

Translation

This material is translation and summary form Japanese version announcing on same date. If there is difference in this material and Japanese version, please refer to Japanese versions.

September 10, 2013

Dear all,

Company name	B i t - i s l e I n c .	
	(Code number 3811, TSE 1st Section)	
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Notice of Mid-Term Management Plan

Tokyo-To improve the three-year mid-term plan (from fiscal year ended July,2013 to fiscal year ending July,2015: hereafter referred to as“Previous Plan”) published on September 5, 2012, we hereby announce that we have established a new three-year mid-term plan (from fiscal year ended July,2014 to fiscal year ending July,2016: hereafter referred to as“New Plan”), as presented below.

1. Overview

Datacenter market in Japan is in addition to the need for outsourcing for the purpose of saving costs, from the perspective of continuing business since the Great East Japan Earthquake, there is a strong need for data centers following an increased opportunity for utilizing computer resources as exemplified by the expansion of cloud computing, the practical use of cognitive science and big data, the introduction of wearable computers, etc.

We have been providing colocation services in the fields that require customers to operate at a large-scale data center. Moreover, as for startup companies and services, or IT infrastructures that require flexibility, we have been actively responding to the polarization of customers’ needs by providing cloud services and such.

In addition, accompanied by being listed on the First Section of Tokyo Stock Exchange in July 2013, our financial foundation was strengthened as a result of increased capital from public offering and the rise of equity ratio.

In this condition, focused on maintaining and making progress in the current business, we have established“New Plan,”accompanied by the review of“Previous Plan”and implementation of the following changes:

- i. The opening date of the 5th Data Center is changed to November 2014 taking into consideration the progress of construction work and such. In addition, we aim to obtain

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large-scale OEM projects by aggressively pushing sales with the help of strengthened brand name achieved by being listed on the First Section of the Tokyo Stock Exchange.

- ii. Compared with last year, per unit price of electric power is expected to rise due to the significant yen depreciation and the influence of the current Middle East situation.
- iii. Based on the solid financial foundation and the cash flow expected to be generated in the future, we will consider examining M&A in order to expand the customer base of general corporations, and to build a new electric power plant utilizing our knowledge and skills obtained from operating Hiroshima Mega Solar.

Based on the above list, Bit-isle Group will unite as one and aim to become a comprehensive IT outsourcing company that is able to provide a greater-than-ever added value.

2. Figures of plan (unit: million yen, %)

	FY2013/7 (Results)	2014/7 (Plan)	FY2015/7 (Plan)	FY2016/7 (Plan)
Sales	16,663	18,800	21,500	25,000
Operating profit	3,068	3,500	4,000	4,600
Ordinary profit	2,745	3,200	3,700	4,300
Ordinary profit ratio	16.5%	17.0%	17.2%	17.2%

Reference: Other management plan (unit: million yen, rack, %)

	FY2013/7 (Results)	2014/7 (Plan)	FY2015/7 (Plan)	FY2016/7 (Plan)
Number of operating racks	4,535	4,835	5,635	6,035
Number of installable racks	6,079	6,079	7,505	7,505
Operating rate	74.6%	79.5%	75.1%	80.4%

Depreciation cost (including lease depreciation)	3,427	3,500	3,950	4,400
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(Note on data handling)

The matters regarding the sales forecast mentioned in this article, especially the passages regarding references, were written based on the information available up to the day this article was published. Due to various factors, actual conditions may differ from those presented in the article.