

Annual Securities Report

The 54th period

April 1, 2025 to March 31, 2026

Japan System Techniques Co., Ltd.

Annual Securities Report

- 1 This document is a printed version of the Annual Securities Report filed in accordance with Article 24, paragraph (1) of the Financial Instruments and Exchange Act via the Electronic Data Processing System for Disclosure (Electronic Disclosure for Investors' NETwork [EDINET]) as set forth in Article 27-30-2 of the same act, with a table of contents and page numbers added.
- 2 This document includes, at the end, the audit report attached to the Annual Securities Report submitted in the manner described above, and the internal control report and confirmation letter submitted in conjunction with the Annual Securities Report.

Contents

Annual Securities Report for the 54th period	Page
Cover	1
Section 1. Company Information.....	2
I. Company Overview.....	2
1. Transition of Significant Business Indicators, etc.	2
2. Company History.....	4
3. Description of Businesses	6
4. Affiliated Companies	11
II. Business Review	13
1. Management Policy, Business Environment and Issues to be Addressed.....	13
2. Approach to Sustainability and Initiatives.....	15
3. Business Risks	18
4. Management's Analysis of Financial Status, Operating Results and Cash Flows.....	21
5. Important Contracts, etc.	25
6. Research and Development Activities.....	25
III. Information about Facilities.....	26
1. Capital Expenditures Overview.....	26
2. Major Facilities	26
3. Plans for Capital Investment and Disposals of Facility	28
IV. Information about Reporting Company.....	29
1. Shares, etc.	29
2. Acquisition and Disposal of Treasury Shares.....	33
3. Dividend Policy	34
4. Corporate Governance.....	35
5. Employees, etc.	56
V. Financial Information.....	58
1. Consolidated Financial Statements, etc.	59
2. Non-consolidated Financial Statements, etc.	96
VI. Outline of Share-related Administration of Reporting Company.....	109
VII. Reference Information of Reporting Company	110
1. Information about Parent of Reporting Company.....	110
2. Other Reference Information.....	110
Section 2. Information about Reporting Company's Guarantor, etc.....	111
Independent Auditor's Reports	

Cover

Submitted document	Annual Securities Report
Statutory basis	Article 24, paragraph (1) of the Financial Instruments and Exchange Act of Japan
Agency receiving submission	Director-General of the Kinki Local Finance Bureau
Submission date	June 24, 2026
Fiscal year	54th period (from April 1, 2025 through March 31, 2026)
Corporate name	Nihon Shisutemu Gijutsu Kabushiki-gaisha
Name in English	Japan System Techniques Co., Ltd.
Name and position of representative	Taku Hirabayashi, President and CEO
Location of headquarters	2-3-18 Nakanoshima, Kita-ku, Osaka
Phone	+81-6-4560-1000 (main switchboard)
Name of contact person	Tomohiro Kanazawa, General Manager, Finance and Accounting Department
Closest contact address	2-3-18 Nakanoshima, Kita-ku, Osaka
Phone	+81-6-4560-1000 (main switchboard)
Name of contact person	Tomohiro Kanazawa, General Manager, Finance and Accounting Department
Place available for public inspection	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

Section 1. Company Information

I. Company Overview

1. Transition of Significant Business Indicators, etc.

(1) Consolidated Business Indicators, etc.

Term	50th Period	51st Period	52nd Period	53rd Period	54th Period
Fiscal year ended	March 2022	March 2023	March 2024	March 2025	March 2026
Net sales (Thousand yen)	21,399,553	23,519,516	26,183,521	29,324,949	32,459,270
Ordinary profit (Thousand yen)	2,052,512	2,450,148	2,861,415	3,264,090	4,018,654
Profit attributable to owners of parent (Thousand yen)	1,330,558	1,772,210	2,086,939	2,443,453	2,622,007
Comprehensive income (Thousand yen)	1,342,203	1,868,410	2,295,092	2,562,266	2,989,915
Net assets (Thousand yen)	9,194,483	10,816,240	12,712,107	14,828,680	16,830,491
Total assets (Thousand yen)	15,539,989	17,413,797	20,022,694	22,909,637	25,303,471
Net assets per share (Yen)	373.43	439.03	516.08	596.97	677.71
Earnings per share (Yen)	56.16	72.25	85.08	99.24	106.07
Diluted earnings per share (Yen)	-	-	-	-	-
Ratio of shareholders' equity (%)	58.9	61.8	63.2	64.4	66.2
Return on equity (ROE) (%)	16.7	17.8	17.8	17.8	16.6
Price-earnings ratio (Times)	11.4	12.5	21.2	18.2	18.6
Net cash from operating activities (Thousand yen)	1,162,919	1,073,916	1,888,438	1,757,556	3,028,283
Net cash from investing activities (Thousand yen)	(80,912)	(541,656)	(761,475)	(1,976,668)	53,034
Net cash from financing activities (Thousand yen)	486,858	(280,816)	(424,085)	(599,345)	(1,040,611)
Cash and cash equivalents at the end of fiscal year (Thousand yen)	6,463,823	6,793,050	7,515,186	6,742,894	8,810,172
Number of employees	1,448	1,687	1,847	1,613	1,683

