

FY2024.3 Financial Results Briefing for the 2nd Quarter

Japan System Techniques Co., Ltd.

Launch the Future



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1. Consolidated results of operations Comparison with the Same Period of the Previous Year

(M¥)

	2022.3 2Q	2023.3 2Q	2024.3 2Q	
	Accumulated total	Accumulated total	Accumulated total	YoY
Net sales	10,042	11,004	12,132	+10.3%
Gross profit	2,719	2,927	3,257	+11.3%
Gross profit rate (%)	27.1	26.6	26.9	+0.3
Operating income	992	1,003	1,003	▲0.0%
Operating margin (%)	9.9	9.2	8.3	▲0.9
Ordinary income	1,004	1,037	1,008	▲2.7%
Profit attributable to owners of parent	686	737	651	▲11.7%

	2022.3	2023.3	2024.3 2Q	
	End of period	End of period	End of 2Q	YoY
Total assets	15,539	17,413	18,545	+6.6%
Net assets	9,194	10,816	11,116	+2.8%
Equity ratio (%)	59.0	61.8	59.7	▲2.1
Free cash flow	1,082	532	699	+31.4%
Cash and cash equivalents at the end of period	6,463	6,793	7,112	+4.7
Stock price (yen, Highest price during the period)*	1,532	1,804	2,758	+52.5%
Market capitalization (billion yen, Highest price during the period)	95	224	342	+52.3%
Number of employees(person)	1,448	1,621	1,917	+18.3%

◆ Performance

- Sales **increased by 10.3% year-on-year**
- Recurring profit **fell by 2.7% year-on-year**
- All business segments **performed better than in the same period of the previous year**
- Each profit indicator decreased year-on-year** due to upfront investment in line with the original plan

◆ Financial condition

- Due to stable profits and good liquidity on hand, continued financial stability
- Continuously positive free cash flow

◆ Valuation

- Share price and market capitalization remain in the highest range since listing

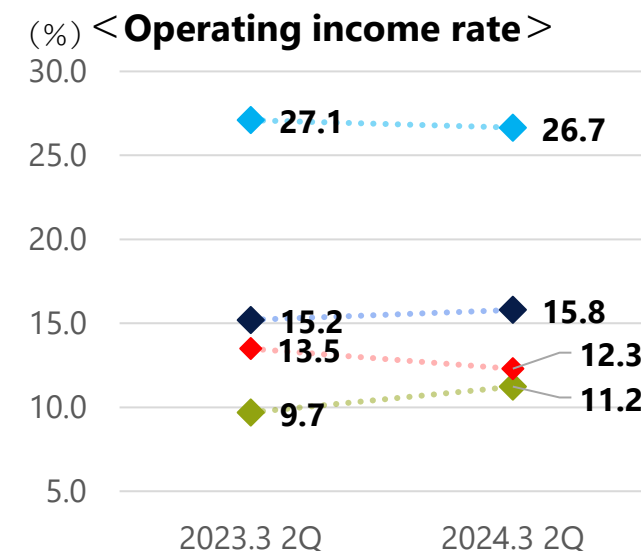
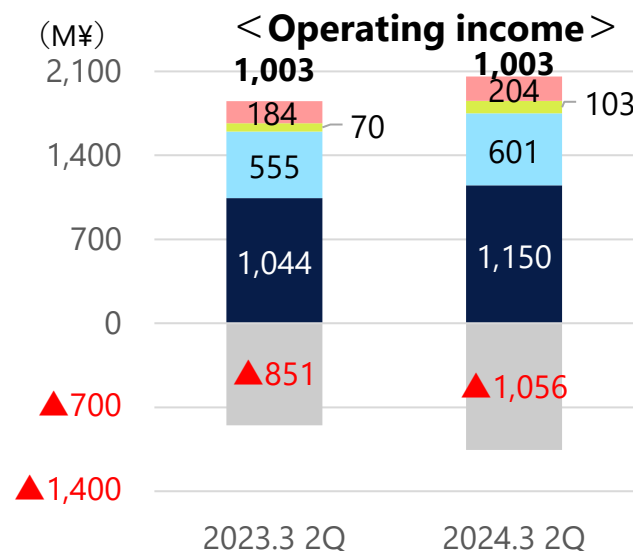
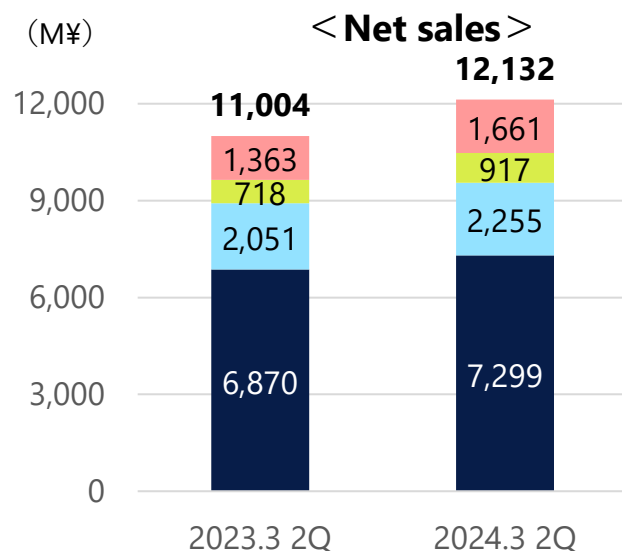
◆ Number of employees

- Number of new graduates hired fulfilled as initially planned
- Demand for personnel, mainly experienced personnel, increased due to brisk orders

2. Digest by Segment (1) Situation of each Segment

(M¥)

Segment	Business Conditions and Factors of Increase/Decrease		Net sales	Operating income	Operating income rate
DX&SI business	<ul style="list-style-type: none"> Expansion of large prime projects for new and existing customers Improve profitability through stable project operations 	2024.3 Cumulative 2Q	7,299	1,150	15.8%
		YoY	+6.2%	+10.2%	+0.6
Package Business	<ul style="list-style-type: none"> GAKUEN business saw a year-on-year increase in PP sales and implementation support services In the BankNeo business, sales of PP sales fell slightly 	2024.3 Cumulative 2Q	2,255	601	26.7%
		YoY	+9.9%	+8.3%	▲0.4
Medical big data business	<ul style="list-style-type: none"> Highly profitable business such as Analytical services and insurer business support services etc. increased revenues 	2024.3 Cumulative 2Q	917	103	11.2%
		YoY	+27.7%	+47.1%	+1.5
Global business	<ul style="list-style-type: none"> Increased orders in SAP*1 business in Malaysia Decrease in Thailand SI development projects and ERP packages 	2024.3 Cumulative 2Q	1,661	204	12.3%
		YoY	+21.9%	+10.9%	▲1.2

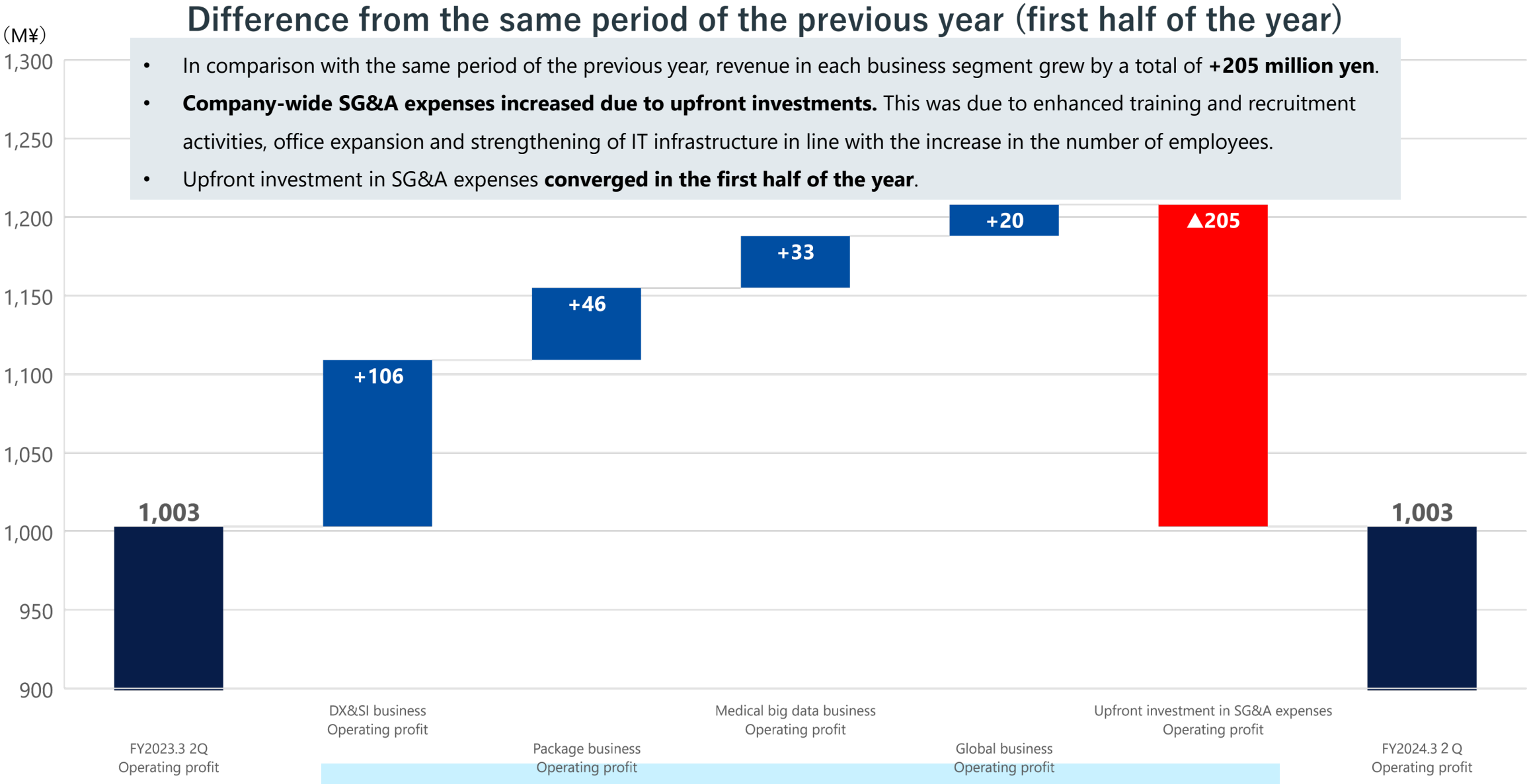


■ DX&SI business ■ Package business ■ Medical big data business

■ Global business ■ Common to all

*Trademarks of other companies' solutions are listed under "Trademarks" at the end of this document.

2. Digest by Segment (2) Difference from the Same Period of the Previous Year (First Half of the Year)



Difference from the same period of the previous year

3. Topics (After FY2023.3)

Business Activities

- Released new product in the GAKUEN series, “GAKUEN RX Scholarship” [9 May 2023]
- Released four new functions in the “iBss”, an insurer operations support system [14 April 2023]

Shareholder Returns/ Corporate Value

- Market capitalization reaches 34.2 billion yen, the highest since listing (Closing price 4th December) [4 December 2023]
- Determined a shareholder benefit scheme and a 50th anniversary benefit to increase the attractiveness of investment in the company's shares for individual investors [22 November 2023]

Alliance

- Reached a basic agreement on the acquisition of 100% of the shares of K-SHIP Co., Ltd., an industry leader in medical receipt inspection and health guidance [30 November 2023]
- Strengthening cooperation with NTT WEST CORPORATION for the promotion of university DX [5 October 2023]
- Started system collaboration between “SMART BankNeo” and the business digitalization tool “POWER EGG” to promote the strengthening of sales capabilities [3 April 2023]

Non-financials/ others

- Office expansion and renewal of Osaka head office to improve office productivity, personnel exchange and engagement [10 October 2023]
- Obtained certification as a 'DX Certified Business Operator' from the Ministry of Economy, Trade and Industry [10 May 2023]

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1. Consolidated Financial Results (1) Consolidated Statements of Income

(M¥)

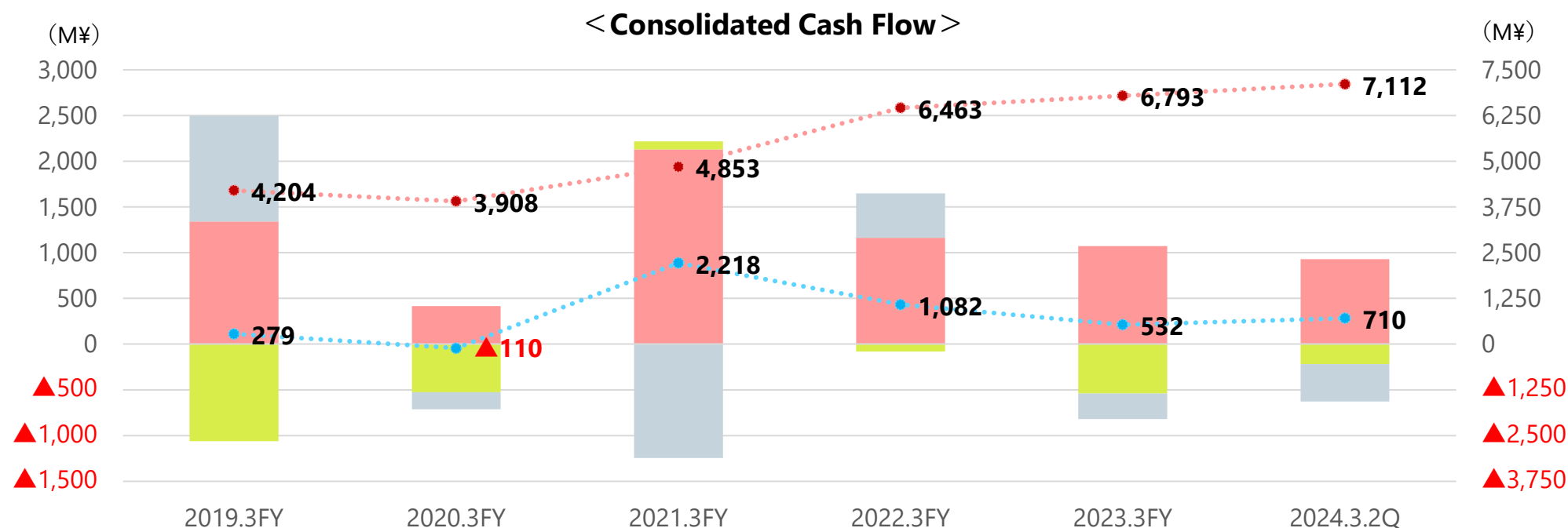
	2022.3			2023.3			2024.3	Compared to the previous period	2024.3 initial forecast
	First half	Second half	Full year	First half	Second half	Full year	First half		Full year
Net sales	10,042	11,297	21,339	11,004	12,515	23,519	12,132	+10.3%	25,300
Cost of sales	7,323	8,388	15,711	8,076	9,067	17,143	8,875	+9.9%	-
Gross profit	2,719	2,969	5,688	2,927	3,448	6,375	3,257	+11.3%	-
Gross profit rate (%)	27.1	26.3	26.7	26.6	27.6	27.2	26.9	+0.3	-
Selling, general and administrative expenses	1,726	1,961	3,687	1,924	2,066	3,990	2,253	+17.1%	-
of which R&D expenses	160	276	436	199	270	469	120	▲39.7%	-
Operating income	992	1,008	2,000	1,003	1,382	2,385	1,003	▲0.0%	2,540
Operating margin (%)	9.9	9.0	9.4	9.2	11.1	10.2	8.4	▲0.9	10.0
Ordinary income	1,004	1,048	2,052	1,037	1,413	2,450	1,008	▲2.8%	2,600
Ordinary income rate (%)	10.0	9.3	9.7	9.5	11.3	10.5	8.4	▲1.1	6.1
Profit attributable to non-controlling interests	686	644	1,330	737	1,035	1,772	651	▲11.7%	1,880
Net income rate (%)	6.9	5.8	6.3	6.7	8.3	7.6	5.4	▲1.3	7.4
Comprehensive income	706	636	1,342	908	960	1,868	699	▲23.1%	-

1. Consolidated Financial Results (2) Consolidated Balance Sheets (M¥)

	2021.3	2022.3	2023.3	2024.3		Compared to previous YE	
	End of period	End of period	End of period	End of 2Q	Composition ratio	Difference	Percentage change
Total assets	12,861	15,539	17,413	18,545	100.0%	+1,132	+6.6%
Total current assets	9,696	12,389	14,187	14,959	80.7%	+772	+5.5%
Total property, plant and equipment	542	546	631	858	4.6%	+227	+36.0%
Total intangible assets	378	274	242	264	1.4%	+22	+9.1%
Total investments and other assets	2,243	2,329	2,352	2,462	13.3%	+110	+4.7%
Total liabilities and net assets	12,861	15,539	17,413	18,545	100.0%	+1,132	+6.6%
Total liabilities	6,011	6,345	6,597	7,428	40.1%	+831	+12.6%
Total current liabilities	4,388	4,621	4,703	5,506	29.7%	+803	+17.1%
Total non-current liabilities	1,623	1,724	1,893	1,922	10.4%	+29	+1.6%
Total net assets	6,850	9,194	10,816	11,116	59.9%	+300	+2.8%
Total shareholder's equity	6,592	8,929	10,451	10,705	57.7%	+254	+2.5%
Share capital	1,076	1,535	1,535	1,535	8.3%	+0	+0.0%
Capital surplus	1,128	1,703	1,702	1,702	9.2%	+0	+0.0%
Retained earnings	4,605	5,865	7,389	7,643	41.2%	+254	+3.5%
Treasury shares	▲218	▲175	▲175	▲175	▲0.9%	+0	+0.0%
Total accumulated other comprehensive income	220	230	316	363	2.0%	+47	+14.9%
Share acquisition rights	5	-	-	-	-	-	-
Non-controlling interests	31	34	47	46	0.2%	▲1	▲2.2%

1. Consolidated Financial Results (3) Consolidated Cash Flow (M¥)

	2019.3 Full year	2020.3 Full year	2021.3 Full year	2022.3 Full year	2023.3 Full year	2024.3 2Q cumulative total
Cash flows from operating activities	1,342	417	2,131	1,162	1,073	929
Cash flows from investing activities	▲1,063	▲527	87	▲80	▲541	▲219
Free cash flow	279	▲110	2,218	1,082	532	710
Cash flows from financing activities	1,157	▲185	▲1,247	486	▲280	▲409
Cash and cash equivalents at the end of period	4,204	3,908	4,853	6,463	6,793	7,112

