

May 13, 2022

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

[Japanese GAAP]

Company name: Japan System Techniques Co., Ltd. Listing: Tokyo Stock Exchange  
 Stock code: 4323 URL: <https://www.jast.jp>  
 Representative: Takeaki Hirabayashi, President and CEO  
 Contact: Toshinori Hamada, General Manager of Planning & Administration Tel: +81-6-4560-1000  
 Division

Scheduled date of Annual General Meeting of Shareholders: June 23, 2022  
 Scheduled date of payment of dividend: June 9, 2022  
 Scheduled date of filing of Annual Security Report: June 24, 2022  
 Preparation of supplementary materials for financial results: Yes  
 Holding of financial results meeting: Yes (for analysts)

Note: The original disclosure in Japanese was released on May 13, 2022 at 16:00 (GMT +9).

(All amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2022	21,399	-	2,000	-	2,052	-	1,330	-
Fiscal year ended Mar. 31, 2021	18,789	4.3	1,216	25.3	1,310	28.3	578	-

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2022: 1,342 (-%)  
 Fiscal year ended Mar. 31, 2021: 749 (-%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2022	224.65	-	16.7	14.5	9.3
Fiscal year ended Mar. 31, 2021	107.95	107.90	8.9	10.1	6.5

Reference: Equity in earnings of affiliates (million yen): Fiscal year ended Mar. 31, 2022: - Fiscal year ended Mar. 31, 2021: -

Note: Beginning with the fiscal year ended March 31, 2022, JAST has applied Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020). All figures for the fiscal year ended March 31, 2022 incorporate this accounting standard and comparisons with the previous fiscal year are omitted.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2022	15,539	9,194	58.9	1,493.72
As of Mar. 31, 2021	12,861	6,850	53.0	1,265.96

Reference: Shareholders' equity (million yen) As of Mar. 31, 2022: 9,159 As of Mar. 31, 2021: 6,813

Note: Beginning with the fiscal year ended March 31, 2022, JAST has applied Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). All figures as of March 31, 2022 incorporate this accounting standard.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2022	1,162	(80)	486	6,463
Fiscal year ended Mar. 31, 2021	2,131	87	(1,247)	4,853

### 2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Mar. 31, 2021	-	0.00	-	28.00	28.00	152	25.9	2.3
Fiscal year ended Mar. 31, 2022	-	0.00	-	40.00	40.00	248	17.8	2.9
Fiscal year ending Mar. 31, 2023 (forecasts)	-	0.00	-	50.00	50.00		22.4	

Note: Breakdown of the year-end dividend for the fiscal year ended March 31, 2022: Ordinary dividend: 40.00 yen

### 3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	22,400	4.7	2,120	6.0	2,160	5.2	1,370	3.0	223.41

**\* Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

Please refer to “Notes to Consolidated Financial Statements” for further information

(3) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2022: 6,209,230 shares As of Mar. 31, 2021: 5,612,230 shares

2) Number of treasury shares at the end of the period

As of Mar. 31, 2022: 76,966 shares As of Mar. 31, 2021: 230,423 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2022: 5,922,871 shares Fiscal year ended Mar. 31, 2021: 5,362,310 shares

Note: The Company’s stock held by the Board Benefit Trust (BBT) is included in the number of treasury shares (74,600 shares as of Mar. 31, 2022 and 47,800 shares as of Mar. 31, 2021), and is deducted from the number of shares that is used to calculate the average number of shares outstanding during the period.

**Reference: Summary of Non-consolidated Financial Results**

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)**

(1) Non-consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2022	17,082	12.4	1,620	61.7	1,751	58.3	999	149.1
Fiscal year ended Mar. 31, 2021	15,203	5.4	1,001	(1.1)	1,106	(1.3)	401	-

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2022	168.78	-
Fiscal year ended Mar. 31, 2021	74.83	74.79

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2022	13,974	8,805	63.0	1,435.85
As of Mar. 31, 2021	11,785	6,897	58.5	1,280.62

Reference: Shareholders’ equity (million yen) As of Mar. 31, 2022: 8,805 As of Mar. 31, 2021: 6,892

Note 1: The current financial report is not subject to audit by certified public accountants or auditing firms.

Note 2: Cautionary statement with respect to forward-looking statements

Forecasts of future performance in these materials are based on assumption judged to be valid and information available to the Company’s management at the time the materials were prepared, but are not promises by the Company regarding future performance. Actual results may differ materially from the forecasts. Please refer to “1. Overview of Results of Operations, (4) Outlook” on page 3 for forecast assumptions and notes of caution for usage.