Notes: 1. The number of employees is the number of full-time employees.

2. Diluted earnings per share are not shown because Japan System Techniques Co., Ltd. ("JAST" or the "Company") had no outstanding dilutive securities.

3. JAST established a new Board Benefit Trust (BBT) in the 47th period. JAST stock remaining in the BBT (298,400 shares for the 50th, 298,400 shares for the 51st, 298,400 shares for the 52nd, 97,200 shares for the 53rd, and 107,600 shares for the 54th) is included in treasury shares in shareholders' equity and deducted from the number of shares issued to calculate the average number of shares outstanding during the period for the calculation of earnings per share.

4. JAST conducted a 2-for-1 common stock split on October 1, 2022 and April 1, 2024. Net assets per share, earnings per share, and diluted earnings per share have been calculated as if these stock splits have taken place at the beginning of the 50th period. The share price at the end of the 52nd period is the ex-rights price after the 2-for-1 stock split on April 1, 2024. Therefore, the price-earnings ratio for the 52nd period is the share price after the split divided by earnings per share adjusted to incorporate this split.

(2) Non-consolidated Business Indicators, etc., of JAST

Term	50th Period	51st Period	52nd Period	53rd Period	54th Period
Fiscal year ended	March 2022	March 2023	March 2024	March 2025	March 2026
Net sales (Thousand yen)	17,082,806	18,552,222	20,431,311	24,231,224	27,366,281
Ordinary profit (Thousand yen)	1,751,066	2,134,219	2,184,722	3,374,587	4,145,546
Profit (Thousand yen)	999,643	1,630,462	1,614,423	2,689,302	3,179,434
Share capital (Thousand yen)	1,535,409	1,535,409	1,535,409	1,535,409	1,535,409
Number of issued shares (Shares)	6,209,230	12,418,460	12,418,460	24,836,920	24,836,920
Net assets (Thousand yen)	8,805,037	10,202,132	11,440,344	13,664,143	15,859,944
Total assets (Thousand yen)	13,974,559	15,504,289	17,347,911	20,433,757	23,048,874
Net assets per share (Yen)	358.96	415.93	466.42	552.55	641.61
Dividend per share (Yen)	40.00	32.00	45.00	27.00	45.00
[Interim dividend per share]	(-)	(-)	(-)	(-)	(11.00)
Earnings per share (Yen)	42.19	66.47	65.82	109.22	128.62
Diluted earnings per share (Yen)	-	-	-	-	-
Ratio of shareholders' equity (%)	63.0	65.8	65.9	66.9	68.8
Return on equity (ROE) (%)	12.7	17.2	14.9	21.4	21.5
Price-earnings ratio (Times)	15.1	13.5	27.3	16.5	15.3
Dividend payout ratio (%)	23.7	24.1	34.2	24.7	35.0
Number of employees	871	926	1,009	1,151	1,202
Shareholder return (%)	170.4	243.7	489.1	494.9	549.9
[Comparison with TOPIX] (%)	(99.6)	(102.5)	(141.7)	(136.1)	(179.0)
Highest share price (Yen)	3,255	1,826 (2,820)	4,250 (1,877)	2,295	2,731
Lowest share price (Yen)	1,417	1,153 (2,111)	1,755 (1,778)	1,326	1,460