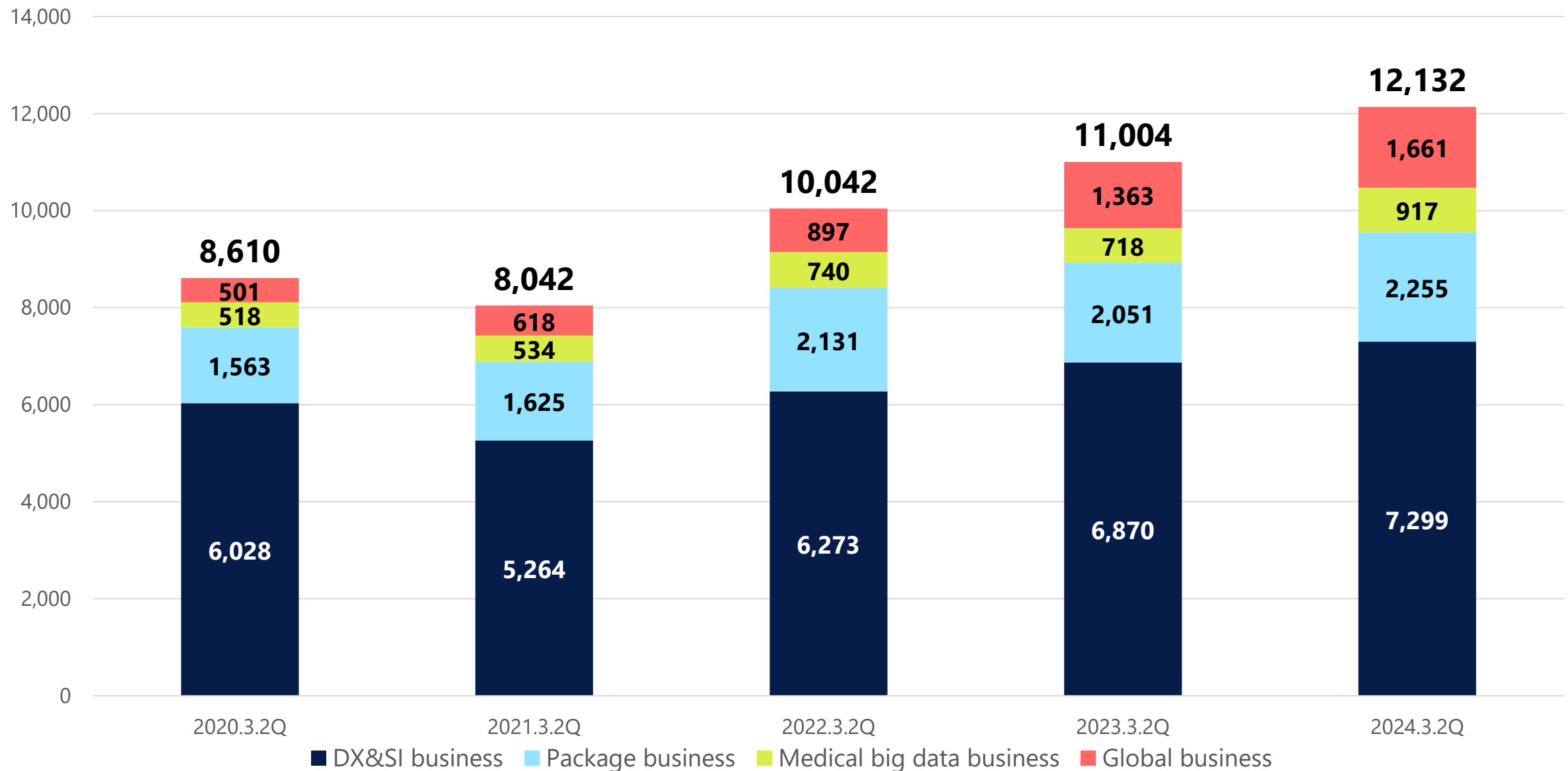


Left-hand scale : ■ Cash flows from operating activities ■ Cash flows from investing activities ■ Cash flows from financing activities

Right-hand scale : ● Cash and cash equivalents at the end of period ● Free cash flows

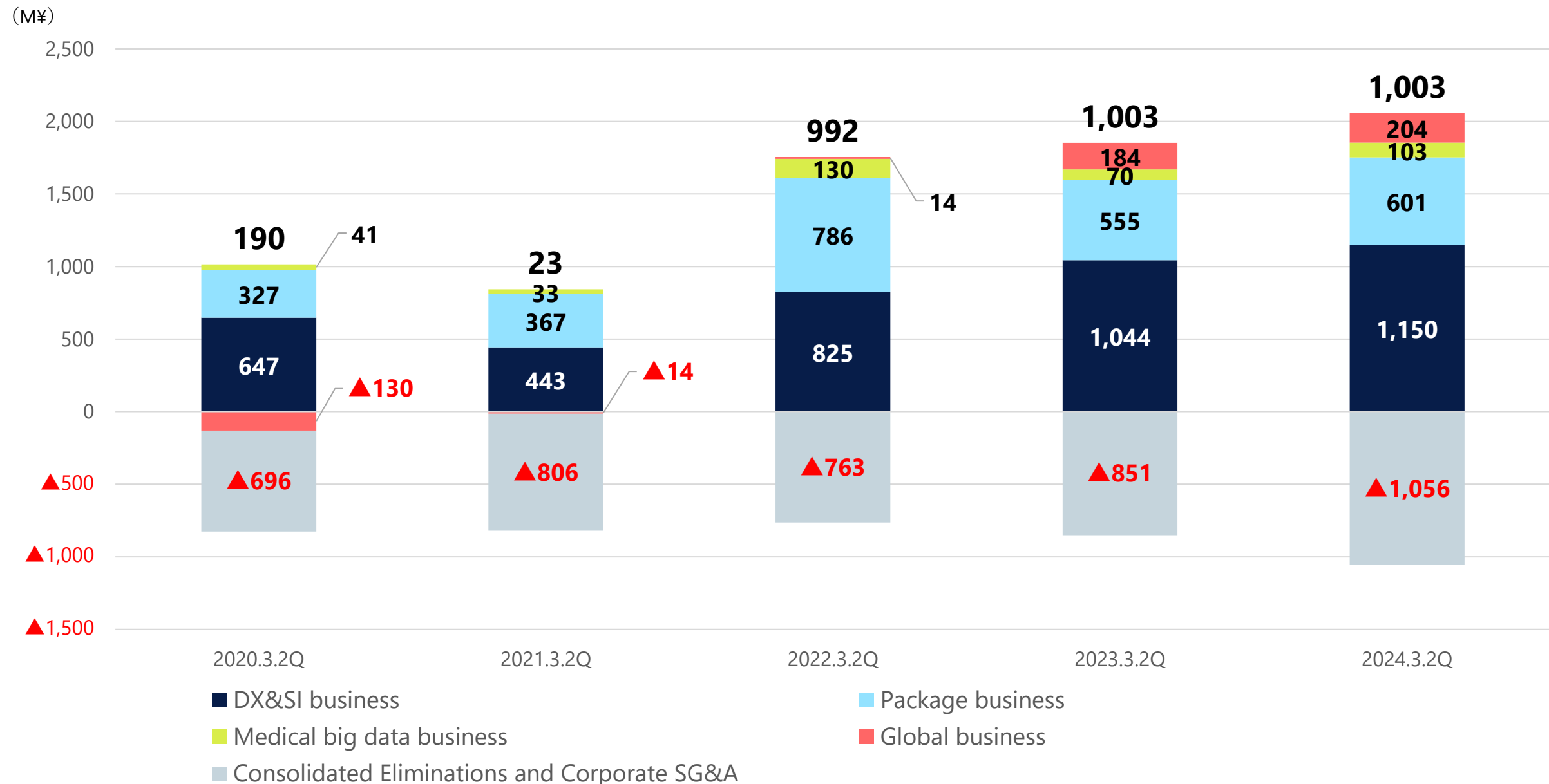
1. Consolidated Results (4) Sales by Business Segment

(M¥)



Note: Figures at the top of the graph are consolidated net sales (after consolidation and elimination).

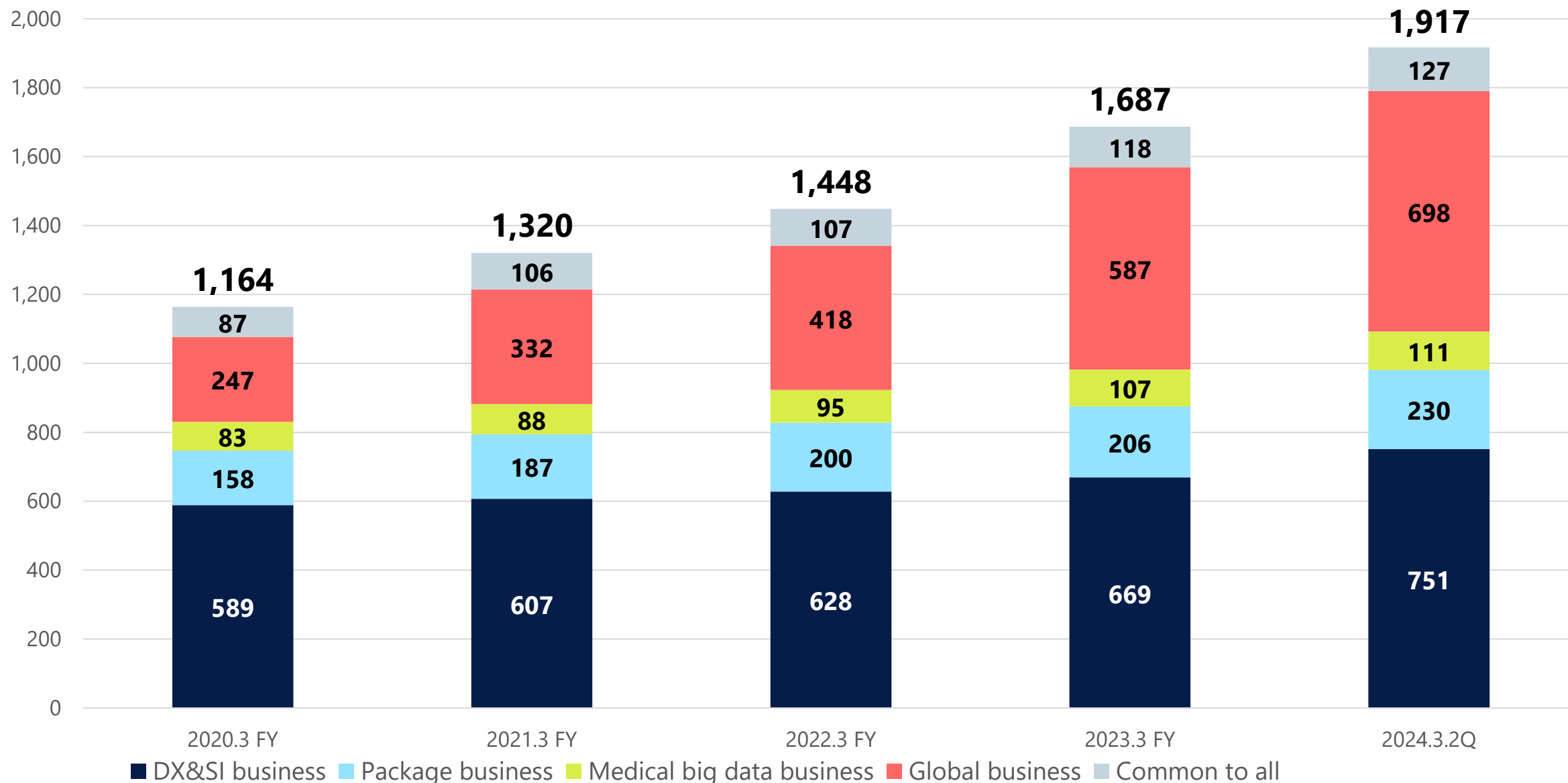
1. Consolidated Results (5) Operating Income by Business Segment



Note: Figures at the top of the graph are consolidated net sales (after consolidation and elimination).

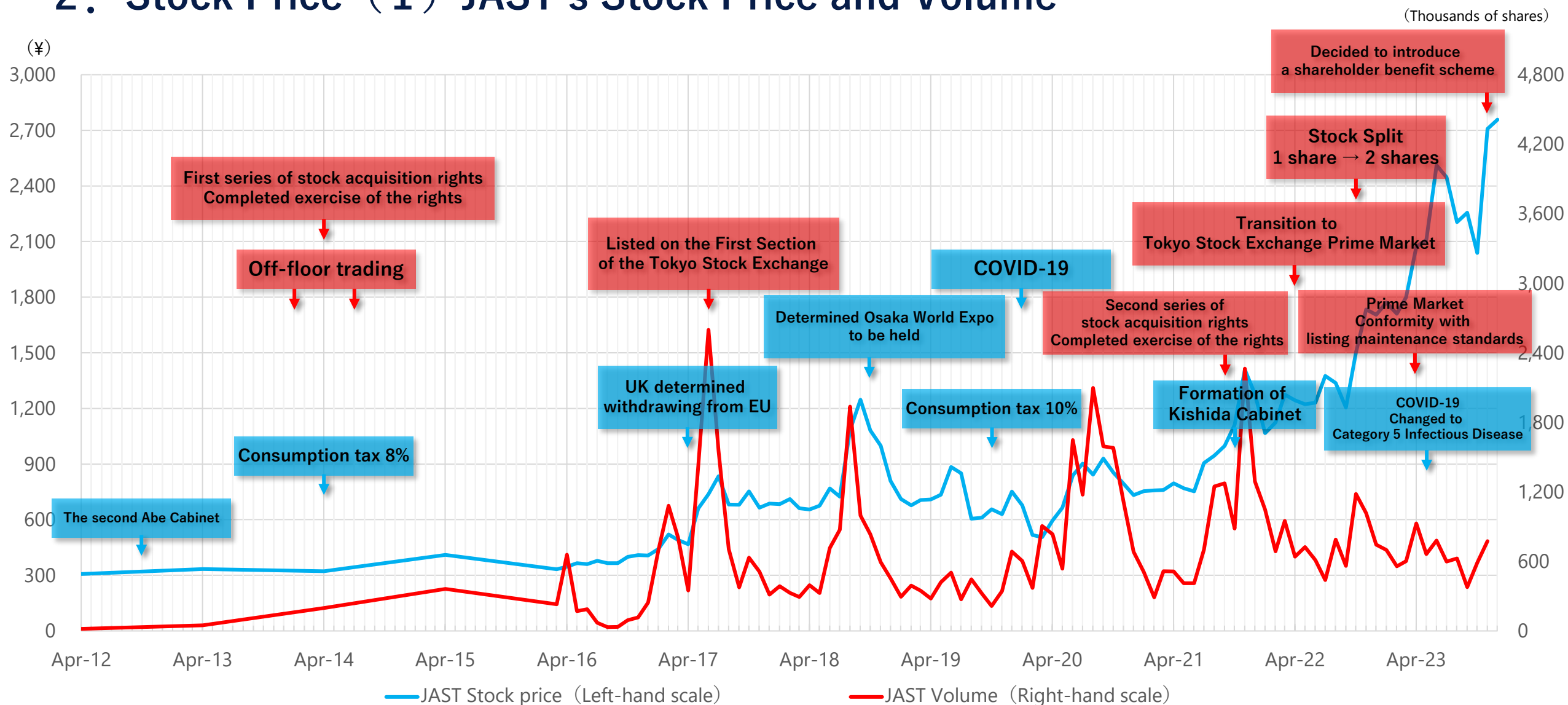
1. Consolidated Financial Results (6) Consolidated Number of Employees

(person)



*Note: Figures at the top of the graph are the number of consolidated employees.

2. Stock Price (1) JAST's Stock Price and Volume



Stock price information
(Closing price on 4 December 2023)

Stock price **¥2,758**

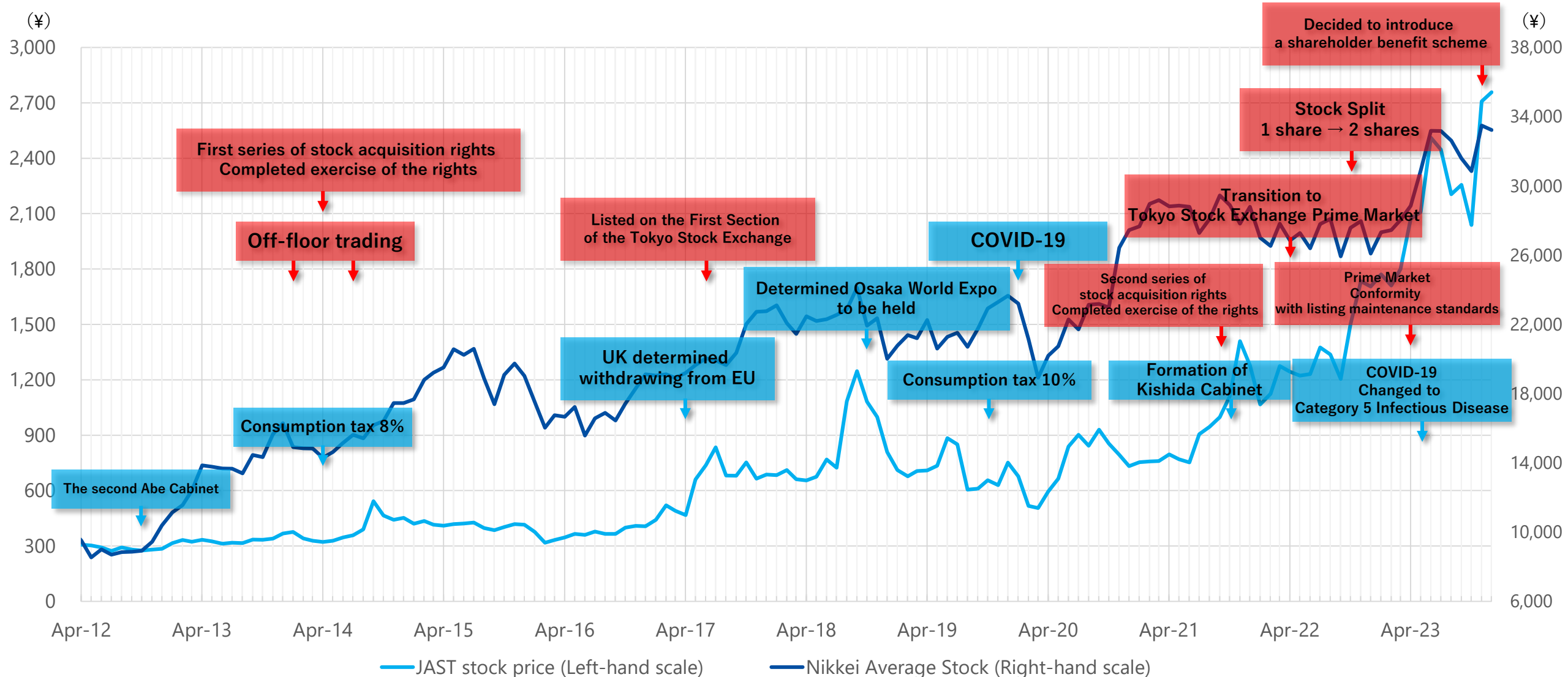
EPS **¥153.29**

PER **18.22**

PBR **3.09**

*Share prices prior to the stock split (effective date: 1 October 2022) are retrospectively adjusted.