## Contents of Attachments

1. Overview of Results of Operations	2
(1) Results of Operations	2
(2) Financial Position	3
(3) Cash Flows	3
(4) Outlook	3
2. Basic Approach to the Selection of Accounting Standards	4
3. Consolidated Financial Statements and Notes	5
(1) Consolidated Balance Sheet	5
(2) Consolidated Statements of Income and Comprehensive Income	7
Consolidated Statement of Income	7
Consolidated Statement of Comprehensive Income	8
(3) Consolidated Statement of Changes in Equity	9
(4) Consolidated Statement of Cash Flows	11
(5) Notes to Consolidated Financial Statements	13
Going Concern Assumption	13
Changes in Accounting Policies	13
Additional Information	14
Segment and Other Information	14
Per-share Information	17
Subsequent Events	17

## 1. Overview of Results of Operations

### (1) Results of Operations

Although restrictions on economic activity decreased due to progress with COVID-19 vaccinations during the fiscal year that ended in March 2022, the outlook for the Japanese economy remained uncertain because of worries about another wave of infections, the Ukraine crisis and other reasons.

In the IT industry in Japan, according to the latest statistics in the “Survey of Selected Service Industries” by the Ministry of Economy, Trade and Industry (the final February 2022 figures), net sales continued to climb, rising 3.5% year on year in fiscal 2021 compared with 0.4% annual growth in fiscal 2020. Despite this growth, the outlook for the IT industry is extremely uncertain because of the pandemic and other reasons.

Consolidated sales of the Japan System Techniques Group (Japan System Techniques Co., Ltd. (JAST) and its consolidated subsidiaries, hereafter “the Group”) in the current fiscal year were 21,399 million yen (up 13.9% year on year). Operating income was 2,000 million yen (up 64.5% year on year), ordinary income was 2,052 million yen (up 56.6% year on year), and profit attributable to owners of parent was 1,330 million yen (up 129.9% year on year) due to booking of impairment losses of 87 million yen. Business segment performance was as follows.

#### (Software business)

The number of orders for large and prime new customers was larger than one year earlier and the volume of orders from current customers remained high. In addition, there were strong sales of BankNeo, a data integration package for financial institutions, growth of business in the ASEAN region, primarily Malaysia, and a decrease in development expenses due to the end of some unprofitable projects. Due to this performance, there was a big improvement in the profitability of this business. As a result, net sales in this business totaled 14,375 million yen (up 13.3% year on year) and the operating income was 585 million yen (up 263.7% year on year).

#### (GAKUEN business)

There was firm demand at current customers for replacing the current series of university program products with the new GAKUEN RX and GAKUEN UNIVERSAL PASSPORT RX series, which have high profit margins, contributed to the performance of this business. In addition, there were increases in orders for end user computing (EUC: outsourced development of individual related systems) and sales of IT equipment in association with the use of these two new series. The result was the maintenance of the high profitability of this business, which rose significantly in the previous fiscal year. In previous fiscal years, sales for support services for the use of new software and other work in progress was recognized when the final approval of customers was received. Due to the application of the Accounting Standard for Revenue Recognition beginning with the current fiscal year, this revenue is recognized based on progress with fulfilling performance obligations involving individual projects. As a result, net sales in this business totaled 3,832 million yen (up 19.2% year on year) and the operating income was 1,060 million yen (up 23.9% year on year).

#### (System sales business)

Delays in the procurement of IT equipment due to the global semiconductor shortage caused sales of IT equipment to universities, the main activity of this business, to decline. As a result, net sales totaled 1,384 million yen (down 5.5% year on year) and operating income was 106 million yen (down 11.6% year on year).

#### (Medical big data business)

Sales of automated inspection services for health insurance claims started to recover in the current fiscal year following the downturn in one year earlier when the number of people using healthcare institutions decreased due to the pandemic. There were also improvements in the performance of analysis services, services for the notification of the cost of medical care, support services for health insurance organizations and other highly profitable businesses. These positive factors increased profitability of this business. As a result, net sales in this business totaled 1,806 million yen (up 27.2% year on year) and operating income was 245 million yen (up

170.0% year on year).

## (2) Financial Position

The balance of current assets at the end of the current fiscal year was 12,389 million yen, up 27.8% over the end of the previous fiscal year. This was mainly due to an increase in the collection of accounts receivable-trade linked to performance, and an increase in cash and deposits resulting from the issuance of new shares through the exercise of share acquisition rights and the disposal of treasury shares. Non-current assets were 3,150 million yen (down 0.5% year on year).

The balance of current liabilities at the end of the current fiscal year was 4,621 million yen, up 5.3% over the end of the previous fiscal year. This was mainly due to increases in accounts payable-trade and provision for bonuses, and a decrease in short-term borrowings. The balance of non-current liabilities was 1,724 million yen at the end of the current fiscal year, up 6.2% over the end of the previous year.