- Notes: 1. The number of employees is the number of full-time employees.
2. Diluted earnings per share are not shown because JAST had no outstanding dilutive securities.
3. JAST established a new Board Benefit Trust (BBT) in the 47th period. JAST stock remaining in the BBT (298,400 shares for the 50th, 298,400 shares for the 51st, 298,400 shares for the 52nd, 97,200 shares for the 53rd, and 107,600 shares for the 54th) is included in treasury shares in shareholders' equity and deducted from the number of shares issued to calculate the average number of shares outstanding during the period for the calculation of earnings per share.
4. JAST conducted a 2-for-1 common stock split on October 1, 2022 and April 1, 2024. Net assets per share, earnings per share, diluted earnings per share, and shareholder return have been calculated as if these stock splits have taken place at the beginning of the 50th period. For the 51st period, the highest and lowest share prices are the prices after incorporating the stock splits, and the prices before the stock split are shown in parentheses. The share price at the end of the 52nd period is the ex-rights price after the 2-for-1 stock split on April 1, 2024. Therefore, the price-earnings ratio for the 52nd period is the share price after the split divided by earnings per share adjusted to incorporate this split.
5. The highest and lowest share prices are prices on the Tokyo Stock Exchange Prime Market beginning on April 4, 2022, and prices on the First Section of the Tokyo Stock Exchange before that date. For the 52nd period, the share prices in parentheses are the highest and lowest ex-rights prices after the stock split on April 1, 2024.
6. The dividend per share of 32 yen for the 51st period includes a commemorative dividend of 5 yen.

2. Company History

Month & Year	Events
March 1973	Established Japan System Techniques Co., Ltd. to engage in software development at 55, Uchihonmachi Hashizumecho, Higashi-ku (currently Chuo-ku), Osaka
July 1977	Established the Tokyo Branch Office in Minato-ku, Tokyo
February 1980	Relocated the Head Office to Sumitomo Nakanoshima Building, 2-18 Nakanoshima 3-chome, Kita-ku, Osaka
September 1982	Established JAST TECHNIQUES PTE. LTD., a system development company in Singapore
April 1987	Established a dual head office system, with headquarters in Osaka and Tokyo
February 1991	Registered as a “systems integrator” company with the Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)
March 1993	Relocated the Head Office to Dojima Axis Building, 2-28 Dojimahama 2-chome, Kita-ku, Osaka Relocated the Tokyo Branch Office to Koishikawa MI Building, 10-20 Koishikawa 5-chome, Bunkyo-ku, Tokyo
October 1994	Launched software package GAKUEN series, a school office work support integrated system
March 1997	Certified as a “systems integrator” company by the Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)
August 1998	Launched GAKUEN REVOLUTION (academic affairs), a large-scale integrated school office work support system for universities
April 1999	Started to provide outsourcing services
February 2000	Launched UNIVERSAL PASSPORT, a software package that enables university staff and students to exchange information over a web-based environment
March 2000	Acquired all shares of JASTEC (THAILAND) CO., LTD., a system development company in Thailand owned by JAST TECHNIQUES PTE. LTD.
May 2001	Obtained the PrivacyMark certification from the Japan Information Technology Services Industry Association
November 2001	Listed on the JASDAQ market
March 2002	Launched GAKUEN REVOLUTION (corporations), a large-scale integrated school office work support system for universities
February 2003	Listed on the Second Section of the Tokyo Stock Exchange
April 2003	Relocated the Tokyo Head Office to Taiyo Seimei Shinagawa Building, 16-2 Konan 2-chome, Minato-ku, Tokyo
December 2003	Communication Business Division obtained ISO14001 certification
April 2004	Solutions Division No. 1 at Tokyo Head Office obtained ISMS certification
August 2005	Relocated the Osaka Head Office to Nakanoshima Central Tower, 2-7 Nakanoshima 2-chome, Kita-ku, Osaka
August 2006	Acquired all shares of Alpha Computer Co., Ltd. (marketer of IT systems to educational institutions), making it a subsidiary
September 2006	Launched GAKUEN UNIVERSAL PASSPORT EX
March 2007	Launched GAKUEN REVOLUTION EX series and GAKUEN EX series related to academic affairs
June 2008	Launched GAKUEN REVOLUTION EX (accounting and finance)
October 2008	Tokyo Systems Headquarters obtained ISO27001 (ISMS) certification
February 2010	Launched corporation-related GAKUEN EX series (accounting and finance)
August 2010	Launched JMICS, automated electronic health insurance claims checking system service
December 2010	Entire Tokyo Head Office obtained ISO27001 (ISMS) certification
January 2012	Medical Information Service Division obtained ISO9001 and ISO27001 certifications
July 2012	Acquired shares of NewNeeds Co., Ltd., SafeNeeds Co., Ltd. and GuiLin Anxin Software Co., Ltd., making them subsidiaries Entire Osaka Head Office obtained ISO9001, ISO14001 and ISO27001 certifications
February 2013	Relocated the Osaka Head Office to Nakanoshima Festival Tower, 3-18 Nakanoshima 2-chome, Kita-ku, Osaka
March 2014	The whole company obtained ISO9001, ISO14001 and ISO27001 certifications
April 2014	Launched GAKUEN EduTrack, an integrated e-learning system
November 2014	Relocated and expanded the Tokyo Head Office to the upper floors in the same building
September 2015	Investment in Shanghai Jiafeng Information Technology Co., Ltd. completed, making it a subsidiary
May 2016	Acquired shares of ISR Co., Ltd., making it a subsidiary
June 2017	Stock listing moved to the First Section of the Tokyo Stock Exchange
November 2017	Acquired an equity interest in CO-WELL Co., Ltd., and strengthened the business alliance
April 2018	Established JAST Asia Pacific Co., Ltd., a system development company as ASEAN regional headquarters in Thailand
July 2018	Launched GAKUEN UNIVERSAL PASSPORT RX

