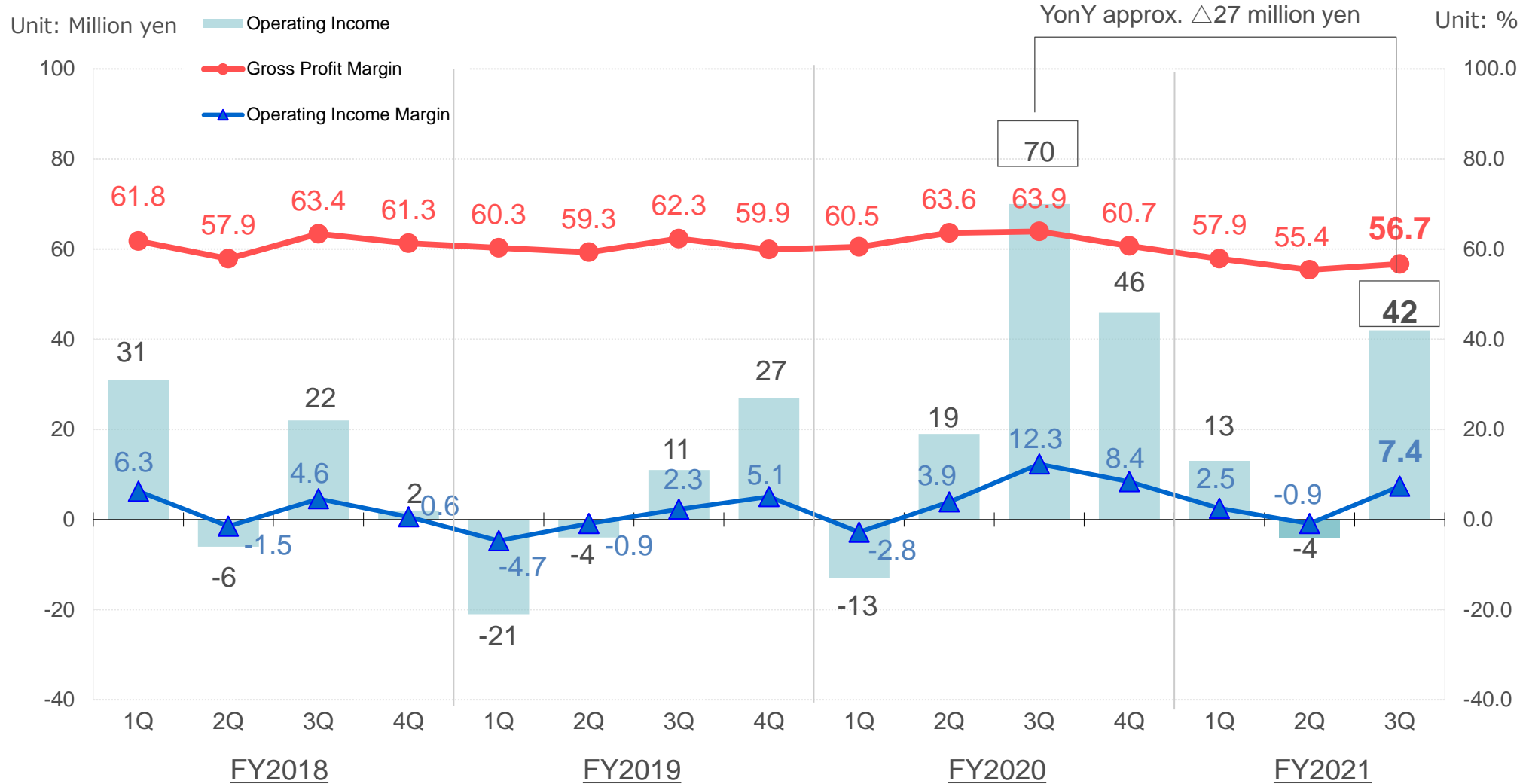


* The unit price before FYE March 31, 2020 is the value obtained by dividing the "cloud service sales for the month" by the "number of cloud service customers (the number of corporations) for the month" and rounded down to the nearest thousand yen.

* The unit price from the first quarter of FY 2021 is the value obtained by dividing the "subscription sales for the month" by the "number of subscription customers (the number of corporations) for the month" and rounded down to the nearest thousand yen. The average monthly unit price for the third quarter of FY 2021 is approximately 120 thousand yen when calculated based on the definition before the end of FYE March 31, 2020.

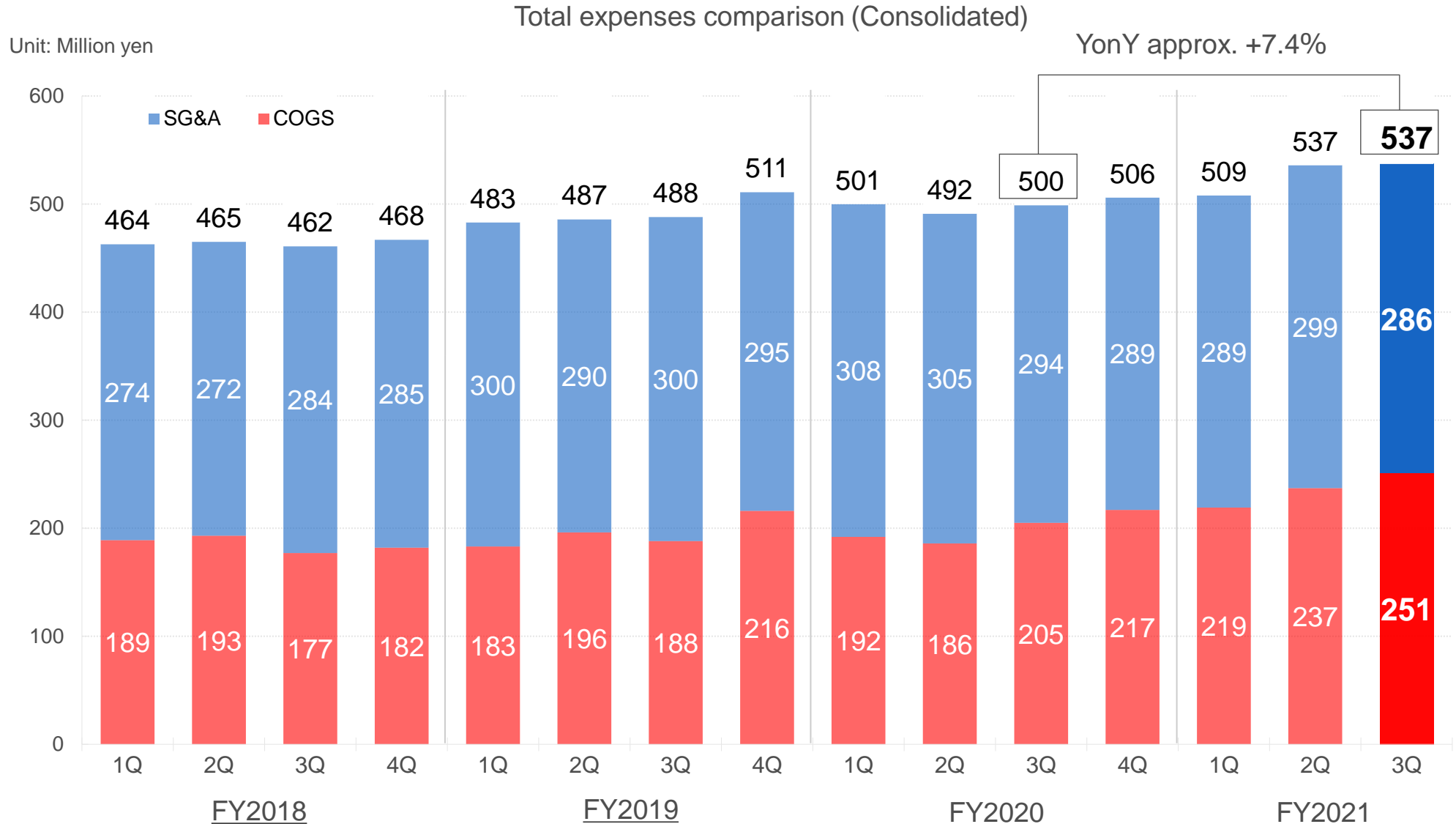
We continued investment, while keeping our business in the black

Operating Income Comparison (Consolidated)