2. Stock Price (2) JAST's Stock Price and Correlation of the Nikkei Stock Average



Stock price information
(Closing price on 4 December 2023)

Stock price

¥2,758

EPS

¥153.29

PER

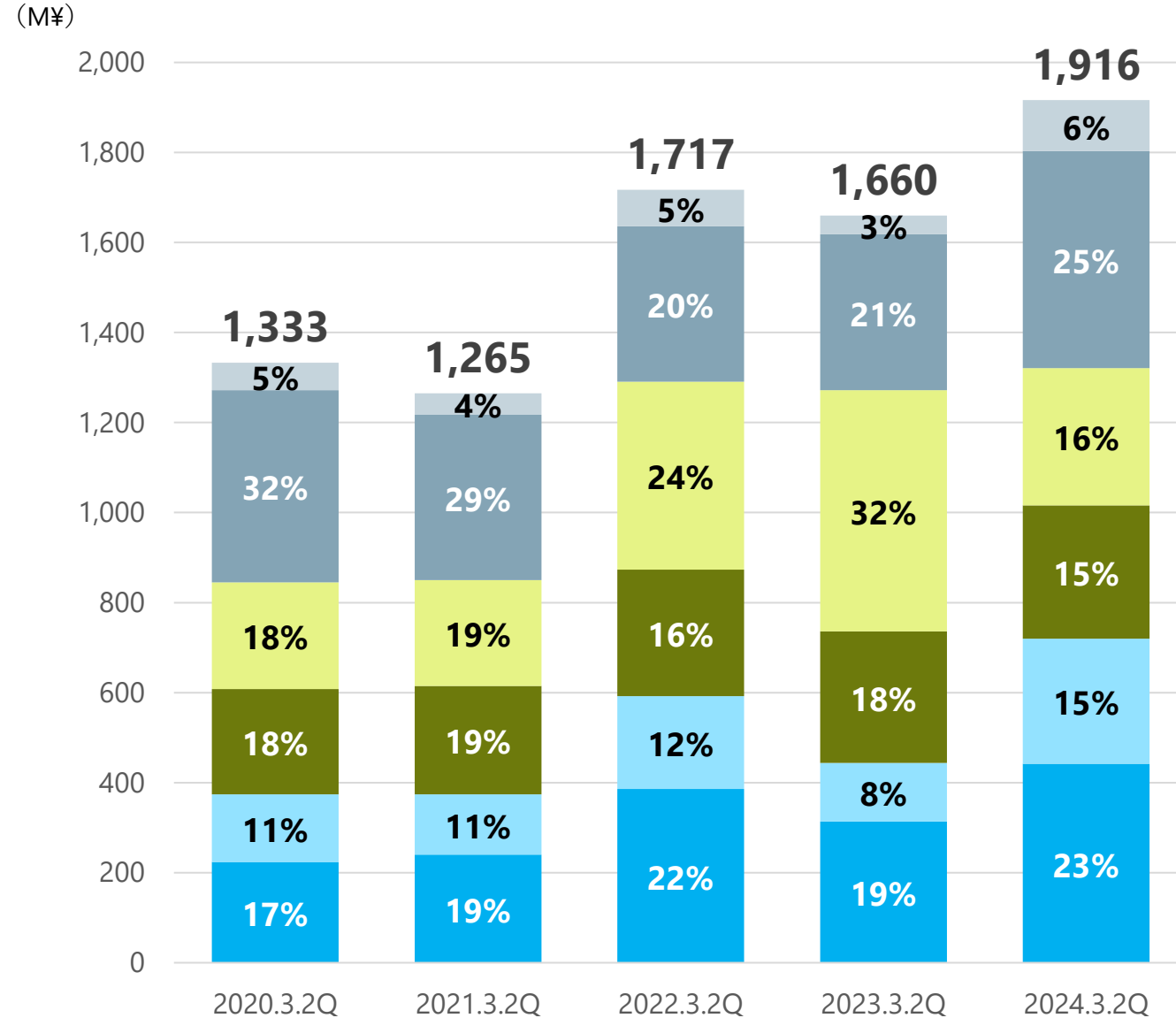
18.22

PBR

3.09

*Share prices prior to the stock split (effective date: 1 October 2022) are retrospectively adjusted.

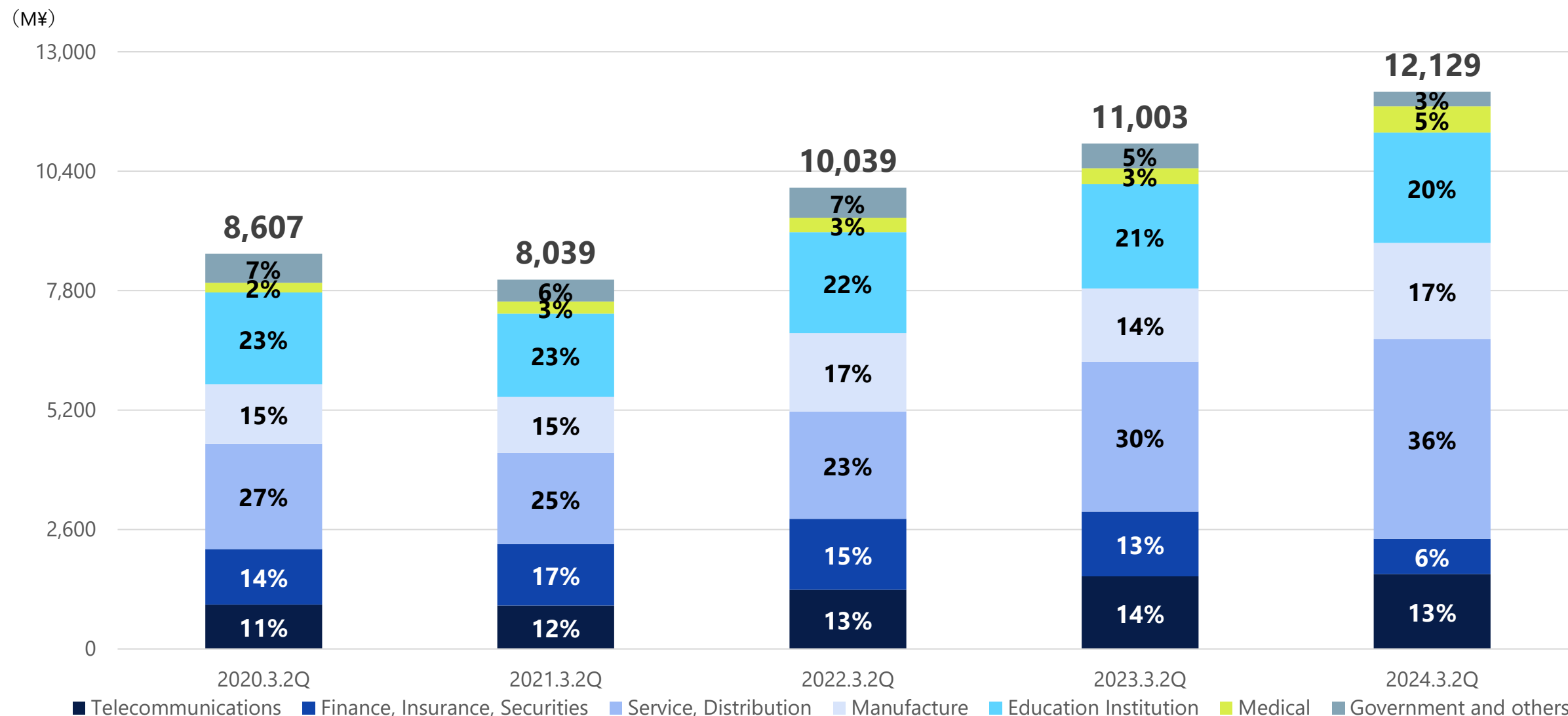
3. Performance by Category (1) Package Business GAKUEN Sales by Category



Legend	Content	Feature
Operation service	System operation support	<ul style="list-style-type: none">Recurring revenue model
EUC development	Individual contracted development associated with package sales	<ul style="list-style-type: none">High unit price SEHigh profit
Purchase and sales	Purchase and sales of hardware and third party's products	<ul style="list-style-type: none">Enhancement of product lineup through OEM
Package maintenance	Maintenance contracts for packaged products	<ul style="list-style-type: none">Stock revenue
Implementation service	Consulting for package product implementation	<ul style="list-style-type: none">Moves in tandem with package sales and revenueVery high unit price
Package sales	Sales of packaged products	<ul style="list-style-type: none">Development investment in advanceExtremely high profitability

Note: Figures at the top of the graph are total sales of GAKUEN business.

3. Performance by Category (2) Sales by End User's Industry



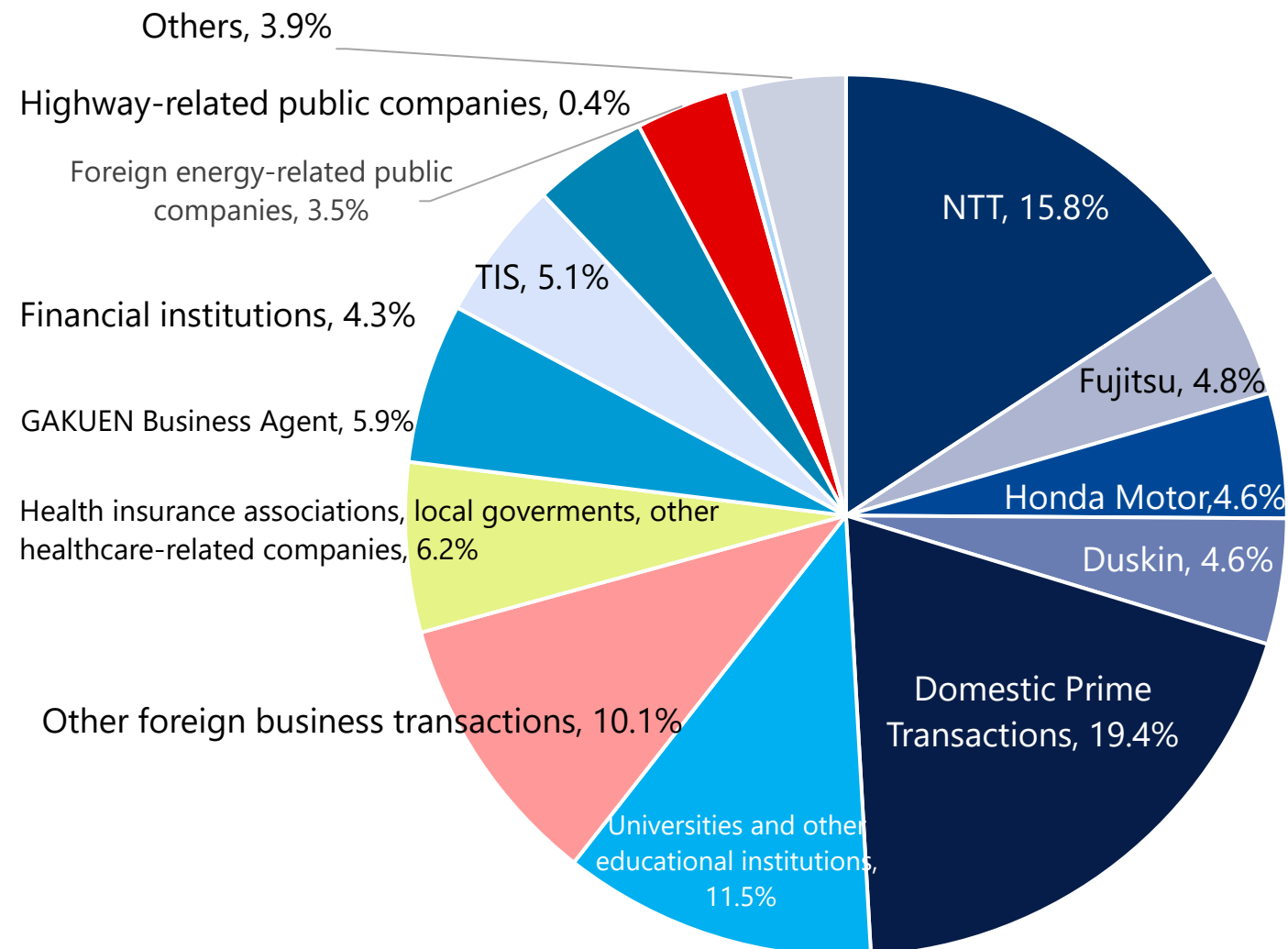
Note: Figures at the top of the graph are consolidated net sales (after consolidation and elimination).

*Sales to local governments and others from the medical big data business, such as receipt checks, are classified as "■ Medical".

3. Performance by Category (3) Sales by Customer Group

Growing in domestic prime transactions and overseas corporate transactions, while maintaining and sustaining an ultra-long-term customer base

Customer group	2023.3 2Q	2024.3 2Q
※(XX years) indicates number of years in business.		
NTT(29 years)	17.6%	15.8%
Fujitsu(47 years)	4.1%	4.8%
Honda Motor(40 years)	4.9%	4.6%
Duskin(35 years)	4.4%	4.6%
Above 4 companies	31.0%	29.7%
Domestic Prime Transactions	13.8%	19.4%
Universities and other educational institutions	10.9%	11.5%
Other foreign business transactions	8.1%	10.1%
Health insurance associations, local governments, other healthcare-related companies	6.5%	6.2%
GAKUEN Business Agent	6.6%	5.9%
TIS	6.5%	5.1%
Financial institutions	4.2%	4.3%
Foreign energy-related public companies	4.3%	3.5%
Highway-related public companies	1.1%	0.4%
Others	7.1%	3.9%
Total	100%	100%



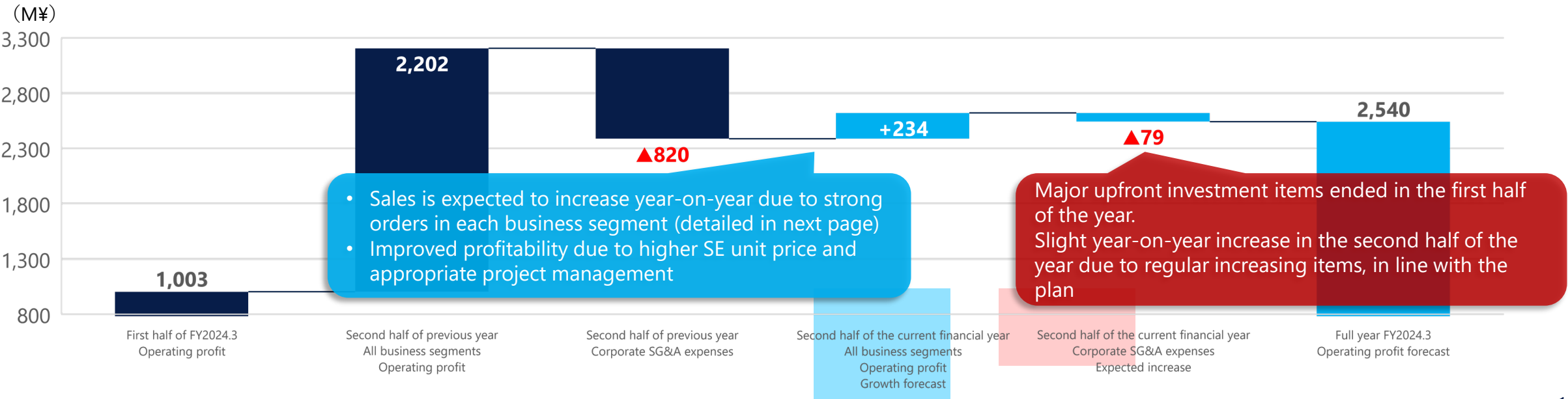
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1. Forecast of Business Performance (1) Feasibility Analysis against Full-year Forecasts

In the second half forecast, business segment operating profit is expected to increase year-on-year, while SG&A expenses are planned to increase slightly. Initial full-year forecast profit is expected to be achieved.

Period covered	Target items	FY2023.3	FY2024.3	Difference
2nd half/ 2nd half forecast	All business segments: operating profit	2,202	2,435	+234
2nd half/ 2nd half forecast	Corporate: SG&A expenses	▲820	▲899	▲79
2nd half/ 2nd half forecast	Subtotal (consolidated operating profit)	1,382	1,536	+155
First half results	Consolidated operating profit	1,003	1,003	▲0
Full year	Total (consolidated operating profit)	2,385	2,540	+155

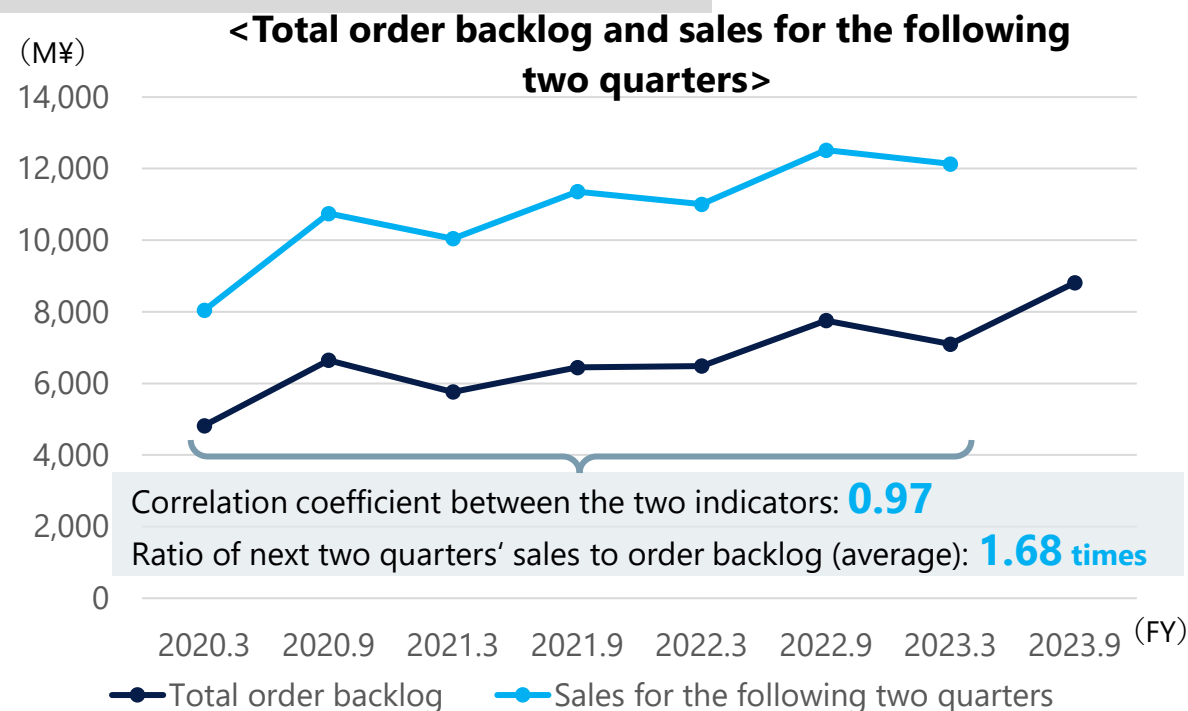
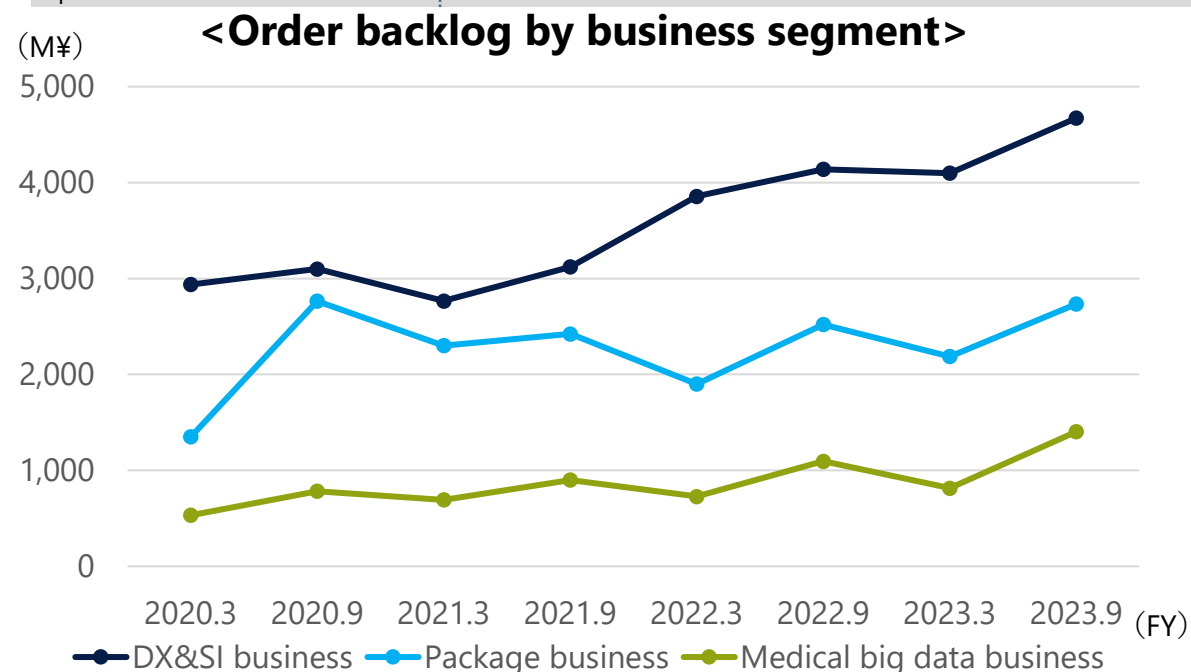


1. Forecast of Business Performance (2) Sales and Order Backlog

The correlation coefficient between order backlog and sales in the following two quarters is 0.97 (strong positive correlation). Sales in the second half of FY2024.3 are expected to land above initial forecasts.

