

**Summary of Consolidated Financial Results
for the Second Quarter of Fiscal Year Ending March 31, 2023
(Six Months Ended September 30, 2022)**

[Japanese GAAP]

Company name: Japan System Techniques Co., Ltd. Listing: Tokyo Stock Exchange
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Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes (for analysts)

Note: The original disclosure in Japanese was released on November 10, 2022 at 16:00 (GMT +9).

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

1. Consolidated Financial Results for the Second Quarter Ended September 30, 2022

(April 1, 2022 – September 30, 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	%
Six months ended Sep. 30, 2022	11,004	9.6	1,003	1.1	1,037	3.3	737	7.4
Six months ended Sep. 30, 2021	10,042	-	992	-	1,004	-	686	-

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2022: 908 (up 28.6%)

Six months ended Sep. 30, 2021: 706 (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2022	60.16	-
Six months ended Sep. 30, 2021	60.22	-

Notes: 1. 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, 2022.

2. Beginning with the first quarter of 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 six months ended September 30, 2021 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 Sep. 30, 2022	15,687	9,852	62.5	799.37
As of Mar. 31, 2022	15,539	9,194	58.9	746.86

Reference: Shareholders' equity (million yen) As of Sep. 30, 2022: 9,803 As of Mar. 31, 2022: 9,159

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

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2022	-	0.00	-	40.00	40.00
Fiscal year ending Mar. 31, 2023	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2023 (forecasts)	-	-	-	25.00	25.00

Notes: 1. Revisions to the most recently announced dividend forecast: None

2. JAST conducted a 2-for-1 common stock split on October 1, 2022. The dividend per share forecasts for the fiscal year ending March 31, 2023 are the amount after the stock split.

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	111.70

Notes: 1. Revisions to the most recently announced consolidated earnings forecasts: None

2. JAST conducted a 2-for-1 common stock split on October 1, 2022. The net income share forecast is the amount after the stock split.

*** 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 Sep. 30, 2022:	12,418,460 shares	As of Mar. 31, 2022:	12,418,460 shares
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2) Number of treasury shares at the end of the period

As of Sep. 30, 2022:	154,232 shares	As of Mar. 31, 2022:	153,932 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2022:	12,264,383 shares	Six months ended Sep. 30, 2021:	11,406,511 shares
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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, 2022.

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.

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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 half of the current fiscal year were 11,004 million yen (up 9.6% year on year). Operating income was 1,003 million yen (up 1.1% year on year), ordinary income was 1,037 million yen (up 3.3% year on year), and profit attributable to owners of parent was 737 million yen (up 7.4% year on year).

Business segment performance was as follows.

In the first quarter of the current fiscal year, JAST revised its reportable segments and the method used for calculating segment profit and loss. Comparisons and analysis of first half results of operations are based on the revised segments and profit and loss calculation method. Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (4) Notes to Quarterly Consolidated Financial Statements, Segment and Other Information, Segment information, 3. Information related to revisions for reportable segments” for further information.

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

Segment sales increased 9.5% from one year earlier to 6,870 million yen and the operating income increased 24.5% to 1,044 million yen. The number of large and prime orders, which was included in the software business in prior years, for existing and new customers was larger than one year earlier. In addition, sales of the mainstay hardware, which was included in the system sales business in prior years, were higher due to the easing of global semiconductor shortages. As a result, overall profitability of the business increased.

(Package business)

Segment sales decreased 3.8% from one year earlier to 2,051 million yen and the operating income was down 29.3% to 555 million yen. Orders for the GAKUEN Series, consisting of the GAKUEN RX and GAKUEN UNIVERSAL PASSPORT RX strategic university management systems, and BankNeo, an information systems integration package for financial institutions, remained firm. However, there was a large number of sales of program products, which have high profit margins, for both the GAKUEN Series and BankNeo in the same period of the previous fiscal year. In addition, sales of support services to start using the GAKUEN Series decreased. The Group’s performance as of the end of the second quarter of the current fiscal year was ahead the plan. We expect sales to be solid during the fiscal year.

(Medical big data business)

Segment sales decreased 2.9% from one year earlier to 718 million yen and the operating income was down 45.8% to 70 million yen. This was primarily because sales of highly profitable analysis services were heavily concentrated in the same period of the previous fiscal year. However, orders in this business as a whole remained firm. The Group’s performance as of the end of the second quarter of the current fiscal year was ahead the plan. We expect sales to be solid during the fiscal year.

(Global business)

Sales increased 52.0% from one year earlier to 1,363 million yen and the operating income increased from 0 million yen to 184 million yen. Higher sales and earnings were primarily the result of the increase in orders and inquiries in Malaysia for support services for the use of SAP software, not only from existing major customers but also from new customers. This business segment also benefited from the weakening of the yen that lifted profit particularly at overseas subsidiaries with strong business results.

