

FY2014 2nd Quarter Business Results Summary

April 1, 2014 – September 30, 2014

November 11, 2014
Miroku Jyoho Service Co., Ltd.

■ Data Presentation

Amounts shown are rounded down to the nearest million yen and percentages are rounded down to two decimal places.

■ Points to Note Concerning References to Future Forecasts

This Summary has been prepared to provide information about the Group's operations, management strategy and business results and not for the purpose of soliciting investment in any securities issued by the Group. Moreover, all references to projections, forecasts, targets, and plans etc. have been made using the latest available information and on the basis of the Group's judgment and assumptions and no guarantee is made as to their accuracy or completeness. Consequently, users should be aware of the possibility that the Group's actual performance and business development of the Group may greatly differ from the content of such references to future events.

◆ Consolidated profit and loss

- Growth in both software and service revenues resulted in year-on-year increases in consolidated sales and income
- Achieved record-high consolidated operating income for four consecutive periods (Expect to achieve record-high income for the fiscal year)
- Operating income margin 11.6% (+0.7pt YoY)

◆ Improvement in financial structure

- Shareholders' equity ratio 66.4% (+2.8pt YoY)
- Current ratio (Current assets / Current liabilities) 188.6% (+8.4pt YoY)

◆ Expansion of customer base and increase in service revenues

- Percentage of sales for new companies *1 27.7% (+2.3pt YoY)
- Growth in Software maintenance service* 2 +9.2%

◆ Management fully aware of importance of order backlog (end of March 2014)

- Order backlog of sales of system installation contracts*3 (parent basis) 4.01 months
(+0.2 months compared with the end of last fiscal year)

※1 Percentage of sales for new companies = sales to new companies/sales to companies (based on total sales for hardware, software, and useware)

※2 Software maintenance services = the total for total maintenance services for tax accountant and CPA firms (TVS, Total Value Service) and software operating support services for companies

※3 Sales of system installation contracts = Total sales of hardware, software and useware

Summary of Consolidated Profit and Loss

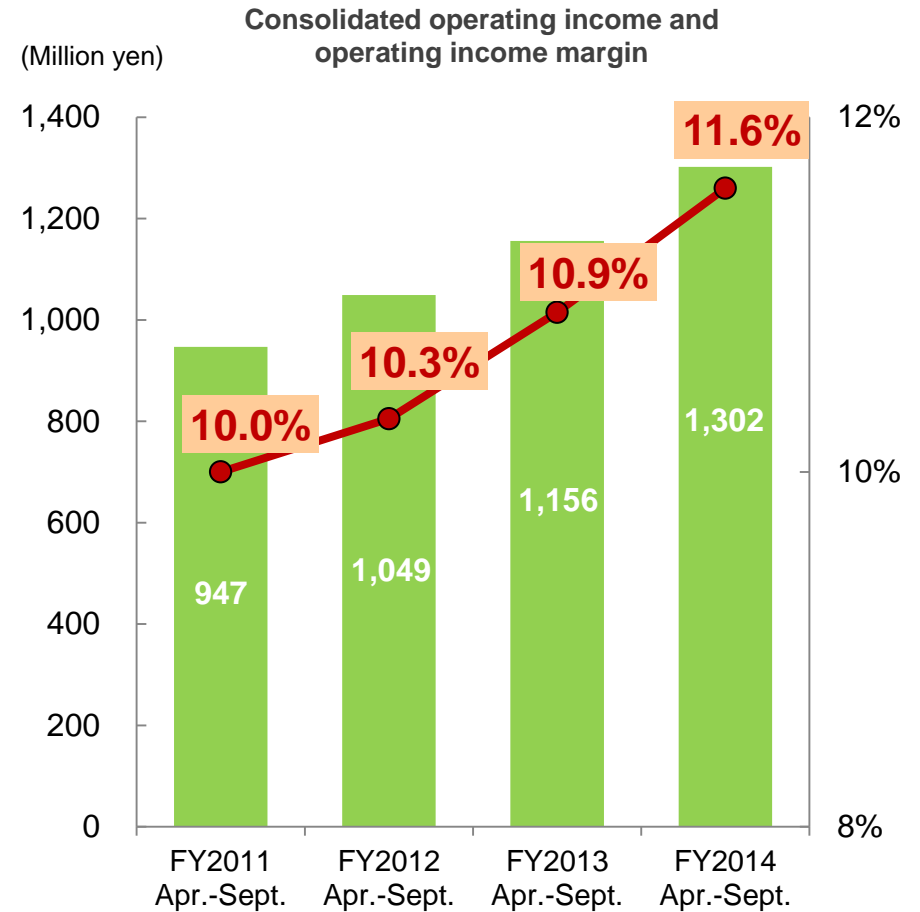
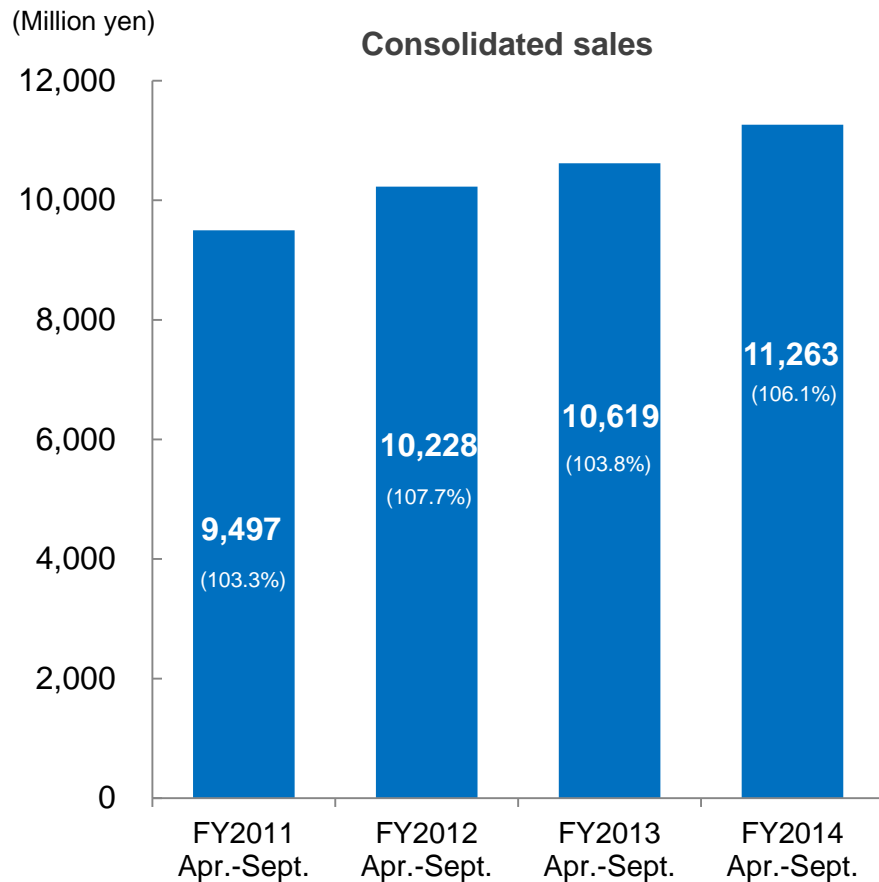


