

News Release Dated January 14, 2022

Company: Japan System Techniques Co., Ltd.
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Notice of Merger and Absorption of Consolidated Subsidiaries

AG NET PTE. LTD. and JAST TECHNIQUES PTE. LTD., which are wholly owned subsidiaries in Singapore of Japan System Techniques Co., Ltd. (JAST), merged on January 1, 2022. JAST TECHNIQUES was absorbed by AG NET, which is the surviving company. Some information concerning this merger is not disclosed because this is a merger of consolidated subsidiaries.

1. Purpose of merger

AG NET uses the HRM (Human Resources Management) cloud system that it developed to serve more than 40,000 users at about 700 organizations primarily in Singapore and the ASEAN region. AG NET is one of the largest providers of human resource solutions in this category in Singapore. For about 40 years, JAST TECHNIQUES has been providing system integration and development, accounting enterprise resource planning (ERP), cloud system and other IT services mainly to the operations of Japanese companies in Singapore.

Merging the two companies will enable them to combine their strengths involving technologies, markets and customers. This will result in a sound infrastructure for providing a broad spectrum of digital transformation services centered on accounting and human resources. In addition, the merger is expected to raise productivity and cut expenses by downsizing the business network and administrative operations of the two companies. After the merger, AG NET will work more closely with JAST subsidiaries in Thailand and Malaysia with the goal of raising awareness of the JAST brand and speeding up the growth of the IT services business throughout the ASEAN region.

2. Summary of merger

(1) Schedule

Merger date (effective date) January 1, 2022

(2) Method

An absorption-type merger between AG NET, which is the surviving company, and JAST TECHNIQUES, which is dissolved.

(3) Distribution of stock associated with the merger

Not applicable.

3. Outline of the merging companies

| | Surviving company | Dissolved company |
|----------------------------------------------|-----------------------------------------------------|-------------------------------------------|
| (1) Company name | AG NET PTE. LTD. | JAST TECHNIQUES PTE. LTD. |
| (2) Location | 57 UBI Avenue 1 #05-05, UBI CENTRE SINGAPORE 408936 | 15 Queen Street, #04-02, Singapore 188537 |
| (3) Representative | Yoshiki Nakanishi, Managing Director | Yoshiki Nakanishi, Managing Director |
| (4) Business | Development and sales of software | Development and sales of software |
| (5) Share capital | 102,000 Singapore dollars | 2,672,000 Singapore dollars |
| (6) Established | March 15, 2006 | September 2, 1982 |
| (7) Major shareholder and shareholding ratio | Japan System Techniques Co., Ltd.: 100% | Japan System Techniques Co., Ltd.: 100% |

4. Outlook

This merger will have only a negligible effect on consolidated results of operations because it is a merger of consolidated subsidiaries.