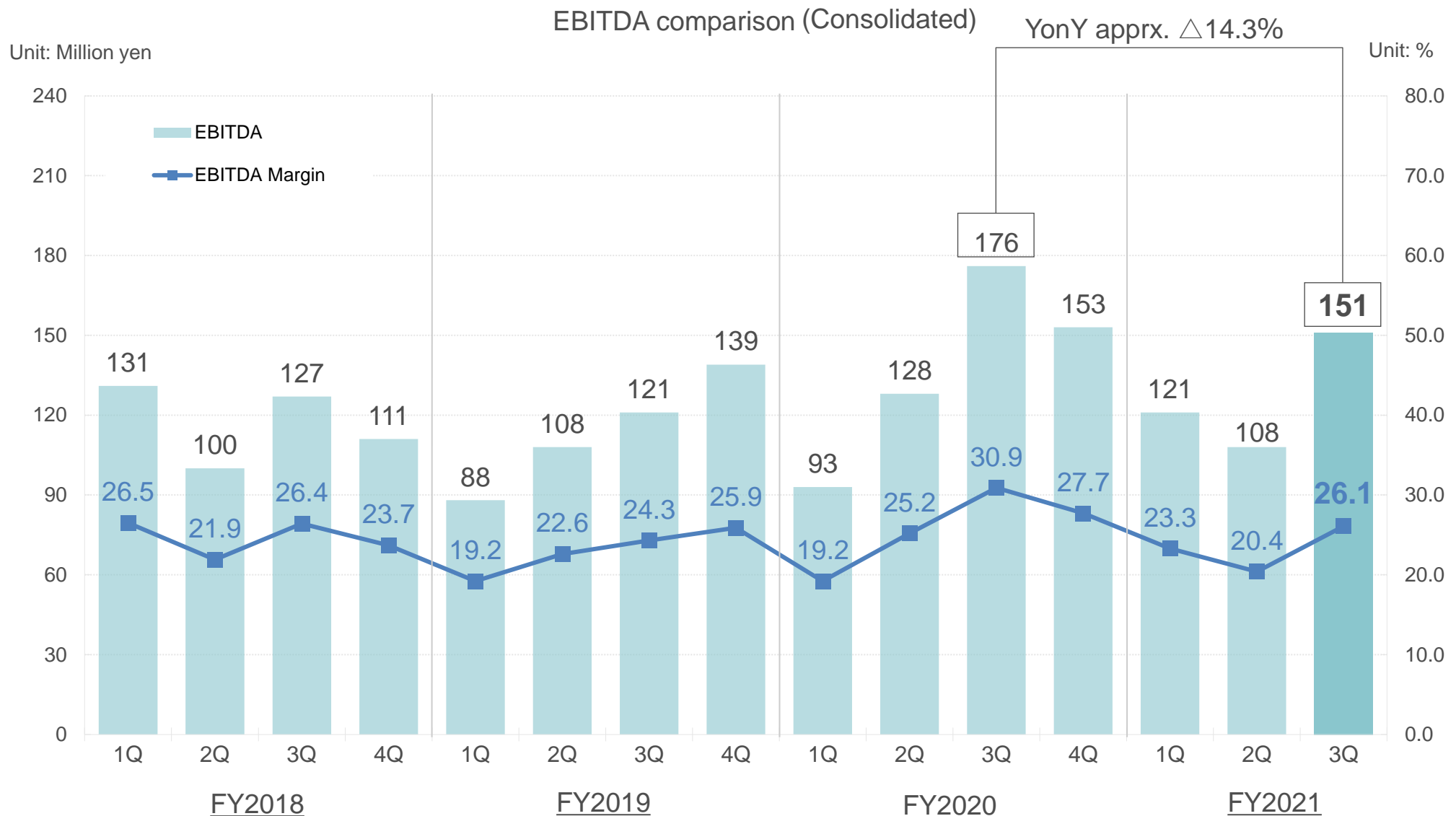
* Figures rounded down to the nearest million yen.

Total expenses augmented, due to the shift to IaaS



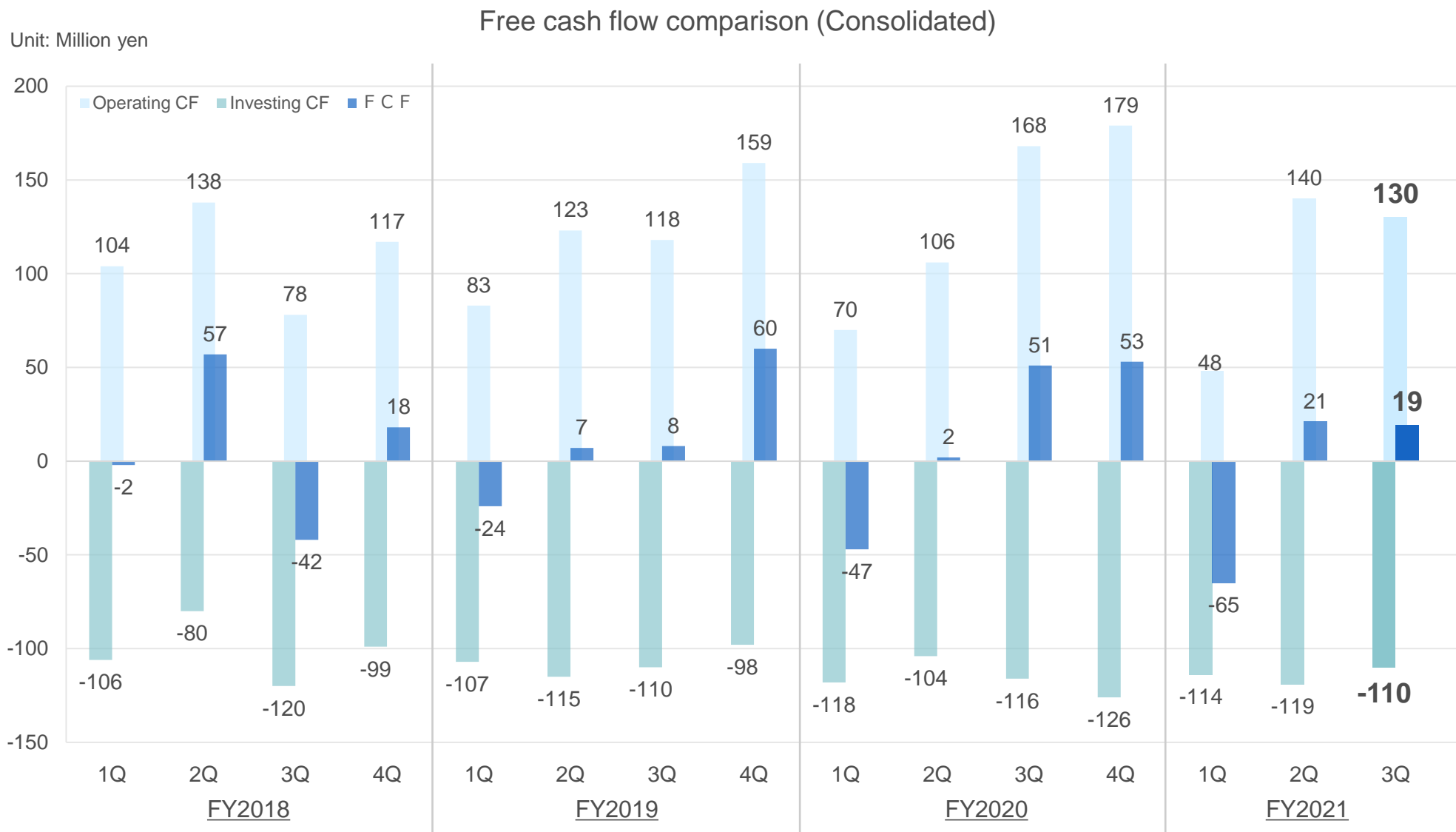
* Figures rounded down to the nearest million yen.

EBITDA is rising toward the second half



* Figures rounded down to the nearest million yen.

While securing FCF, we continued investment for developing SaaS to maintain long-term competitiveness



* Free cash flow (FCF) = Operating cash flow (CF) + Investing cash flow (CF)

* Figures rounded down to the nearest million yen.

2. Summary of Recent Business Results

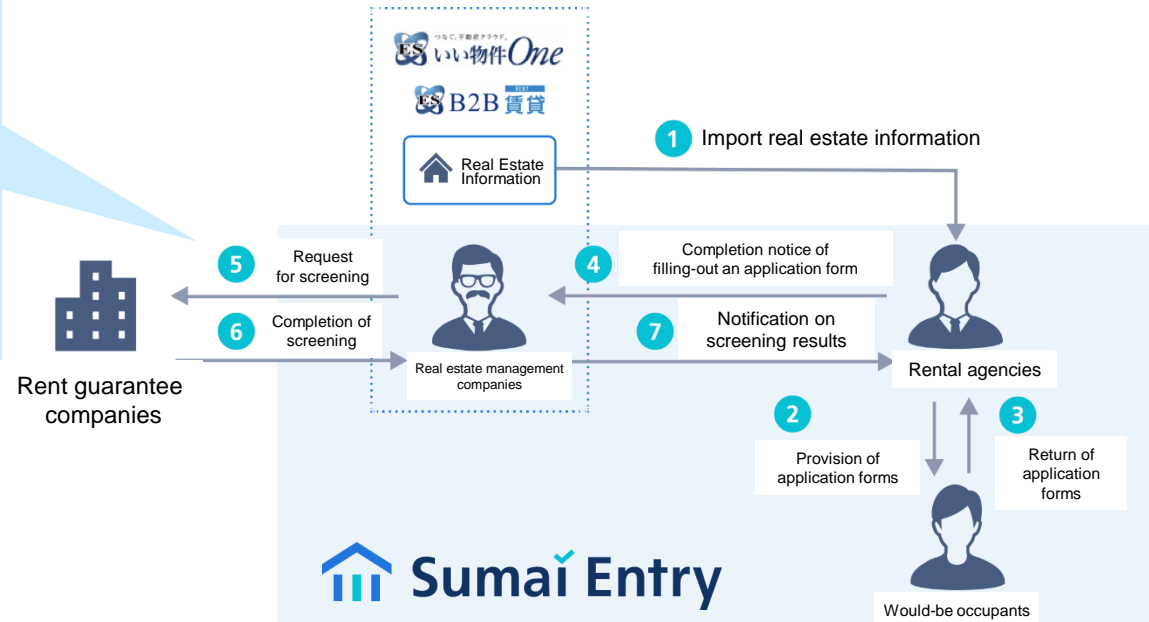
The real estate business will be non-face-to-face and paperless operation with Sumai Entry, a service of online application for moving in

Rent guarantee companies with which we can share information

Press release	Corporate name
Nov. 10, 2020	EPOS Card Co., Ltd.
Nov. 11, 2020	Anshin Guarantor Service Co., Ltd.
Nov. 12, 2020	Orico Forrent Insure Co., Ltd.
Nov. 13, 2020	J-lease Co., Ltd.
Nov. 16, 2020	Global Trust Networks Co., Ltd.
Nov. 17, 2020	Zenhoren Co., Ltd.
Nov. 18, 2020	Casa Inc.

※ From the administrative window of Sumai Entry, we will provide rent guarantee companies with application information via Internet fax (We are planning for API linkage).

We started sharing information by Sumai Entry with leading rent guarantee companies. It has evolved into a service connecting real estate management companies, rental agencies, and rent guarantee companies.