(M¥)

Business/Period	2020.3	2020.9	2021.3	2021.9	2022.3	2022.9	2023.3	2023.9	Percentage change from 2023.3
DX&SI business	2,937	3,099	2,766	3,121	3,857	4,138	4,098	4,672	+14.0%
Package business	1,349	2,764	2,301	2,423	1,902	2,521	2,187	2,735	+25.1%
Medical big data business	532	782	692	900	727	1,095	814	1,403	+72.4%
Total order backlog	4,818	6,645	5,760	6,446	6,486	7,754	7,099	8,811	+24.1%
Sales for the following two quarters	8,042	10,747	10,042	11,357	11,004	12,515	12,132		

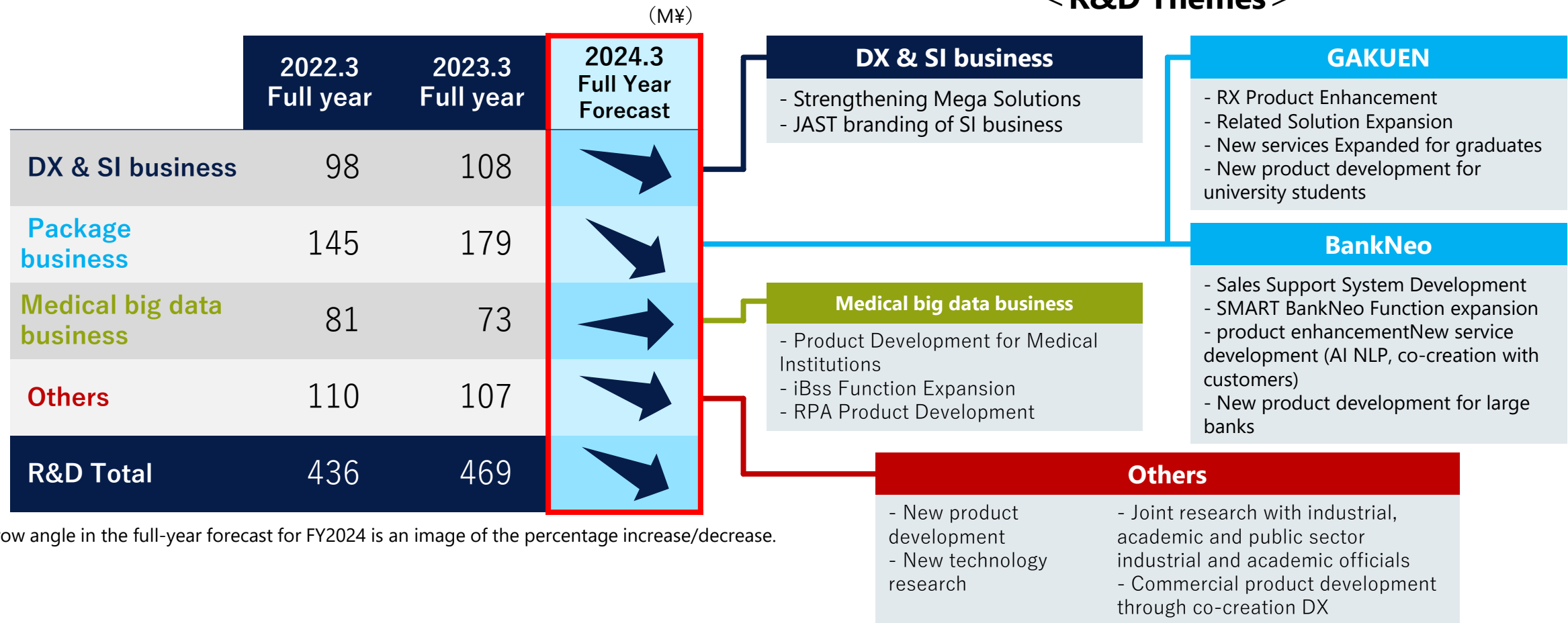


1. Forecast of Business Performance (3) Research and Development Expenses

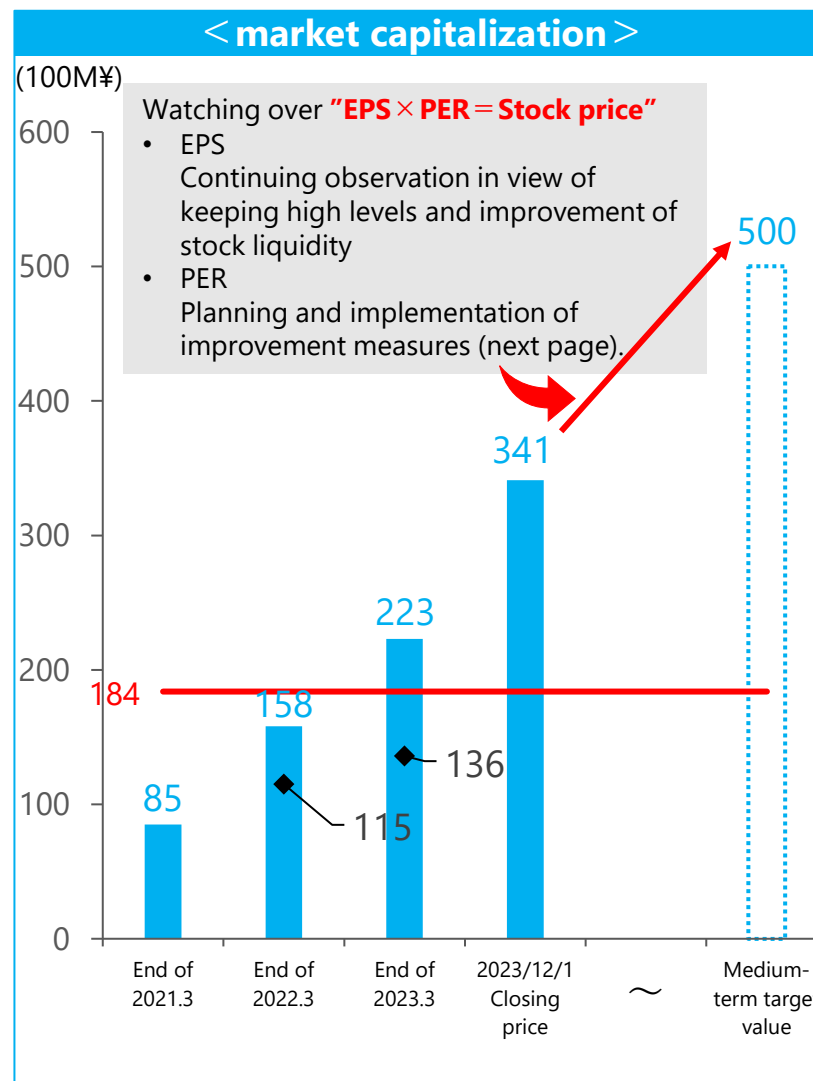
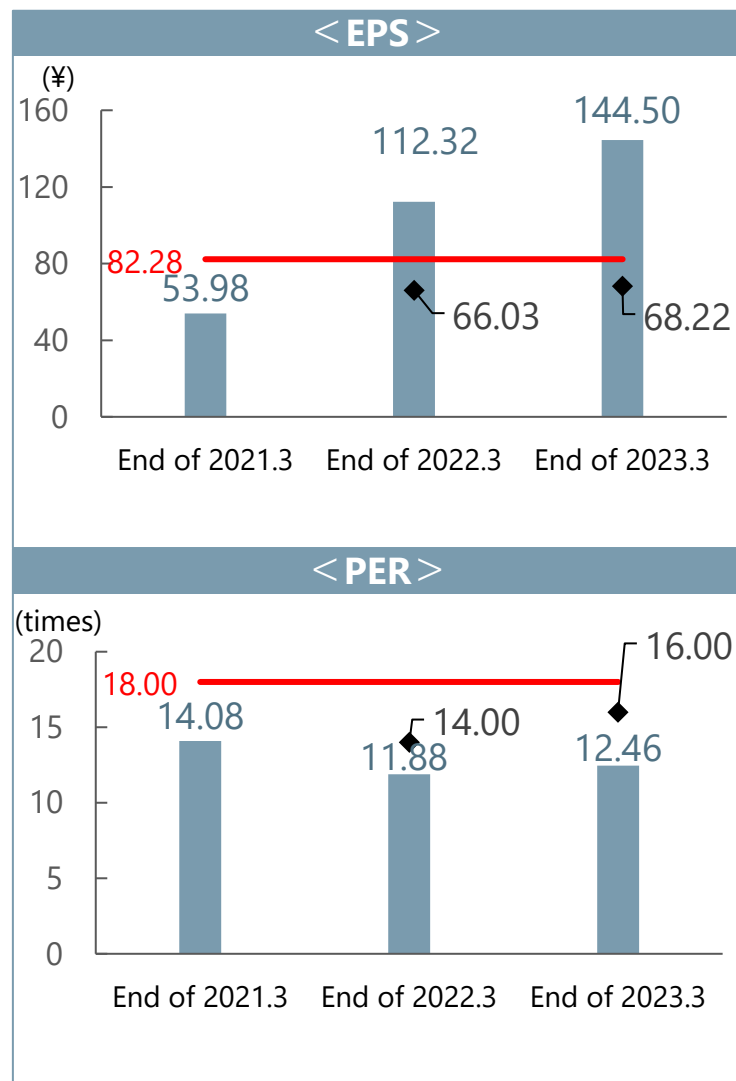
Investing actively in technological development and joint research in addition to product development

Research and development is progressing as originally planned on a wide range of topics

< R&D Themes >



2. Valuation (1) Continued increase in market capitalization



Total market capitalization of tradable shares achieved one year ahead of plan* and **complied with prime standards**.

Aiming for a 'market position shift from Micro-cap to Small-cap' and **targeting market capitalization 40-50 billion yen**.

- Track record
- ◆ Initial plan*
- Targets for achieving the criteria for maintaining prime market listing*

*Plans and targets according to the "Plan for Compliance with the Listing Maintenance Criteria for the New Market Classification" (24 November 2021).

2. Corporate Value (2) Initiatives to Improve PER

Corporate value base: Growth in EPS and ROE through earnings expansion

+ **Strengthening relationships with investors** through various measures

Strengthening information dissemination to individual and institutional investors

- Increased opportunities for meetings with domestic and overseas institutional investors
- Exposure to IR media (TV, magazines)
- Briefings for individual investors

⇒ **Increased awareness through increased contact and exposure opportunities**

Strengthening branding as a DX provider

- Launching of DX Image
- Website revision
- Focus on DX business by changing reporting segment
- Strengthen press releases

⇒ **Maximize business activities and strengthen branding**
Aiming to increase positive perception among individual and institutional investors

IR Globalization

- Enhancement of various English disclosures • Reducing the time lag between Japanese and English
⇒ • Financial statements • Securities report • Press releases
• Financial Results Briefing Materials • Website

⇒ **Strengthening the approach to foreign institutional investors, whose influence on Japanese equities is increasing**

Improvement of liquidity of stock transactions and activation of trading

- Stock split
- Dividend policy in line with profit growth
- Introduction of shareholder benefit system

⇒ **Stimulate market trading by improving the attractiveness of JAST stock**

Future Priority Initiatives



- Strengthening shareholder return policies, including dividend policy
- Expanding public recognition by further strengthening public relations
- Strengthening communication of sustainability-related information

2. Valuation (3) Shareholder Benefit Measures

Focusing on SR measures to **embody the gratitude to shareholders** and **improving the attractiveness of investment** in JAST's shares.

Decided on a shareholder benefit plan to attract fan shareholders by improving share liquidity and overall yield.

< Shareholder Benefit Policies >

50th anniversary special offers

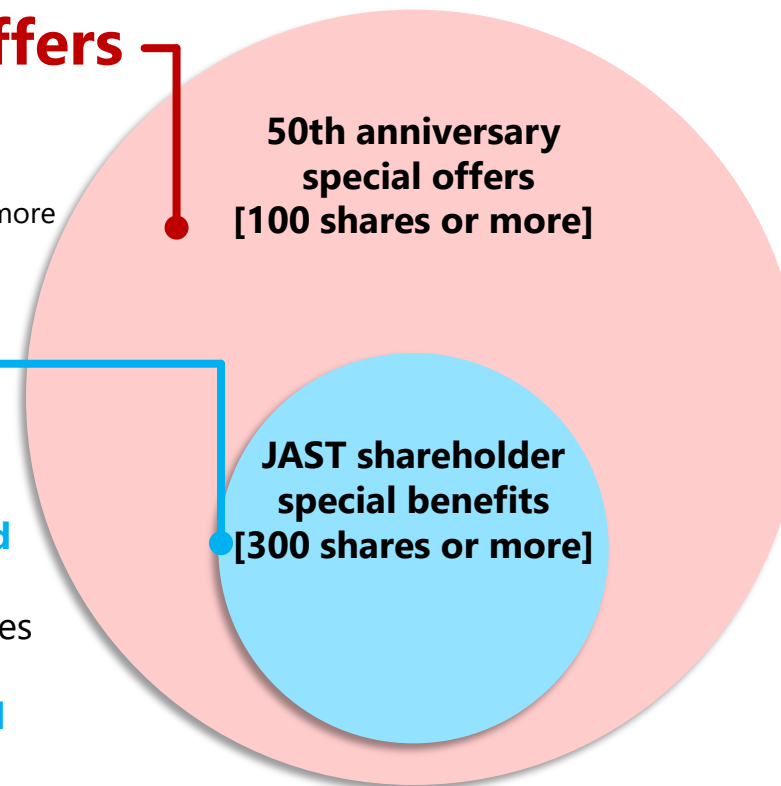
Original QUO cards

- Expected effect: **expansion of shareholder base**
- Eligible shareholders*1: Holdings of 100 shares (1 unit) or more

JAST shareholder special benefits

Original catalogue gifts

- Expected effect: **Shareholder expansion and long-term shareholding expansion**
- Eligible shareholders*1: Holdings of 300 shares or more
- Items: **Ethical products, donations to social contribution activities, etc.**



< Targets >

Shareholder characteristics	Number of shareholders ^{注2}	shareholding ratio ^{注2}
Individual shareholder	1,500 persons	10%
Institutional investors, financial institutions, etc.	100 persons	40%
Others* ³	500 persons	50%

◆Current weaknesses

Share price has risen more rapidly than shareholder returns, resulting in a poor yield index.

⇒ Exits by individual shareholders due to profit-taking sales have occurred.

◆Policy on measures :

- Increasing the number of individual shareholders by increasing the overall yield
- Maintaining stability in shareholder composition by increasing long-term shareholding of individual shareholders

◆Effects of shareholder benefits :

- Increased inflow of new individual shareholders = increased liquidity
⇒ Increase in volume
- Increase in fan shareholders = decrease in profit-taking sales
⇒ Long-term holdings

◆Overall effectiveness, including institutional investors :

Improvement in share price and PER

Note1) Supplementary information on target shareholders

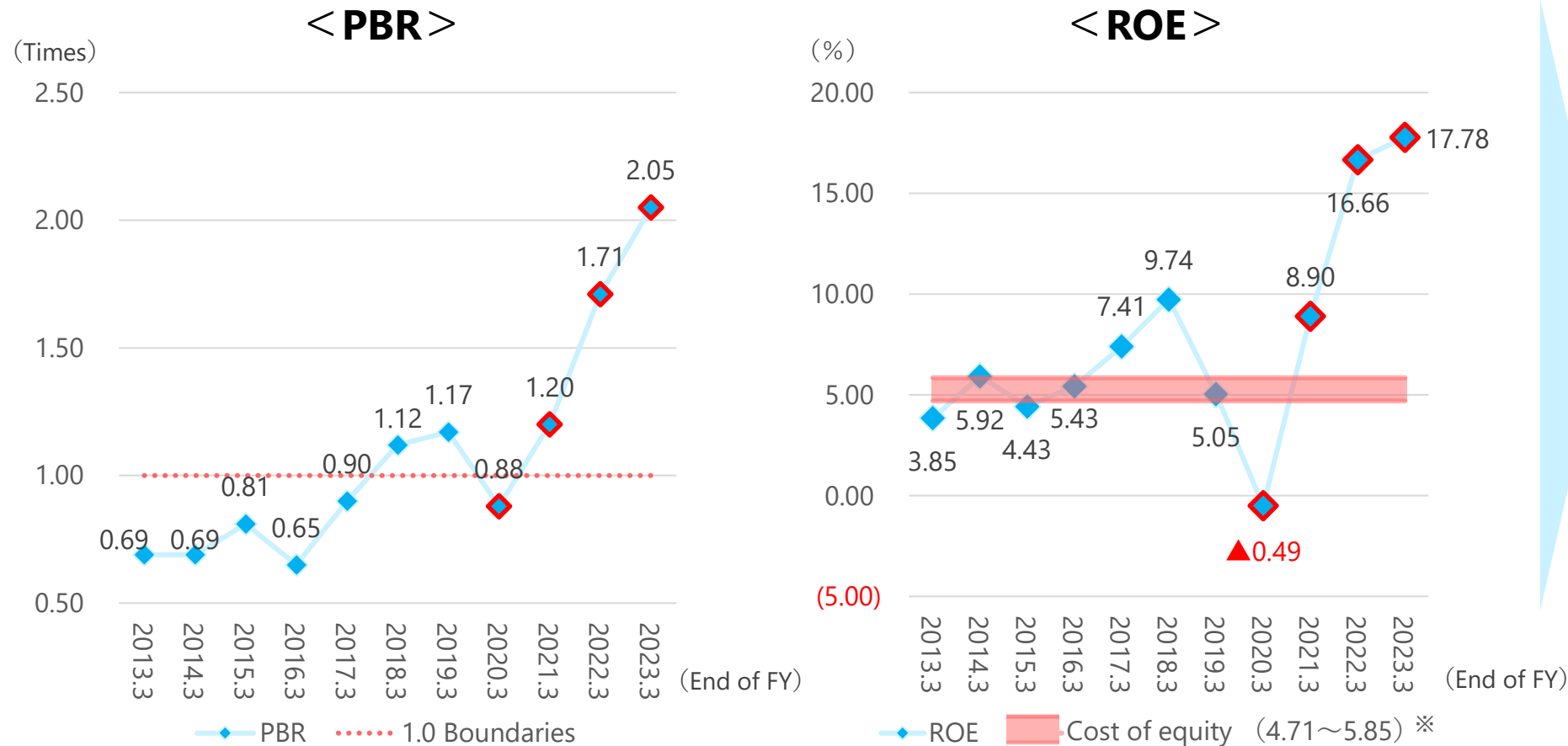
- The 50th anniversary benefits are available to shareholders registered or recorded in the shareholder register as at 31 March 2024.
- JAST shareholder benefits are available to shareholders listed or recorded in the shareholder register as at 31 March every year. The content and value of the catalogue gift varies depending on the number of shares held and the length of continuous holding.
- For more information, see the 22 November 2023 disclosure "Start of Shareholder Benefit Program and 50th Anniversary Gift".