- Sales of softwares and services for small/mid-sized companies are growing, and so total sales increased by 6.1%
- Increase in expenses for advertising ,sales promotion and education and training raised SG&A expenses but achieved record-high operating income, ordinary income and net income due to increased sales

(Million yen)

Consolidated	FY2013 Apr.-Sept.	FY2014 Apr.-Sept.	YoY	vs.initial forecast	FY2014 forecast	Progress rate
	actual	actual				
Sales	10,619	11,263	106.1%	100.9%	22,590	49.9%
Gross profit	6,758	7,174	106.2%	99.0%	14,540	49.3%
Ratio of gross profit to sales	63.6%	63.7%	+0.1pt	▲1.3pt	64.4%	
SG&A expenses	5,601	5,872	104.8%	96.6%	12,020	48.9%
SG&A expense ratio	52.7%	52.1%	▲0.6pt	▲2.4pt	53.2%	
Operating income	1,156	1,302	112.6%	111.4%	2,520	51.7%
Operating income margin	10.9%	11.6%	+0.7pt	+1.1pt	11.2%	
Ordinary income	1,180	1,339	113.4%	112.5%	2,540	52.7%
Ordinary income margin	11.1%	11.9%	+0.8pt	+1.2pt	11.2%	
Net income	674	813	120.6%	116.2%	1,510	53.9%
Net income margin	6.4%	7.2%	+0.8pt	+0.9pt	6.7%	
Consolidated EPS	21.99yen	26.23yen	119.3%		49.23yen	-

- Record high revenues and earnings for four consecutive periods, with new all-time high for earnings achieved
- Operating income margin also steadily improved

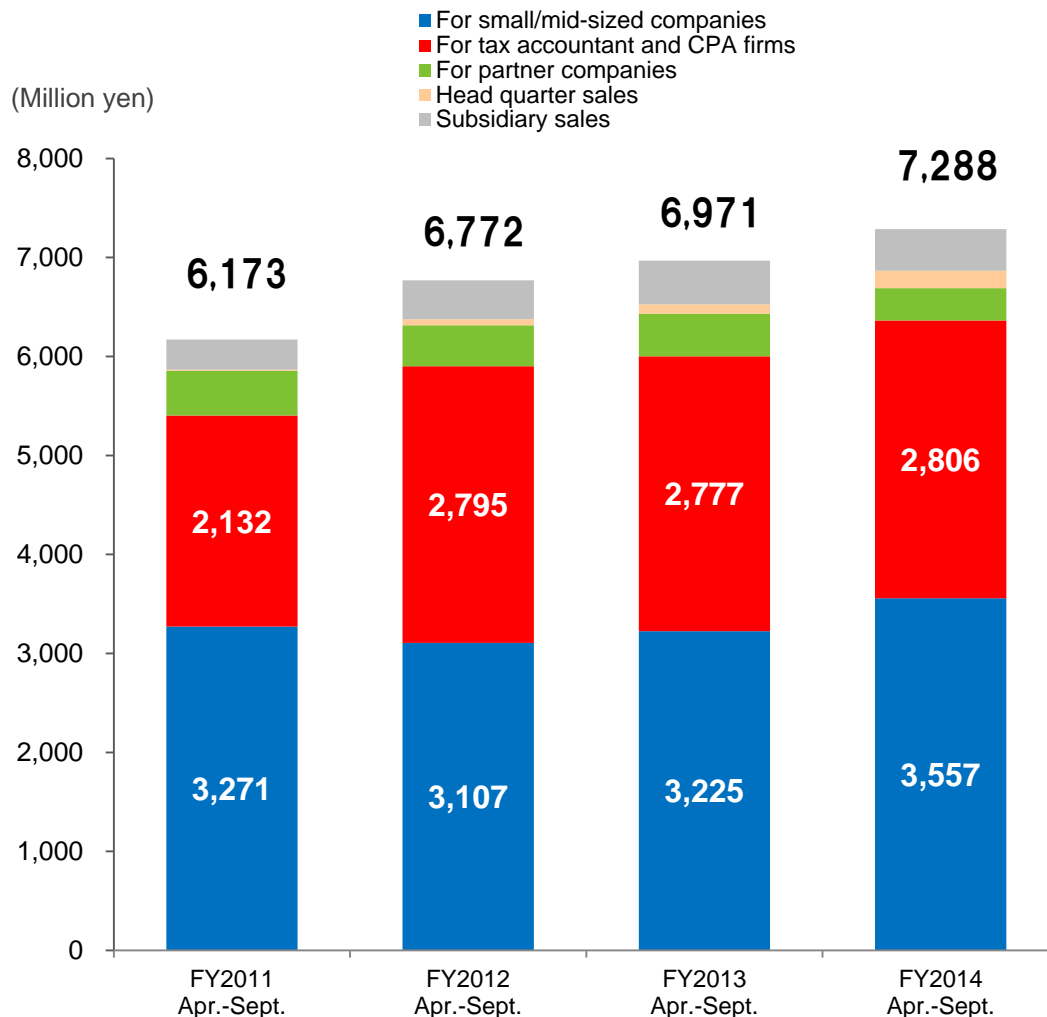


* Percentage figures in parenthesis are YoY rate

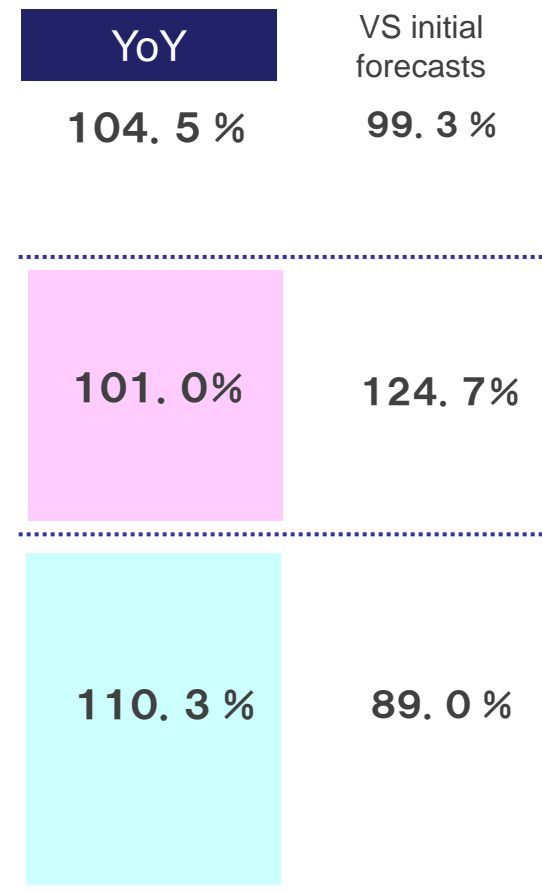
Sales by Customer Type (YoY; Compared to Plan)



