

*February 18, 2016*

**Notice Concerning Establishment of Subsidiary by Corporate Spin-off  
(Simple Incorporation-Type Separations)**

Miroku Jyoho Service Co., Ltd., (MJS) at the board of directors meeting held on February 18, 2016, resolved to spin off its business information/data site 'bizocean' operation by means of a company split (hereafter 'the company split') to accede to the newly established bizocean Co., Ltd. Details are as follows. The spinoff, to be conducted by MJS as an entirely independent action, will be achieved through a simple incorporation-type separation, and therefore certain details have been omitted from this disclosure.

**1. Objectives of the Corporate Spinoff**

Miroku Jyoho Service Co., Ltd., is positioning its business information/data site 'bizocean' operation as one part of its future growth platform for its internet business. By using the company split as a means to make this operation a wholly-owned subsidiary of the Group, Miroku Jyoho Service Co., Ltd., aims to assure the establishment of a flexible business structure that will clarify management responsibilities, exonerates the management decision-making process and maximize investment efficiency. Moreover, it is striving to boost the competitive strengths of the 'bizocean' operation by promoting the process of reinforcing its personnel with staff that possess varied specialist skills and technological capabilities. Consequently, the Group is also aiming to realize and enhancement of its corporate value by achieving rapid growth in this operation with a view to a future stock market listing for the business.

**2. Outline of the Corporate Spinoff**

**(1) Schedule**

Resolution by Board of Directors approving the Spinoff: February 18, 2016  
Scheduled date of the corporate spinoff (effective date): April 1, 2016

(Note) As the corporate spinoff satisfies the conditions of Article 805 of the Companies Act, this will be executed without the approval of a General Meeting of the Shareholders.

**(2) Method**

The company shall be subject to a company split by means of the incorporation-type company split method whereby the new company shall be the successor company.

**(3) Allotment of Shares**

The company newly established with the spinoff will issue 9,000 shares of common stock, all of which shall be allotted to MJS.

**(4) Transactions Relating to the New Share Warrants and to the Bonds with New Share Warrants Attached Relating to the Corporate Split**

The company shall issue new share warrants but there shall be no change to the treatment of bonds with new share warrants attached relating to the company split.

**(5) Decrease in Capital Resulting from the Spinoff**

There will be no decrease in capital resulting from the spinoff.

**(6) The Rights and Obligations Transferred to the Newly Established Company**

On the date of entry into force of the incorporation-type company split, the assets, liabilities, contractual status and other rights and obligations belonging to MJS that is the subject of the corporate split shall accede to the new company. Moreover, in regard to the liabilities acceding to the newly established company from MJS, the company shall take responsibility for these by means of a cumulative taking of obligation.

#### (7) Ability to Fulfill Obligations

From the effective date of the incorporation-type corporate split, both MJS and the newly established company believes that no problems will arise regarding the certainty of the discharge of financial obligations.

### 3. Overview of the Corporate Spinoff

(1) Company name	Miroku Jyoho Service Co., Ltd.
(2) Business activities	<ul style="list-style-type: none"><li>· Development and sales of business application software for the tax accountant, CPA firm and its client companies</li><li>· Sales of general-purpose server and computers, sales of supplies and provision of maintenance services for its products</li><li>· Provision of management information services, development and training services and consulting services</li></ul>
(3) Established	November 2, 1977
(4) Head office	4-29-1 Yotsuya, Shinjuku-ku, Tokyo
(5) Representative	Hiroki Koreeda, President and CEO
(6) Paid-in capital	3,198 million yen
(7) Outstanding shares	34,806,286 shares
(8) Net assets	13,019 million yen
(9) Total assets	18,699 million yen
(10) Fiscal year end	March 31
(11) Number of employees	1,067
(12) Major shareholders and ownership ratio	NK Holdings 31.15% NORTHERN TRUST CO. 4.20% Nobuhiko Koreeda 2.97% NTTPC Communications 2.96% Japan Trustee Services Bank, Ltd. (Trust account) 2.23% *Other than the above, the company holds 8.84% of its shares.
(13) Major customers	Accountant firms and small/mid-sized companies in throughout Japan
(14) Bank account	Mizuho Bank, Ltd., others

### 4. Transferor Company Consolidated Financial Results for the Latest Three Fiscal Years

Fiscal year	FY3/13	FY3/14	FY3/15
Net sales	20,922	22,077	22,383
Operating income	2,275	2,390	2,524
Ordinary income	2,285	2,422	2,587
Net income	1,187	1,389	1,757
Earnings per share (yen)	38.73	45.29	55.76
Dividend per share (yen)	12	15	15
Net assets per share (yen)	310.05	402.29	411.46

### 5. Overview of Business Division to be Spun Off

#### (1) Business Description of the Division to be Spun Off

Operation of the web site "bizocean", Sales of Internet advertising, etc.

#### (2) Financial Results of Division to be Spun Off (FY3/15)

Net sales: 419 million yen

(3) Assets, Liabilities and Book Value of Division to be Spun Off

Assets		Liabilities	
Category	Book Value (million yen)	Category	Book Value (million yen)
Current Assets	135	Current Liabilities	26
Non-current Assets	21	Non-current Liabilities	-
Total	156	Total	26

(Note) The above amounts are estimated based on the figures as of December 31, 2015.

6. Description of new subsidiary

(1) Company name	bizocean Co., Ltd.
(2) Business activities	<ul style="list-style-type: none"><li>· Planning, production and management of Internet media</li><li>· Various information providing services using the Internet media</li><li>· Planning, production, operation, sales and management of digital contents</li><li>· Planning, production and sales of advertising, publicity and various sales promotion, advertising agency business</li><li>· Electronic Commerce</li></ul>
(3) Head office	Undecided
(4) Representative	Koichi Hori, President
(5) Capital	45 million yen
(6) Fiscal year end	March 31

7. Profile of MJS after the Spinoff

There will be no changes to the company's name, location, representative and capital with this spinoff.

8. Future outlook

Because the newly established company will be a wholly owned subsidiary, the impact on consolidated financial results is expected to be minor.