Medium-term Management Plan
(FY3/14 ~ FY3/16)

Ad-Sol Nissin Corporation

Tomizo Ueda,
President and CEO

JASDAQ
Listed Company 3837

April 18, 2013
Contents

1. The Company’s Strengths
2. Business Environment
3. Medium-term Management Plan
4. Shareholder Return
The company’s Strengths
The Company’s Strengths

Make use of the Company’s strengths to expand business domains and develop
Construct a “social infrastructure” system related to multiple domains

Established as an ICT company strong in communication, control and finance
Increased business with leading domestic makers taking advantage of its independence
Expanded to business, embedded and ubiquitous fields
Listed in 2007

Social infrastructure

Respond to domains extending from electricity to gas, water, aviation, railway, highway, communication network, disaster prevention, medical care, health care, finance and business and ubiquitous

Established In 1976

Characteristics of the company

Blue chip customer
Independent unique business development
Skilled human resources
Core technology and experience

◆ Has characteristic technologies for each business
◆ Accumulated achievement and trust
◆ Provided using one-stop solution
◆ 82 employees with PMP qualification

Basis for business growth

Development of information systems for companies and for public use and provision, commercialization and sales of solutions

Ad-Sol Nissin Corporation
Business Environment
New ICT Demand ①

“Demand for upgrading” of aging social infrastructure will increase
“New demand” for “energy revolution” which moves at a rapid pace
⇒ Important in dealing with both the facilities and operations!

- **Demand for upgrading** that increases Japan’s social infrastructure

Source: Ministry of Land, Infrastructure, Transport and Tourism data
8 fields under the control of Ministry of Land, Infrastructure, Transport and Tourism (Highway, harbor, airport, sewage, public rent housing, coast, city parks)

- **New demands** including electric utility deregulation (separation of power generation/transmission)/renewable energy

1. xEMS (Energy Management System) is an energy management system mainly for electricity and gas using IT.
2. HEMS (Home Energy Management System) is a home energy management system.
3. BEMS (Building Energy Management System) is a building energy management system.

Smart grid
HEMS, BEMS
Fuel cell vehicle (FCV)
New ICT Demand ②

Needs for “big data” and “cloud computing”

● Want to provide “product and services” to meet the need of people in a timely manner
● Want to reduce “initial investment and running costs”

Ad-sol Nissin’s technology and expertise become useful

Images of big data and cloud computing

- Mobile computing
- Data processing/collaboration
- Cloud computing
- Data service

Data collection

- Internet, others
- Sensor network

Data analysis

- Search engine
- Intercommunication
- Various communication technologies

Big data

- Information users
- Companies
- Municipalities
- Public offices
- People

- Information provision/data services
- Big data
- Server collaboration, monitoring

Intercommunication

- Various terminal development
- Mobile computing
- Data analysis

Information flow

- Enormous and a variety of devices regardless of location and type
- Production Logistics
- Sales
- Consumption
- Service
- Use
- People

Ad-Sol Nissin Corporation
New ICT Demand ③

Needs for “medical and health care fields”

- Want to use expensive medical devices and testing equipment efficiently
- Want to reduce burdens of people in charge and staff
- Want to forestall accidents by sealing off access

Solve problems by combining core technologies

ZigBee wireless compact tag  People/item detection system
Detect locations of residents, staff and devices using wireless compact tag

【Medical field】

Monitors and manages location of tag detection and sensor output, etc.

Hand the tag at the sign-in desk
Collect the tag when paying

The alarm rings when you go out the door with a tag

【Health care field】
Matching the Needs and the Company’s Seeds

The ICT technology of “Ad-sol Nissin” which contributes to social system

Realize safety, security and comfort

New ICT demand
- Smart grid, smart house
- Big data
- Cloud
- Aging society (medical, health care)

Matching the Needs and the Company's Seeds

The ICT technology of “Ad-sol Nissin” which contributes to social system

Realize safety, security and comfort

New ICT demand
- Smart grid, smart house
- Big data
- Cloud
- Aging society (medical, health care)
Medium-term Management Plan

Aiming to be a gleaming company

One Stop Solution
Growth Vision towards the 40th Anniversary of Establishment

Vision

Aiming to be a gleaming company
~ICT company of social infrastructure = Ad-sol Nissin~