- Sales for tax accountant and CPA firms were roughly flat year-on-year, with replacement demand from existing customers in a declining trend
- Sales for small/mid-sized companies expanded with particular attention being paid to development of new customers



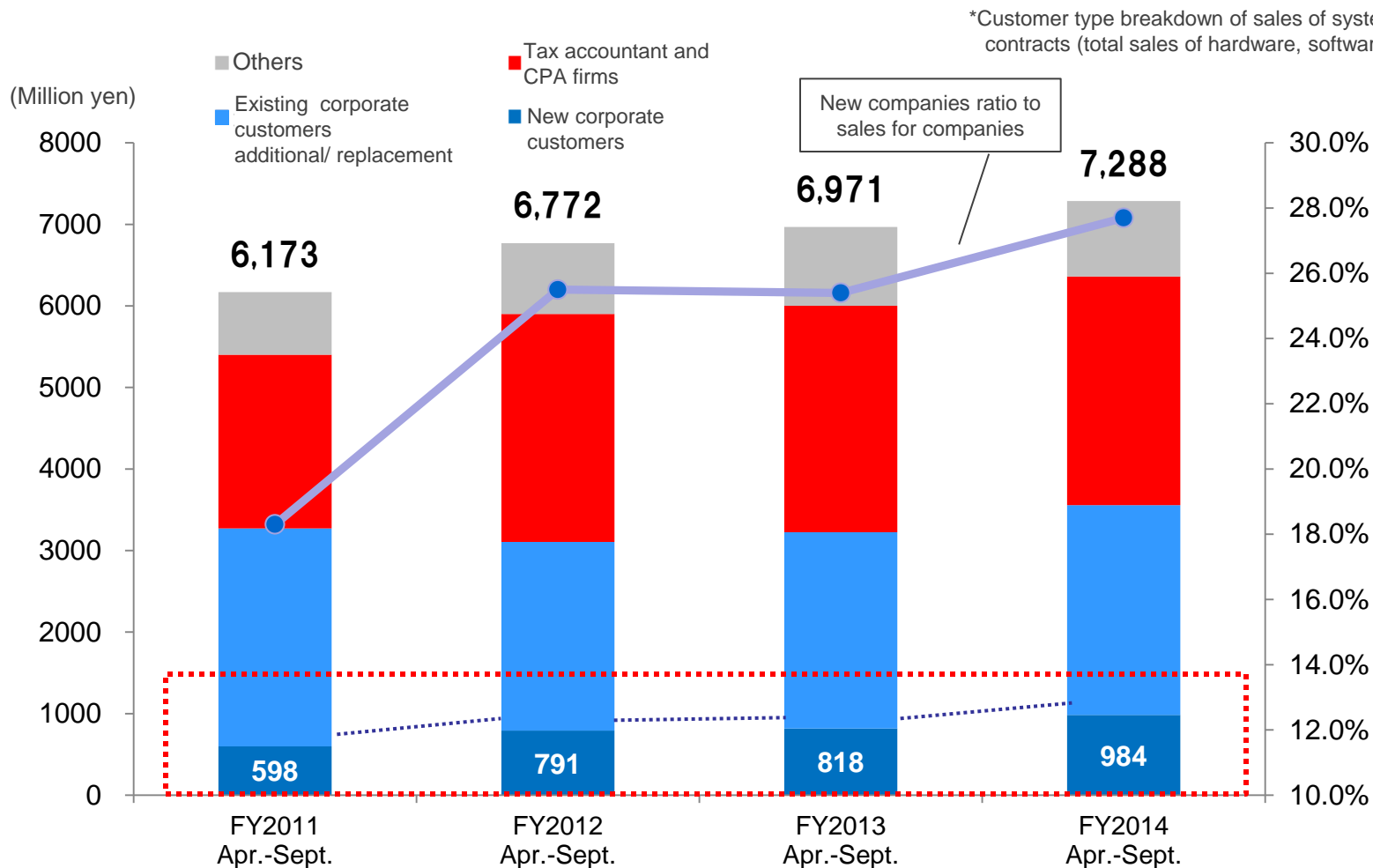
*Customer type breakdown of sales of system installation contracts (total sales of hardware, software and useware).



* Percentage figures in parenthesis are YoY rate

Sales by Customer Type(Development of New Customers)

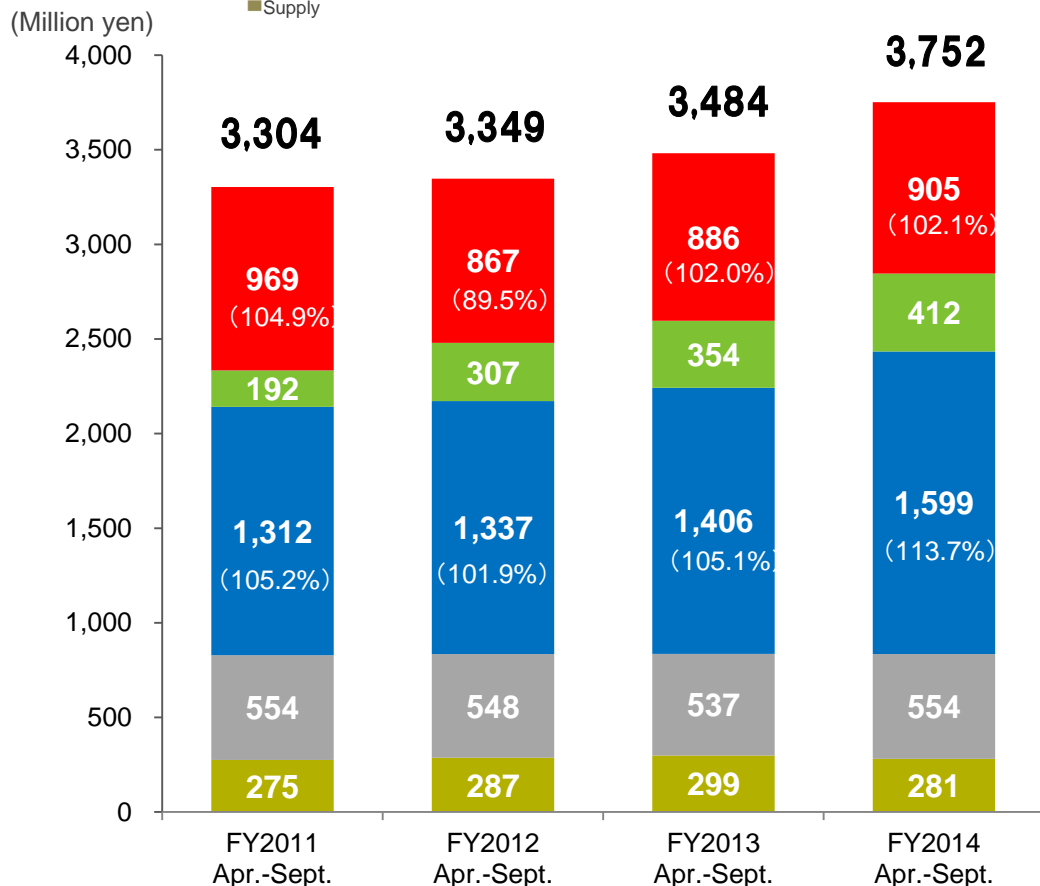
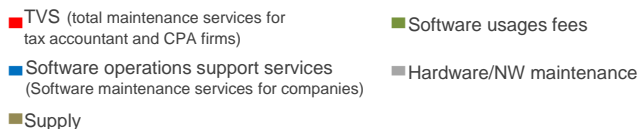
- Strategies for the development of new customers are steadily being reflected in business results
- Steady expansion in percentage of sales for new corporate customers