Note2) Number of shareholders and shareholding ratios: Figures are approximate

Note3) Shareholder characteristics "Other": individual shareholders related to JAST, domestic corporations, etc.

3. Focus on Cost of Capital (1) Perceptions Regarding Enhancement of Corporate Value

Recent P/B ratios have remained above 2.5x and are in a growth trend.
Continuing to rise further through equity spread* conscious management



Positive/negative of equity spread are liked to P/B

Continuing to generate ROE in the excess of cost of shareholders' equity and growing as a high P/B ratio company

*Equity Spread: Calculated as ROE - Cost of Equity, a positive value indicates the creation of shareholder value.

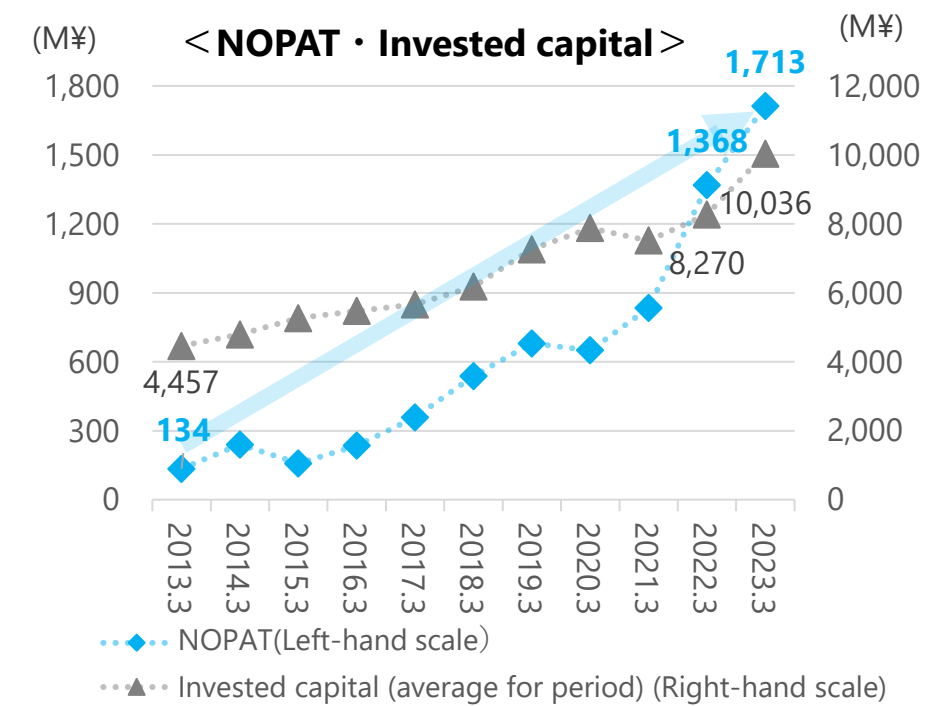
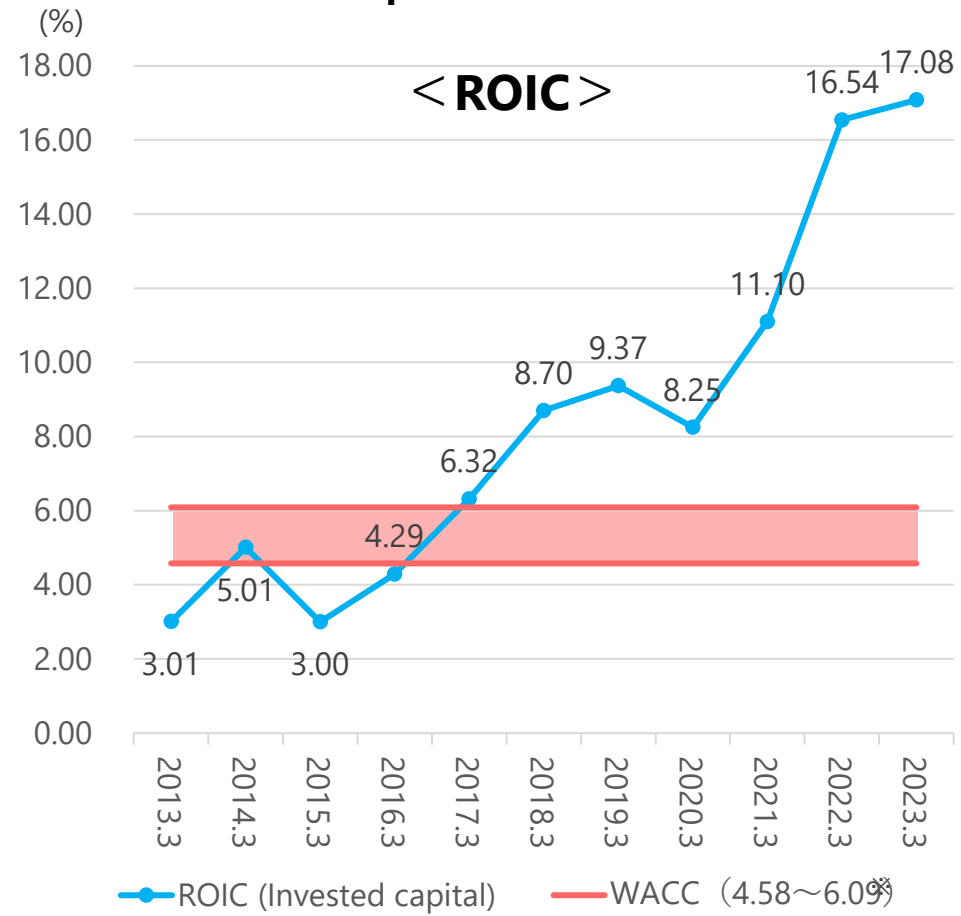
*Cost of Equity: Risk-free Rate + β (sensitivity) \times Equity Risk Premium.

The risk-free rate is based on the 10-year government bond yield as of March 31, 2023 (0.322%), and the Equity Risk Premium is derived from historical risk premium data over the past 50 years (5.45%) sourced from SPEEDA.
The β value is adjusted using past data of stock prices (including dividends) and TOPIX (including dividends) with the following formula: Adjusted $\beta = 2/3 \times \beta + 1 \times 1/3$. The upper and lower bounds are calculated based on the data for the past 15 years, 10 years, and 5 years.

3. Focus on Cost of Capital (2) Continuous Improvement of ROIC

Profit growth rate exceeded the rate of expansion of invested capital and improved by about 12 points in 10 fiscal years

EVA Spread* remained positive



2014.3 end - 2023.3 end CAGR (10 fiscal year)	
NOPAT	Invested capital (average for period)
24.4%	8.6%

*Equity Spread: ROIC (invested capital) minus WACC. If this value is positive, the company is creating economic value in excess of the cost required by shareholders and creditors (WACC).

*WACC: Calculated as follows.

$$\text{Interest-bearing debt} / (\text{market capitalization less treasury stock} + \text{interest-bearing debt}) \times (1 - \text{effective tax rate}) \times \text{cost of debt} + \text{market capitalization less treasury stock} / (\text{market capitalization less treasury stock} + \text{interest-bearing debt}) \times \text{cost of equity}$$

*Debt cost is the median of several listed companies with the same level of equity capital and equity ratio.

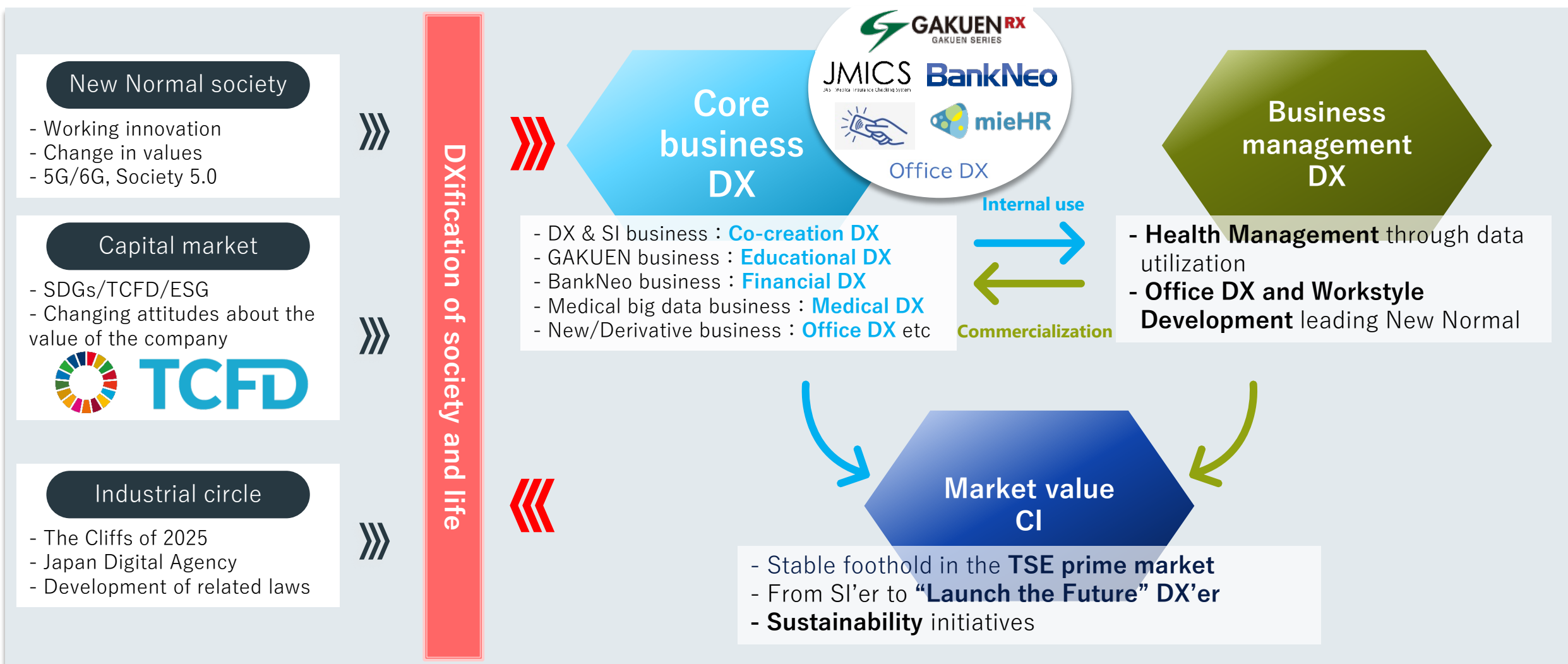
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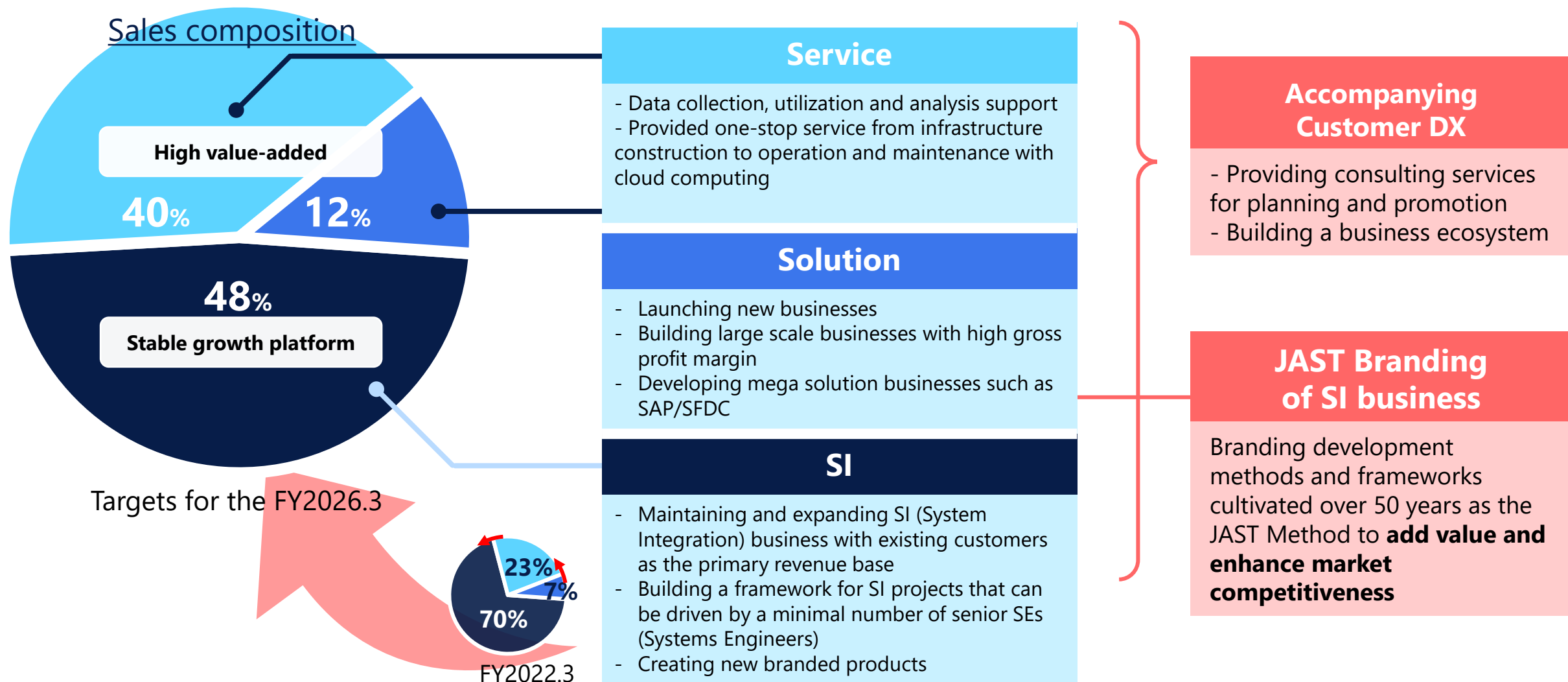
1. JAST Style of DX Concept

Creating a cyclical structure for business development, productivity improvement, and market value enhancement by fully utilizing DX promotion activities in the core business and business management.



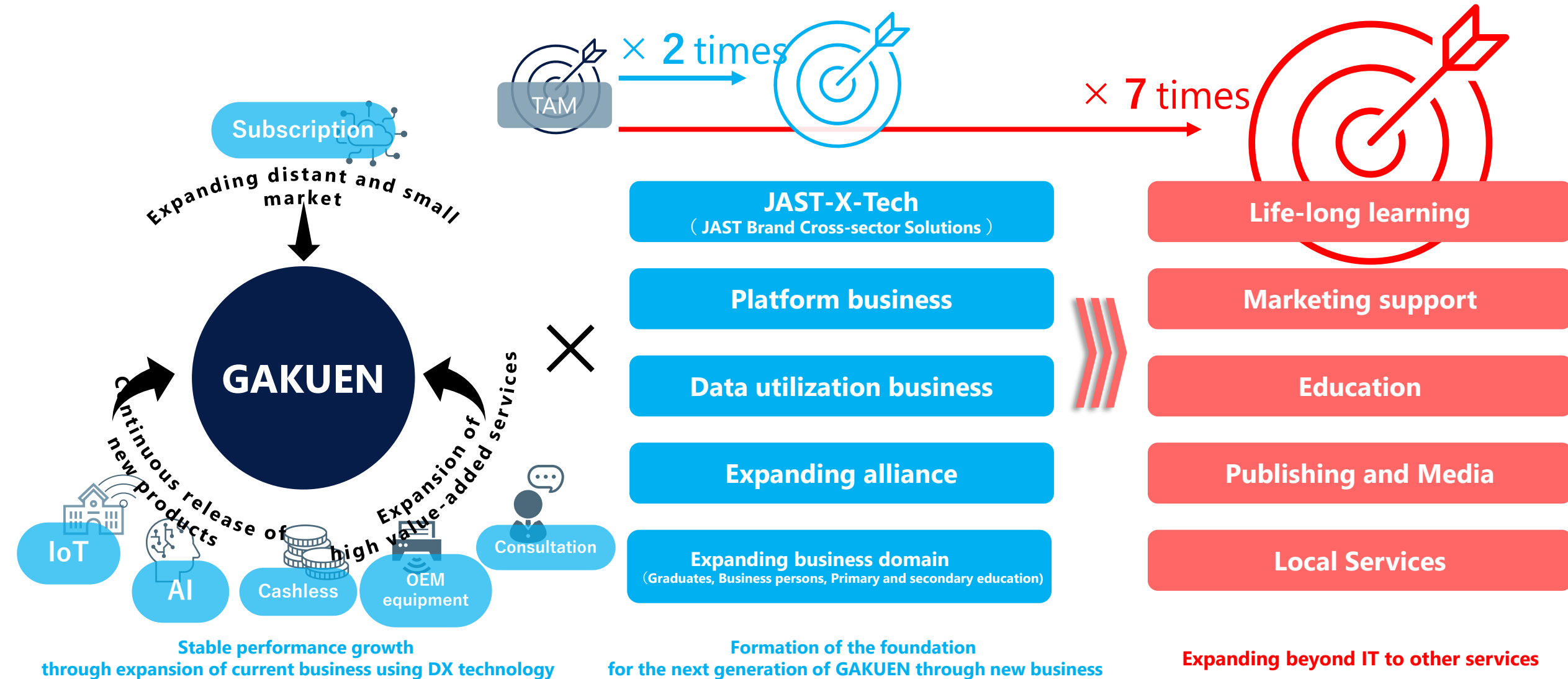
2. Core Business DX (1) DX & SI Business Strategy Overview