- Would-be occupants can apply in a non-face-to-face manner by using Sumai Entry, a service of online application for moving in.
- Send application info to rent guarantee companies in just one click for screening. ⇒ Completion notice
- By realizing non-face-to-face, paperless application for moving and paperless operations related to rent guarantee, we will help optimize the entire process.

Online service for distribution
among rental agencies

E-Bukken Square

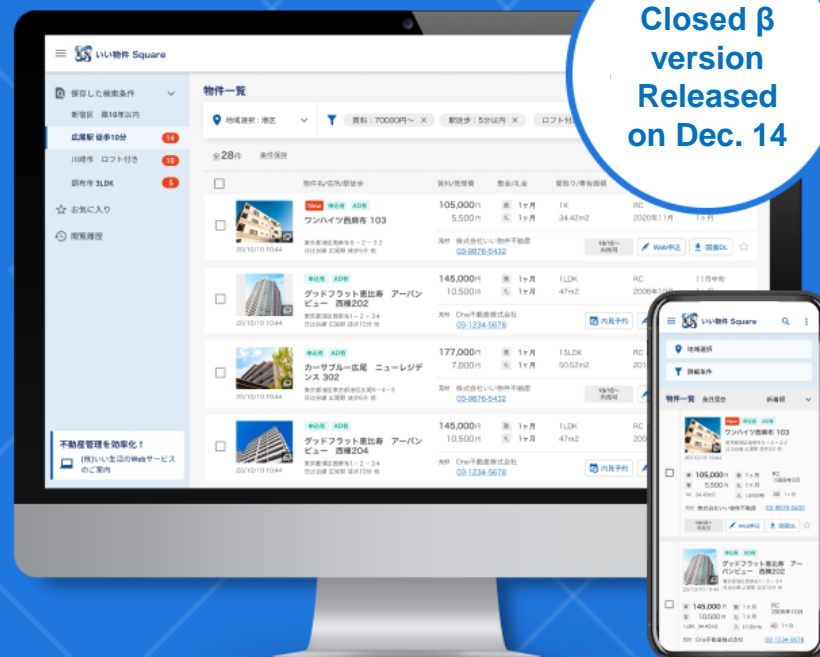


Account registration is free of charge



Real-time linkage with ES e-Bukken One

Closed β
version
Released
on Dec. 14



Produced by e-Seikatsu, a leading company offering cloud services for realty tasks

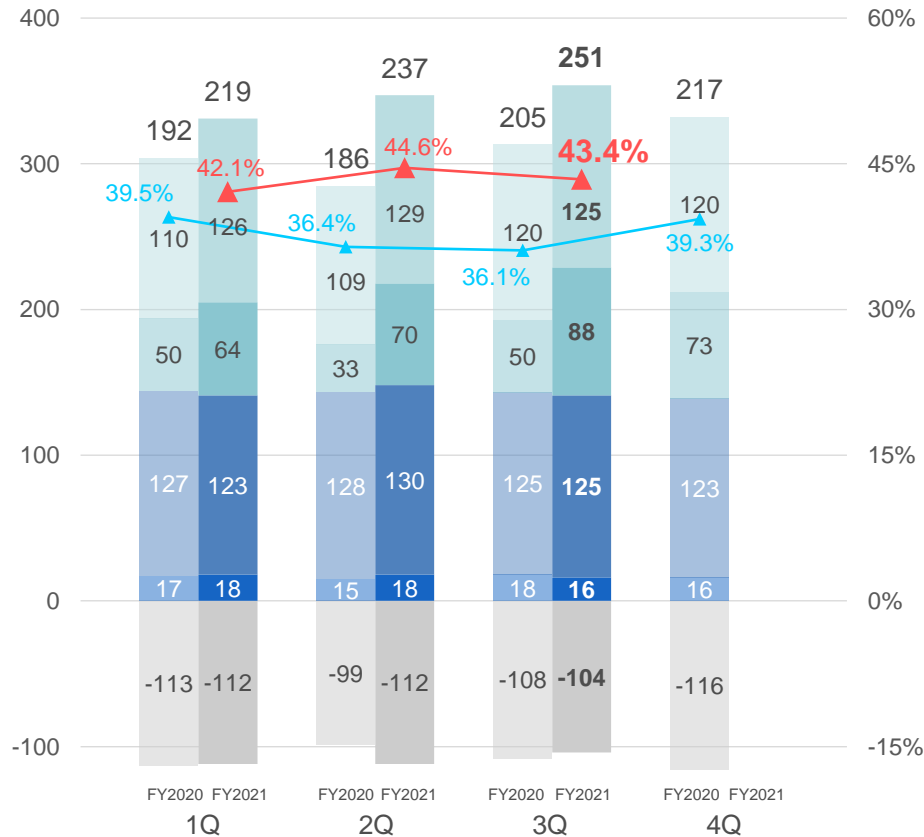
- A new BtoB platform for facilitating the BtoB distribution of real estate for rental.
- It offers mainly information on real estate handled by medium and large-sized real estate companies that have multiple shops, which are our main clients.
- It offers vacancy information, which is updated on a real-time basis, to SaaS users and also other real estate companies, and promote them to adopt our cloud and SaaS services through product marketing.

Cost structure: We streamlined sales and support activities mainly by using online services

COGS (Consolidated)

- Personnel expenses
- Outsourcing expenses
- System management and depreciation expenses
- Other expenses
- Temporary account of development investment
- COGS rate (FY2021)
- COGS rate (FY2020)

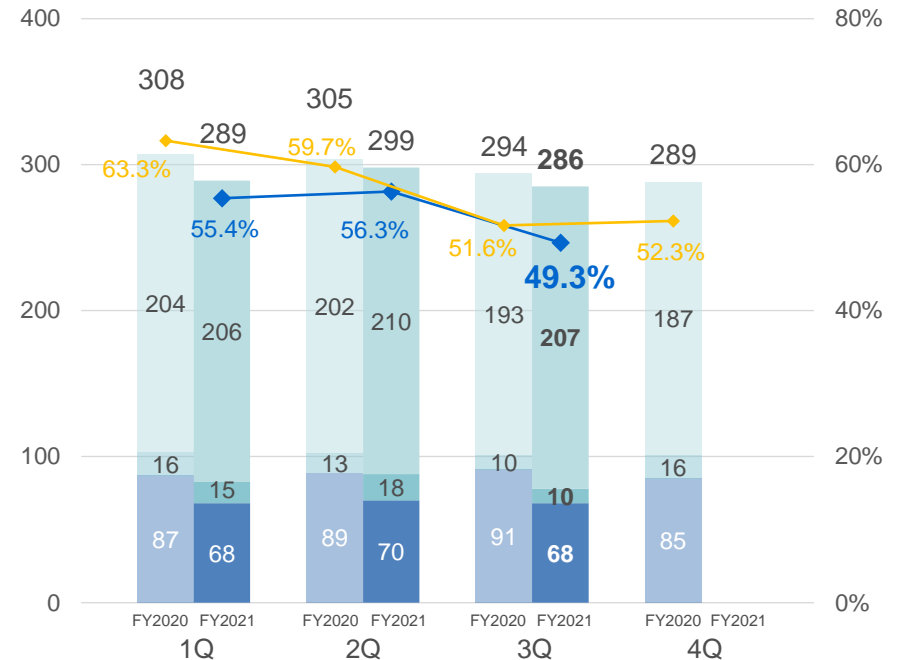
Unit: Million yen



SG&A (Consolidated)

- Personnel expenses
- Outsourcing expenses
- Other (sales and support expenses, etc.)
- SG&A rate (FY2021)
- SG&A rate (FY2020)

Unit: Million yen



* (COGS) Outsourcing expenses: Outsourcing expenses, temporary recruitment expenses, SaaS and IaaS charges, etc.
 System management costs and depreciation: Depreciation of software/hardware, our own data center costs, etc.
 Temporary account of development investment: Posted cost for inventory (goods in progress and products) and temporary account of software.

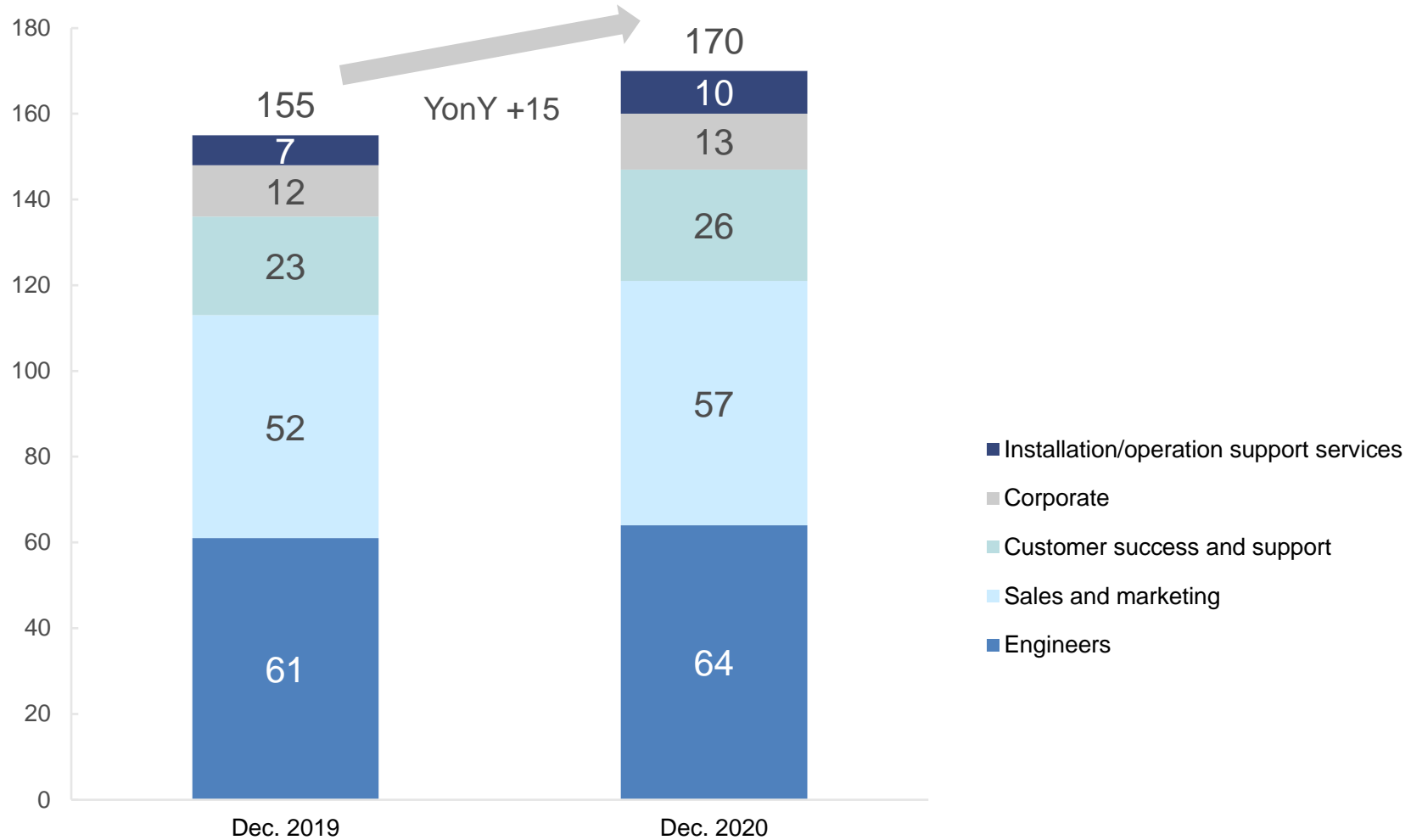
* Total COGS is calculated by subtracting the temporary account of development investment from the sum of costs.