* New companies ratio does not include head quarter sales and subsidiary sales

Services Revenues by Category

- Revenues for software operation support services increased steadily by developing new customers etc.,
- Steady increase in simplified accounting softwares (software usage fees) for small-scale enterprises

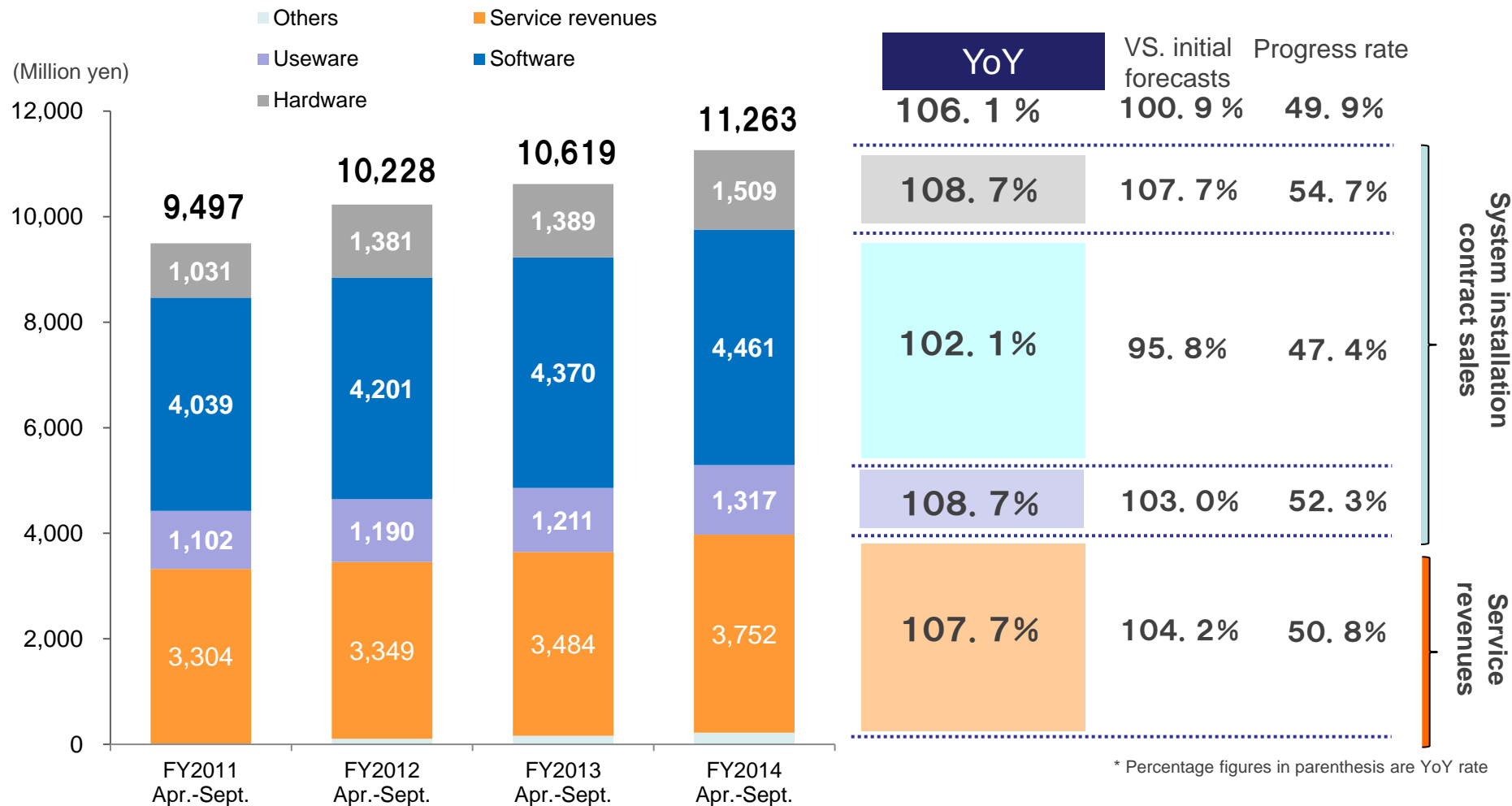


YoY	VS. initial forecasts	Progress rate
107.7%	104.2%	50.8%
102.1%	100.0%	49.9%
116.3%	116.6%	52.8%
113.7%	106.6%	52.0%
103.3%	103.1%	51.3%
93.9%	92.8%	44.4%

* Percentage figures in parenthesis are YoY rate

Sales by Product Category

- Software sales increased, and replacement sales for hardware also increased
- Software maintenance contracts increased due to the development of new customers, and services revenues also increased steadily



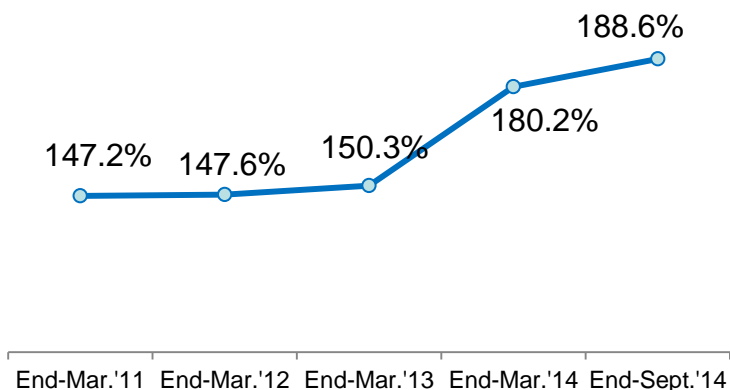
Comparative Balance Sheet (YoY)

- Big improvement in financial structure including current ratio and shareholders' equity ratio
- Stable financial structure with abundant cash and deposits of more than the total interest-bearing debt

