

News Release Dated April 20, 2018

Company: Japan System Techniques Co., Ltd.
Representative: Takeaki Hirabayashi, President and CEO
Stock code: 4323, Tokyo Stock Exchange, First Section
Contact: Noriaki Okado, Director and CFO
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Notice of Establishment of Subsidiary

The Board of Directors of Japan System Techniques Co., Ltd. (JAST) resolved at a meeting held on April 20, 2018 to establish JAST Asia Pacific Co., Ltd. in Thailand.

1. Reason for establishment of a subsidiary in Thailand

The JAST Group has been active in the ASEAN region for more than 25 years, primarily at JAST TECHNIQUES PTE. LTD. in Singapore and JASTEC (THAILAND) CO., LTD. in Thailand. JAST believes this region is a highly attractive market because of the outlook for a continuation of rapid economic expansion and a growing middle class that will create a large consumer market.

JAST is establishing JAST Asia Pacific to serve as the international headquarters for overseeing business activities in ASEAN countries and other regions. This subsidiary will be responsible for guiding the JAST Group's global growth, which may include extending business activities to countries in the ASEAN region other than Singapore and Thailand.

JAST Asia Pacific has four primary functions. First is promoting and establishing JAST's brands in the ASEAN region. Second is starting new activities in the ASEAN region using these brands while working with the JAST head office in Japan. Third is serving as a base for the interaction of JAST Group personnel as well as for employee training and R&D programs. Fourth is solving issues at other JAST Group overseas bases and helping these bases be successful.

2. Profile of JAST Asia Pacific Co., Ltd.

(1) Name	JAST Asia Pacific Co., Ltd.
(2) Address	246 Times Square Building 15-01, 15-03 Sukhumvit Rd., Klongtoey, Klongtoey, Bangkok 10110, Thailand (see note)
(3) Representative	Masakatsu Shiozuka, Managing Director
(4) Main business	Contracted development of software; Development, sales and implementation support for software package products
(5) Capital stock	10 million Thai Baht (approx. 35 million yen)
(6) Established	April 20, 2018
(7) Fiscal year-end	December 31
(8) Investment ratio	JAST 99.97%

Note: JAST Asia Pacific plans to move to the following location in Bangkok before starting business operations:
25th Floor, UM Tower 9/257 Ramkhamhaeng Road, Suangluang, Suangluang, Bangkok 10250.

3. Schedule

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| (1) Resolution of JAST's Board of Directors: | April 20, 2018 |
| (2) Establishment of the company: | April 20, 2018 |
| (3) Start of operations: | July 2018 (tentative) |

4. Outlook

JAST believes that the establishment of JAST Asia Pacific will make a medium to long-term contribution to growth in sales and earnings and corporate value. However, this new company will have only a negligible effect on consolidated results of operations in the fiscal year ending in March 2019. An announcement will be made promptly if there is any additional information that should be disclosed.