The balance of total net assets was 9,194 million yen at the end of the current fiscal year, up 34.2% over the end of the previous fiscal year.

## (3) Cash Flows

Cash and cash equivalents increased 1,610 million yen from 4,853 million yen at the beginning of the current fiscal year to 6,463 million yen at the end of the current fiscal year.

Cash flows by category were as follows.

Net cash provided by operating activities totaled 1,162 million yen, compared with 2,131 million yen provided in the previous fiscal year. This difference was mainly due to a decrease in proceeds from the collection of trade receivables, an increase in income taxes paid, an increase in trade payables and a decrease in inventories.

Net cash used in investing activities totaled 80 million yen, compared with 87 million yen provided in the previous fiscal year. This difference was mainly due to a decrease in proceeds from redemption of investment securities.

Net cash provided by financing activities totaled 486 million yen, compared with 1,247 million yen used in the previous fiscal year. This difference was mainly due to a decrease in short-term borrowings and increases in proceeds from issuance of shares and proceeds from disposal of treasury shares.

### Reference: Cash flow indicators

	FY3/18	FY3/19	FY3/20	FY3/21	FY3/22
Equity ratio (%)	50.4	46.8	47.7	53.0	58.9
Equity ratio based on market value (%)	56.4	55.5	42.1	64.2	101.9
Interest-bearing debt to cash flow ratio (years)	0.4	1.2	3.6	0.2	0.0
Interest coverage ratio (times)	431.8	478.5	94.1	615.0	1,009.9

Note: 1. The above figures are calculated as follows.

Equity ratio: Shareholders' equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

\* Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.

\* Interest-bearing debt is calculated using total loans-payable on the consolidated balance sheet.

\* Interest payments use the amount of interest expenses paid stated on the consolidated statement of cash flows.

## (4) Outlook

Although there are increasing expectations for an economic recovery in Japan backed by government measures to support the economy, the business climate for the JAST Group is likely to remain challenging. The main reasons are the high prices and limited supplies of raw materials caused by the Ukraine crisis and uncertainty about the outlook for the COVID-19 pandemic. In the IT industry, where the business climate is extremely volatile, JAST

understands that it will be difficult to achieve growth if it remains overly dependent on outsourced development projects, the IT industry's mainstay source of earnings to date.

Consequently, to define the medium to long-term basic policies for the management of the Group, we establish a new three-year medium-term plan every year. Each new plan starts with the fiscal year in which the plan was established. The plan includes the type of organization we want to become, our brand image, our business fields, the size of our operations and other goals. In this fiscal year, we will continue to take many actions in order to accomplish the goals of the current medium-term plan.

The JAST Group has established “produce results by using rapid and bold initiatives and thoughtful actions” as its slogan for the fiscal year ending in March 2023. The goal is the use of the “co-creation DX” to expand to business domains with substantial added value while using the outsourced development business model as the primary base for earnings growth. In the GAKUEN, medical big data and other businesses using our own brands, we will focus on making all our brands stronger and increasing our market share as well as on R&D for new technologies and products and on starting new businesses in order to continue the growth of these businesses.

Based on this outlook, we expect increases in sales and earnings in the fiscal year ending March 31, 2023. We forecast net sales of 22,400 million yen (up 4.7% year on year), operating income of 2,120 million yen (up 6.0% year on year), ordinary income of 2,160 million yen (up 5.2% year on year), and profit attributable to owners of parent of 1,370 million yen (up 3.0% year on year).

## **2. Basic Approach to the Selection of Accounting Standards**

The Group will continue to prepare consolidated financial statements using generally accepted accounting principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

	(Thousands of yen)	
	FY3/21 (As of Mar. 31, 2021)	FY3/22 (As of Mar. 31, 2022)
Assets		
Current assets		
Cash and deposits	4,854,727	6,464,852
Notes and accounts receivable-trade, and contract assets	-	5,533,330
Notes and accounts receivable-trade	3,953,965	-
Merchandise and finished goods	185,543	147,538
Work in process	527,715	99,301
Raw materials and supplies	2,544	5,761
Other	184,859	144,293
Allowance for doubtful accounts	(13,034)	(5,875)
Total current assets	9,696,321	12,389,203
Non-current assets		
Property, plant and equipment		
Buildings and structures	829,063	842,406
Accumulated depreciation	(533,263)	(548,763)
Buildings and structures, net	295,799	293,643
Land	142,361	142,361
Other	518,695	565,150
Accumulated depreciation	(414,255)	(454,587)
Other, net	104,440	110,562
Total property, plant and equipment	542,601	546,567
Intangible assets		
Goodwill	175,722	102,785
Customer-related assets	106,056	83,113
Trademark right	7,602	-
Technology assets	13,496	-
Software	68,329	80,909
Other	7,626	7,626
Total intangible assets	378,834	274,435
Investments and other assets		
Investment securities	632,126	542,531
Retirement benefit asset	666,814	705,144
Deferred tax assets	416,291	536,929
Guarantee deposits	439,769	457,167
Other	104,010	89,934
Allowance for doubtful accounts	(15,208)	(1,925)
Total investments and other assets	2,243,803	2,329,781
Total non-current assets	3,165,239	3,150,785
Total assets	12,861,561	15,539,989