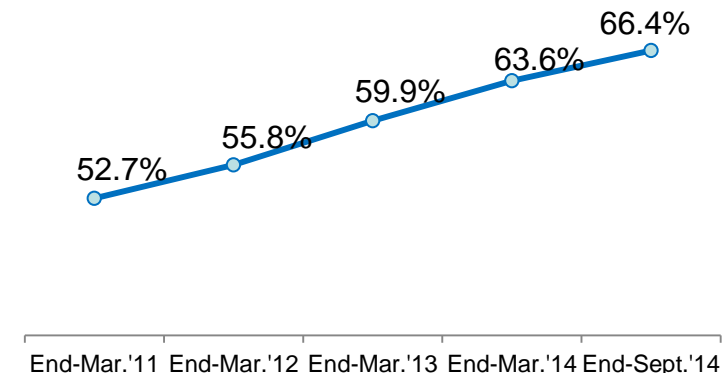
(Million yen)

Consolidated	End-Mar. 2014	End-Sept. 2014	YoY comparison	
			Increase /decrease	%
[Current assets]	9,299	9,422	123	101.3%
Cash and deposits	4,311	4,812	501	111.6%
Trade receivables, etc.	2,989	3,045	55	101.9%
Inventory	589	435	▲ 154	73.9%
Other current assets	1,408	1,128	▲ 279	80.1%
[Fixed assets]	10,085	8,922	▲ 1,162	88.5%
(Tangible fixed assets)	4,017	4,030	13	100.3%
(Intangible fixed assets)	1,516	1,353	▲ 163	89.2%
(Investments, etc.)	4,551	3,538	▲ 1,012	77.8%
[Total assets]	19,384	18,344	▲ 1,039	94.6%
[Current liabilities]	5,160	4,995	▲ 165	96.8%
Trade payables, etc.	753	630	▲ 123	83.6%
Debt (including bonds with maturities of one-year and less)	1,175	1,130	▲ 45	96.2%
Income taxes payable	727	544	▲ 183	74.7%
Other current liabilities	2,504	2,691	186	107.5%
[Fixed liabilities]	1,838	1,130	▲ 707	61.5%
[Total liabilities]	6,998	6,126	▲ 872	87.5%
[Shareholders' equity]	10,537	11,185	648	106.2%
[Total net assets]	12,385	12,218	▲ 166	98.7%
[Total liabilities and net assets]	19,384	18,344	▲ 1,039	94.6%

Current ratio = Current assets / Current liabilities



Shareholders' equity ratio = Shareholders' equity / Total assets

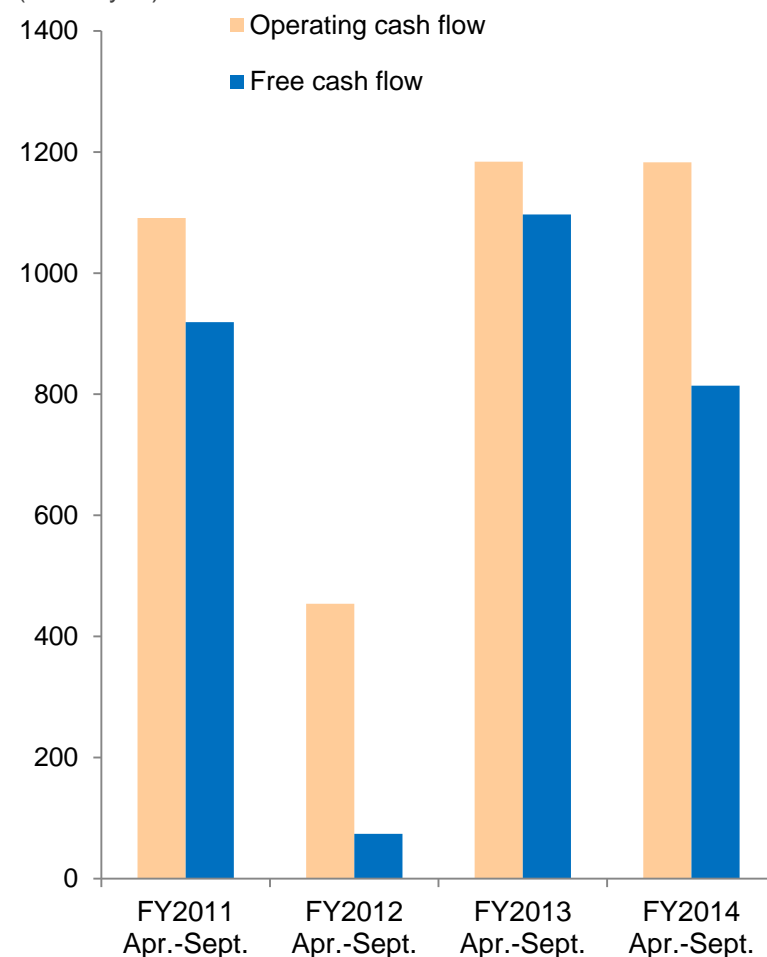


- Operating cash flows and free cash flows also increased in tandem with the strong business performance

(Million yen)

Consolidate C/F	FY2013 Apr.-Sept.	FY2014 Apr.-Sept.	Increase/ decrease
Cash flows from operating activities	1,184	1,183	0
Cash flows from investing activities	▲ 87	▲ 369	▲ 282
Free cash flows	1,097	814	▲ 282
Cash flows from financing activities	▲ 112	▲ 512	▲ 400
Cash and cash equivalents at end of year	4,041	4,884	843

(Million yen)

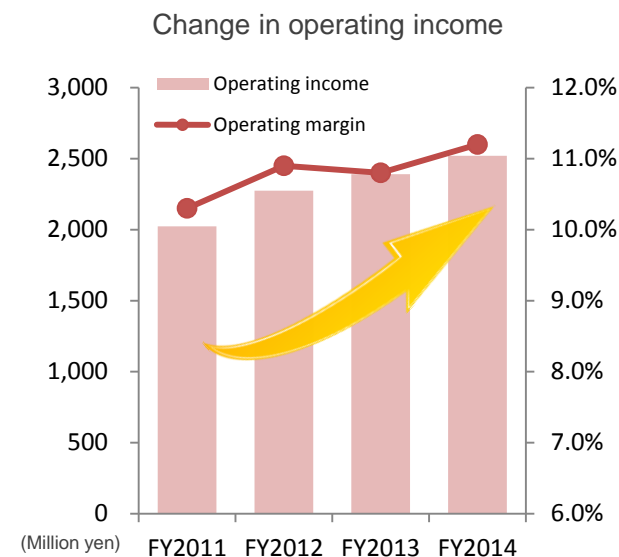
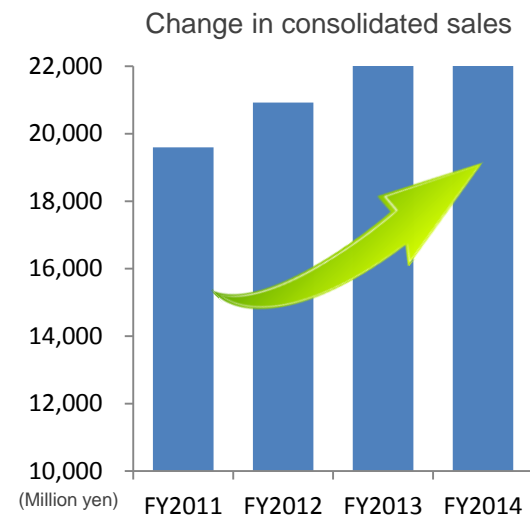


