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**JAST and NTT West Increase Cooperation in the University DX Domain
The primary goal is the development of solutions used by both companies**

Japan System Techniques Co., Ltd. (JAST) and Nippon Telegraph and Telephone West Corporation (Head office: Osaka; Representative: Masaaki Moribayashi, President and CEO; NTT West) have agreed to strengthen joint activities involving the digital transformation (DX) of administrative and academic activities at universities. Cooperation will be centered on the linkage, development and other activities concerning types of services where the two companies are highly competitive.

The earnings forecast to be announced on May 12, 2023 incorporates the effect of this matter on the results of operations for the fiscal year ending March 2024. An announcement will be made promptly if there is any additional information that should be disclosed.

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Japan System Techniques Co., Ltd.

NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION

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1. Background and Outline of Initiatives

JAST and NTT West have been cooperating in the field of education for about 20 years. During that time, Japan's age-18 population has declined by about 30%. As a result, there is more competition among universities to attract students. Furthermore, the number of people working at universities has decreased. Demand is high in Japan for recurrent education and reskilling. To adapt to these changes, universities need to serve an increasing diverse range of students, including people who have graduated and older people. For example, correspondence courses are becoming an increasingly important part of higher education. Another change is revisions to standards for establishing universities in Japan in order to enable the sharing of human resources and physical resources by several universities and upgrade education research capabilities. All these events are dramatically redefining the operating environment for universities in Japan.

One part of this cooperation will be the sale to universities by NTT West of the GAKUEN series (see note 1) of strategic university management products, which is currently used by 437 schools. Another activity is the start of mutual sales collaboration that involves the provision to JAST by NTT West of its regional creation cloud as a key part of the GAKUEN series. In 2016, NTT West started a certificate issuing service (see note 2) that makes it possible for students to use convenience stores nationwide to receive various types of certificates for grades and other items issued by universities. Currently used by more than 70 schools, this service requires the development of a data link for the IT systems of JAST and NTT West every time a new customer was added.

Altering academic activities in response to the increasing complexity and diversity of the activities of universities will require cooperation between JAST and NTT West that encompasses more than sales operations. This is why the two companies have agreed at this time to step up collaboration by leveraging their respective strengths. This includes JAST's leadership in the education IT systems sector and NTT West's leadership in the market for issuing certificates at convenience stores. The aim is the joint development of services and other activities for creating solutions targeting the needs of universities.

The first step is the development of framework for two linkages of services of JAST and NTT West. One is a link between JAST's education IT systems and the certificate issuing service of NTT West. The other is between the NTT West LinkU-ID (see note 3) authorization linking service and JAST's graduate portal service. To provide solutions for issues at universities, the goal is to start launching new services for universities throughout Japan by the end of 2023 and continue adding services in 2024.

Note 1 GAKUEN series: Services for universities that improve the quality of education and make the operations of universities more efficient.

URL: <https://www.jast-gakuen.com/>

Note 2. Certificate issuing service: Students can use this service to receive at convenience stores or by postal mail many types of certificates issued by universities.

URL: https://www.ntt-west.co.jp/business/cloud/lineup/university_certificate.html

Note 3. LinkU-ID" is a trademark of Nippon Telegraph and Telephone West Corporation.

2-1. Certificate issuing service x Education IT systems

In prior years, a separate linkage framework for individual customers had to be developed to facilitate the provision of data from GAKUEN (education IT system) to the certificate issuing service. Furthermore, there have been problems at universities using these services due to increasing expenses and the longer times needed for developing and starting to use services as the number of employees at universities declined. For example, both of these services required settings for certificate layouts and decisions about issuing certificates.

