

May 19, 2014

Notice Concerning Third Medium-term Management Plan

Miroku Jyoho Service Group has started its third medium-term management plan. The plan is based on the medium-term management vision and covers the three-year period from fiscal 2014 to fiscal 2016.

1. Medium-term management vision (fiscal 2011 - fiscal 2016)

The Miroku Jyoho Service Group bases business activities on the following management vision for the purpose of adapting to changes in market conditions and achieving sustained growth.

[Medium-term Management Vision]

The Miroku Jyoho Service Group promotes management innovation for our customers by adapting to technical innovation on the internet and evolving to deal with a changing business environment and adopting our customers' viewpoint to provide them with new value (in management systems, management know-how, and management information services) to satisfy them.

~Supporting IT transformation, and promoting growth at SMEs~

2. Positioning of the third medium-term management plan

The third medium-term management plan is based on the following vision: Miroku Jyoho Service Group's goal is to achieve constant and rapid growth in corporate value by becoming more competitive in existing business while creating innovative forms of value by targeting new business opportunities.

The Miroku Jyoho Service Group positions this plan as follows.

First medium-term management plan (fiscal 2008- fiscal 2010)

Establishing a stable earnings foundation

Second medium-term management plan (fiscal 2011- fiscal 2013)

Establishing a stable earnings foundation and a technical foundation for dealing with changes in the operating environment

Third medium-term management plan (fiscal 2014- fiscal 2016)

Challenging the creation of new value

3. Group targets of the third medium-term management plan

The targets for fiscal 2016 are an operating income margin of 15%, record-high operating income and a return on equity of 15%.

(Unit: Million yen)

	FY2013 actual	Third medium-term management plan fiscal 2016 (final year)
Net sales	22,077	26,000
Ordinary income	2,422	4,000
Net income	1,389	2,450
Ordinary income ratio	11%	15%
ROE	13%	15%

4. Basic policies on the third medium-term management plan

- (1) Enlarge the customer base by strengthening sales activities and expanding sales channels
- (2) Develop and offer new products and services to create new customers
- (3) Build a new foundation for earnings by new businesses

5. Strategies to achieve the goals of the third medium-term management plan

- (1) Enlarge the customer base by strengthening sales activities and expanding sales channels
 - a. Use a proposal-driven sales model that takes full advantage of the MJS Group's specialized skills.
 - b. Increase the sales and support workforce and allocate resources in a manner that reflects the potential of each market.
 - c. Increase indirect sales by enacting dramatic reforms in partner business operations.
 - d. Improve customer satisfaction by upgrading customer support operations and management information services.
 - e. Establish the MJS brand through aggressive advertising and marketing activities to make the MJS brand more powerful.
- (2) Develop and offer new products and services to create new customers
 - a. Develop cloud services with multi-device compatibility.
 - b. Reinforce survey and research activities for increasing the number of customers and entering new markets.
 - c. Aggressively promote joint development activities with group companies and partner companies.
 - d. Use resources to develop new products by integrating and eliminating current products and making development activities more efficient.
 - e. Create a development investment plan that matches management strategies and monitor the progress.
- (3) Build a new foundation for earnings by new businesses
 - a. Redesign the business portfolio with the goal of improving profitability.
 - b. Start offering SME business revitalization support services.
 - c. Aggressively expand activities involving Internet services.
 - d. Build a base for overseas growth that utilizes cloud technologies.