FY2014 Business Plan

FY2014 Income Statement Plan (YoY)

- Aim for increases in sales and income and record-high profits for four consecutive periods
- Higher earnings with an operating income margin of more than 11%

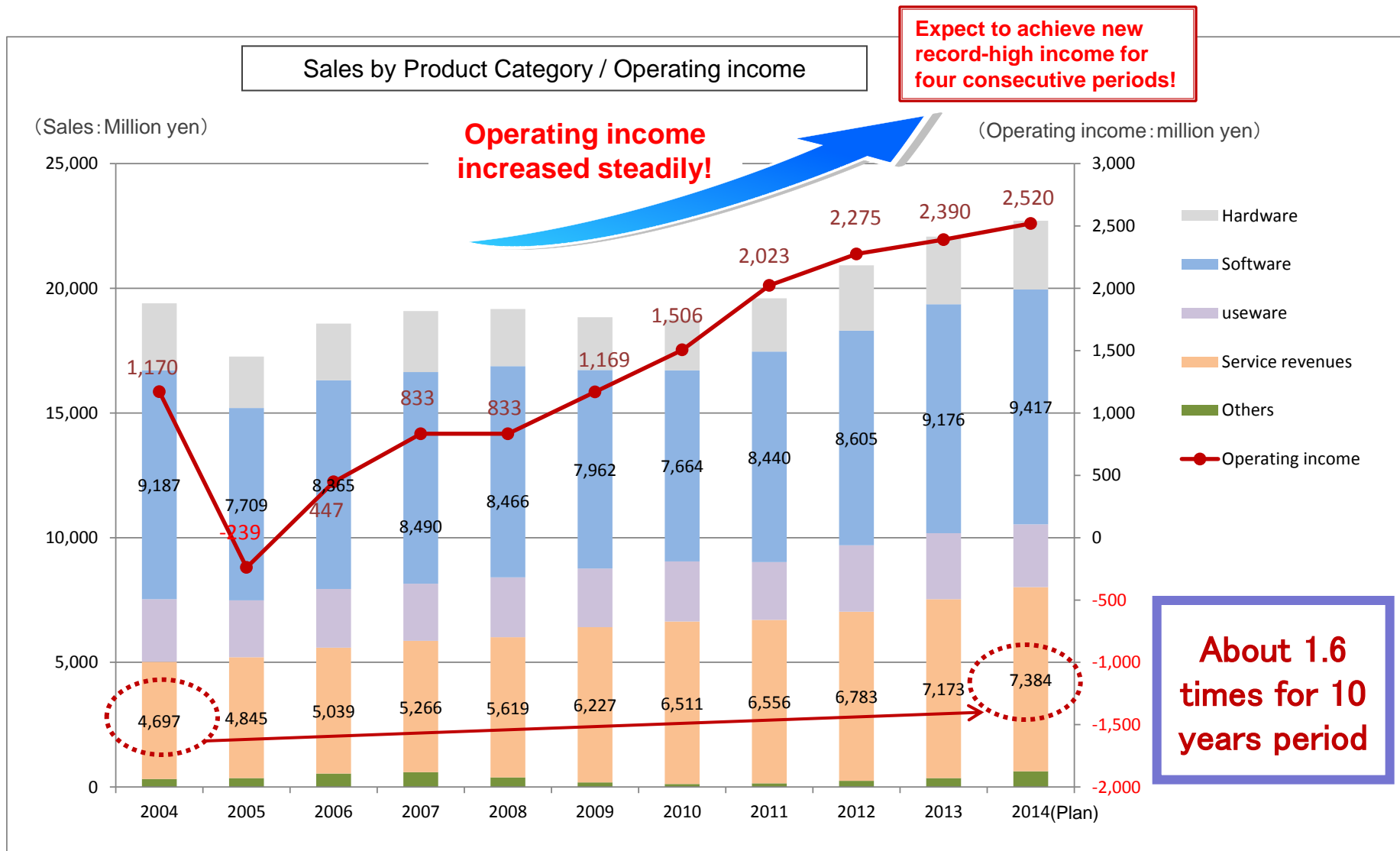
Consolidated	FY2013	FY2014	YoY	
	actual	Full-year	Increase/ decrease	%
Sales	22,077	22,590	512	102.3%
Gross profit	13,714	14,540	825	106.0%
Ratio of gross profit to sales	62.1%	64.4%	-	+2.3pt
SG&A expenses	11,324	12,020	695	106.1%
SG&A expense ratio	51.3%	53.2%	-	+1.9pt
Operating income	2,390	2,520	129	105.4%
Operating margin	10.8%	11.2%	-	+0.4pt
Ordinary income	2,422	2,540	117	104.9%
Ordinary income margin	11.0%	11.2%	-	+0.2pt
Net income	1,389	1,510	120	108.7%
Net income margin	6.3%	6.7%	-	+0.4pt
Consolidated EPS	45.29yen	49.23yen	3.94yen	108.7%
Annual dividend per share	15yen	15yen	-	-



Business Results Summary and Management Policies for FY2014

Past Consolidated Business Results

◆ Sales by Product Category / Operating income (Consolidated)



Progress for the 3rd Medium-Term Management Plan

3rd Medium-Term Management Plan Vision

—Challenging the creation of new value—

MJS Group's goal is to achieve constant and rapid growth in corporate value by becoming more competitive in current business sectors while creating innovative forms of value by targeting new business opportunities.