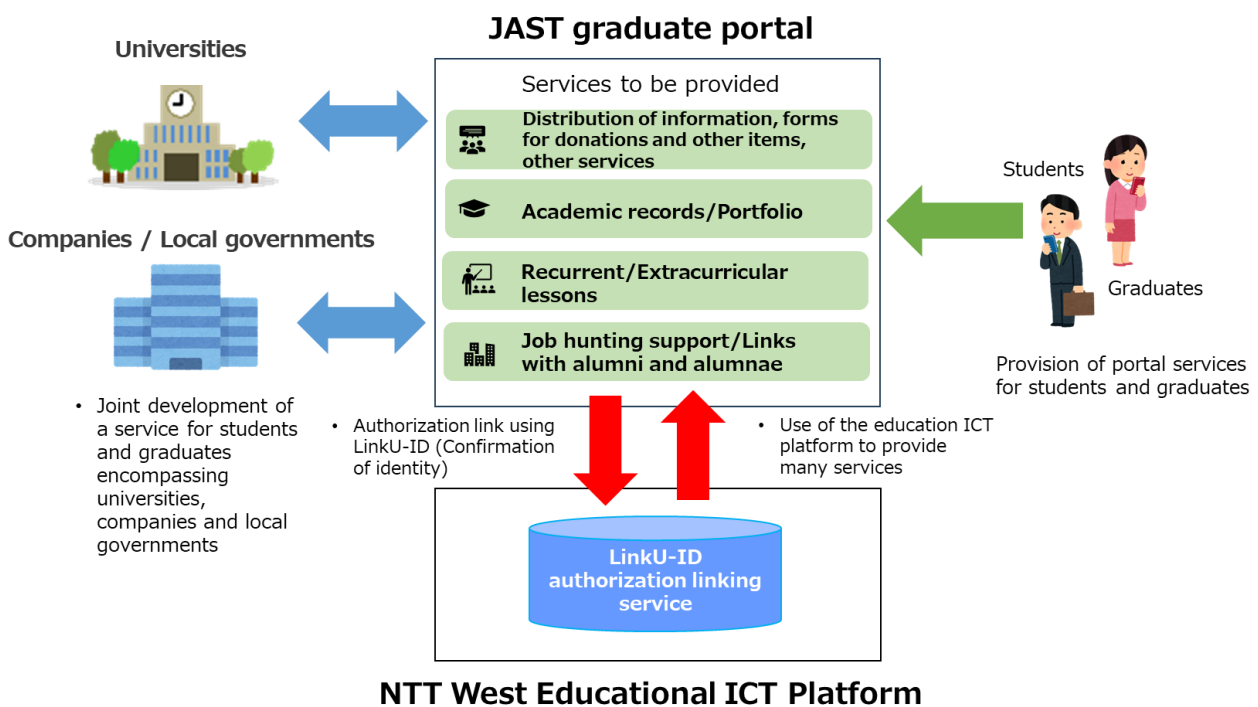
This new cooperation goes one step beyond simply making data linkage a standard feature. Users will need to enter settings only on the education administration system side. Providing this convenience will reduce expenses for universities and lower the time required to start using the service as well as the time that employees need to spend operating the service.

In April 2023, Nakamura Gakuen University started using this new data linkage service prior to the official launch. Using this new linkage allowed the university to cut expenses and the time required to begin using the JAST and NTT West services by about half. This demonstrated the effectiveness of this new framework and earned the praise of personnel at the university.

2-2. LinkU-ID authorization linking service x Graduate portal service

JAST plans to launch its graduate portal service in April 2024. The portal will operate with the LinkU-ID authorization linking service, which manages approximately 9 million identities of university students and graduates that are stored by the NTT West certificate issuing service. A tie-up between LinkU-ID and the new portal service is expected to make it possible for the portal to send information to people after they graduate, receive donations, provide recurrent education information and perform many other tasks in a seamless manner. Capabilities will be added in stages. JAST plans to use its dominant position in the education administrative IT systems market to expand the use of the new portal service quickly.

Summary of service linkage



3. Outlook

JAST and NTT West plan to continue to leverage their strengths in order to continue creating services that can provide even greater convenience for universities and their students and graduates. Both companies are dedicated to playing a role in the DX of universities by using digital technologies for education, raising the efficiency of university operations, utilizing data to help with reaching decisions, and for other benefits.

■ Inquiries

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