	(Thousands of yen)	
	FY3/21 (As of Mar. 31, 2021)	FY3/22 (As of Mar. 31, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	1,021,837	1,380,056
Short-term borrowings	407,800	8,518
Current portion of long-term borrowings	2,800	-
Income taxes payable	473,761	563,468
Advances received	605,148	-
Contract liabilities	-	430,851
Provision for bonuses	885,138	1,194,536
Provision for bonuses for directors (and other officers)	62,319	77,530
Provision for loss on construction contracts	12,797	52,960
Other	916,547	913,152
<b>Total current liabilities</b>	<b>4,388,151</b>	<b>4,621,074</b>
<b>Non-current liabilities</b>		
Provision for share awards for directors (and other officers)	84,228	120,728
Provision for retirement benefits for directors (and other officers)	4,239	6,646
Retirement benefit liability	1,017,504	1,058,791
Deferred tax liabilities	34,890	24,655
Other	482,171	513,608
<b>Total non-current liabilities</b>	<b>1,623,034</b>	<b>1,724,430</b>
<b>Total liabilities</b>	<b>6,011,185</b>	<b>6,345,505</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,076,669	1,535,409
Capital surplus	1,128,115	1,703,991
Retained earnings	4,605,874	5,865,484
Treasury shares	(218,515)	(175,264)
<b>Total shareholders' equity</b>	<b>6,592,143</b>	<b>8,929,621</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	186,775	121,768
Foreign currency translation adjustment	(81,346)	(2,240)
Remeasurements of defined benefit plans	115,566	110,706
<b>Total accumulated other comprehensive income</b>	<b>220,996</b>	<b>230,234</b>
Share acquisition rights	5,530	-
Non-controlling interests	31,705	34,628
<b>Total net assets</b>	<b>6,850,375</b>	<b>9,194,483</b>
<b>Total liabilities and net assets</b>	<b>12,861,561</b>	<b>15,539,989</b>



**(2) Consolidated Statements of Income and Comprehensive Income****Consolidated Statement of Income**

	(Thousands of yen)	
	FY3/21	FY3/22
	(Apr. 1, 2020 – Mar. 31, 2021)	(Apr. 1, 2021 – Mar. 31, 2022)
Net sales	18,789,152	21,399,553
Cost of sales	14,169,048	15,711,508
Gross profit	4,620,104	5,688,045
Selling, general and administrative expenses	3,403,779	3,687,543
Operating income	1,216,324	2,000,501
Non-operating income		
Interest income	24,242	12,020
Dividend income	6,919	6,391
Rental income	2,603	2,483
Commission income	1,451	1,971
Foreign exchange gains	12,251	14,225
Subsidy income	36,874	14,937
Other	19,143	9,268
Total non-operating income	103,485	61,298
Non-operating expenses		
Interest expenses	3,449	1,199
Commission expenses	929	1,899
Rental expenses	134	-
Share acquisition rights issuance costs	4,545	-
Share issuance costs	-	5,773
Other	265	415
Total non-operating expenses	9,323	9,287
Ordinary income	1,310,486	2,052,512
Extraordinary losses		
Impairment losses	315,925	87,398
Loss on valuation of investment securities	29,535	-
Total extraordinary losses	345,461	87,398
Profit before income taxes	965,025	1,965,114
Income taxes-current	481,462	773,626
Income taxes-deferred	(99,559)	(140,936)
Total income taxes	381,903	632,689
Profit	583,122	1,332,424
Profit attributable to non-controlling interests	4,242	1,866
Profit attributable to owners of parent	578,879	1,330,558

**Consolidated Statement of Comprehensive Income**

(Thousands of yen)

	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)
Profit	583,122	1,332,424
Other comprehensive income		
Valuation difference on available-for-sale securities	73,379	(65,007)
Foreign currency translation adjustment	(51,831)	79,646
Remeasurements of defined benefit plans, net of tax	144,545	(4,860)
Total other comprehensive income	166,094	9,779
Comprehensive income	749,216	1,342,203
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	746,171	1,339,796
Comprehensive income attributable to non-controlling interests	3,045	2,407