Basic Policies

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

Build a new foundation for earnings by new businesses

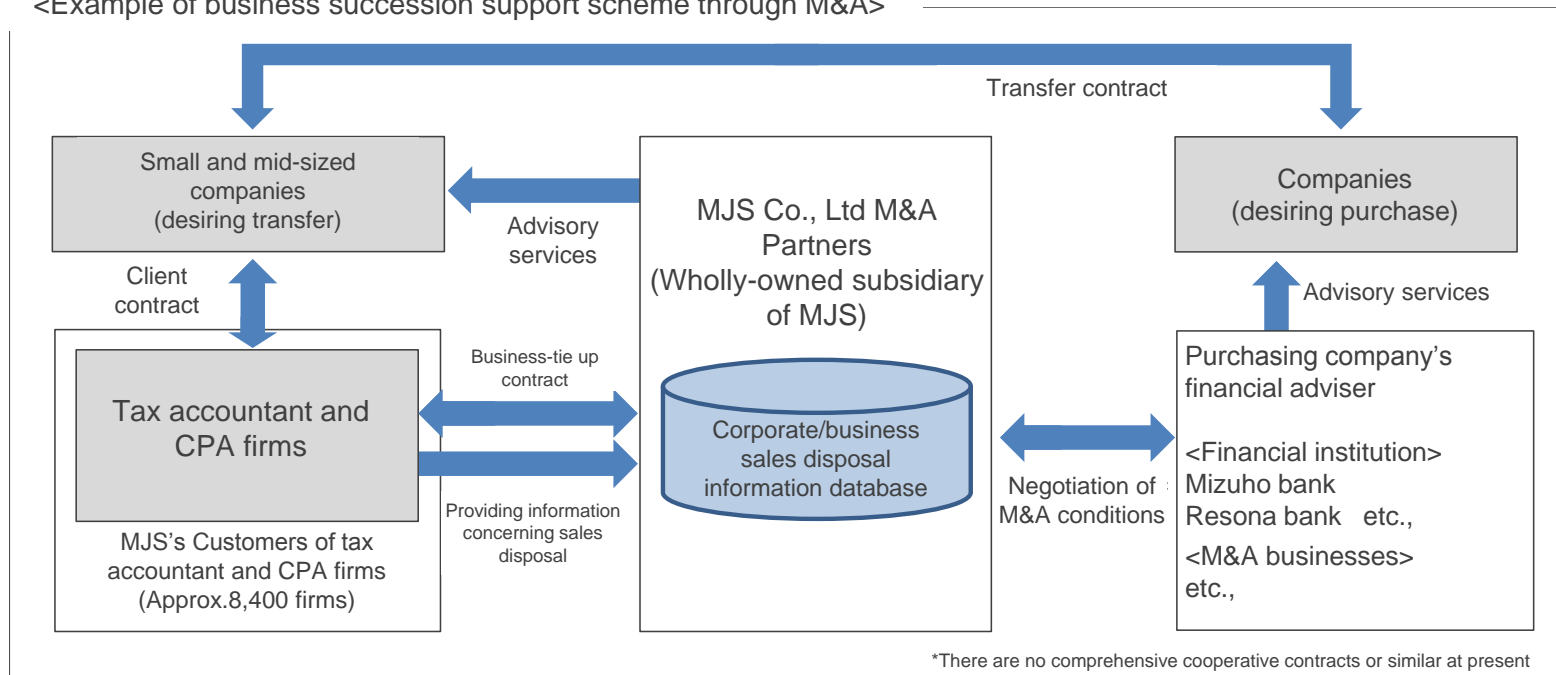
Going into new businesses that support business succession and revitalisation of small/mid-sized companies

- * Establishing 'MJS M&A Partners' wholly-owned subsidiary
- * Utilizing the expertise of business succession support for tax accountant and CPA firms
- * Advisory services from the point of small/mid-sized companies

【List of directors for 'MJS M&A Partners'】

Toshimitsu Yui
(Managing Director of MJS), President and CEO
Kenji Kasai
(Managing Executive Officer of MJS), Director
Masanori Suzuki
(Adviser of MJS and Former Administrator of Small and Medium Enterprise Agency), Outside Director
Hirofumi Gomi
(Auditor of MJS and Former Administrator of Financial Services Agency), Auditor

<Example of business succession support scheme through M&A>



Build a new foundation for earnings by new businesses

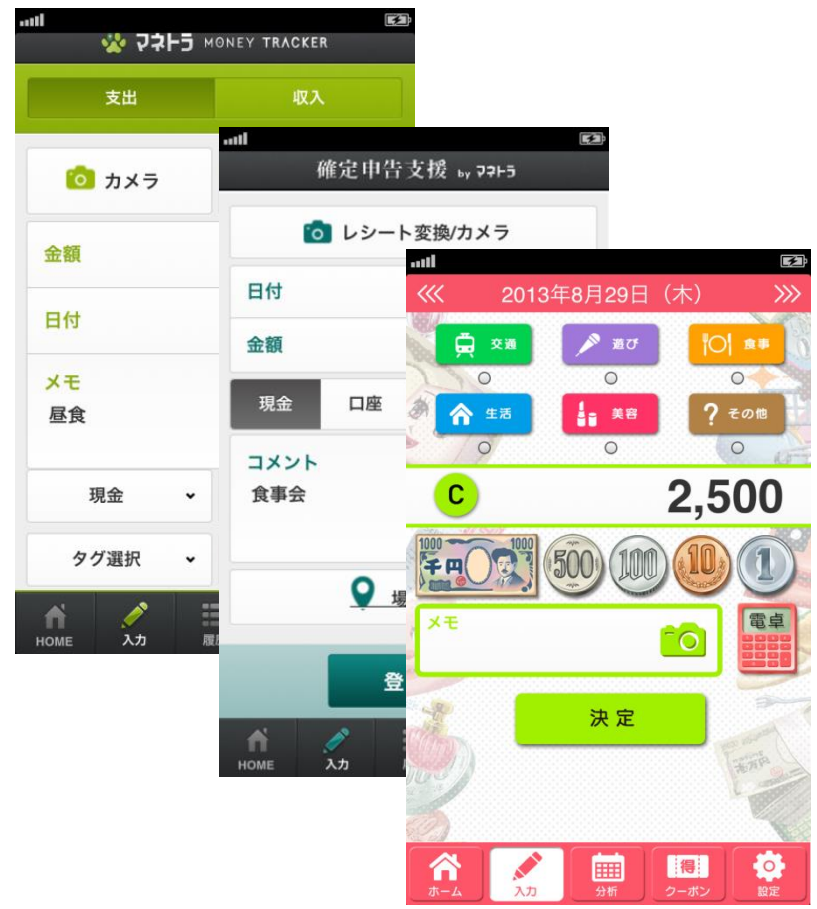
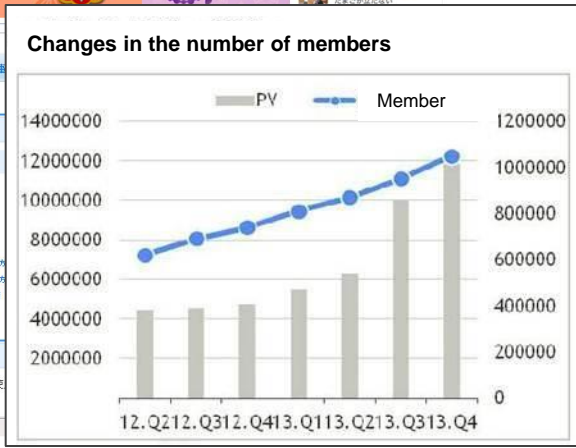
Aggressively expand Internet services

- Fee-paying services for 1.3 million membership of 'bizocean'
- Function enhancement and overseas development of 'Money Tracker' money management application