Month & Year	Events
August 2018	Healthcare Innovation Business Division Western Japan Region obtained ISO20000 (ITSMS) certification
November 2018	Acquired shares of Virtual Calibre Group, making it a subsidiary
January 2019	Entire Healthcare Innovation Business Division Region obtained ISO20000 (ITSMS) certification
May 2019	Acquired shares of AG NET PTE.LTD., making it a subsidiary
September 2019	Established a capital and business alliance with TerraSky Co., Ltd.
April 2020	Launched GAKUEN RX
September 2020	Launched GAKUEN Subscription
October 2020	Launched mieHR, a human resource management service Launched iBss, a business support system for insurers in the JMICS Service of Medical Big Data Business
May 2021	Launched SMART BankNeo
July 2021	Established JAST Health Insurance Association
July 2021	Released Coromiru, a coronavirus information application service through the joint development
October 2021	Launched Office DX, a facial recognition product
April 2022	Moved to the Prime Market due to the restructuring of the market classification of the Tokyo Stock Exchange
June 2022	Established Bright & Better Co., Ltd., a system development company in Thailand
November 2022	Established Virtual Calibre Consulting India Pvt. Ltd., a system development company in India
March 2023	Celebrated the 50th anniversary of JAST's founding
May 2023	Received DX business operator certification from the Ministry of Economy, Trade and Industry
January 2024	Acquired shares of K-SHIP Co., Ltd., making it a subsidiary
March 2024	Established Virtual Calibre IT Solutions L.L.C, a system development company in Dubai, UAE
April 2024	Absorbed ISR Co.,Ltd.
August 2024	Launched ALUPA Alumni Service for Universities Established Virtual Calibre IT Consultancy - L.L.C - S.P.C, a system development company in Abu Dhabi, UAE
March 2025	Announced a group vision called JAST VISION 2035
June 2025	Takeaki Hirabayashi, the founder of JAST, resigned from his position as President and CEO Taku Hirabayashi was appointed President and CEO
November 2025	Launched GAKUEN RX2.0
May 2026	Announced the JAST Group Medium-Term Management Plan FY2026-FY2028

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3. Description of Businesses

Japan System Techniques Co., Ltd. (“JAST”) and its 15 consolidated subsidiaries (collectively, the “Group”) engages in four businesses: the digital transformation and system integration (DX&SI) business, Package Business, Medical Big Data Business, and Global Business. The DX&SI Business uses its distinctive strengths to supply a diverse array of information systems and services in a large number of business sectors. The Package Business develops and sells products that use JAST’s own brands and provides associated environment and system development services, chiefly consulting for the use of these products. The Medical Big Data Business has several healthcare businesses that make it a one-stop source of services for the use of medical data and business process reform at health insurance organizations. The Global Business develops and sells enterprise resource planning (ERP) and human resource management (HRM) products outside Japan, provides consulting for the use of these products, and develops IT systems.