**(3) Consolidated Statement of Changes in Equity**

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,076,669	1,113,912	4,178,503	(233,240)	6,135,844
Cumulative effects of changes in accounting policies					-
Restated balance	1,076,669	1,113,912	4,178,503	(233,240)	6,135,844
Changes during period					
Issuance of new shares					-
Dividends of surplus			(151,509)		(151,509)
Profit attributable to owners of parent			578,879		578,879
Purchase of treasury shares				(62)	(62)
Disposal of treasury shares		14,203		14,787	28,991
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					
Total changes during period	-	14,203	427,370	14,724	456,298
Balance at end of period	1,076,669	1,128,115	4,605,874	(218,515)	6,592,143

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	113,396	(30,713)	(28,978)	53,704	-	28,668	6,218,217
Cumulative effects of changes in accounting policies							-
Restated balance	113,396	(30,713)	(28,978)	53,704	-	28,668	6,218,217
Changes during period							
Issuance of new shares							-
Dividends of surplus							(151,509)
Profit attributable to owners of parent							578,879
Purchase of treasury shares							(62)
Disposal of treasury shares							28,991
Change in ownership interest of parent due to transactions with non-controlling interests							-
Net changes in items other than shareholders' equity	73,379	(50,633)	144,545	167,291	5,530	3,037	175,859
Total changes during period	73,379	(50,633)	144,545	167,291	5,530	3,037	632,158
Balance at end of period	186,775	(81,346)	115,566	220,996	5,530	31,705	6,850,375

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,076,669	1,128,115	4,605,874	(218,515)	6,592,143
Cumulative effects of changes in accounting policies			81,080		81,080
Restated balance	1,076,669	1,128,115	4,686,954	(218,515)	6,673,223
Changes during period					
Issuance of new shares	458,739	458,739			917,479
Dividends of surplus			(152,028)		(152,028)
Profit attributable to owners of parent			1,330,558		1,330,558
Purchase of treasury shares				(87,750)	(87,750)
Disposal of treasury shares		116,125		131,002	247,127
Change in ownership interest of parent due to transactions with non-controlling interests		1,011			1,011
Net changes in items other than shareholders' equity					
Total changes during period	458,739	575,876	1,178,529	43,251	2,256,397
Balance at end of period	1,535,409	1,703,991	5,865,484	(175,264)	8,929,621

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	186,775	(81,346)	115,566	220,996	5,530	31,705	6,850,375
Cumulative effects of changes in accounting policies							81,080
Restated balance	186,775	(81,346)	115,566	220,996	5,530	31,705	6,931,456
Changes during period							
Issuance of new shares							917,479
Dividends of surplus							(152,028)
Profit attributable to owners of parent							1,330,558
Purchase of treasury shares							(87,750)
Disposal of treasury shares							247,127
Change in ownership interest of parent due to transactions with non-controlling interests							1,011
Net changes in items other than shareholders' equity	(65,007)	79,105	(4,860)	9,238	(5,530)	2,923	6,630
Total changes during period	(65,007)	79,105	(4,860)	9,238	(5,530)	2,923	2,263,027
Balance at end of period	121,768	(2,240)	110,706	230,234	-	34,628	9,194,483

**(4) Consolidated Statement of Cash Flows**

	(Thousands of yen)	
	FY3/21	FY3/22
	(Apr. 1, 2020 – Mar. 31, 2021)	(Apr. 1, 2021 – Mar. 31, 2022)
Cash flows from operating activities		
Profit before income taxes	965,025	1,965,114
Depreciation	134,863	114,387
Amortization of software	18,460	23,215
Amortization of goodwill	46,986	31,361
Amortization of customer-related assets	22,891	20,279
Amortization of trademark	2,338	976
Amortization of technology assets	4,151	1,733
Impairment losses	315,925	87,398
Increase (decrease) in provision for bonuses	110,440	308,751
Decrease (increase) in retirement benefit asset	(200,870)	(38,329)
Increase (decrease) in retirement benefit liability	26,810	41,363
Interest and dividend income	(31,161)	(18,411)
Interest expenses	3,449	1,199
Decrease (increase) in trade receivables	532,377	-
Decrease (increase) in trade receivables and contract assets	-	(1,316,502)
Increase (decrease) in advances received	(216,632)	-
Increase (decrease) in contract liabilities	-	35,117
Decrease (increase) in inventories	55,563	309,800
Increase (decrease) in trade payables	33,402	339,136
Other, net	599,636	(72,578)
Subtotal	2,423,657	1,834,014
Interest and dividends received	31,806	38,519
Interest paid	(3,465)	(1,151)
Income taxes paid	(320,531)	(708,462)
Net cash provided by (used in) operating activities	2,131,466	1,162,919
Cash flows from investing activities		
Proceeds from sale of membership	-	690
Purchase of property, plant and equipment	(80,639)	(51,486)
Proceeds from sale of property, plant and equipment	-	6,483
Purchase of software	(22,453)	(32,391)
Purchase of investment securities	(21,120)	(1,532)
Proceeds from sale of investment securities	9,909	22,601
Loan advances	-	(51,812)
Collection of loans receivable	-	45,405
Proceeds from redemption of investment securities	200,000	-
Payments of guarantee deposits	(1,389)	(19,111)
Proceeds from refund of guarantee deposits	4,458	1,194
Other, net	(1,735)	(952)
Net cash provided by (used in) investing activities	87,030	(80,912)

