

**Summary of Consolidated Financial Results  
for the Third Quarter of Fiscal Year Ending March 31, 2024  
(Nine Months Ended December 31, 2023)**

**[Japanese GAAP]**

Company name: Japan System Techniques Co., Ltd.  
Stock code: 4323  
Representative: Takeaki Hirabayashi, President and CEO  
Contact: Taku Hirabayashi, Director

Listing: Tokyo Stock Exchange  
URL: <https://www.jast.jp>

Tel: +81-6-4560-1000

Scheduled date of filing of Quarterly Report:

February 14, 2024

Scheduled date of payment of dividend:

-

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on February 13, 2024 at 16:00 (GMT +9).

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

**1. Consolidated Financial Results for the Third Quarter Ended December 31, 2023****(April 1, 2023 – December 31, 2023)**

(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	%
Nine months ended Dec. 31, 2023	18,527	11.4	1,614	3.5	1,648	2.7	1,099	(5.8)
Nine months ended Dec. 31, 2022	16,635	11.0	1,559	20.3	1,605	20.6	1,167	27.7

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2023: 1,190 (down 12.7%)

Nine months ended Dec. 31, 2022: 1,363 (up 51.3%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2023	89.62	-
Nine months ended Dec. 31, 2022	95.16	-

Note: JAST conducted a 2-for-1 common stock split on October 1, 2022. Net income per share has been calculated as if this stock split has taken place at the beginning of the fiscal year ended March 31, 2023.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2023	17,639	11,607	65.5	942.60
As of Mar. 31, 2023	17,413	10,816	61.8	878.07

Reference: Shareholders' equity (million yen) As of Dec. 31, 2023: 11,560 As of Mar. 31, 2023: 10,768

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2023	-	0.00	-	32.00	32.00
Fiscal year ending Mar. 31, 2024	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2024 (forecasts)	-	-	-	40.00	40.00

Note: Revisions to the most recently announced dividend forecast: None

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)**

(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	25,300	7.6	2,540	6.5	2,600	6.1	1,880	6.1	153.29

Note: Revisions to the most recently announced consolidated earnings forecasts: None

**\* Notes**

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

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions in accounting standards, others: None

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common shares)

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

As of Dec. 31, 2023:	12,418,460 shares	As of Mar. 31, 2023:	12,418,460 shares
----------------------	-------------------	----------------------	-------------------

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

As of Dec. 31, 2023:	154,384 shares	As of Mar. 31, 2023:	154,268 shares
----------------------	----------------	----------------------	----------------

3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2023:	12,264,117 shares	Nine months ended Dec. 31, 2022:	12,264,324 shares
----------------------------------	-------------------	----------------------------------	-------------------

Note: JAST conducted a 2-for-1 common stock split on October 1, 2022. The number of shares outstanding at the end of the period has been calculated as if this stock split has taken place at the beginning of the fiscal year ended March 31, 2023.

Note 1: The current quarterly summary report is not subject to quarterly review 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. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecasts and Other Forward-looking Statements" on page 3 for forecast assumptions and notes of caution for usage.

## Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	2
(3) Explanation of Consolidated Forecasts and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
Quarterly Consolidated Statement of Income	
For the Nine-month Period	6
Quarterly Consolidated Statement of Comprehensive Income	
For the Nine-month Period	7
(3) Quarterly Consolidated Statement of Cash Flows	8
(4) Notes to Quarterly Consolidated Financial Statements	9
Going Concern Assumption	9
Significant Changes in Shareholders' Equity	9
Additional Information	9
Segment and Other Information	10
Business Combinations	10

## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

Consolidated sales of the Japan System Techniques Group (Japan System Techniques Co., Ltd. (JAST) and its consolidated subsidiaries, hereafter “the Group”) in the first nine months of the current fiscal year were 18,527 million yen (up 11.4% year on year). Operating income was 1,614 million yen (up 3.5% year on year), ordinary income was 1,648 million yen (up 2.7% year on year), and profit attributable to owners of parent was 1,099 million yen (down 5.8% year on year).

Business segment performance was as follows.

(Digital transformation and system integration (DX&SI) business)

Segment sales increased 6.8% from one year earlier to 11,102 million yen and the operating income increased 11.3% to 1,796 million yen. The number of large orders received directly from existing and new customers was higher than one year earlier. As a result, the overall profitability of the business increased.