The following is the classification by business segment.

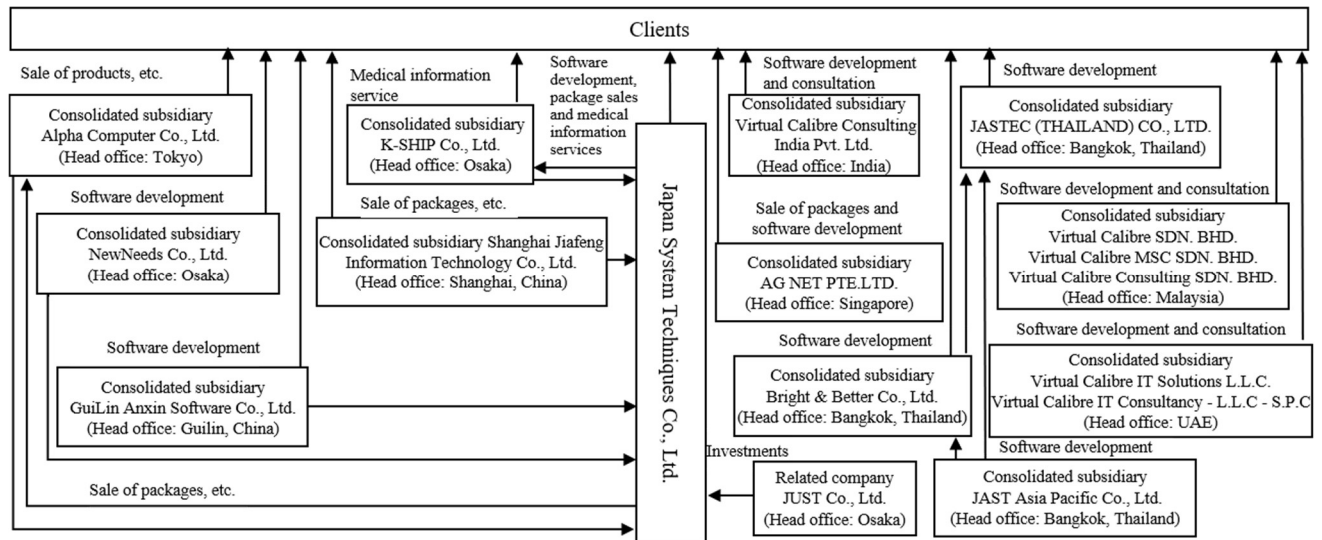
Segment	Sector	Main Business	Company Name
DX&SI Business	Business applications (office work processing system)	• Systems for the manufacturing industry including production management, logistics management, and order management • Systems for the retail and service industries including store information, procurement, shipment management, virtual shopping malls, area marketing analysis using GIS (Geographic Information System), vehicle dispatch and sales support systems • Updates of sales management, invoice management, customer management and other core business systems used by telecommunications service providers, transfers to the cloud, and establishment of unified platforms • Generative AI and data utilization for efficiency improvements and more advanced customer contacts at telecommunications service providers • Support for business process innovations, the use of RPA and more advanced BPO concerning customer services and back office operations at IT service providers • Systems for financial institutions including accounts, information, global operations, business administration, and card loans • Systems for the securities industry including equity trading, investment trusts, dealing, and internet securities trading • Systems for the insurance industry including contract management and non-life new reserves • Systems for the public sector including phone billing, tax revenue management, resident information, postal accounts, and highway ETC (Electronic Toll Collection) • Systems for application and acceptance of tests and education support services • Systems for website production, smartphone app development, and related network businesses • Accounting, personnel, ERP package introduction support, and customer relations management (CRM) systems • Data management systems construction, data analysis, and AI model construction • Office DX solutions using facial recognition technology (reception system, marketing system, work attendance record-keeping system) • Cashless system for internal use	Japan System Techniques Co., Ltd. Alpha Computer Co., Ltd. NewNeeds Co., Ltd.

Segment	Sector	Main Business	Company Name
		• Oil and gas related business support systems • Cloud-based order and inventory management system for retailers • Sale and maintenance of computers, network equipment, and software packages • Provision of system solutions for universities and public bodies • Construction of information communications network and other infrastructures • Construction of security systems • IT consulting	
	Engineering applications (communications, control, technology systems)	• Embedded software for smart devices, digital audio-visual equipment, and car mounted systems • Driving support system • IoT-based system • Use of generative AI to develop mobility apps • Regional revitalization business, DX support for local governments • Development of land-based aquaculture system	Japan System Techniques Co., Ltd. Alpha Computer Co., Ltd. NewNeeds Co., Ltd.