Redefining the business portfolio, maintaining and expanding a stable growth base and promote high value-added businesses



2. Core Business DX (2) Package Business : GAKUEN Strategy Overview

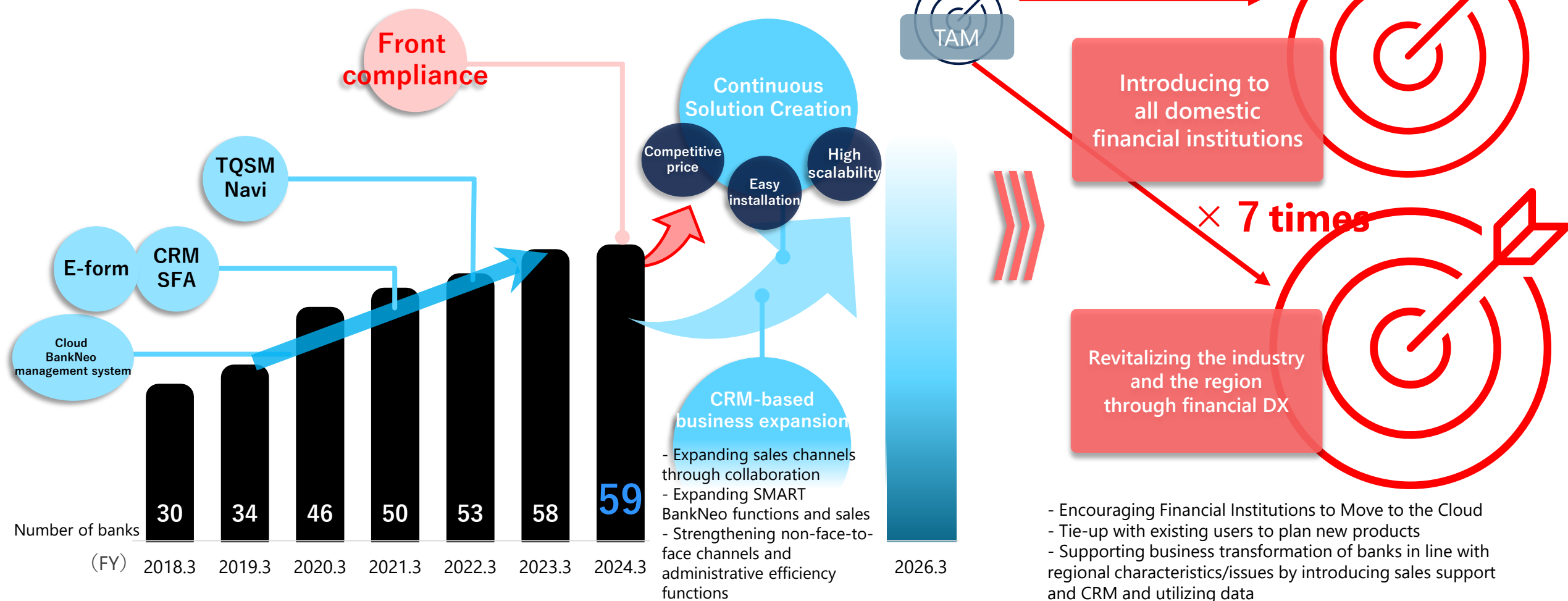
Expanding target markets with new services based on the foundation as a top brand



2. Core Business DX (3) Package Business : BankNeo Strategy Overview

Releasing continuously new solutions based on the concept of Smart/Niche/Cloud

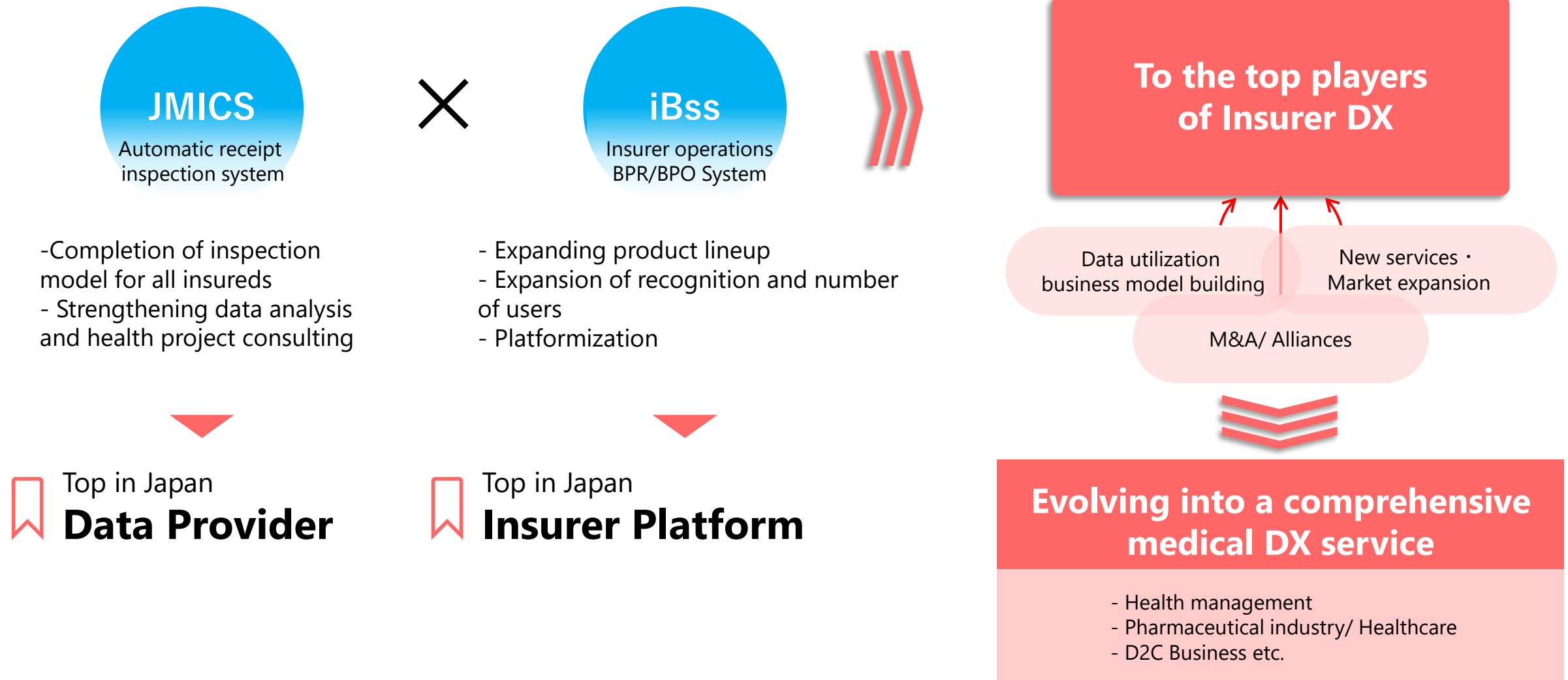
Expanding target market with our unique products to become a financial DXer that contributes to local communities



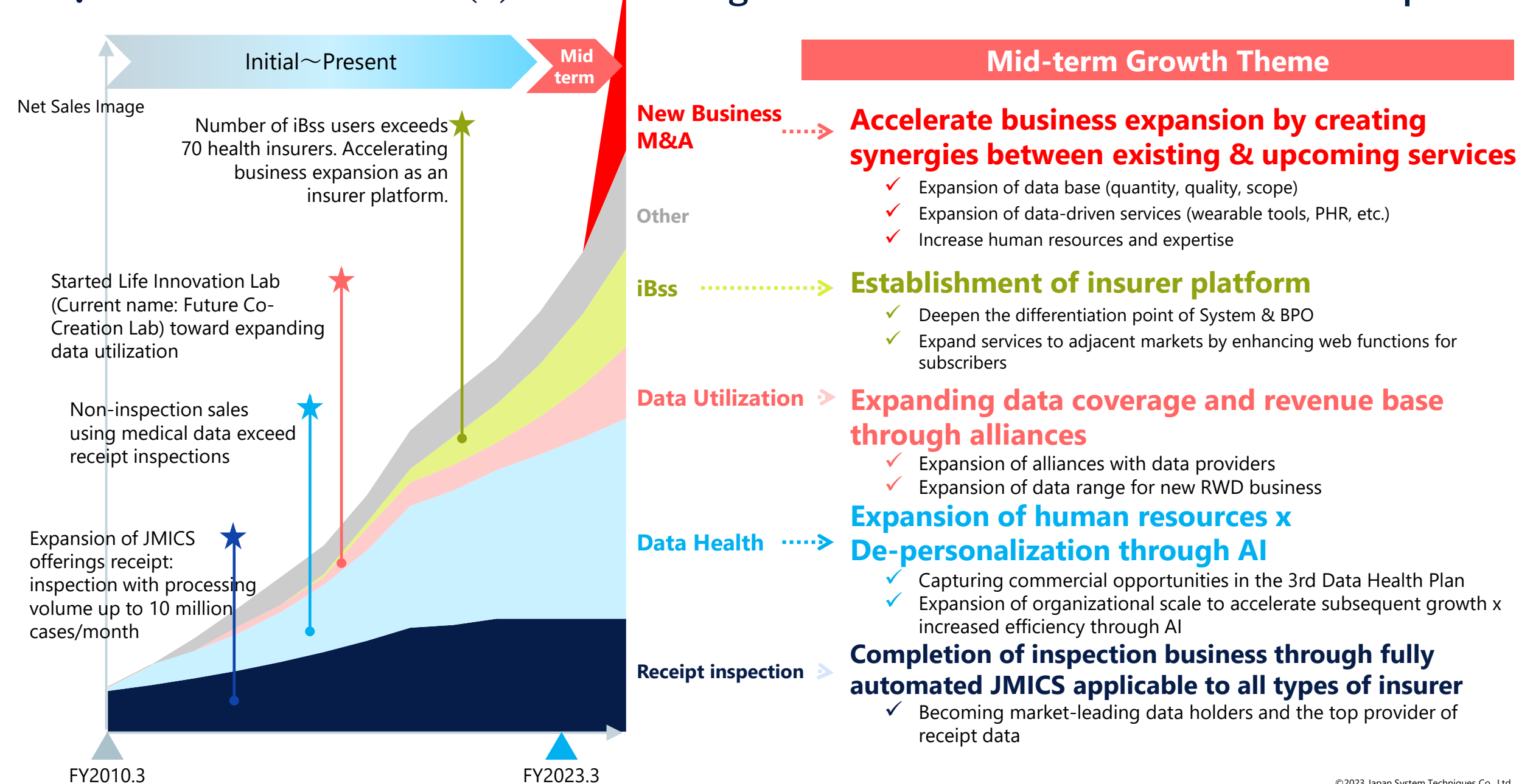
2. Core Business DX (4) Medical Big Data Business Strategy Overview

Leveraging an unparalleled receipt processing volume and insurer platform

Becoming a top player in insurer DX



2. Core Business DX (5) Medical Big Data Business Mid-term Business Expansion



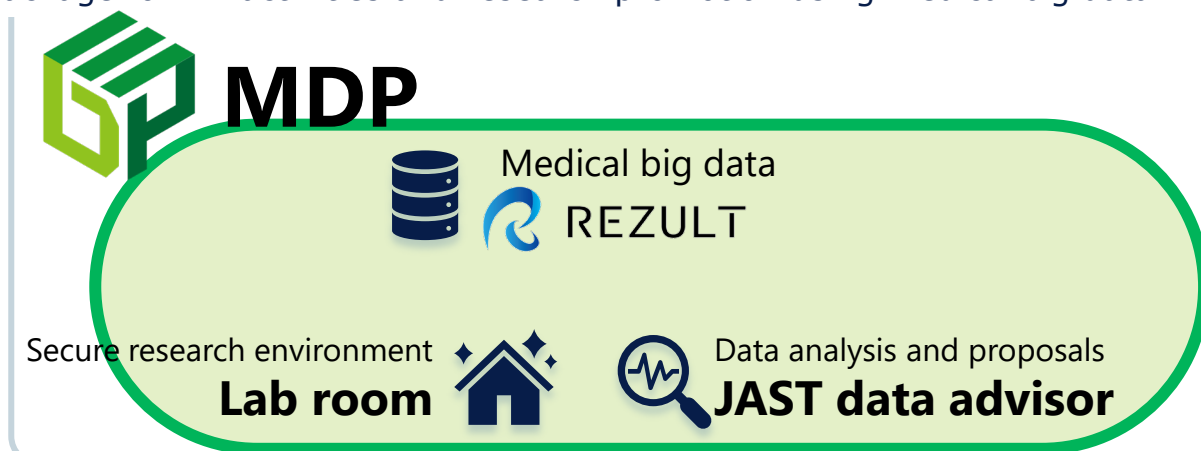
2. Core business DX (6) Future Co-creation Laboratory (JAST Lab)

Contributing to society through joint research with academia, etc., using data held by JAST, and Aiming to discover seeds for commercialization through the development of commercial products with other companies.

◆ Services

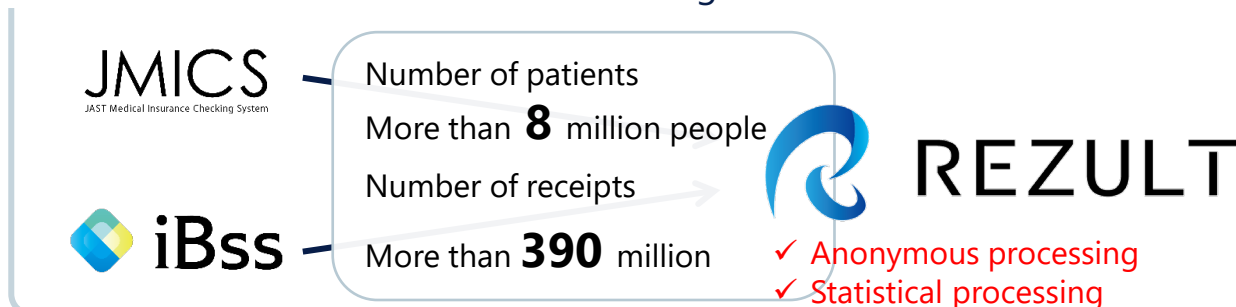
1) Medical Data PROVISION : MDP

Package for DX activities and research promotion using medical big data.



2) REZULT

Datasets that make JAST-owned medical big data intuitive and accessible.



◆ Collaborative research and outputs [3 most recent cases]

Started joint research with Yasushi Hara, an Associate Professor at Kobe University [November 16, 2023]

"15th IHEA World Congress" Reported on Joint Research with Keio University Nakajima Research Laboratory [August 3, 2023]

"The 5th Annual Meeting of the Japanese Association for Medical Artificial Intelligence" Presentation of Analytical results of joint research with Dr Katsuki, Itoigawa general hospital [July 7, 2023]

◆ Media coverage [3 most recent cases]

Medical information portal for diabetes care and treatment guidance "Diabetes Mellitus Resource Guide" [September 4, 2023]

TV Asahi Corporation "ANN News" [July 28, 2023]

"KYODO NEWS", "THE NIKKEI" [June 22, 2023]

◆ Data sources and external activities [As of December 8, 2023]

Japan Alternative Data Accelerator Association

CABINET SECRETARIAT COVID-19 AI & Simulation Project

National Institute of Informatics Informatics Research Data Repository (IDR)

AWS Data Exchange/ AWS Marketplace

2. Core Business DX (7) Global Business

Establishing a base in India, a rapidly growing market in the pursuit of a digital transformation

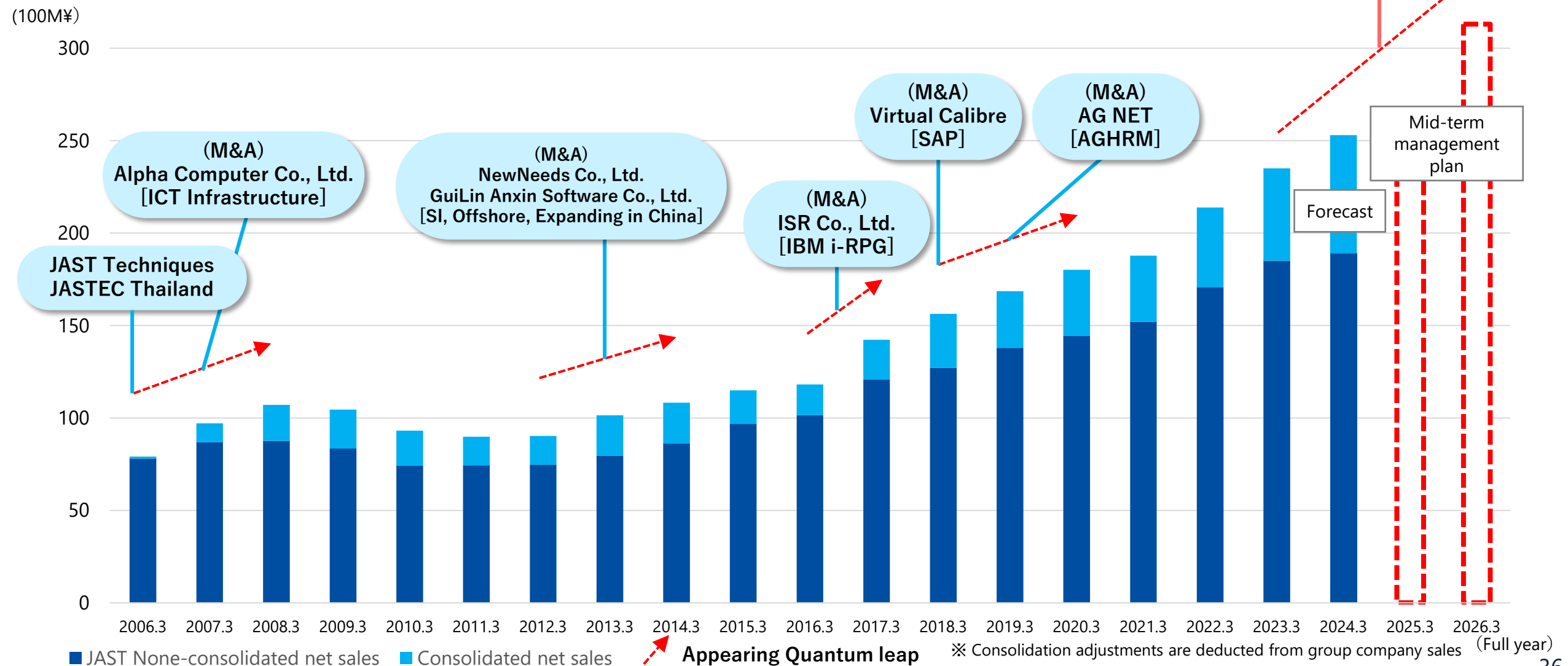
Expanding SAP business to ASEAN + South Asia and Middle East to accelerate global growth



2. Core Business DX (8) M&A/ Strategy for Group Expansion

Creating new domestic markets with “JAST IT” for same industry/other industries
Continuing domestic and overseas M&A with an eye on expanding products and area and creating synergies

Organic growth of existing businesses and extra revenue from M&A



2. Core Business DX (9) Adapting to New Areas and Alliance Strategy

Targeted new areas are multifaceted.