	(Thousands of yen)	
	FY3/21	FY3/22
	(Apr. 1, 2020 – Mar. 31, 2021)	(Apr. 1, 2021 – Mar. 31, 2022)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,092,200)	(400,000)
Repayments of lease obligations	(29,593)	(28,185)
Repayments of long-term borrowings	(8,400)	(2,800)
Proceeds from issuance of shares	-	914,768
Dividends paid	(151,509)	(152,028)
Purchase of treasury shares	(62)	(87,750)
Proceeds from disposal of treasury shares	28,842	242,854
Other, net	5,680	-
Net cash provided by (used in) financing activities	(1,247,242)	486,858
Effect of exchange rate change on cash and cash equivalents	(25,813)	41,262
Net increase (decrease) in cash and cash equivalents	945,440	1,610,127
Cash and cash equivalents at beginning of period	3,908,254	4,853,695
Cash and cash equivalents at end of period	4,853,695	6,463,823

## (5) Notes to Consolidated Financial Statements

### Going Concern Assumption

Not applicable.

### Changes in Accounting Policies

#### Application of the Accounting Standard for Revenue Recognition

JAST started to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) at the beginning of the current fiscal year. Based on this standard, revenue expected to be received in exchange for the provision of goods and services is recognized when the control of the goods and services is transferred to customers. As a result, the major change involves some contracts where sales were recognized when a final acceptance inspection was performed in accordance with the applicable inspection standards. For contracts where JAST has fulfilled its obligation to the customer over a specified period, the amount of progress of fulfilling the obligation is estimated, except when the period is extremely short, and revenue based on the progress is recognized for that period. In addition, the total payment received from customers for a product or service was recognized as revenue in prior years. Now, for transactions where the Group functions as an agent for the provision of a product or service to a customer, the amount paid to the supplier of the product or service is deducted from the payment received from a customer and the resulting net amount is recognized as revenue.

For the application of the Accounting Standard for Revenue Recognition, in accordance with the transitional measures in the proviso to Paragraph 84 of this standard, the cumulative effect of the retrospective application of the new accounting standard, if it is applied prior to the current fiscal year, is added to or subtracted from retained earnings at the beginning of the current fiscal year. The new standard is then applied beginning with this amount of retained earnings. In addition, JAST has applied the method prescribed in Paragraph 86, Article 1 of the Accounting Standard for Revenue Recognition, and accounted for contract changes made prior to the beginning of the current fiscal year based on the contract terms after reflecting all contract changes, and added or subtracted the cumulative effect of such changes to retained earnings at the beginning of the current fiscal year.

As a result, the application of the new standard resulted in reductions of 260,039 thousand yen in net sales and 344,003 thousand yen in cost of sales, and an increase of 83,963 thousand yen each in operating income, ordinary income and profit before income taxes. In addition, the new standard increased retained earnings at the beginning of the current fiscal year by 81,080 thousand yen. The effect of these changes on per-share information is shown in the corresponding section.

“Notes and accounts receivable-trade” that was presented in the current assets section of the consolidated balance sheet in the previous fiscal year is presented as “Notes and accounts receivable-trade, and contract assets,” and “Advances received” that was presented in the current liabilities section is presented as “Contract liabilities” from the current fiscal year. In accordance with the transitional measures prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made to the prior year’s consolidated financial statements to conform to the new presentation. Furthermore, in accordance with the transitional measures prescribed in Paragraph 89-3 of the Accounting Standard for Revenue Recognition, JAST has not presented the Revenue Recognition, Note, for the previous fiscal year.

#### Application of the Accounting Standard for Fair Value Measurement

JAST has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019) and other standards from the beginning of the current fiscal year.

JAST has applied the new accounting policies set forth by the Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional measures in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no effect on the consolidated financial statements.

## Additional Information

### Board Benefit Trust (BBT)

Based on the resolution of the 46th Annual General Meeting of Shareholders, JAST on June 26, 2018 terminated the directors' retirement benefit system and established a Board Benefit Trust (BBT) for the purpose of increasing motivation for contributing to the medium to long-term growth of sales and earnings and an increase in corporate value. The BBT plan clearly links the compensation of directors with the JAST stock price. Furthermore, directors share with shareholders the benefits of a higher stock price as well as the risk of a lower stock price.