Segment	Sector	Main Business	Company Name
Package Business	Strategic university management system and information systems integration package for financial institutions	Strategic university management system • Development, sales, maintenance, and introduction support for school office work support integrated system GAKUEN RX series, and contract development of related systems • Development, sales, maintenance, and introduction support for university integrated web service system GAKUEN UNIVERSAL PASSPORT RX and contract development of related systems • School operations system consultation, End User Computing (EUC) support, and Business Process Reengineering (BPR) support and operation services • Provision of data platforms and data analysis services to support university management decisions • Tuition payment service and multi-payment processing service for cashless payments at universities • Development, sale, and maintenance of hardware products such as Certificate-Issuing Kiosk and IC attendance management terminals • Provision of cloud-based infrastructure services for universities • Provision of software services to universities by subscription • Development and provision of the ALUPA alumni service for universities Information systems integration package for financial institutions • Development, sales, maintenance, and introduction support for BankNeo, an information integration package for financial institutions, and contracted development of related systems • Cloud BankNeo Management System using a public cloud platform for the management by financial institutions of goods and cash received from customers • Development, sale and maintenance of the BankNeo system for financial institution inheritance operations • Development, sale and maintenance of the Cloud BankNeo front office compliance system concerning the sale by financial institutions of products with risk exposure • Development, sale and maintenance of the TQSM NAVI solution for improving the productivity and quality of sales activities	Japan System Techniques Co., Ltd. Alpha Computer Co., Ltd. Shanghai Jiafeng Information Technology Co., Ltd.

Segment	Sector	Main Business	Company Name
Medical Big Data Business	Inspections, analysis and related services for medical information data	- Provision of automated inspection services for health insurance claims JMICS (JAST Medical Insurance Checking System) - Cloud services for checking service providers - Medical cost optimization services such as generic drug price difference notification and appropriate drug guide - Data health plan implementation support services, including medical expenditure analysis and analysis-based consulting - Provision of one-stop Insurers Business Support System (iBss) - Support for health business for health insurance associations using systems and business process outsourcing (BPO) - Service planning & development and help desk for RezeptPlus^{*1}, a cloud-based health insurance claims management system for welfare public assistance - Services utilizing anonymously processed health insurance claims and special medical examination data - Research and product development using co-creation with companies and industry-academia alliances - Provision of the Medicine Tiger statistics dashboard service linking injuries/diseases and pharmaceuticals - Mirawell health support API ^{*1} RezeptPlus is a joint venture with Fujitsu Japan Limited	Japan System Techniques Co., Ltd. NewNeeds Co., Ltd. K-SHIP Co., Ltd.
Global Business	IT services for overseas offices	- Consulting and related services for integrated ERP implementation - Consulting and related services for accounting ERP implementation - Development, sale, maintenance, and implementation support of Cloud-based HRM solution AGHRM, and contract development of related systems - Development, sale, maintenance, and implementation support of friday, an SaaS HRM solution, and contract development of related systems - Implementation of settlement-related systems and development of related services for the manufacturing industry - Provision of offshore development services at overseas development sites - Contracted development of various business applications	JASTEC (THAILAND) CO., LTD. JAST Asia Pacific Co., Ltd. Bright & Better Co.,Ltd. GuiLin Anxin Software Co., Ltd. Virtual Calibre SDN. BHD. Virtual Calibre MSC SDN. BHD. Virtual Calibre Consulting SDN. BHD. Virtual Calibre Consulting India Pvt. Ltd. Virtual Calibre IT Solutions L.L.C Virtual Calibre IT Consultancy - L.L.C - S.P.C AG NET PTE.LTD.

The diagram below provides a visual representation of the positioning and relationships of businesses within the Group.



