

News Release Dated January 6, 2023

Company: Japan System Techniques Co., Ltd.
Representative: Takeaki Hirabayashi, President and CEO
Stock code: 4323, Tokyo Stock Exchange, Prime Market
Contact: Toshinori Hamada, General Manager of
Planning & Administration Division
Tel: +81-6-4560-1000

Notice of Establishment of Subsidiary

Virtual Calibre SDN. BHD., a wholly owned subsidiary in Malaysia of Japan System Techniques Co., Ltd. (JAST), has established a subsidiary in Chennai, India named Virtual Calibre Consulting India Pvt. Ltd. The new company, which is a subsidiary of a subsidiary, is a consolidated subsidiary of JAST.

1. Reason for establishment of the India subsidiary

The Virtual Calibre Group, which is a subsidiary of JAST, provides system consulting services in Malaysia. The primary activities are a business process outsourcing (BPO) business using SAP enterprise resource planning products and support for the installation and use of SAP products. Clients include many large companies, mainly government-owned companies in the energy sector. The Virtual Calibre Group has maintained a strong profit structure based on its innovative earnings model and has contributed to expanding its operation base not only in Malaysia but also in the entire ASEAN region.

The digital transformation (DX) market is growing rapidly in India, which has the goal of becoming one of the world's most advanced digital technology countries. By serving as a base for starting and expanding the JAST Group's SAP business in the ASEAN region, southern Asia and the Middle East, the new subsidiary in India is expected to enable the JAST Group to grow even faster.

2. Profile of Virtual Calibre Consulting India

(1) Name	Virtual Calibre Consulting India Pvt. Ltd.
(2) Address	Shakthi Tower 1, 766, Anna Salai, Chennai, Tamil Nadu, 600002, India
(3) Representative	Masakatsu Shiozuka, Managing Director
(4) Main business	Software development and consultation services
(5) Capital stock	20 million Indian rupees (approx. 32 million yen)
(6) Established	November 29, 2022 (consolidated subsidiary as of December 27, 2022)
(7) Fiscal year-end	March 31
(8) Shareholders	Virtual Calibre SDN. BHD. (wholly owned subsidiary of JAST): 75% Virtual Calibre MSC SDN. BHD. (wholly owned subsidiary of JAST): 25%

3. Outlook

This new subsidiary will have only a negligible effect on JAST's consolidated results of operations in the fiscal year ending on March 31, 2023. The effect of this new subsidiary in the following fiscal year will be included in the forecast for that fiscal year.