(Package business)

Segment sales increased 7.2% from one year earlier to 3,211 million yen and the operating income decreased 2.1% to 721 million yen. There was an increase in sales, installation and support services, and other activities involving the GAKUEN Series, a strategic university management system consisting of GAKUEN RX and UNIVERSAL PASSPORT RX. However, sales of program products for BankNeo, an information systems integration package for financial institutions, were lower. The overall number of orders in this business remains firm.

(Medical big data business)

Segment sales increased 31.4% from one year earlier to 1,557 million yen and the operating income was up 66.7% to 285 million yen. The performance of this business improved primarily due to increased sales of analysis services, support services, and other highly profitable services.

(Global business)

Sales increased 28.9% from one year earlier to 2,657 million yen and the operating income increased 19.3% to 330 million yen. This can be largely attributed to the large number of orders received for SAP installation support services in Malaysia, even though there were lower sales in SI development projects and ERP package sales and installation consulting in Thailand.

(General and administrative expenses not allocated to a reportable segment)

Corporate general and administrative expenses increased 22.5% from one year earlier to 1,519 million yen. This increase was attributable mainly to more education and training programs as the number of employees increased, more recruiting activities, and expenditures involving the addition of office space and upgrading the IT infrastructure. These expenses involve short-term investments made during the fiscal year’s first half. Corporate general and administrative expenses are consistent with the initial plan for this fiscal year.

### (2) Explanation of Financial Position

#### 1) Balance sheet

Current assets at the end of the third quarter were 14,068 million yen, down 118 million yen from the end of the previous fiscal year. This was mainly due to a decrease in accounts receivable-trade. Non-current assets were 3,570 million yen, up 343 million yen from the end of the previous fiscal year.

Current liabilities at the end of the third quarter were 4,087 million yen, down 616 million yen from the end of the previous fiscal year. This was mainly due to a decrease in provision for bonuses. Non-current liabilities were 1,944 million yen, up 50 million yen from the end of the previous fiscal year.

Net assets at the end of the third quarter were 11,607 million yen, up 791 million yen from the end of the previous fiscal year.

## 2) Cash flows

Cash and cash equivalents increased 348 million yen from 6,793 million yen at the beginning of the current fiscal year to 7,141 million yen at the end of the first nine months of the current fiscal year.

Cash flows by category were as follows.

Net cash provided by operating activities totaled 1,286 million yen, an increase of 803 million yen from 482 million yen provided in the same period of the previous fiscal year. This increase was mainly due to an increase in proceeds from the collection of trade receivables.

Net cash used in investing activities totaled 552 million yen, a decrease of 480 million yen from 72 million yen used in the same period of the previous fiscal year. This was due to an increase in purchase of property, plant and equipment.

Net cash used in financing activities totaled 414 million yen, a decrease of 138 million yen from 275 million yen used in the same period of the previous fiscal year. This was due to an increase in dividends paid.

## **(3) Explanation of Consolidated Forecasts and Other Forward-looking Statements**

There are no revisions to the May 12, 2023 forecasts for the fiscal year ending March 31, 2024: net sales of 25,300 million yen (up 7.6% year on year), operating income of 2,540 million yen (up 6.5% year on year), ordinary income of 2,600 million yen (up 6.1% year on year), and profit attributable to owners of parent of 1,880 million yen (up 6.1% year on year).

## 2. Quarterly Consolidated Financial Statements and Notes

## (1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY3/23 (As of Mar. 31, 2023)	Third quarter of FY3/24 (As of Dec. 31, 2023)
Assets		
Current assets		
Cash and deposits	7,206,690	7,592,061
Notes and accounts receivable-trade, and contract assets	6,532,385	5,325,274
Merchandise and finished goods	172,554	602,771
Work in process	100,612	164,157
Raw materials and supplies	8,239	4,161
Other	174,586	408,815
Allowance for doubtful accounts	(7,924)	(28,348)
Total current assets	14,187,144	14,068,893
Non-current assets		
Property, plant and equipment		
Buildings and structures	958,056	1,253,160
Accumulated depreciation	(589,641)	(632,877)
Buildings and structures, net	368,415	620,283
Land	142,361	142,361
Other	607,152	639,799
Accumulated depreciation	(485,935)	(457,968)
Other, net	121,216	181,831
Total property, plant and equipment	631,994	944,476
Intangible assets		
Goodwill	88,499	75,011
Customer-related assets	71,561	60,655
Software	74,913	143,338
Other	7,626	7,626
Total intangible assets	242,601	286,631
Investments and other assets		
Investment securities	612,807	634,609
Retirement benefit asset	674,681	676,828
Deferred tax assets	539,732	316,666
Guarantee deposits	435,927	495,779
Other	93,485	253,263
Allowance for doubtful accounts	(4,577)	(37,730)
Total investments and other assets	2,352,057	2,339,417
Total non-current assets	3,226,652	3,570,524
Total assets	17,413,797	17,639,418