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

Corporate general and administrative expenses increased 11.5% from one year earlier to 851 million yen mainly because of higher personnel expenses as more people were hired.

(2) Explanation of Financial Position

1) Balance sheet

Current assets at the end of the second quarter were 12,611 million yen, up 222 million yen from the end of the previous fiscal year. This was mainly due to increases in cash and deposits due to collection of accounts receivable-trade and higher contract liabilities. Non-current assets were 3,075 million yen, down 75 million yen from the end of the previous fiscal year.

Current liabilities at the end of the second quarter were 4,068 million yen, down 552 million yen from the end of the previous fiscal year. This was mainly due to decreases in accrued consumption taxes, which is included in other, and income taxes payable. Non-current liabilities were 1,765 million yen, up 41 million yen from the end of the previous fiscal year.

Net assets at the end of the second quarter were 9,852 million yen, up 658 million yen from the end of the previous fiscal year.

2) Cash flows

Cash and cash equivalents increased 562 million yen from 6,463 million yen at the beginning of the current fiscal year to 7,026 million yen at the end of the first half of the current fiscal year.

Cash flows by category were as follows.

Net cash provided by operating activities totaled 818 million yen, a decrease of 19 million yen from 838 million yen provided in the same period of the previous fiscal year. This decrease was mainly due to an increase in payments of trade payables.

Net cash used in investing activities totaled 85 million yen, an increase of 28 million yen from 57 million yen used in the same period of the previous fiscal year. This was due to an increase in purchase of investment securities and a decrease in proceeds from sales of investment securities.

Net cash used in financing activities totaled 273 million yen, a decrease of 866 million yen from 592 million yen provided in the same period of the previous fiscal year. This was due to decreases in proceeds from disposal of treasury shares and proceeds from issuance of shares.

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

There are no revisions to the May 13, 2022 forecasts for the fiscal year ending March 31, 2023: 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. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY3/22 (As of Mar. 31, 2022)	Second quarter of FY3/23 (As of Sep. 30, 2022)
Assets		
Current assets		
Cash and deposits	6,464,852	7,027,339
Notes and accounts receivable-trade, and contract assets	5,533,330	4,978,692
Merchandise and finished goods	147,538	186,919
Work in process	99,301	139,806
Raw materials and supplies	5,761	7,175
Other	144,293	283,752
Allowance for doubtful accounts	(5,875)	(12,332)
Total current assets	12,389,203	12,611,354
Non-current assets		
Property, plant and equipment		
Buildings and structures	842,406	857,531
Accumulated depreciation	(548,763)	(571,882)
Buildings and structures, net	293,643	285,649
Land	142,361	142,361
Other	565,150	593,586
Accumulated depreciation	(454,587)	(478,530)
Other, net	110,562	115,055
Total property, plant and equipment	546,567	543,067
Intangible assets		
Goodwill	102,785	103,499
Customer-related assets	83,113	83,691
Software	80,909	78,350
Other	7,626	7,626
Total intangible assets	274,435	273,167
Investments and other assets		
Investment securities	542,531	593,925
Retirement benefit asset	705,144	706,791
Deferred tax assets	536,929	413,308
Guarantee deposits	457,167	456,784
Other	89,934	94,880
Allowance for doubtful accounts	(1,925)	(6,159)
Total investments and other assets	2,329,781	2,259,530
Total non-current assets	3,150,785	3,075,765
Total assets	15,539,989	15,687,120

	(Thousands of yen)	
	FY3/22 (As of Mar. 31, 2022)	Second quarter of FY3/23 (As of Sep. 30, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,380,056	1,085,624
Short-term borrowings	8,518	-
Income taxes payable	563,468	183,911
Contract liabilities	430,851	1,154,613
Provision for bonuses	1,194,536	867,638
Provision for bonuses for directors (and other officers)	77,530	32,940
Provision for loss on construction contracts	52,960	63,104
Other	913,152	680,670
Total current liabilities	4,621,074	4,068,504
Non-current liabilities		
Provision for share awards for directors (and other officers)	120,728	132,636
Provision for retirement benefits for directors (and other officers)	6,646	-
Retirement benefit liability	1,058,791	1,070,323
Deferred tax liabilities	24,655	40,159
Other	513,608	522,748
Total non-current liabilities	1,724,430	1,765,867
Total liabilities	6,345,505	5,834,371
Net assets		
Shareholders' equity		
Share capital	1,535,409	1,535,409
Capital surplus	1,703,991	1,702,732
Retained earnings	5,865,484	6,355,035
Treasury shares	(175,264)	(175,649)
Total shareholders' equity	8,929,621	9,417,527
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	121,768	122,494
Foreign currency translation adjustment	(2,240)	161,728
Remeasurements of defined benefit plans	110,706	101,882
Total accumulated other comprehensive income	230,234	386,105
Non-controlling interests	34,628	49,116
Total net assets	9,194,483	9,852,748
Total liabilities and net assets	15,539,989	15,687,120