Aggressive R&D and alliance strategies will accelerate the creation of the next growth driver

	Big data Data science	NewNormal DX	Blockchain Fintech	AI、Biometric identification、 VR	Cloud
DX & SI business	✓ Expansion of data science projects	✓ E-commerce site construction ✓ SAP※1 ✓ mieHR (HRM)	✓ MaaS data platform	✓ Office DX – Facial recognition –	✓ Expanding application in SI development ✓ SAP*1
		✓ Office Cashless payment			
BankNeo (Package business)	✓ 「BankNeo for CRM/SFA」	✓ Cloud BankNeo ✓ E-form management system ✓ Sales Productivity Improvement Support Non-personal/ Office efficiency enhancements		Application to Package Functions	✓ “SMART BankNeo”
GAKUEN (Package business)	✓ Management Decision Support (BI) ✓ IR	✓ Smartphone app ✓ E-learning ✓ Linkage with Textbook Selection DB Big Data in Education	✓ On-campus electronic money Blockchain Utilization	✓ Package function AI Applying additions to the package	✓ GAKUEN Subscription
Medical big data business	✓ Expansion of monthly receipts processed ✓ Expansion of data utilization services ✓ Medical Big Data Services “REZULT”	✓ Web service “iBss” ✓ Predictive model for severe disease ✓ BtoBtoC products	Blockchain Utilization	Blockchain Utilization	Blockchain Utilization
Global business		✓ SAP*1 ✓ mcframe*3			✓ AGHRM ✓ SAP※1
• Alliance • New business creation through in-house ventures	✓ Co-Creation DX Service “MDP” ✓ Industry-academia-government collaboration *Future Co-Creation Lab	New Service for Generation Z Students ※Package business		Business use of generative AI*DX&SI business No-code development	

✓ Current business areas and measures

JAIST brand

Areas under planning/development

*Trademarks of other companies' solutions are listed under “Trademarks” at the end of this document.

2. Core Business DX (10) Activities to Enhance Human Capital

Health Management Promotion

Excellent Health Management Corporation
(Large corporate division)

Certified for **3** consecutive years

Eliminating Long Working Hours
JAST's Unique Labor Policy
"Kaeru! JAST"

Promoting stress check examinations

Continuation of **90%** or higher
inspection rate
(93.2% of the full-year results for FY2023.3)

Attendance Data Analysis
Pick up & follow up persons at high risk of physical and mental health

Enhancement of health education

- ① **Group Education Training**
 - Health Management Training
 - Woman's Activity Support Forum
- ② **Health Events**
 - "Walking Events"
 - "Stretching for Functional Improvement"
 - "Smoking Cezation Events"
- ③ **Personal interviews with industrial physicians and public health nurses**

Regular health checkups Promotion of medical checkups

- ① **Periodic health checkup rate**
Continuing **100%**
- ② **Percentage of re-examination**
Continuing efforts toward **100%**

(Re-examination rate: 84.6% for the full year of FY2023.3)

DX Human Resource Development

SAP*1 Number of qualified employee

Total Qualifications **262**
Qualified persons **90** persons
(As of November 2023)

DX Human Resource Development Group Training

16 categories
101 courses
(2024.3 2Q cumulative results, number of days held)

In-house certifications "JCPL"

Beginner **528** persons
Intermediate **105** persons
(2010.3~2023.3 Cumulative number of certified recipients)

DX related external e-learning course campaign

13 categories
24 courses
(2024.3 2Q cumulative results)

JCPL : The abbreviation for JAST Certified Project Leader.
In-house independent certification in JAST-style project management

Advancing workstyle reform

Average annual recuperation time

Acquisition rate **66.3%**
Number of days **10.8** days
(Full year results for FY2023.3)

Average overtime hours

(Average monthly overtime hours)
17.6 hours
(Full year results for FY2023.3)

Recipients of parental leave

28 persons
Male **7** persons
(Full year results for FY2023.3)

Reduced working hours after maternity/paternity leave












Maximum of **9** years
(**1.5** times the legal requirement)

3. Efforts Towards Sustainability (1) Overall Policy

Appealing to various stakeholders through appropriate disclosure of corporate activities aimed at sustainable growth


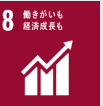








3. Sustainability Initiatives (2) SDGs Initiatives (Main Activities)

Key issue	Business field	Contents	SDGs theme
Industry and ICT innovation	General business	<ul style="list-style-type: none"> ➤ Making society a better place by creating and providing new types of IT services ➤ Supporting the structural transformation of industry with ICT ➤ Contributing to co-creation and cooperative system establishment and ecosystem transformation ➤ Working in solidarity with Group and partner companies 	
Support for learning activities using ICT	GAKUEN	<ul style="list-style-type: none"> ➤ Providing a comprehensive solution in building the future of universities ➤ ICT-driven, high-quality classroom support and technology-based education ➤ Facilitating improved educational quality through the use of educational big data ➤ Realization of recurrent education (lifelong learning) environments ➤ AI and IoT research development aimed at the digitalization of education ➤ Providing new services for Generation Z 	  
Optimization of medical costs and contribution to health promotion	Medical big data business	<ul style="list-style-type: none"> ➤ Using medical big data to contribute to health care cost optimization for insurers and promotion of the health of the insured ➤ Joint research efforts with academia and others to help find solutions to address disease, including infectious diseases, and medical challenges ➤ Open-sourcing medical big data 	 
Improving the efficiency of financial operations with an integrated information system package	BankNeo	<ul style="list-style-type: none"> ➤ Contributing to society via information systems integration package business aimed at financial institutions 	 
Contribute to corporate transformation by promoting digitalization	DX & SI business	<ul style="list-style-type: none"> ➤ Cashless service for employee cafeterias and offices ➤ "mieHR" human resources data platform ➤ Office DX -Facial recognition-based attendance recording- 	  

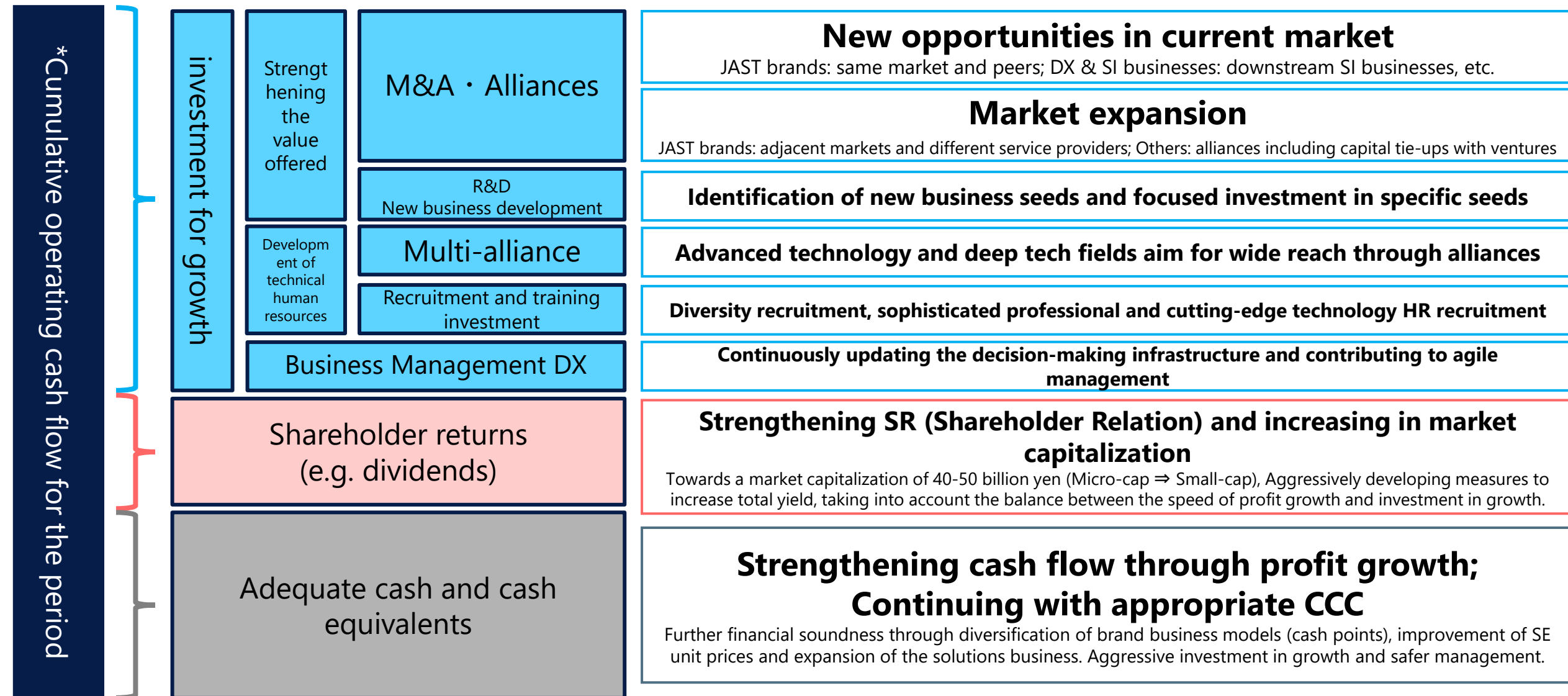
*Excerpt from our corporate website section "Initiatives for SDGs"

3. Sustainability Initiatives (3) SDGs Initiatives (Business Management)

Key issue	Business field	Contents	SDGs theme
Initiatives for health management	Health management	<ul style="list-style-type: none"> ➤ Health management promotion ➤ Promotion of regular health examinations and multiphasic health screenings ➤ Elimination of long working hours ➤ Communication promotion initiatives (e.g., events) ➤ Physical and mental health promotion 	 
Providing opportunities for learning	Training and education	<ul style="list-style-type: none"> ➤ A robust in-house training system (e.g., in-house professional certification programs) ➤ Internships (providing students with systems engineering work experience) ➤ Supporting education and learning through systems development 	
Diversity initiatives	Recruitment and treatment	<ul style="list-style-type: none"> ➤ Hiring and fair treatment without consideration of race, nationality, gender, etc. ➤ A variety of in-house systems for supporting a variety of work styles ➤ Contract with "Work Happiness Farm" run by S-POOL Plus Inc. 	  
Reduction of environmental impact	General business management	<ul style="list-style-type: none"> ➤ Initiatives to promote paperless offices via DX promotion ➤ Initiatives to address environmental issues in our offices, data centers and elsewhere 	 

*Excerpt from our corporate website section "Initiatives for SDGs"

4. Cash Allocation



*Planned using cash on hand (cash and accounts receivable) at the end of FY2023.3 + {operating profit + R&D expenses + non-cash expenses from mid-term plan (2024.3-2026.3)}




*The three-colored wave brackets } represent the distribution ratios of **investment in growth**, **shareholder return** and **adequate cash and cash equivalents**, respectively.

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1. Company Information

Company name	Japan System Techniques Co., Ltd. (JAST)
Listed Market	Tokyo Stock Exchange Prime Market (Stock code: 4323)
Founded	March 26, 1973
Capital	1,535 million yen (as of March 31, 2023)
Location	Osaka Head Office 2-3-18 Nakanoshima, Kita-ku, Osaka-shi, Osaka (Nakanoshima Festival Tower 29F) Tokyo Head Office 2-16-2 Konan, Minato-ku, Tokyo (Taiyo Seimei Shinagawa Building 27F)
Representative	Takeaki Hirabayashi, President and CEO
Employees	Consolidated : 1,917 (as of September 30, 2023)
Business Affiliation	Completely independent
Office Locations	Tokyo, Osaka, Singapore, Thailand, Malaysia, India and China

Business Segment	<ol style="list-style-type: none"> DX & SI business Package business Medical big data business Global business
Qualifications	<ul style="list-style-type: none"> Privacy Mark Certification ISO9001 registered company ISO14001 registered company ISO27001 registered company ISO20000 registered company* Excellent Health Management Corporation 2023
Certification mark	   

*Registered with our Healthcare Innovation Division

2. Group Companies



★ GuiLin Anxin Software Co., Ltd.

Guilin, China

★Offshore development ★Sales base in China

★ Shanghai Jiafeng Information Technology Co., Ltd.

Shanghai, China

★Development and product sales base in China

★ JASTEC(THAILAND) CO., LTD.

Thailand, Bangkok

★IT service for local Japanese companies

★ JAST Asia Pacific CO., LTD.

Thailand, Bangkok

★Deployment of JAST brand service in ASEAN

★ Bright & Better Co., Ltd.

Thailand, Bangkok

★Consultation of implementing integrated software package

Software Contract Development

★ Virtual Calibre Group (4 companies)

Kuala Lumpur, Malaysia

Chennai, India

★Deployment of SAP business

★ AG NET PTE. LTD.

Singapore

★Deployment of HRM business



Osaka Head Office

Tokyo Head Office

Osaka Head Office

★ Nakanoshima Festival Tower 28-29F,
2-3-18 Nakanoshima, Kita-ku, Osaka-shi,
Osaka

★ NewNeeds Co., Ltd.

Osaka

★Local based IT service

★ Tokyo Head Office

Taiyo Seimei Shinagawa Building 5F, 26F, 27F,
2-16-2 Konan, Minato-ku, Tokyo

★ Alpha Computer Co., Ltd.

Shinagawa-ku, Tokyo

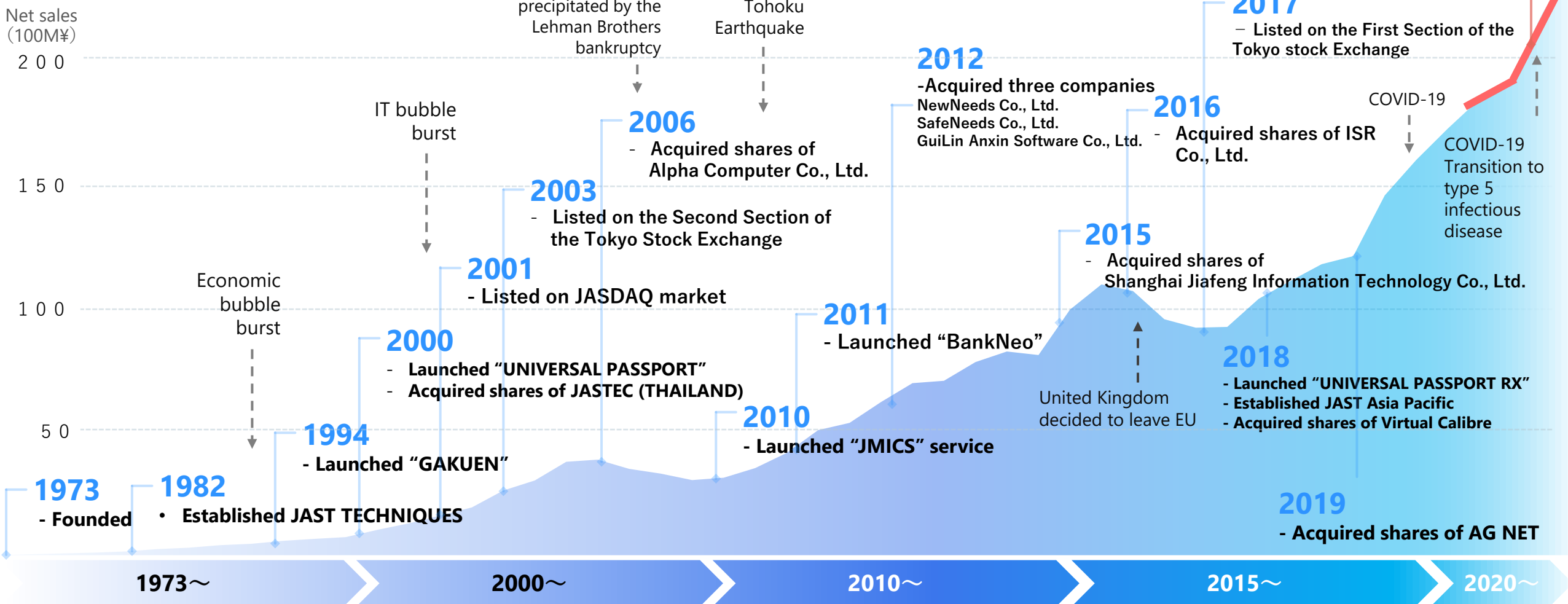
★ Multi-vendor IT infrastructure design

★ ISR Co., Ltd.

Chiyoda-ku, Tokyo

★ Contract development, package development
and sales

3. History



4. Business (1) List of Businesses

DX&SI business

Contracted Development
Development Support
Solution development and implementation

Taking advantage of our strength as a completely independent company, we provide a wide variety of information systems and services across a wide range of fields

◆SI

Providing system development services to a wide range of industries and business domains

◆Solution

Development, collaboration, implementation, analysis, and related system development of in-house solutions and cooperative solutions

◆Service

From consultation and data science to cloud infrastructure construction, operation and maintenance, and data analysis and utilization, we provide comprehensive services to support the needs

<JAST brand product>

- HR data platform



- In-house Cashless service
- Office DX
- Face recognition attendance system-

Package business

In-house packaged solutions
Development and Sales

Providing development and sales of our own branded products, along with implementation consulting services. Additionally, we offer related services such as environment setup and system development

◆GAKUEN

Providing development, sales, and implementation and consulting services for the "GAKUEN series," a comprehensive package system for universities. With a top market share in Japan (adopted by over 400 universities and junior colleges nationwide), our system is tailored to meet the specific needs of educational institutions.



◆BankNeo

Providing development, sales, and implementation for the "BankNeo" package solution for financial institutions. In 2021, it was adopted by major banks, and we currently have a total of 58 financial institutions using the system.