#### 1) Overview

This is a stock compensation plan in which directors receive stock compensation through a BBT. The BBT acquires JAST stock using cash contributions from JAST as the source of funds. Directors (excluding external directors; same afterward unless indicated otherwise) receive stock compensation or a monetary amount equivalent to the market value of the stock in lieu of stock compensation in accordance with the rules on the stock compensation plan for directors. In principle, a director becomes eligible for stock compensation only after the individual is no longer a JAST director.

#### 2) JAST stock held by the BBT

The book value (excluding associated expenses) of JAST stock held by the BBT is shown as treasury shares in the net assets section of the consolidated balance sheet. The BBT held 47,800 shares of JAST with a book value of 87,713 thousand yen as of the end of the previous fiscal year, and the BBT held 74,600 shares with a book value of 171,700 thousand yen as of the end of the current fiscal year.

## Segment and Other Information

### Segment information

#### 1. Overview of reportable segment

Segments used for financial reporting are JAST and subsidiaries' constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Group has four reportable business segments: software business, GAKUEN business, system sales business and medical big data business each of which conducts its business in line with the comprehensive strategy it has devised for products and services in both domestic and overseas markets.

The software business handles the contracted software development. The GAKUEN business is engaged in development, sale, and provision of related services of operational reform packages for schools. The system sales business conducts IT equipment sales, IT/telecom infrastructure construction. The medical big data business provides a full line of services including automated inspection services for health insurance claims, data analysis and notification of the cost of medical care.

#### 2. Calculation method for net sales, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting method used for reportable business segments is generally the same as the methods listed in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Profits for reportable business segments are operating income figures.

Inter-segment sales and transfers are based on market prices.

As described in Changes in Accounting Policies, JAST has applied the Accounting Standard for Revenue Recognition from the beginning of FY3/22 and changed the accounting method for revenue recognition. Accordingly, the method for calculating segment profit has been changed as well.

The effect of this change was to decrease net sales by 208,604 thousand yen and to decrease segment profit by 20,703 thousand yen for FY3/22 in the software business. Net sales and segment profit increased 150,841 thousand yen and 117,117 thousand yen, respectively, in the GAKUEN business. Furthermore, net sales and segment profit decreased 198,642 thousand yen and 14,390 thousand yen, respectively, in the system sales business, and decreased 3,634 thousand yen and increased 1,940 thousand yen, respectively, in the medical big data business.



## 3. Information related to net sales, profit or loss, assets, liabilities, and other items for each reportable segment

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Thousands of yen)

	Software business	GAKUEN business	System sales business	Medical big data business	Total	Adjustment (Note 1) (Note 2)	Amounts shown on consolidated financial statements (Note 3)
Net sales							
1. External sales	12,687,772	3,216,146	1,465,779	1,419,455	18,789,152	-	18,789,152
2. Inter-segment sales and transfers	38,759	18,846	14,608	13	72,228	(72,228)	-
Total	12,726,531	3,234,992	1,480,387	1,419,469	18,861,380	(72,228)	18,789,152
Segment profit (loss)	160,996	856,302	120,798	90,831	1,228,929	(12,605)	1,216,324
Segment assets	6,810,264	2,185,172	1,137,765	876,515	11,009,718	1,851,843	12,861,561
Other items							
Depreciation	139,286	24,001	2,264	17,151	182,705	-	182,705
Increase in property, plant and equipment and intangible assets	93,378	22,102	1,107	16,095	132,685	-	132,685

- Notes: 1. Segment profit (loss) in the above adjustment represents eliminations for inter-segment transactions.  
2. Segment assets in the above adjustment consist mainly of corporate assets that cannot be attributed to any of the reportable segments.  
3. Segment profit (loss) is adjusted with operating income shown on the consolidated statement of income.

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Thousands of yen)

	Software business	GAKUEN business	System sales business	Medical big data business	Total	Adjustment (Note 1) (Note 2)	Amounts shown on consolidated financial statements (Note 3)
Net sales							
1. External sales	14,375,818	3,832,613	1,384,900	1,806,220	21,399,553	-	21,399,553
2. Inter-segment sales and transfers	69,399	6,339	5,323	-	81,061	(81,061)	-
Total	14,445,217	3,838,952	1,390,223	1,806,220	21,480,614	(81,061)	21,399,553
Segment profit (loss)	585,498	1,060,939	106,826	245,209	1,998,473	2,028	2,000,501
Segment assets	8,367,843	2,877,693	1,247,998	1,257,172	13,750,709	1,789,279	15,539,989
Other items							
Depreciation	119,937	22,888	1,878	15,889	160,593	-	160,593
Increase in property, plant and equipment and intangible assets	78,532	20,252	588	12,690	112,063	-	112,063

- Notes: 1. Segment profit (loss) in the above adjustment represents eliminations for inter-segment transactions.  
2. Segment assets in the above adjustment consist mainly of corporate assets that cannot be attributed to any of the reportable segments.  
3. Segment profit (loss) is adjusted with operating income shown on the consolidated statement of income.