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

(Thousands of yen)

	First six months of FY3/22 (Apr. 1, 2021 – Sep. 30, 2021)	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)
Net sales	10,042,475	11,004,040
Cost of sales	7,323,153	8,076,392
Gross profit	2,719,321	2,927,648
Selling, general and administrative expenses	1,726,850	1,924,054
Operating income	992,471	1,003,593
Non-operating income		
Interest income	5,805	6,755
Dividend income	2,920	4,840
Rental income	1,334	1,211
Foreign exchange gains	-	14,292
Subsidy income	5,313	5,549
Other	3,232	5,756
Total non-operating income	18,606	38,406
Non-operating expenses		
Interest expenses	632	284
Provision of allowance for doubtful accounts	-	3,942
Foreign exchange losses	1,921	-
Share acquisition rights issuance costs	3,808	-
Other	536	698
Total non-operating expenses	6,899	4,926
Ordinary income	1,004,177	1,037,073
Profit before income taxes	1,004,177	1,037,073
Income taxes	311,841	288,681
Profit	692,336	748,391
Profit attributable to non-controlling interests	5,401	10,565
Profit attributable to owners of parent	686,934	737,825

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

	(Thousands of yen)	
	First six months of FY3/22 (Apr. 1, 2021 – Sep. 30, 2021)	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)
Profit	692,336	748,391
Other comprehensive income		
Valuation difference on available-for-sale securities	(26,211)	725
Foreign currency translation adjustment	52,431	168,234
Remeasurements of defined benefit plans, net of tax	(11,903)	(8,824)
Total other comprehensive income	14,316	160,136
Comprehensive income	706,652	908,527
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	701,073	893,618
Comprehensive income attributable to non-controlling interests	5,579	14,909

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of FY3/22 (Apr. 1, 2021 – Sep. 30, 2021)	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)
Cash flows from operating activities		
Profit before income taxes	1,004,177	1,037,073
Depreciation	52,553	55,194
Amortization of software	12,145	12,415
Amortization of goodwill	16,311	12,176
Amortization of customer-related assets	9,790	9,846
Amortization of trademark	471	-
Amortization of technology assets	837	-
Increase (decrease) in provision for bonuses	(138,301)	(328,630)
Increase (decrease) in retirement benefit liability	3,264	8,027
Decrease (increase) in retirement benefit asset	(1,721)	(1,647)
Interest and dividend income	(8,726)	(11,596)
Interest expenses	632	284
Decrease (increase) in trade receivables and contract assets	4,415	642,867
Increase (decrease) in contract liabilities	681,518	720,591
Decrease (increase) in inventories	233,619	(81,300)
Increase (decrease) in trade payables	(26,541)	(313,474)
Other, net	(563,446)	(425,539)
Subtotal	1,281,000	1,336,288
Interest and dividends received	5,159	11,596
Interest paid	(540)	(285)
Income taxes paid	(447,072)	(528,793)
Net cash provided by (used in) operating activities	838,546	818,805

	(Thousands of yen)	
	First six months of FY3/22 (Apr. 1, 2021 – Sep. 30, 2021)	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)
Cash flows from investing activities		
Purchase of property, plant and equipment	(29,637)	(36,400)
Proceeds from sale of property, plant and equipment	6,260	1,080
Purchase of software	(11,414)	(4,963)
Purchase of investment securities	(728)	(47,542)
Proceeds from sale of investment securities	22,601	-
Loan advances	(46,587)	(1,292)
Proceeds from collection of loans receivable	2,155	3,378
Proceeds from refund of guarantee deposits	1,171	2,428
Payments of guarantee deposits	(920)	(972)
Proceeds from sale of membership	490	-
Other, net	(475)	(1,406)
Net cash provided by (used in) investing activities	(57,084)	(85,691)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(400,000)	(9,808)
Repayments of lease liabilities	(13,510)	(13,273)
Repayments of long-term borrowings	(2,800)	-
Proceeds from issuance of shares	913,240	-
Purchase of treasury shares	-	(385)
Proceeds from disposal of treasury shares	248,042	-
Dividends paid	(152,028)	(248,274)
Dividends paid to non-controlling interests	-	(1,680)
Net cash provided by (used in) financing activities	592,943	(273,422)
Effect of exchange rate change on cash and cash equivalents	31,654	102,663
Net increase (decrease) in cash and cash equivalents	1,406,061	562,355
Cash and cash equivalents at beginning of period	4,853,695	6,463,823
Cash and cash equivalents at end of period	6,259,757	7,026,178

(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 74,600 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 74,600 shares with a book value of 171,700 thousand yen as of the end of the second quarter of the current fiscal year.