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

* Figures rounded down to the nearest million yen.

We strengthened the team while maintaining a well-balanced personnel structure

No. of Employees (Consolidated)



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

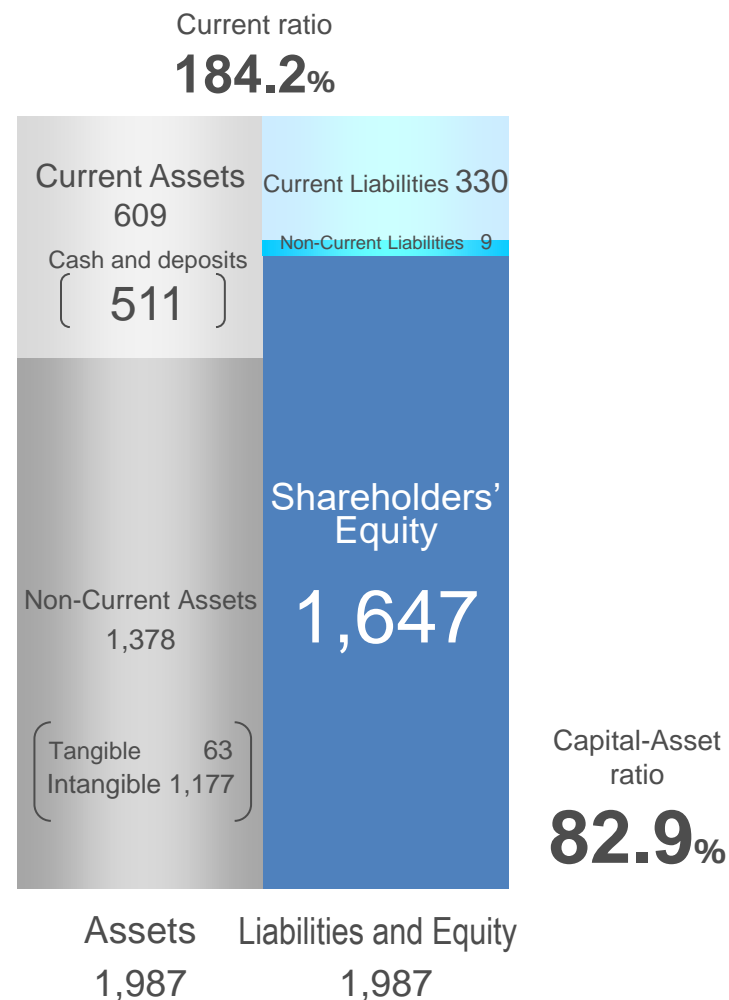
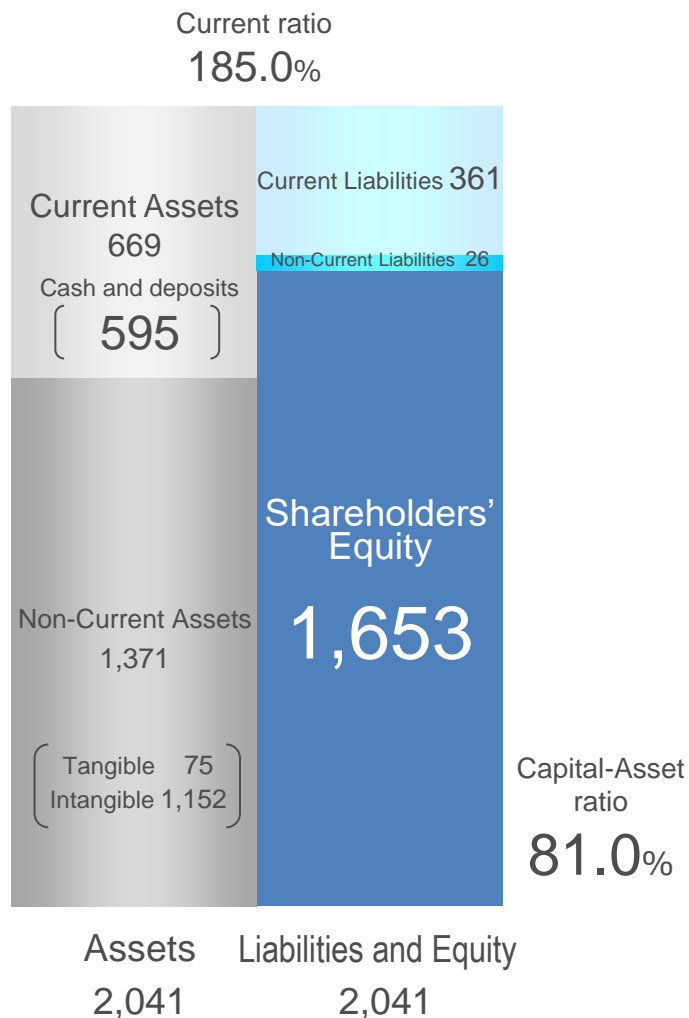
We are maintaining the sound financial ground and sufficiently prepared for growth opportunities

Consolidated Balance Sheet Comparison

As of the end of March 2020

Unit: Million yen

As of the end of December 2020



* Figures rounded down to the nearest million yen.

3. Earnings Forecast and Future Prospects

Impact of the novel coronavirus pandemic (COVID-19)

- As we enhanced marketing strategies, including online seminars, the number of customers achieved grew steadily. Amid the coronavirus crisis, digital transformation (DX) is promoted further. Sales grew, thanks to the good performance of cloud and SaaS services for real estate management, which were hardly affected by the pandemic.
- On the other hand, the real estate market under the state of emergency has uncertainties. Especially, the demand for relocation at the end of the fiscal year is unpredictable. The number of new orders to be received in the busy season of the real estate industry from Jan. to Mar. is estimated conservatively, but total sales are composed of mainly recurring revenues, so the impact on the overall business results for this term is estimated to be limited.

Earnings forecast for FYE March 31, 2021 (Consolidated)

- Sales are estimated to grow about **79 million yen** year on year from 2,123 million yen to 2,203 million yen. Sales growth is expected, due to the rise in ARPU through upselling and cross-selling of new services, a low cancellation rate, stable recurring revenues, etc.
- Amid the coronavirus crisis, online business talks will become common. The current systems for marketing, sales, and support will be continuously used. SG&A is estimated to drop about **38 million yen** from the previous term.
- As we will post the cost for the shift to IaaS as well as the overlapping expenses for infrastructure used until this term (which will not be posted next term), cost is estimated to augment about **151 million yen**.
- After the shift to IaaS, we plan to retire the assets of our own servers and software for some system infrastructures. An extraordinary loss of about **30 million yen** is estimated to be posted.
- As a result, operating income is estimated to be about **90 million yen**, as sales and total costs are projected to grow about **79 million yen** and about **112 million yen**, respectively.
- With an emphasis on stable return of profits to shareholders, we will maintain an annual dividend per share (forecast) of 5 yen for the FYE March 31, 2021.