Realization of vision

To the new stage

Establishment of Ad-sol Nissin brand

FY3/17 ~

target (40th anniversary)

Net sales ¥10 billion
Operating income ¥500 million

~FY3/13

Actual

Net sales ¥8 billion
Operating income ¥200 million

Previous step

Infrastructure development through implementation of change
~Strengthening of management base and establishment of system~

FY3/16

FY3/15

FY3/14

Midterm strategic target

Aiming to be a gleaming company

Infrastructure development through implementation of change
~Strengthening of management base and establishment of system~

Ad-Sol Nissin Corporation

Ad-Sol Nissin Corporation

Aiming to be a gleaming company

~ICT company of social infrastructure = Ad-sol Nissin~

FY3/17 ~
Make a leap through the “social infrastructure business”

Maximize strength to realize the “vision” and “philosophy”

Corporate philosophy = Contribute to the development of a prosperous society by creating and providing highly-value added services

Social system

◆ Initiatives for a new social infrastructure (safe, secure, comfortable)

Establishment of 3 brands

Global

◆ Global development (offshore development, local market development)

Smart solution

◆ Full-scale solution marketing
Dispersed Development (Offshore, Near-shore)

Realize high quality and low cost through “visualization”

Provision of project management consulting

- **AdsoDP**: Multifunction dispersed development platform
  - Operational management (QA, task, bug, etc.)
  - Configuration management: Web meeting, quality control

- **AdsoDR**: Information asset tool
  - Lots of documents
  - Fast search
  - Thumbnail
  - Similarity searching

- **CPMP**: Project management (EVM)
  - Schedule management
  - Resource management
  - Scope management
  - Cost management

**Provide as Saas!**

- **AdsoDP**
- **AdsoDR**
- **CPMP**

■ Provision of project management consulting
  - Dalian: Weavesoft Ltd.
  - Tokyo: ChinaSoft-Tokyo Corporation
  - Beijing: China National Software and Service Co., Ltd.
  - Fukuoka: Human Techno System Co., Ltd.

■ Business tie-up/capital participation

■ Respond to domestic recurrence needs

■ Reduce risk with China + 1

Hokkaido Yohoku
Sendai development center
Tokyo office
Kansai branch
Kyushu branch
Dalian: Weavesoft Ltd.
Da-nang: Partner companies
Vietnam: Partner companies
Dalian: Weavesoft Ltd.
Ho Chi minh
Fukuoka: Human Techno System Co., Ltd.

Ad-Sol Nissin Corporation
Basic Policy

◆ Use comprehensive strength in the social system business to establish “Ad-sol Nissin” brand
  ● Business integration and restructuring
    • Establishment of business promotion system that demonstrates appeal, response capabilities and comprehensive strength

◆ Take on the challenge of creating a new value through integration and collaboration to provide a “One Stop Solution”
  ● Integration of accumulated technologies, expertise and solution
    • Take on the challenge of creating a new value
    • New customers, expansion of domain
  ● Exercise of a company-wide response capabilities and comprehensive strength
    • Respond to customers’ ICT needs using “one stop solution”
    • Strengthen relationships through horizontal development among customers and expansion of market share
  ● Actively promote joint research and development, cooperation in marketing and business and capital tie-ups
    • Increase offshore and near-shore development outsourcing
    • Demonstrate drawing power that satisfies customer needs

◆ Demonstrate competitive superiority to raise earning power and response capabilities
  ● Human resources: Development of diverse professionals
  ● Technology: Strengthening and differentiation of core competence
  ● Quality: Determine risks at an early stage and strengthen response capabilities
  ● Management: Strengthening of project management against highly difficult, large-scale, global dispersed development
  ● Work restructuring: Improvement of work process and promotion of IT
Management Target

Realize 10 billion yen in net sales and 500 million yen in operating income in FY3/16
Aim for an operating margin of 5% and ROE of over 10%

(Amount: million yen, composition ratio: %)