会員数 1,295,664人
 昨日の登録数 1,921人

年賀状特集2015
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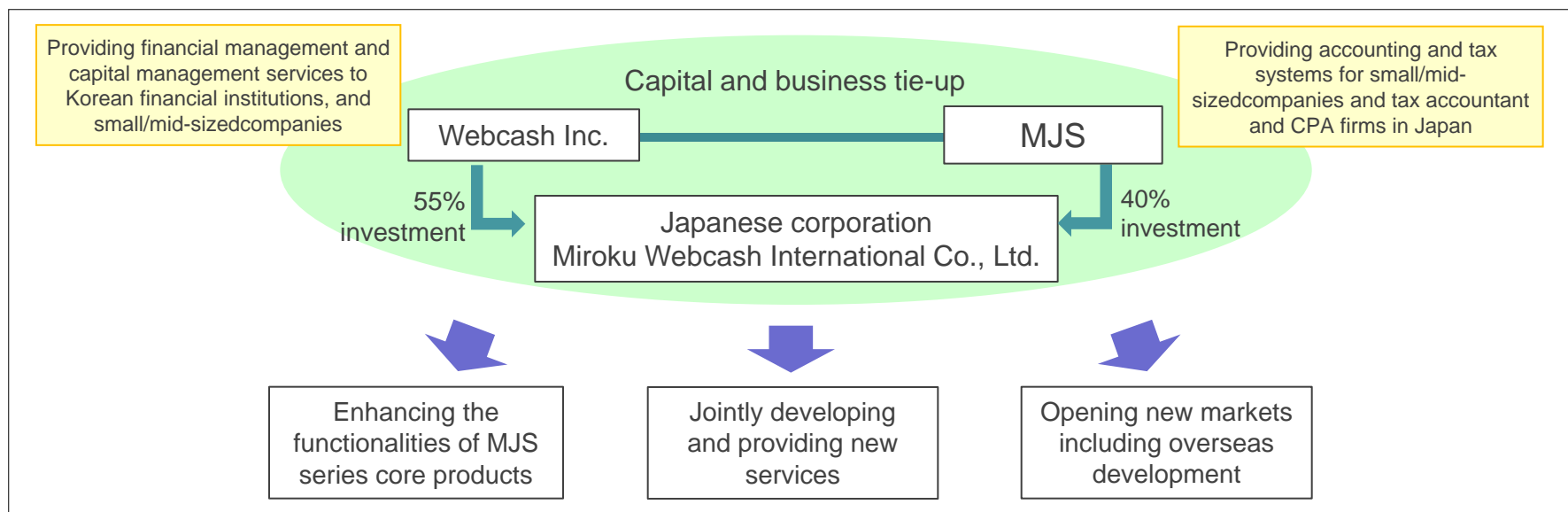


Develop and offer new products and services to create new customers

Capital and business tie-up with Korean company 'Webcash Inc.'

- Capital and business tie-up with top-class Korean IT company in e-finance technology
- Investment of approximately ¥250 million to acquire 5% of shares outstanding.
- Establishment of 'Miroku Webcash International Co., Ltd.'

Starting from tie-ups with a variety of business software and financial management and capital management services, plan to pioneer new markets with joint development of new cloud services



3rd Medium-Term Management Plan Managements Targets



(Unit: Million yen)

	FY2013 actual	[3 rd Medium-Term Management Plan] FY2016 targets	Increase/decrease	Annual growth rate
Sales	22,077	26,000	+3,923	5.6%
Ordinary income	2,422	4,000	+1,578	18.2%
Net income	1,389	2,450	+1,061	20.8%
Ratio of ordinary income to sales	11%	15%	—	—
ROE	13%	15%	—	—

Providing a stable, long-term return to our shareholders

Achieving growth in our corporate value by reinforcing our financial structure

- 2014**
- Apr.**
 - Using Rei Kikukawa as new 'image character'
 - Exhibiting at the '5th Cloud Consulting EXPO (Spring)' specialist trade fair for cloud computing-related products and services

 - May**
 - 'Seminar and Fair - Thoroughly Increasing the Efficiency Of Accounting Procedures'
 - Developing and providing 'Accounting and Tax Cloud-format Applications Software' that can be used by 850,000 members of commercial and industrial associations nationwide

 - Jun.**
 - Developing and providing a 'five year free of charge guaranteed program' of free of charge support for the consumption tax revision and 'Miroku Simple! Estimation, Delivery, and Invoicing'
 - Developing cloud-format accounting applications specifically tailored to consumer-to-consumer transactions (C2C) in cooperation with Japan Net Bank
 - Participation in 'Cloud Days Kyushu 2014', a specialist exposition for products and services related to cloud computing
 - Participation in 'Cloud Days Nagoya 2014', a specialist exposition for products and services related to cloud computing
 - Exhibiting at 'Human Capital EXPO 2014 Tokyo', a specialist event for corporate human relations and organisational strategy

 - Jul.**
 - Holding 'Seminars on Cost Pricing for Construction and Public Works Projects' from July 30 in 14 major cities nationwide
 - Initiating the provision, free of charge, of the beta version of the 'Freebiz by Monetra' cloud-format accounting application specifically tailored to consumer-to-consumer transactions (C2C)

 - Aug.**
 - Initiating the provision of 'Akinai Tetsujin EX', a cloud-based sales management system assigned to Miroku Jyoho Service by the Softtex Co. Ltd.
 - Holding 'Seminars on Practical Procedures for Medical Company Accounting' from August 27 in 13 major cities nationwide
 - Miroku Jyoho Service in capital and business tie-up with Korean company Webcash Inc.~ Heading towards construction of new cloud services base

 - Sept.**
 - Business succession to small/mid-sized companies, establishment of subsidiary providing revitalisation support services ~ Getting the cooperation of tax accountant and CPA firms in the development of new business ~

As of September 30, 2014

Company name MIROKU JYOHO SERVICE CO., LTD. (Tokyo Stock Exchange 1st Section, Code: 9928, Sector: Information/Telecommunications)

Chairman and Representative Director Nobuhiko Koreeda, CEO/Chairman of the Board

President and Representative Director Hiroki Koreeda, COO/President

Established November 1977

Capital 3,198 million yen

Main business Miroku Jyoho Service is involved in operations related to the provision of administration package software and computer hardware, supplies, maintenance services and information services to general companies including accounting offices and their consulting companies.

Offices Tokyo Head Office and 31 offices nationwide

Main Group Companies: NTC Ltd.
MSI Ltd.
Lead Corporation
MJS M&A Partners Co.,Ltd.

Main Shareholders NK Holdings (33.5%)
Miroku Jyoho Service(8.7%)
NORTHERN TRUST CO. (3.2%)
Nobuhiko Koreeda (3.0%)
NTTPC Communications (3.0%)

Number of shares outstanding 34,806,286

Number of shareholders at the end of the term 3,881

Foreign shareholder ratio 10.86%

Employees (consolidated) 1,209

Company Results Summary

November 2014

Investors Relations Contact

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