Earnings forecast for FYE March 31, 2021

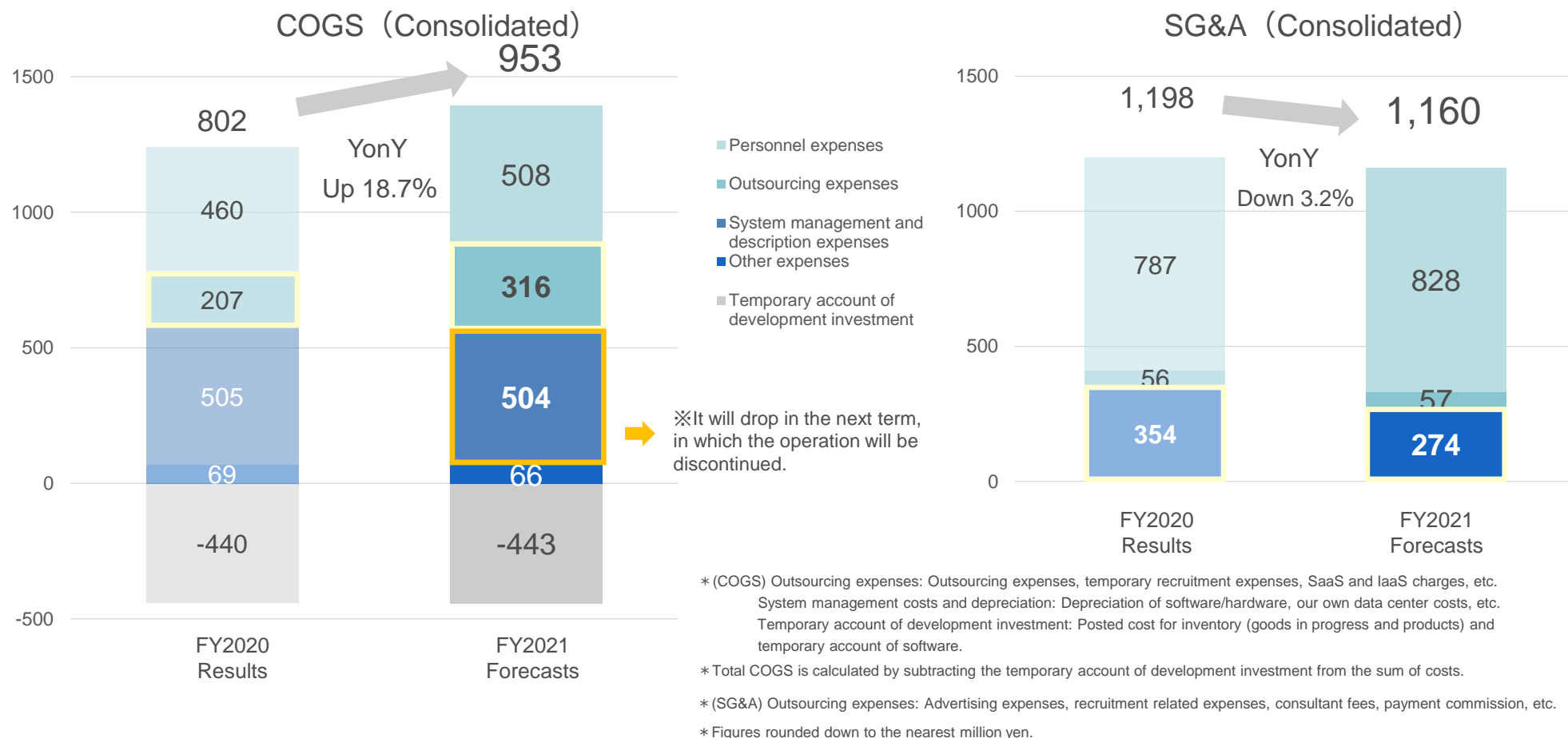
Consolidated (million yen)	FYE March 2021		Previous year (FYE March 2020) Results		
	3Q Results	Full-term Forecast	Amount	YOY Change	YOY Change (%)
Sales	1,635	2,203	2,123	79	3.8%
Operating income	51	90	123	△33	△26.8%
Recurring income	51	90	124	△33	△27.3%
Net Income	28	40	72	△32	△45.0%

	Dividend per share
Full-term dividend (forecast) (FYE March 2021)	5.00yen
Full-term dividend (result) (FYE March 2020)	5.00yen

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

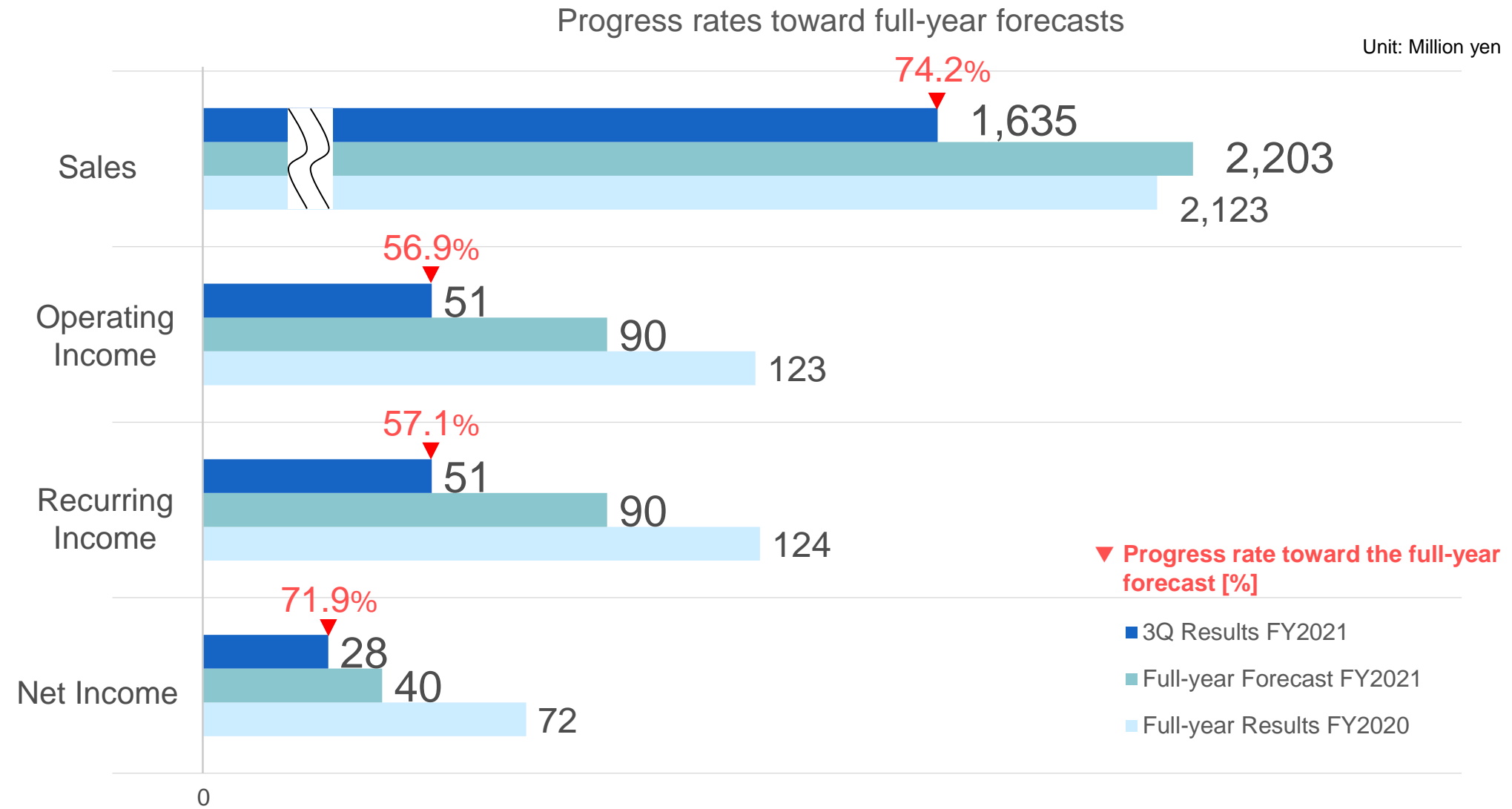
* Figures rounded down to the nearest million yen.

Full-year earnings forecast: Estimation of costs



- **Cost:** Due to the shift to IaaS, IaaS charges included in Outsourcing Expenses will augment. Expenses for existing data centers, which are included in System Management Costs and Depreciation, will not be posted in the next term, in which the operation of the centers will be discontinued.
- **SG&A:** Operating expenses (included in Other) are projected to decline, as sales and support systems will be mainly online.

Progress rates toward full-year forecasts



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

* Figures rounded down to the nearest million yen.

Target Index

- Number of clients **5,000** companies
- Monthly ARPU more than **¥100,000**
- Subscription gross profit margin 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 in customer unit price by diversification of services. To prolong usage period of our services by improving operational support and service level. To expand LTV (customer's lifetime value)