【Income statement】

<table>
<thead>
<tr>
<th></th>
<th>FY3/13</th>
<th></th>
<th>FY3/16</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Pct. of sales (%)</td>
<td>Amount</td>
<td>Pct. of sales (%)</td>
</tr>
<tr>
<td>Net sales</td>
<td>8,084</td>
<td>100.0</td>
<td>10,000</td>
<td>100.0</td>
</tr>
<tr>
<td>Gross profit</td>
<td>1,417</td>
<td>17.5</td>
<td>1,850</td>
<td>18.5</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>1,204</td>
<td>14.9</td>
<td>1,350</td>
<td>13.5</td>
</tr>
<tr>
<td>Operating income</td>
<td>212</td>
<td>2.6</td>
<td>500</td>
<td>5.0</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>207</td>
<td>2.6</td>
<td>495</td>
<td>5.0</td>
</tr>
<tr>
<td>Net income</td>
<td>114</td>
<td>1.4</td>
<td>297</td>
<td>3.0</td>
</tr>
</tbody>
</table>

●Reduce outsourcing costs due to offshore and near-shore

●Reduce the amount of increase in SG&A expenses by promoting efficiency

【Sales target by business segment】

<table>
<thead>
<tr>
<th></th>
<th>FY3/13</th>
<th>FY3/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social system</td>
<td>4,743</td>
<td>6,080</td>
</tr>
<tr>
<td>Business</td>
<td>2,549</td>
<td>3,100</td>
</tr>
<tr>
<td>Communication</td>
<td>572</td>
<td>580</td>
</tr>
<tr>
<td>Control</td>
<td>1,621</td>
<td>2,400</td>
</tr>
<tr>
<td>Ubiquitous</td>
<td>1,565</td>
<td>1,920</td>
</tr>
<tr>
<td>Embedded</td>
<td>1,179</td>
<td>1,470</td>
</tr>
<tr>
<td>Ubiquitous</td>
<td>386</td>
<td>450</td>
</tr>
<tr>
<td>Financial system</td>
<td>1,775</td>
<td>2,000</td>
</tr>
<tr>
<td>Total</td>
<td>8,084</td>
<td>10,000</td>
</tr>
</tbody>
</table>
Strategies by Business

Demonstrate competitive superiority to take on the challenge of creating a new value through integration and collaboration

- Try creating a new value
- Social system business
- Integration and collaboration
- Ubiquitous business
- Financial system business

Social system business

- Expand business by strengthening response of social infrastructure companies’ mission-critical systems
- Strengthen “next-generation communication” technology to respond to new development demand
- Make use of strengths in “lifeline social infrastructure system” to expand business domains

Ubiquitous business

- Expand business domains based on OS (Kernel) technology
- Shift to a new business model by combining “strategic core technology” and “integration”

Financial system business

- Respond to the new trend of financial system to develop the next growth domain

※Kernel installs basic functions with OS as the core and monitors, controls and processes application and hardware (memory, CPU, peripherals). Kernel development is a program development which requires top performance.
Shareholder Return

Create opportunities for each person to shine
Dividend Policy

Dividend increase based on improvement in performance

- Dividend payout ratio: Aim for more than 30%
- Planned dividend: Twice a year (year-end, interim)

※(EPS: yen)  (Dividend: yen)
Change in Stock Price

Stable stock price in accordance with improvement in performance from FY3/11 onwards
These materials have been prepared only for the purpose of providing information to shareholders and are not to solicit buying and selling.

Forward-looking statements in these materials are based on targets and predictions and are not to provide assurance or guarantee. Moreover, please be aware that the company’s future performance may differ from its current forecasts.

Furthermore, descriptions of performance, etc. are based on various data deemed reliable but the company does not guarantee the accuracy or safety.

In any event, these materials are provided based on the assumption that the materials will be used at shareholders’ own discretion and responsibilities. The company assumes no responsibility whatsoever.

The names of companies and product names in these materials are each company’s trademarks or trademark rights.

Contact

Ad-Sol Nissin Corporation
URL http://www.adniss.jp/

【Head office】 10F Rivarge Shinagawa 4-1-8 Konan Minato-ku, Tokyo 108-0075
TEL 03－5796－3131
Public Relations & Investor Relations Office
TEL 03－5796－2161
Mail ir@adniss.jp