Segment and Other Information

Segment information

I. First six months of FY3/22 (Apr. 1, 2021 – Sep. 30, 2021)

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	6,273,041	2,131,669	740,496	897,267	10,042,475	-	10,042,475
2. Inter-segment sales and transfers	22,566	2,475	-	8,412	33,454	(33,454)	-
Total	6,295,608	2,134,144	740,496	905,679	10,075,929	(33,454)	10,042,475
Segment profit	839,188	786,028	130,802	203	1,756,224	(763,753)	992,471

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 loss 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 six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 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	6,870,153	2,051,526	718,883	1,363,476	11,004,040	-	11,004,040
2. Inter-segment sales and transfers	42,063	28,015	-	18,821	88,900	(88,900)	-
Total	6,912,216	2,079,542	718,883	1,382,298	11,092,940	(88,900)	11,004,040
Segment profit	1,044,698	555,731	70,923	184,168	1,855,521	(851,927)	1,003,593

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.

3. Information related to revisions for reportable segments

(Revisions to reportable segments)

During the past several years, the scale and composition of business operations of the JAST Group as well as the types of services provided have changed significantly along with dramatic shifts in the social and business environment. In response to these changes, the JAST Group started using new business segments in the first quarter of the fiscal year ending in March 2023. The purposes of the new segments are to facilitate more accurate and thorough management and decision-making concerning growth strategies and other items and to disclose information to investors in a more suitable format. In previous fiscal years, the reportable segments were the software business, GAKUEN business, system sales business and medical big data business. The new segments are the digital transformation and system integration (DX&SI) business, package business, medical big data business and global business.

The former software business has been renamed the DX&SI business for the purpose of clearly expressing the commitment of this business to providing even more added value and creating seeds for new businesses. This business aims to continue the steady growth of system integration, currently the largest source of JAST's earnings, while shifting emphasis to co-creation digital transformation activities. The goal of these activities with customers is to use digital technologies for business process innovation and for making customers and the JAST Group more competitive. The DX&SI business includes former system sales business. The former GAKUEN business has been renamed the package business because this business uses package systems with JAST brands to provide comprehensive digital transformation services and aim for growth. The package business includes the BankNeo financial

institution information systems integration package that was in the software business in prior years. The activities of the global business were included in the former software business in prior years. Beginning with this fiscal year, global operations are a separate business segment to more accurately provide information about the distinctive characteristics and growth strategies of the JAST Group's businesses, such as solutions and wide-area activities in the ASEAN region and China.

Segment information for the first six months of FY3/22 is based on the new reportable segments.

(Change in method for calculating segment profit and loss)

In recent years, the scale and characteristics of the business activities of the JAST Group have changed and the importance of properly managing these activities has increased. To more appropriately evaluate the performance of the group's reportable segments, the allocation of expenses for head office functions has been reexamined. In prior years, general and administrative expenses that could not be allocated to a reportable segment were allocated in accordance with expense allocation standards. Beginning with the first quarter of the current fiscal year, these expenses are instead recognized as corporate expenses that are part of the adjustment to segment profit.

Segment profit and loss for the first six months of FY3/22 is based on the new calculation method.

Business Combinations

This information is omitted due to immateriality.

Subsequent Events

Following the resolution approved by the Board of Directors meeting held on August 22, 2022, JAST implemented a stock split and has made an associated revision to the Articles of Incorporation.

1. Stock split

(1) Purpose of stock split

The purpose of the stock split is to make investment easier for investors by reducing the value of JAST's investment unit, thereby expanding the investor base and increasing the liquidity of its shares.

(2) Method of stock split

Shareholders listed in the final shareholder register on the record date of September 30, 2022 have received two shares of common stock for each share held on the record date.

(3) Number of shares increased by the stock split

Total number of shares issued prior to the stock split:	6,209,230 shares
Number of shares increased by the stock split:	6,209,230 shares
Total number of shares issued following the stock split:	12,418,460 shares
Total number of authorized shares following the stock split:	32,000,000 shares

(4) Schedule

Public notice of record date:	September 15, 2022
Record date:	September 30, 2022
Effective date:	October 1, 2022

2. Partial revision to the Articles of Incorporation following the stock split

(1) Reason for the revision

In association with this stock split, the JAST Articles of Incorporation was partially amended on October 1, 2022 in accordance with Article 184, Paragraph 2 of the Companies Act.

(2) Details of the revision (Underlined parts are revised.)

Current	After revision
Article 6: (Total Number of Shares Authorized) The total number of shares authorized to be issued by the Company shall be <u>16,000,000</u> shares.	Article 6: (Total Number of Shares Authorized) The total number of shares authorized to be issued by the Company shall be <u>32,000,000</u> shares.

(3) Effective date

October 1, 2022

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.