Medical big data business

Inspection and analysis of
medical information data and
related services

Providing a one-stop service by offering multiple healthcare businesses and promoting the utilization of medical data and insurance business reforms

◆Receipt automatic inspection system



◆Insurer Business Support Services



◆Receipt Management for Public Assistance System



◆Data health business

◆Data utilization

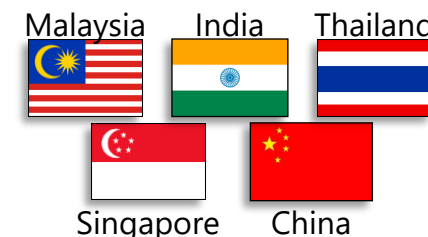


Global business

Global DX business with a focus
on the Asia-Pacific region

We have group companies in five countries overseas and provide services such as development, sales, and implementation consulting of ERP and HRM products, as well as system development

◆Countries



◆Business

- SAP* implementation consulting and related services (in Malaysia and India)
- ERP implementation and related services (in Thailand)
- Cloud-based HRM solution Developing "AGHRM®" (in Singapore)



- Offshore development (in Guilin, China)

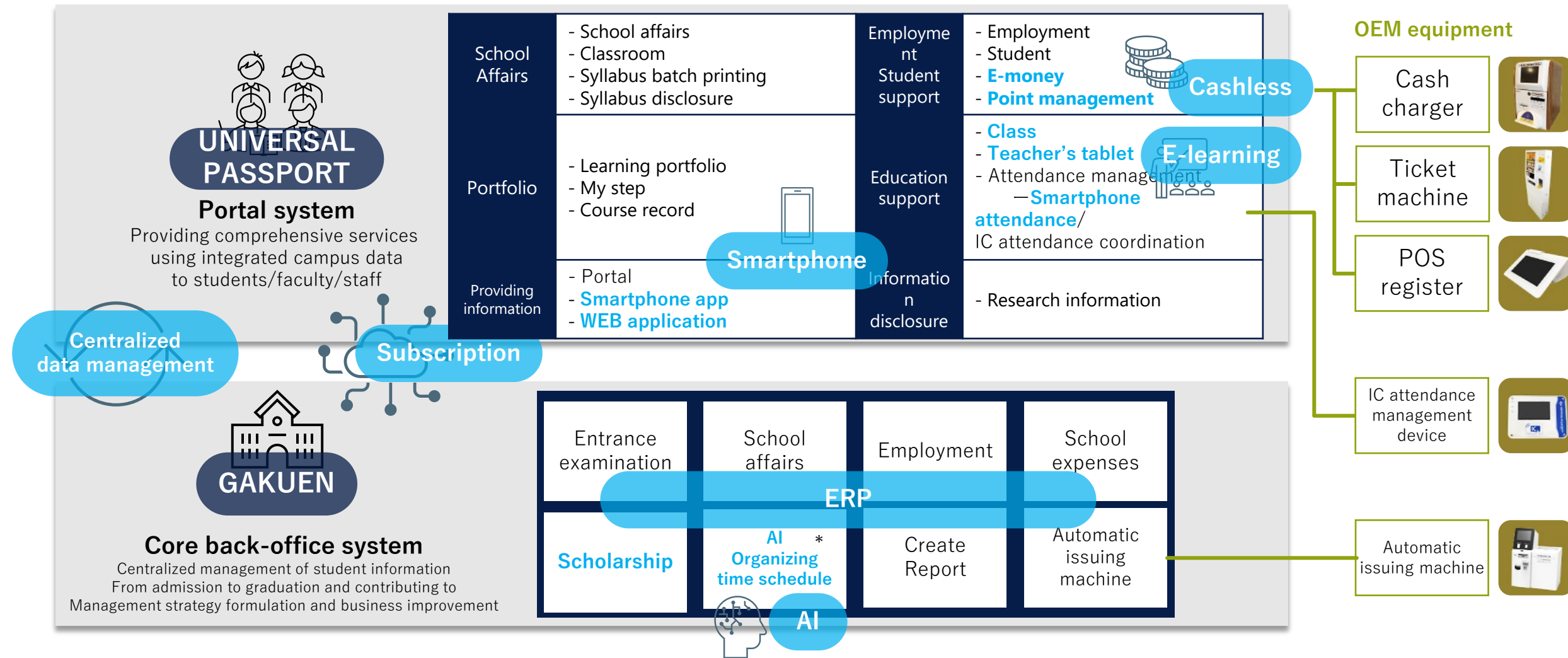
4. Business (2) JAST Brand : GAKUEN

Top brand with more than **444 schools installed**

An integrated platform that comprehensively supports the activities of higher education institutions.

DX main theme

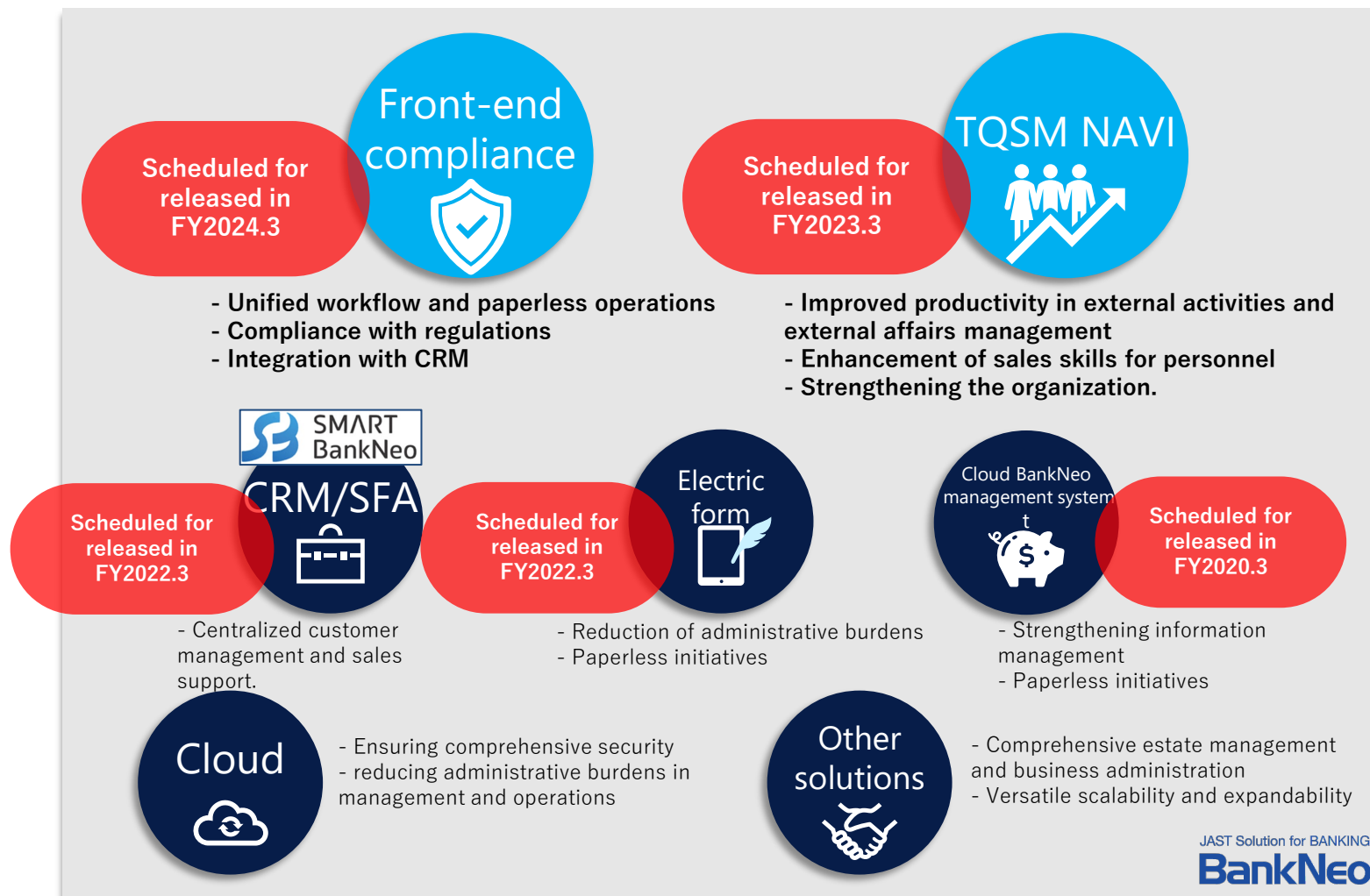
*Under developing



4. Business (3) JAST Brand : BankNeo

Offering a wide range of **smart and niche solutions** that leverage easy implementation and scalability

Our integrated package drives digital transformation (DX) in financial institutions



Proven track record of implementation in numerous financial institutions nationwide

Ease of implementation through a small start approach.

High scalability after implementation

A wealth of expertise accumulated over 30 years

A service lineup that captures customer needs

4. Business (4) JAST Brand : JMICS

Providing comprehensive support ranging from insurance business assistance to analysis, business consulting, and implementation of healthcare services by leveraging a large volume of medical data. **Our monthly claims processing ranges from 7 to 10 million sheets**

Benefit and application-related services

Utilizing the system for receipt inspection, dependent investigation, and assistance with subsidy application

Inspection 【JMICS】

- Receipt inspection
- Inspection of overseas medical cost, Inspection for judo therapy and osteopathy

• Web application 【iBss】

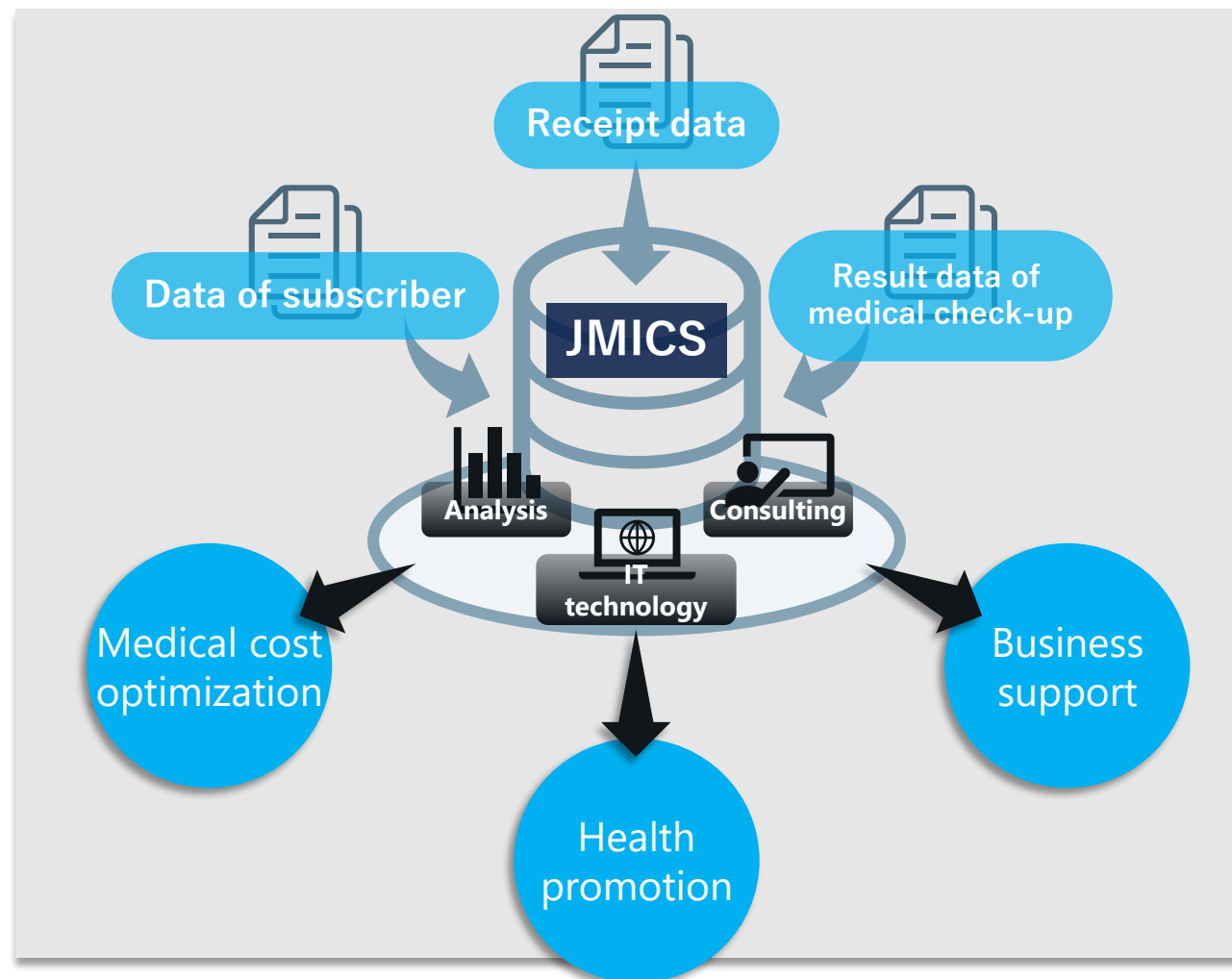
- Dependent investigation system (Verification)
- Various applications (influenza vaccination subsidy)

Notification services

Identification of eligible individuals and issuance of corrective notices for medical expense rationalization

WEB notifications

- Promotion of generic medicine usage notification
- Identification of individuals with duplicate or frequent visits and issuance of corrective notices
- Identification of individuals with duplicate medicine administration and issuance of corrective notices
- Dispatch of notices recommending medical examinations
- Other notifications for appropriate healthcare behavior, etc.



Medical cost optimization services

Providing support for various health initiatives and caregiving data, with a focus on receipt and health check-up data

Providing comprehensive support from data health strategy formulation to execution.

- Analysis of receipt and health check-up data
- Evaluation of the effectiveness of health initiatives
- Various analytical reports and benchmarks
- Geographic Information System (GIS) analysis of regional medical expenses
- Analysis of caregiving data

Health guidance services

Offering health guidance provided by health counselors, registered dietitians, nurses, and other professionals

- Extraction of target individuals for health guidance
- Prevention of the exacerbation of lifestyle-related diseases
- Prevention of the exacerbation of lifestyle-related diseases
- Specific health guidance (face-to-face and ICT-based)
- Guidance on appropriate medical check-ups (reducing duplications, frequent visits, etc.)

5. Philosophy-based Management

Since its founding, we have consistently adhered to the philosophy of “Starting with a vision” under the guiding principle of “the quality of management is determined by the quality of people,” embodying the concept of the integration of business and ethics.

天爵を修めて人爵これに従う

Basic philosophy

Through steadfast adherence to morality and fundamental principles, and the continuous cultivation of personal character, integrity, and virtue, one naturally attains a position of respect and trust, bestowed upon those who possess a dignified character.

There are artificial or nominal ranks bestowed upon individuals by organizations or superiors based on performance and experience. These ranks are primarily attributed to external appearances

By bestowing a knighthood upon someone first, they may mistakenly believe they have also attained a higher rank. However, our ultimate goal in business activities and talent development is for each individual to strive to “attain the higher rank” or “excellence” itself, considering it as the supreme theme.

Firmly maintain a position of complete independence

We firmly maintain a position of complete independence, allowing us to fully engage with our customers and tackle challenges without any constraints. Our strength lies in the accumulated achievements and knowledge we have gained across various industries and technological fields. This enables us to provide the utmost value to our clients.

Management focused on developing people

Based on the belief that the cultivation of human abilities should take precedence above all else, we foster a “people-centric” management approach at JAST. We nurture the passion for information technology, which serves as the driving force behind our company's growth, and instill a genuine commitment to providing wholehearted services to our customers in each and every individual at JAST

Benefit in all directions

We uphold the principle of “Shihouyoshi” to establish a win-win relationship with our customers, shareholders, employees, and society. By maximizing the value of each stakeholder and enhancing the overall corporate value, we strive for long-term stable growth.

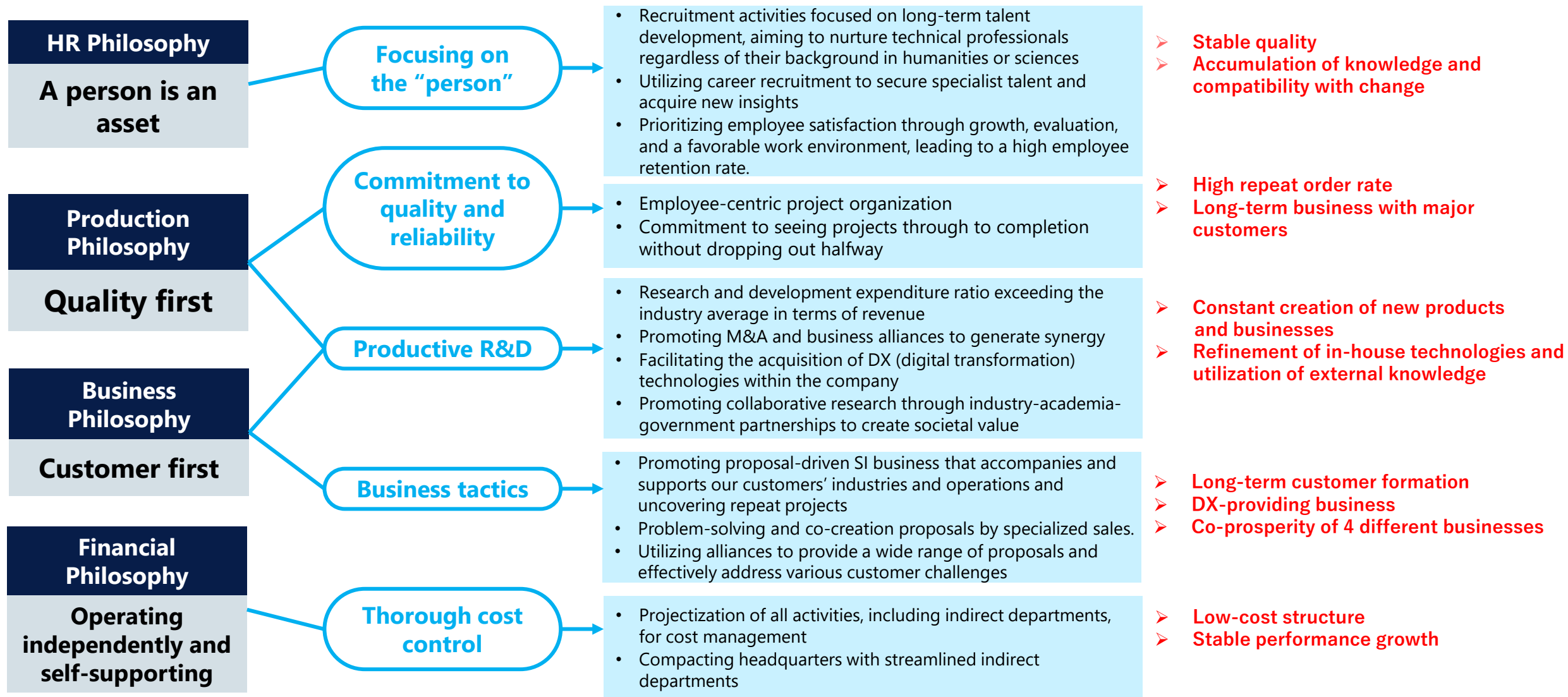
One should strive to discover that which is true and unchanging, but to also learn from the changes taking place all around

We follow the philosophy of “Fueki Ryūkō” established by Matsuo Basho, which embodies the idea of preserving the essential while incorporating new changes and creating value. In accordance with this philosophy, we provide proper leadership by adhering to a consistent management principle of “Fueki” (unchanging) while effectively embracing the dynamic nature of the business world (“Ryūkō” or trends).

Management policy

6. Management Policy

Management policy is incorporated into the four principles of human resources, production, sales, and finance, and serves as a guideline for long-term, stable growth





Launch the Future

Japan System Techniques Co., Ltd.

<https://www.jast.jp/>

Inquiry

<https://www.jast.jp/contact/>

【Notice】

The data and future projections disclosed in this document are based on the judgment and information available as of the date of this document and are subject to change due to various factors. They do not guarantee the achievement of these objectives or forecasts or future performance. Additionally, this information is subject to change without notice. Unless otherwise noted, all performance-related figures are presented on a consolidated basis.

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