

March 13, 2018

NEWS RELEASE

Kanden System Solutions Co., Inc.

Pacific Business Consulting, Inc.

**Announcement of Kanden System Solutions' Acquisition
of All Pacific Business Consulting Stocks**

Kanden System Solutions Co., Inc. (Head Office: Kita-ku, Osaka City; President and Director: Yasuhiro Yamamoto; hereinafter, "KS-SOL") and Pacific Business Consulting, Inc. (Head Office: Shinagawa-ku, Tokyo; President and CEO: Toshiki Kobayashi; hereinafter, "PBC") announce that both parties have concluded a stock transfer contract whereby KS-SOL will acquire all stocks issued by PBC.

KS-SOL's merger and acquisition of PBC, which will become a KS-SOL subsidiary, is planned for April 2, 2018.

■ Objectives of the M&A**(1) On PBC**

PBC is a leading company in the Microsoft Dynamics business, being the first to localize Microsoft Dynamics NAV (hereinafter, "NAV") and Dynamics 365 For Financial and Operations (hereinafter, "D365FO"), both ERP^{*1} package products, and introduce them into the domestic and overseas markets. The company has provided these products for many major corporate groups operating globally by taking advantage of its capability to use bilingual consultants in helping them introduce and operate the products in the Asia-Pacific region. The company also serves as the Japanese representative of Microsoft's global consortium for these products.

(2) Synergetic effects between the two companies

As a general information service provider in the Kansai Electric Power Group, KS-SOL has provided mainly Kansai Electric Power Group enterprises, although also customers outside the Group, with key solutions in the fields of data centers, Microsoft Azure (hereinafter, "Azure"), ERP, CRM,^{*2} EC,^{*3} water charge calculation, and management accounting.

KS-SOL's acquisition of PBC as a subsidiary will enable the former to improve its ERP solutions with great help from the latter's strengths of NAV and D365FO, and both parties to exert synergy between them in the following ways:

- Both parties' capturing new markets by mutually supplementing each party's marketing



area with the other's (KS-SOL's Kansai region and PBC's metropolitan area)

- Using KS-SOL's sales abilities to promote PBC's sales of its solutions for healthcare companies in Kansai region
- PBC winning many more large-scale orders for NAV and D365FO by taking advantage of the Kanden brand's long-established customer trust
- Both parties collaborating in developing new Azure-based services to distinguish themselves from other companies in the Microsoft Dynamics business

■ Message from Microsoft Japan

We welcome the agreement between Kanden System Solutions and Pacific Business Consulting on their new partnership.

We hope that this partnership will facilitate integration and synergy, on the Microsoft Azure platform, between Kanden System Solutions' sustained efforts to spread the use of Microsoft Azure and the company's skills in constructing Microsoft Dynamics 365 on one hand, and Pacific Business Consulting's endeavor to globally expand its business based on Microsoft products and the company's expertise in constructing Dynamics 365 and Dynamics NAV on the other hand, leading both parties to further accelerate Japanese companies' operational development in Japan and abroad.

Microsoft Japan will continue collaborating with Kanden System Solutions and Pacific Business Consulting to contribute to invigorating the market by providing optimal cloud services and ERP package products for customers' needs.

Takenori Ishikawa
 Manager, Dynamics Business Dept., Marketing & Operations Div.
 Microsoft Japan Co., Ltd.

■ Corporate Profile of PBC

Representative	Toshiki Kobayashi, President and CEO
Locations	Japan head office: Higashi-Shinagawa, Shinagawa-ku, Tokyo (Tennoz Isle) Overseas affiliated companies and offices: Hong Kong, Shanghai and Bangkok
Foundation	September 1993
Capital	147.4 million yen
Business	Providing consulting and support services for the introduction of Microsoft Dynamics NAV, Dynamics 365 for Financial and Operations, Dynamics 365 for Sales, and these products' partner add-on solutions
Website	https://www.pbc.co.jp/en/

■ Corporate Profile of KS-SOL

Representative	Yasuhiro Yamamoto, President and Director
Location	3-3-20 Umeda, Kita-ku, Osaka City
Foundation	April 1967
Capital	90 million yen (100% funded by Kansai Electric Power Co., Inc.)
Business	Development, operation and maintenance of information systems and telecommunications systems
Website	http://www.ks-sol.com/

■ Inquiries on This Matter

[Media Inquiries]

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Glossary

- *1: ERP Enterprise Resource Planning: Systems that aim to integrate key corporate data, including data on general affairs, accounting, human resources, production, and sales, to optimize the company's overall operations
- *2: CRM Customer Relationship Management: A strategy for integrally managing and using customer information retained in a company's various sections, such as marketing, sales, shipping, and services
- *3: EC Electronic Commerce