

News Release Dated November 30, 2023

Company: Japan System Techniques Co., Ltd.
Representative: Takeaki Hirabayashi, President and CEO
Stock code: 4323, Tokyo Stock Exchange, Prime Market
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Notice of Acquisition of K-SHIP Co., Ltd.

The Board of Directors of Japan System Techniques Co., Ltd. (JAST) approved resolutions on November 30, 2023 concerning a basic agreement with a shareholder of K-SHIP Co., Ltd. for the purchase of K-SHIP stock in order to make this company a subsidiary.

1. Reasons for the share purchase

K-SHIP is a provider of insurance services primarily to health insurance organizations. Operations include verifications of applications for payments for judo therapy treatments, which are mainly inspections of items listed in invoices, and outsourced invoicing services, health insurance administrative tasks, and other activities. K-SHIP has the largest share and provides services to 175 health insurance organizations.

The JAST Group (JAST and its consolidated subsidiaries) is a comprehensive software development organization that has no affiliations with other corporate groups and a highly distinctive identity. The JAST Group has a system solutions business that always utilizes the latest advances in technology to serve an extremely broad range of clients in terms of industries, technological fields, equity relationships and other characteristics. The medical big data business was 8.6% of the JAST Group's sales in the fiscal year that ended in March 2023. The group's business activities are guided by the missions of making medical data an asset with value and using ICT for the digital transformation of health insurance operations. The objectives are to be a one-stop source of services for health insurers and a provider of services for the utilization of data. One of the JAST Group's highest priorities is the growth of business value in this insurance services sector by increasing the group's market share for more growth of medical big data at the group.

JAST is purchasing K-SHIP stock for the purposes of increasing the number of transactions and the volume of big data in the health insurance market at all group companies. In addition, JAST plans to use the combination of the JAST Group's ICT and digital transformation expertise and K-SHIP's business operations know-how for the provision of services with even greater value to health insurance organizations.

2. Profile of K-SHIP

(1) Company name	K-SHIP Co., Ltd.
(2) Representative	Yuta Nakamura, President and Representative Director
(3) Location	1-9-20 Hattorimotomachi, Toyonaka City 561-0851
(4) Established	April 1, 1989
(5) Business	Health insurance invoice processing and verifications, verifications of applications for payments of judo therapy treatment expenses, health management business, and other activities
(6) Fiscal year end	March 31
(7) Employees	67
(8) Main location	Head office
(9) Share capital	55 million yen
(10) Shares outstanding	1,100 shares

3. Profile of the seller of K-SHIP stock

(1) Name	Yuta Nakamura
(2) Address	Toyonaka City, Osaka
(3) Relationships between JAST and Yuta Nakamura	There are no capital, personnel or business relationships

Note: Mr. Nakamura plans to purchase all stock of the other K-SHIP shareholders before the scheduled sale of K-SHIP stock to JAST on the date in the following schedule section. As a result, Mr. Nakamura plans to own 1,100 shares of K-SHIP stock and to be the only seller of this stock to JAST.

4. Number of shares to be acquired, acquisition cost and status of ownership before and after acquisition

(1) Share ownership before acquisition	0 shares (No. of voting rights: 0) (Ownership ratio: 0%)
(2) Number of shares to be acquired	1,100 shares (No. of voting rights: 1,100)
(3) Acquisition cost	The acquisition cost is to be determined by the mutual agreement of the buyer and seller as stated in the basic agreement. JAST plans to disclose the acquisition cost after the contract to purchase this stock is signed.
(4) Share ownership after acquisition	1,100 shares (No. of voting rights: 1,100) (Ownership ratio: 100%)

5. Schedule

(1) Resolution of the Board of Directors	November 30, 2023
(2) Signing of basic agreement	November 30, 2023
(3) Signing of stock acquisition agreement	January 2024 (tentative)
(4) Stock acquisition date	JAST plans to purchase the stock immediately after the stock acquisition agreement is signed.

6. Outlook

JAST is currently examining the effect of acquiring K-SHIP and making it a consolidated subsidiary on the JAST Group's financial condition and results of operations. An announcement will be made promptly if JAST determines that there is an effect that should be disclosed.