Future growth

Evolution into real estate trade platforms

4. Business Overview

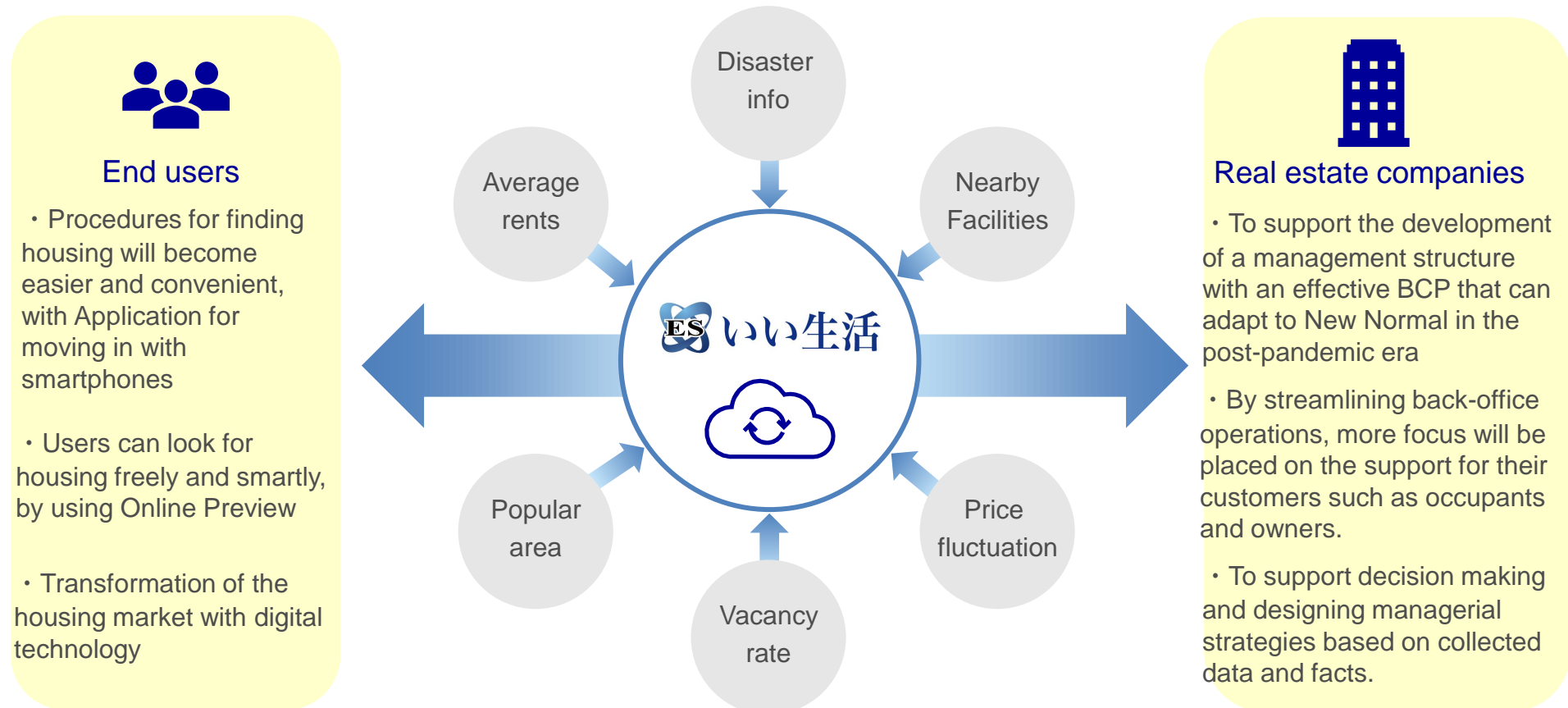
Mission

To make the real estate market, which is related to “housing” as the bedrock for daily lives of people, more satisfying for all participants.

Vision

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



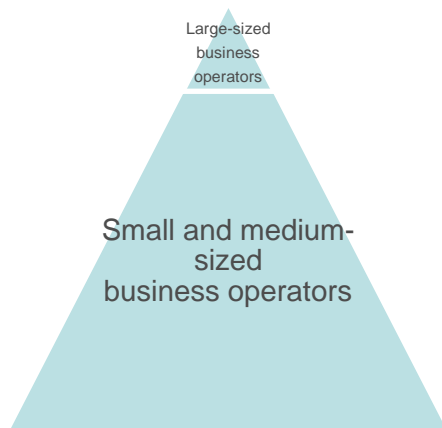


- To develop a cloud based data platform to collect all kinds of data on real estate via cloud and SaaS services for supporting business operations.
- To offer various digital technology-based services to users and real estate companies, to promote the digital transformation (DX) of the entire real estate market, and to improve the satisfaction level of all stakeholders.

To provide cloud/SaaS solutions that meet the characteristics of the real estate market

Characteristics of the real estate market

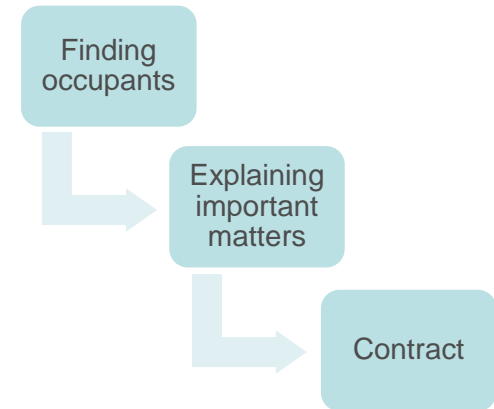
Overwhelming majority is small and medium-sized business operators



They exist across the country.



Every company has similar business flow as determined by the laws.

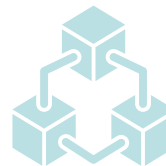


Cloud/SaaS solution provided by us

Subscription service

- Monthly fees for cloud/SaaS
 - Can be installed without in-house HW equipment.
- Small amount of initial investment
- Online support available everywhere in the country
 - Equipped with standard functions, constantly evolving
- **Extensive** coverage of market needs

Feedback of knowledge and know-how to function development etc.



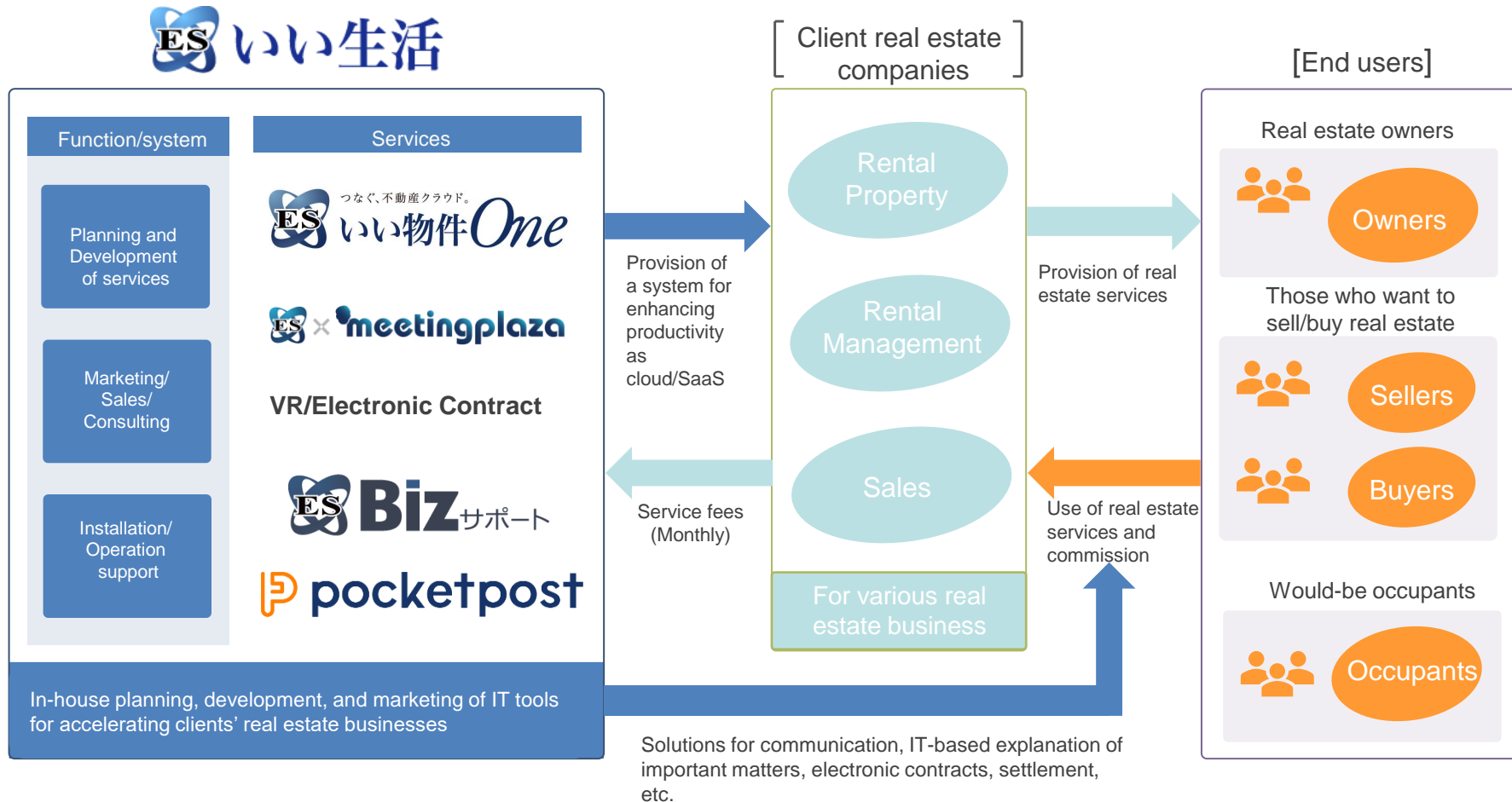
Complementing customer needs that cannot be covered by standard models