## Related information

## 1. Information by product or service

This information is omitted because the same information is presented in segment information.

## 2. Information by region

## (1) Net sales

Geographical information concerning sales to external customers in Japan is not presented since sales to external customers exceeded 90% of net sales shown on the consolidated statement of income.

## (2) Property, plant and equipment

Japan	Overseas	Total
479,692 thousand yen	66,875 thousand yen	546,567 thousand yen

## 3. Information by major client

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

Company name	Net sales	Business segment
NTT COMWARE CORPORATION	1,716,652 thousand yen	Software business

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

Company name	Net sales	Business segment
TIS Inc.	1,520,224 thousand yen	Software business

## Information related to impairment losses of non-current assets for each reportable segment

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Thousands of yen)

	Software business	GAKUEN business	System sales business	Medical big data business	Elimination or corporate	Total
Impairment losses	315,925	-	-	-	-	315,925

Note: In the software business, there were impairment losses of 198,521 thousand yen for goodwill, 45,255 thousand yen for customer-related assets, 25,997 thousand yen for trademark rights and 46,152 thousand yen for technology assets.

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Thousands of yen)

	Software business	GAKUEN business	System sales business	Medical big data business	Elimination or corporate	Total
Impairment losses	87,398	-	-	-	-	87,398

Note: In the software business, there were impairment losses of 55,939 thousand yen for goodwill, 11,129 thousand yen for customer-related assets, 7,325 thousand yen for trademark rights and 13,004 thousand yen for technology assets.

## Information related to goodwill amortization and the unamortized balance for each reportable segment

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Thousands of yen)

	Software business	GAKUEN business	System sales business	Medical big data business	Elimination or corporate	Total
Amortization for the period	46,986	-	-	-	-	46,986
Balance at end of period	175,722	-	-	-	-	175,722

Note: In the software business, there was an impairment loss of 198,521 thousand yen for goodwill.

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Thousands of yen)

	Software business	GAKUEN business	System sales business	Medical big data business	Elimination or corporate	Total
Amortization for the period	31,361	-	-	-	-	31,361
Balance at end of period	102,785	-	-	-	-	102,785

Note: In the software business, there was an impairment loss of 55,939 thousand yen for goodwill.

## Information related to gain on bargain purchase for each reportable segment

Not applicable.

**Per-share Information**

(Yen)

	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)
Net assets per share	1,265.96	1,493.72
Net income per share	107.95	224.65
Diluted net income per share	107.90	-

Notes: 1. Diluted net income per share for FY3/22 is not presented since the Company has no outstanding dilutive securities.

2. As described in the Changes in Accounting Policies, JAST has applied the Accounting Standard for Revenue Recognition. As a result, net income per share for FY3/22 increased by 14.18 yen.

3. The basis of calculation is as follows.

(Thousands of yen)

	FY3/21 (As of Mar. 31, 2021)	FY3/22 (As of Mar. 31, 2022)
Net assets per share		
Total net assets on balance sheet	6,850,375	9,194,483
Deduction on total net assets	37,236	34,628
(Non-controlling interests)	(31,705)	(34,628)
Net assets applicable to common shares	6,813,139	9,159,855
Number of common shares used in calculation of net assets per share	5,381,807 shares	6,132,264 shares

(Thousands of yen)

	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)
Net income (loss) per share		
Profit (loss) attributable to owners of parent	578,879	1,330,558
Amount not available to common shareholders	-	-
Profit (loss) attributable to owners of parent applicable to common shares	578,879	1,330,558
Average number of shares outstanding during period	5,362,310 shares	5,922,871 shares
Diluted net income per share		
Adjustment to profit attributable to owners of parent	-	-
Increase in the number of common shares	2,603 shares	- shares
(Share acquisition rights)	(2,603 shares)	(-)
Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect		-

Note: JAST has established a new Board Benefit Trust (BBT). The Company's stock remaining in the BBT (47,800 shares as of March 31, 2021 and 74,600 as of March 31, 2022) is included in treasury shares in shareholders' equity and deducted from the number of shares outstanding at the end of the period that is used to calculate net assets per share. Moreover, the BBT shares (47,800 shares in FY3/21 and 55,100 shares in FY3/22) are included in treasury shares deducted from the number of shares used to calculate the average number of shares outstanding during the period that is used to calculate net income per share.

**Subsequent Events**

Not applicable.

*This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*