	(Thousands of yen)	
	FY3/23 (As of Mar. 31, 2023)	Third quarter of FY3/24 (As of Dec. 31, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	1,495,532	1,128,213
Income taxes payable	498,990	189,975
Contract liabilities	354,018	956,992
Provision for bonuses	1,270,424	582,377
Provision for bonuses for directors (and other officers)	110,250	77,174
Provision for loss on construction contracts	6,801	39,770
Other	967,961	1,112,725
<b>Total current liabilities</b>	<b>4,703,978</b>	<b>4,087,229</b>
<b>Non-current liabilities</b>		
Provision for share awards for directors (and other officers)	141,759	153,415
Retirement benefit liability	1,110,713	1,090,979
Asset retirement obligations	239,628	273,492
Deferred tax liabilities	28,464	27,800
Other	373,011	398,661
<b>Total non-current liabilities</b>	<b>1,893,578</b>	<b>1,944,348</b>
<b>Total liabilities</b>	<b>6,597,556</b>	<b>6,031,578</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,535,409	1,535,409
Capital surplus	1,702,732	1,702,732
Retained earnings	7,389,420	8,091,312
Treasury shares	(175,703)	(175,947)
<b>Total shareholders' equity</b>	<b>10,451,859</b>	<b>11,153,507</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	137,114	148,103
Foreign currency translation adjustment	119,184	207,349
Remeasurements of defined benefit plans	60,618	51,252
<b>Total accumulated other comprehensive income</b>	<b>316,917</b>	<b>406,705</b>
<b>Non-controlling interests</b>	<b>47,463</b>	<b>47,627</b>
<b>Total net assets</b>	<b>10,816,240</b>	<b>11,607,839</b>
<b>Total liabilities and net assets</b>	<b>17,413,797</b>	<b>17,639,418</b>

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****Quarterly Consolidated Statement of Income  
(For the Nine-month Period)**

(Thousands of yen)

	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)
Net sales	16,635,219	18,527,947
Cost of sales	12,188,064	13,565,027
Gross profit	4,447,155	4,962,920
Selling, general and administrative expenses	2,887,203	3,348,520
Operating income	1,559,952	1,614,400
Non-operating income		
Interest income	12,101	17,858
Dividend income	8,937	8,499
Rental income	2,314	4,079
Foreign exchange gains	12,094	9,053
Insurance claim income	-	14,700
Subsidy income	10,319	14,752
Other	5,058	15,356
Total non-operating income	50,825	84,299
Non-operating expenses		
Interest expenses	377	231
Provision of allowance for doubtful accounts	4,185	49,387
Other	918	757
Total non-operating expenses	5,481	50,375
Ordinary income	1,605,296	1,648,323
Profit before income taxes	1,605,296	1,648,323
Income taxes	427,866	550,658
Profit	1,177,429	1,097,664
Profit (loss) attributable to non-controlling interests	10,325	(1,455)
Profit attributable to owners of parent	1,167,103	1,099,120



**Quarterly Consolidated Statement of Comprehensive Income**  
**(For the Nine-month Period)**

(Thousands of yen)

	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)
Profit	1,177,429	1,097,664
Other comprehensive income		
Valuation difference on available-for-sale securities	21,061	10,988
Foreign currency translation adjustment	179,947	91,536
Remeasurements of defined benefit plans, net of tax	(14,673)	(9,365)
Total other comprehensive income	186,335	93,159
Comprehensive income	1,363,764	1,190,824
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	1,348,886	1,188,908
Comprehensive income attributable to non-controlling interests	14,878	1,915