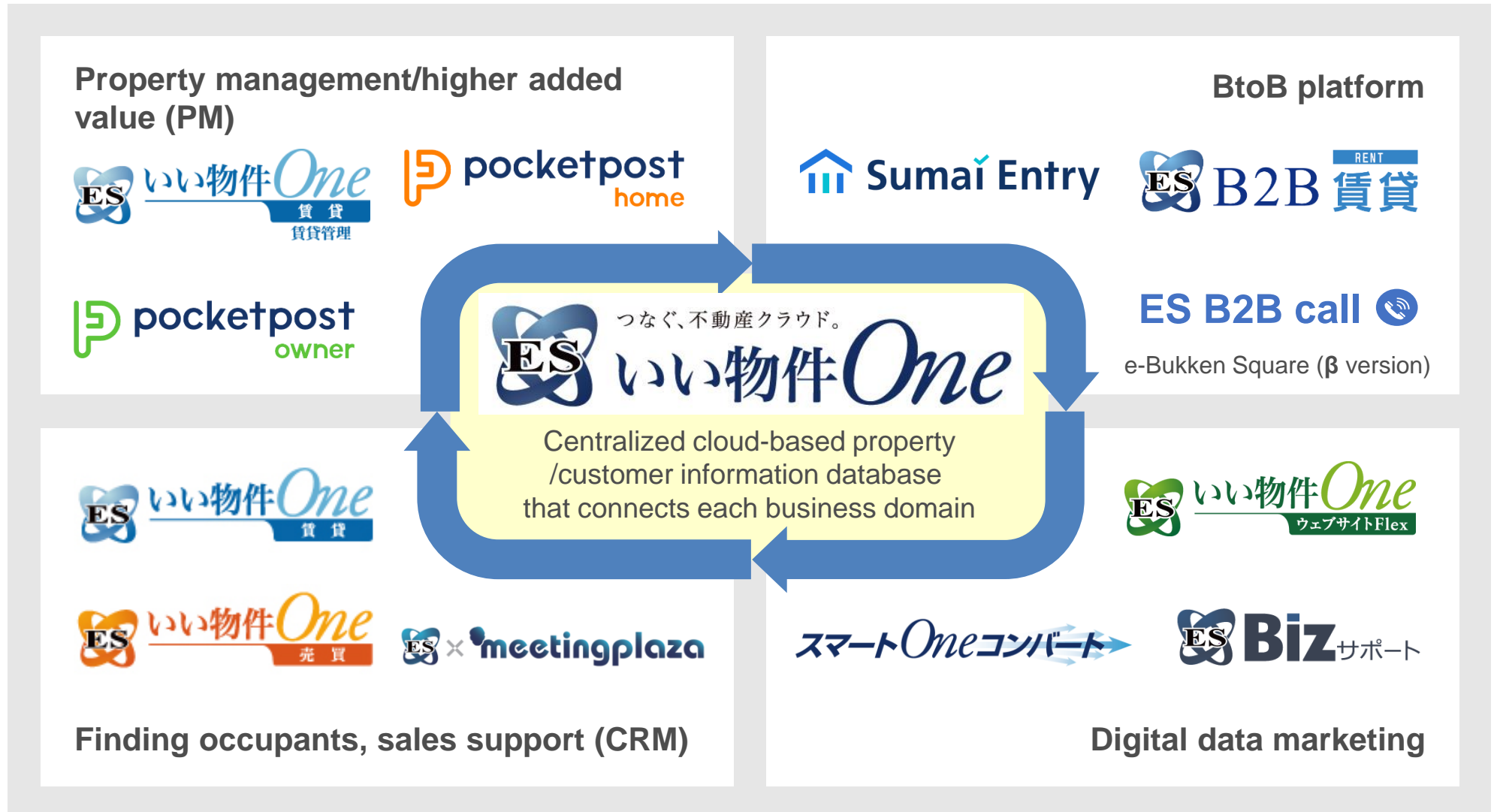
Spot service

- Support for installing and operating our cloud/SaaS (BPO)
 - Consigned development of systems and applications
 - Agency sales of other companies' services.
- **Deeply** meet the individual needs of each customer

*According to "Statistics of Real Estate Industry in 2020" (Real Estate Transaction Promotion Center), real estate enterprises with 4 or less employees account for about 86% of the total number of real estate enterprises: 353,558 (as of 2014).

Outline of our businesses: A reliable partner supporting digital transformation of real estate companies





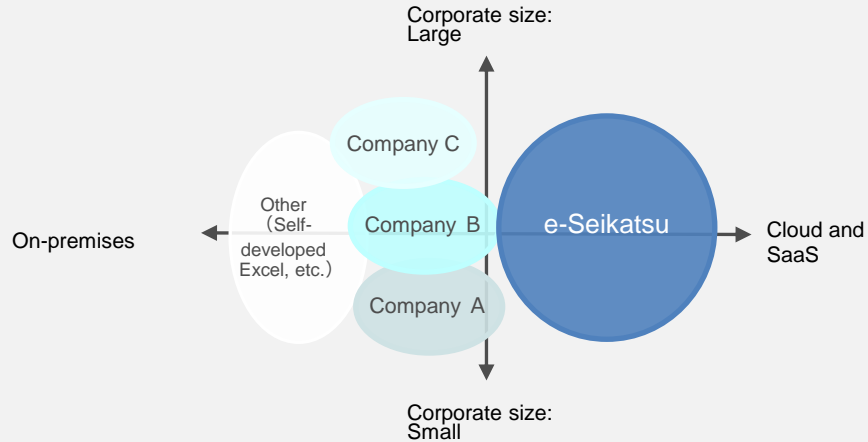
*PM = Property Management. In order to increase the added value of real estate, an expert manages real estate for rent on behalf of the real estate owner.

*CRM = Customer Relationship Management. A method for collecting and analyzing customer information to improve the efficiency of sales activities.

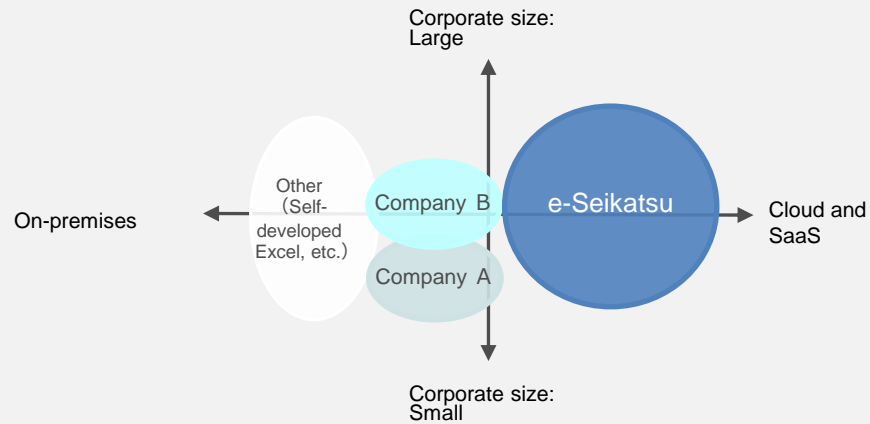
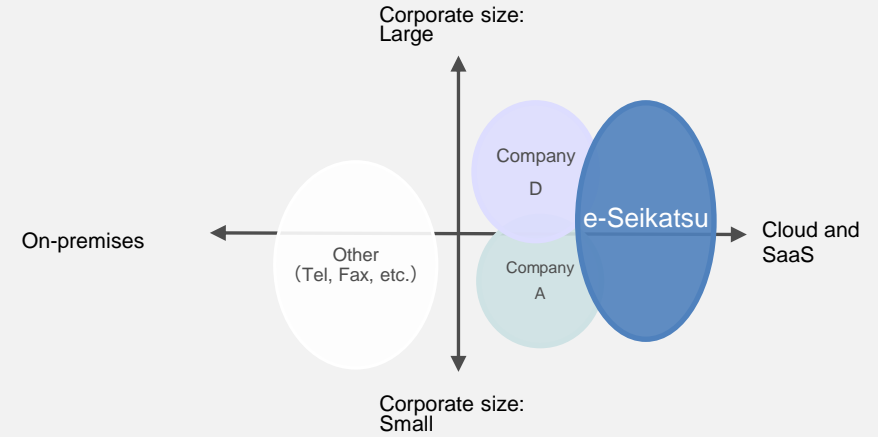
*Digital data marketing = Activities that acquire new profit opportunities and lead to business growth by taking advantage of digital technologies and data such as the Internet and IT

Positioning of our cloud and SaaS services in each domain

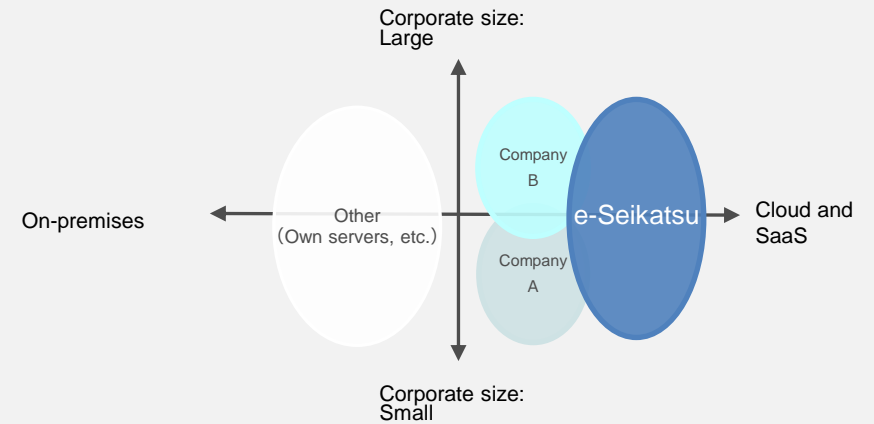
Property management/higher added value (PM)



BtoB platform



Finding occupants, sales support (CRM)

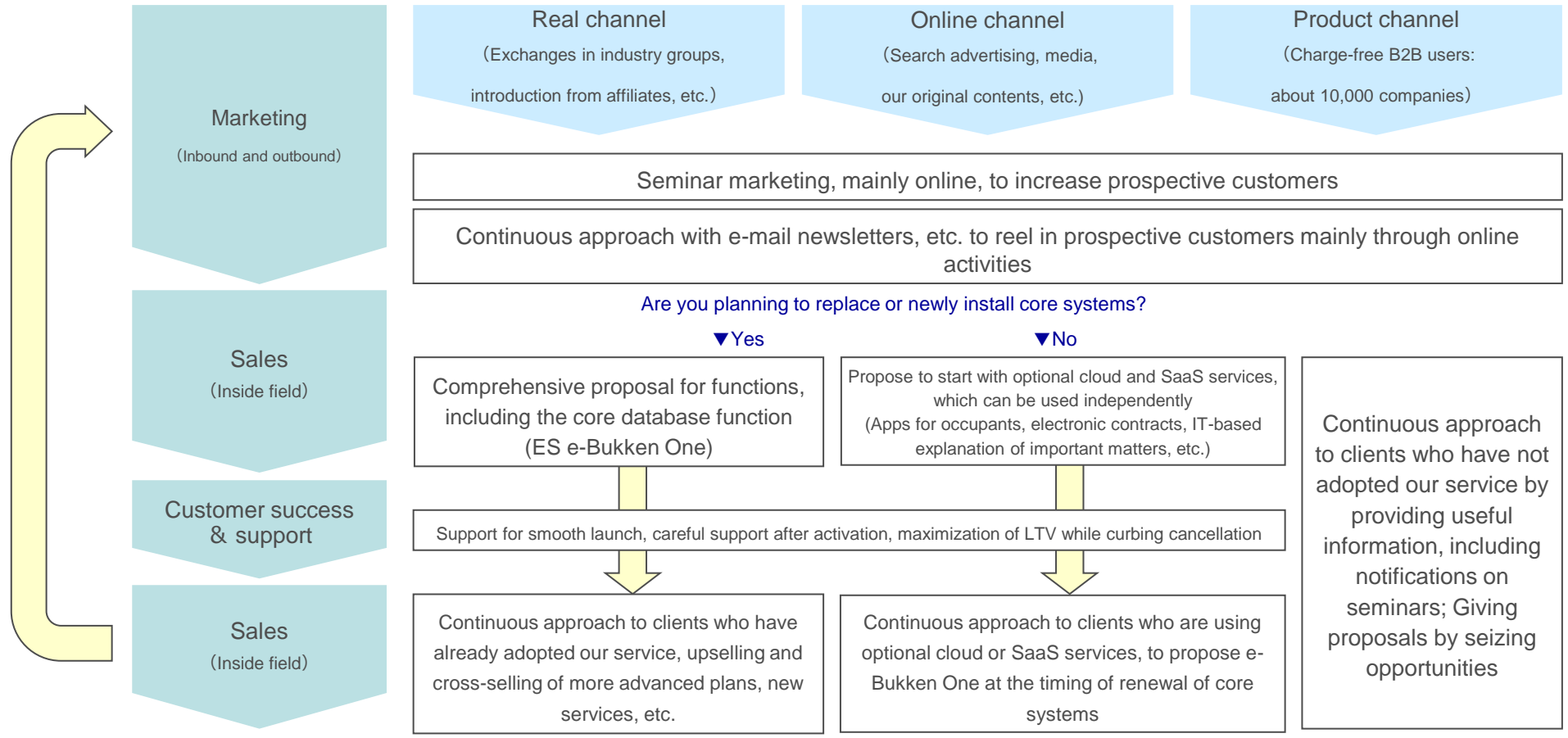


Digital data marketing

Vertical axis: Scale of the target enterprise
Horizontal axis: System provision type

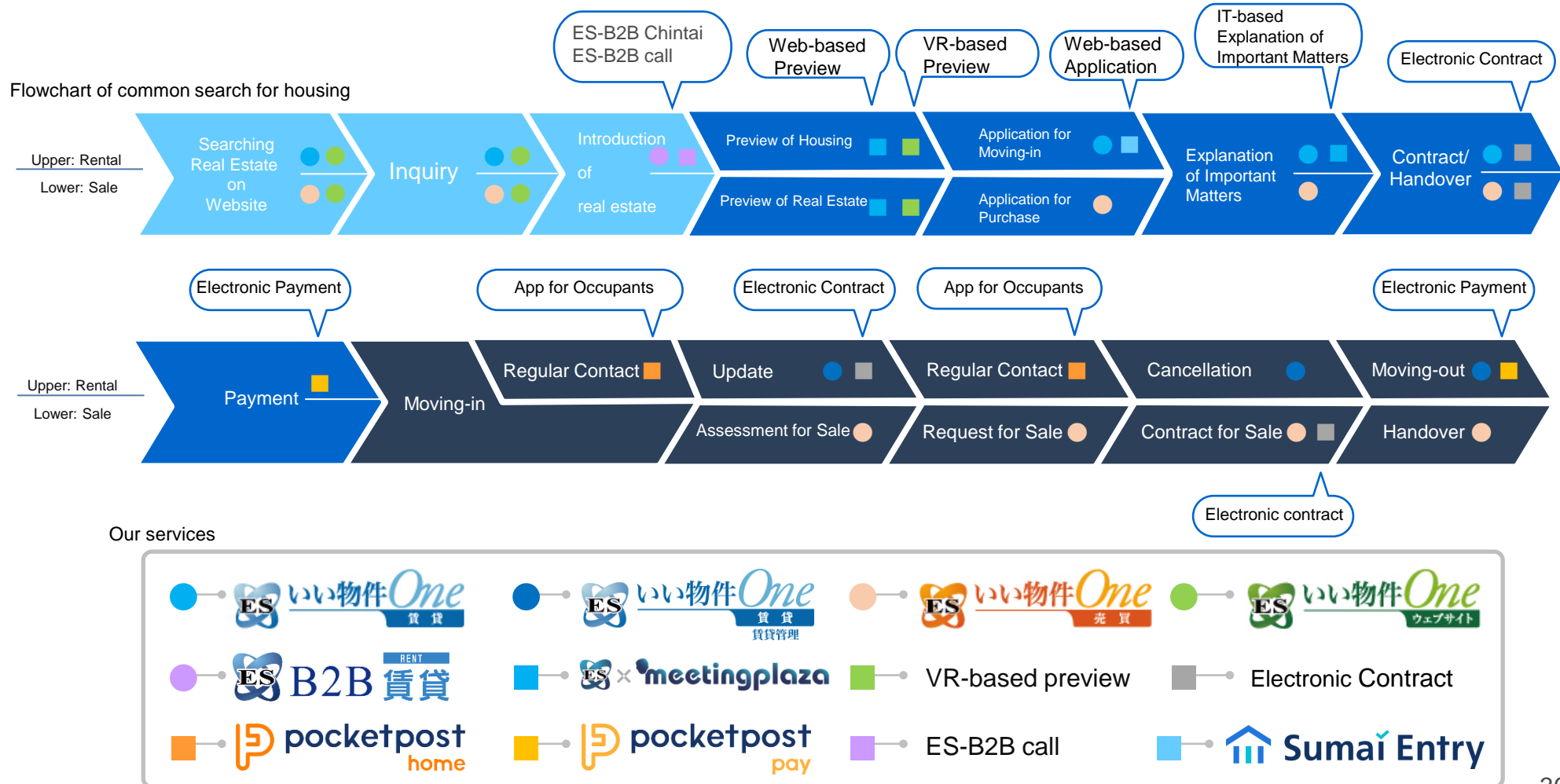
Note: These are schematic diagrams produced after our analysis based on publicly available information, so they may be different from actual situations.

Sustainable cycle for increasing customers



- Pinpointed efficient marketing suited for cloud and SaaS services specialized in this industry
- Sustainable growth cycle in which marketing, inside & field sales, customer success & support are interconnected, and upselling and cross-selling to existing customers are included.

To offer SaaS that will be used in every real estate scenes



Website functions were significantly upgraded to support digital marketing in the real estate industry



Centered management of property advertisements



Completely responsive design



It can be designed and edited internally by each company.



- Significantly improved the “ES e-Bukken One website” to reflect users’ requests.
- With a simple operation, users can add contents and change their designs without in-depth knowledge. Users can easily upgrade their website, while minimizing outsourcing costs for developing and updating them.

Specialize in the field of real estate and aim for industry-focused vertical SaaS (pursuing LTV)

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



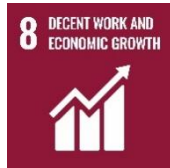






Swift cycle of grasping needs → planning → development → release

Direct sales team = tight relationship with clients, in-depth industry knowledge

Obtained the certificates of international standards for IT service management and cloud service information security management, and maintained high service level and customer satisfaction

No bank borrowing and financially sound base.
Sufficiently prepared for growth opportunities.

e-Seikatsu will tackle various social issues through business, and contribute to solving them.

Materiality of e-Seikatsu	Related goals
Creation of personnel who would trigger changes <ul style="list-style-type: none"> • Creation of advanced IT personnel • Promotion of new workstyles • To provide a wide range of personnel with opportunities to flourish 	  
To offer innovative, high-quality services that would bring added value to society <ul style="list-style-type: none"> • Creation of services with high added social value • Continuous improvement in quality • Emphasis on information security 	 
Contribution to the residential environment through business <ul style="list-style-type: none"> • Formation of the appropriate real estate market by adopting IT • To secure the appropriate accessibility to the market for all people by rationalizing the market • To contribute to the development of the real estate market as a base for supporting people and society in cooperation with stakeholders 	
To actualize an environmentally-friendly, affluent, sustainable society with IT and DX <ul style="list-style-type: none"> • To execute business operations with low environmental burdens • To contribute to the online market and the environmentally-friendly real estate industry in cooperation with stakeholders • To contribute to the sound development of local communities in cooperation with stakeholders throughout Japan 	  

*“SDGs” stands for Sustainable Development Goals. International goals for realizing a sustainable, better world by 2030, adopted at the UN Summit in Sep. 2015. Composed of 17 goals and 169 targets.

Established :	January 21, 2000			
Paid-in capital :	628,411,540 yen (As of the end of December 2020)			
Listing :	Second Section of the Tokyo Stock Exchange (Code: 3796)			
Relationship banks :	MUFG Bank, Ltd., Mizuho Bank, Ltd., Resona Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation			
# of employees :	170 (As of the end of December 2020)			
Governance System :	Company with Audit Committee			
Officers :	Chairman	Kiyotaka Nakamura	Outside Director (Independent Director), Full-time Audit and Supervisory Committee Member	Akira Hirano
	President, Representative Director & CEO	Zenichi Maeno	Outside Director (Independent Director), Audit and Supervisory Committee Member	Masahito Omachi
	Representative Director & CFO	Hiroyuki Shiokawa	Outside Director (Independent Director), Audit and Supervisory Committee Member	Shinichi Shamoto
	Representative Director & COO	Hiroyoshi Kitazawa	Outside Director (Independent Director), Audit and Supervisory Committee Member	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-shi, Osaka	
	Fukuoka office	〒812-0011	25-21, Hakataeki Mae 3-chome, Hakata-ku, Fukuoka-shi, Fukuoka	
	Nagoya office	〒450-6419	28-12, Meieki 3-chome, Nakamura-ku, Nagoya-shi, Aichi	



Technology × Real Estate Field

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

To subscribe to “IR News Mail,” which will inform you of a variety of IR info on our company, access the following URL.

https://www.e-seikatsu.info/IR/irNewsMail/irNewsMail_inquiry.html