**(3) Quarterly Consolidated Statement of Cash Flows**

	(Thousands of yen)	
	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	1,605,296	1,648,323
Depreciation	83,335	107,910
Amortization of software	18,849	18,946
Amortization of goodwill	18,376	18,752
Amortization of customer-related assets	14,859	15,163
Increase (decrease) in provision for bonuses	(731,123)	(689,050)
Increase (decrease) in retirement benefit liability	22,057	(22,132)
Decrease (increase) in retirement benefit asset	(2,440)	(2,147)
Interest and dividend income	(21,039)	(26,357)
Interest expenses	377	231
Decrease (increase) in trade receivables and contract assets	323,483	1,276,141
Increase (decrease) in contract liabilities	462,097	601,429
Decrease (increase) in inventories	(105,976)	(489,683)
Increase (decrease) in trade payables	(397,433)	(376,894)
Other, net	(140,567)	(124,426)
Subtotal	1,150,152	1,956,206
Interest and dividends received	22,988	27,792
Interest paid	(376)	(230)
Income taxes paid	(690,485)	(697,627)
Net cash provided by (used in) operating activities	482,279	1,286,141
Cash flows from investing activities		
Payments into time deposits	-	(693,471)
Proceeds from withdrawal of time deposits	-	681,171
Purchase of property, plant and equipment	(38,209)	(359,760)
Proceeds from sale of property, plant and equipment	1,080	6,097
Purchase of software	(9,491)	(92,078)
Purchase of investment securities	(48,418)	(1,532)
Loan advances	(3,491)	(59,998)
Proceeds from collection of loans receivable	5,071	11,432
Proceeds from refund of guarantee deposits	25,035	23,763
Payments of guarantee deposits	(2,659)	(83,082)
Other, net	(1,650)	14,686
Net cash provided by (used in) investing activities	(72,733)	(552,772)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(9,047)	-
Repayments of lease liabilities	(20,011)	(15,487)
Proceeds from share issuance to non-controlling shareholders	3,740	-
Purchase of treasury shares	(439)	(244)
Dividends paid	(248,274)	(397,228)
Dividends paid to non-controlling interests	(1,680)	(1,752)
Net cash provided by (used in) financing activities	(275,712)	(414,712)
Effect of exchange rate change on cash and cash equivalents	109,804	30,049
Net increase (decrease) in cash and cash equivalents	243,638	348,707
Cash and cash equivalents at beginning of period	6,463,823	6,793,050
Cash and cash equivalents at end of period	6,707,462	7,141,757

#### **(4) Notes to Quarterly Consolidated Financial Statements**

##### **Going Concern Assumption**

Not applicable.

##### **Significant Changes in Shareholders' Equity**

Not applicable.

##### **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 149,200 shares of JAST with a book value of 171,700 thousand yen as of the end of the previous fiscal year, and the BBT held 149,200 shares with a book value of 171,700 thousand yen as of the end of the third quarter of the current fiscal year.

## Segment and Other Information

### Segment information

#### I. First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)

##### 1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	DX&SI business	Package business	Medical big data business	Global business	Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
Net sales							
1. External sales	10,392,405	2,996,685	1,185,412	2,060,715	16,635,219	-	16,635,219
2. Inter-segment sales and transfers	65,946	42,200	-	35,299	143,446	(143,446)	-
Total	10,458,352	3,038,886	1,185,412	2,096,015	16,778,665	(143,446)	16,635,219
Segment profit	1,614,877	736,708	171,071	277,242	2,799,900	(1,239,948)	1,559,952

Notes: 1. Segment profit in the above adjustment represents includes corporate expenses. These corporate expenses mainly include general and administration expenses that cannot be attributed to any of the reportable segments.

2. Segment profit is consistent with operating income shown on the quarterly consolidated statement of income.

##### 2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Not applicable.

#### II. First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)

##### 1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	DX&SI business	Package business	Medical big data business	Global business	Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
Net sales							
1. External sales	11,102,428	3,211,247	1,557,054	2,657,216	18,527,947	-	18,527,947
2. Inter-segment sales and transfers	91,375	407	-	45,637	137,420	(137,420)	-
Total	11,193,803	3,211,655	1,557,054	2,702,854	18,665,367	(137,420)	18,527,947
Segment profit	1,796,996	721,060	285,129	330,662	3,133,849	(1,519,449)	1,614,400

Notes: 1. Segment profit in the above adjustment represents includes corporate expenses. These corporate expenses mainly include general and administration expenses that cannot be attributed to any of the reportable segments.

2. Segment profit is consistent with operating income shown on the quarterly consolidated statement of income.

##### 2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Not applicable.

## Business Combinations

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.*