4. Affiliated Companies

Name of Company	Location	Share Capital	Main Line of Business	Holding/Held Ratio of Voting Rights (%)	Relationship
(Consolidated subsidiary) Alpha Computer Co., Ltd. (Note 3)	Shinagawa-ku, Tokyo	Million yen 80	DX&SI Business (Sales of computer systems)	100	Client of our packages and other products
(Consolidated subsidiary) NewNeeds Co., Ltd.	Kita-ku, Osaka	Million yen 10	DX&SI Business (Development and sales of software)	100	Subcontractor of software development Debt guarantee
(Consolidated subsidiary) K-SHIP Co., Ltd.	Toyonaka City, Osaka	Million yen 55	Medical Big Data Business (Health insurance invoice processing and verifications)	100	Debt guarantee
(Consolidated subsidiary) JASTEC (THAILAND) CO.,LTD. (Note 1)	Thailand	1,000 Thai Baht 3,000	Global Business (Development and sales of software)	49	Concurrent directors
(Consolidated subsidiary) JAST Asia Pacific Co., Ltd.	Thailand	1,000 Thai Baht 10,000	Global Business (Development and sales of software)	99.97	Concurrent directors
(Consolidated subsidiary) Bright & Better Co., Ltd. (Note 1)	Thailand	1,000 Thai Baht 2,000	Global Business (Development and sales of software)	48.90	Concurrent directors
(Consolidated subsidiary) GuiLin Anxin Software Co., Ltd.	China	10,000 yuan 210	Global Business (Development and sales of software)	90	Subcontractor of software development
(Consolidated subsidiary) Shanghai Jiafeng Information Technology Co., Ltd.	China	10,000 yuan 440	Package Business (Sales and development of software)	94.45	Concurrent directors
(Consolidated subsidiary) Virtual Calibre SDN. BHD.	Malaysia	1,000 Malaysian Ringgit 1,000	Global Business (Development and sales of software)	100	Concurrent directors
(Consolidated subsidiary) Virtual Calibre MSC SDN.BHD.	Malaysia	1,000 Malaysian Ringgit 3,000	Global Business (Development and sales of software)	100	Concurrent directors

Name of Company	Location	Share Capital	Main Line of Business	Holding/Held Ratio of Voting Rights (%)	Relationship
(Consolidated subsidiary) Virtual Calibre Consulting SDN.BHD. (Note 2)	Malaysia	1,000 Malaysian Ringgit 1,500	Global Business (Development and sales of software)	30 [30]	Secondment of directors
(Consolidated subsidiary) Virtual Calibre Consulting India Pvt. Ltd.	India	1,000 Indian rupees 20,000	Global Business (Development and sales of software)	100 [100]	
(Consolidated subsidiary) Virtual Calibre IT Solutions L.L.C	UAE	1,000 UAE dirhams 1,000	Global Business (Development and sales of software)	100 [100]	
(Consolidated subsidiary) Virtual Calibre IT Consultancy - L.L.C - S.P.C	UAE	1,000 UAE dirhams 300	Global Business (Development and sales of software)	100 [100]	
(Consolidated subsidiary) AG NET PTE.LTD. (Note 3)	Singapore	1,000 Singapore dollars 2,774	Global Business (Development and sales of software)	100	Concurrent directors
(Related company) JUST Co., Ltd.	Nishi-ku, Sakai, Osaka	Million yen 50	Real estate management	Held (23.36)	Concurrent directors

- Notes: 1. Although JAST's voting rights are less than 50/100, it is considered a JAST's subsidiary because it is substantially controlled by JAST due to concurrent directors.
2. Although JAST's voting rights are less than 50/100, it is considered a JAST's subsidiary because Virtual Calibre MSC SDN. BHD. owns 30/100 of this company and JAST substantially controls this company through secondment of directors.
3. This company is a specified subsidiary.
4. There are no companies reporting securities filings or annual reports.
5. Figures in parentheses in the holding ratio of voting rights represent the percentage of indirectly held votes.

II. Business Review

1. Management Policy, Business Environment and Issues to be Addressed

(1) Management policy

Since its inception, JAST has maintained complete independence by keeping itself unaffiliated with other corporate groups. This policy is based on the corporate philosophy of “making society a better place by creating and providing new types of IT services.” While consistently pursuing the latest technologies, JAST has remained free to take on development projects in a wide variety of areas, unconstrained by industry, technology, or platform. We have achieved long-term, stable growth by combining unchanging principles that never cease being true even as the years pass with flexible management that is adapted to match the current business climate and surroundings.

(2) Management strategies, etc.

The Group recognizes that the business environment remains uncertain. Inflation is continuing due to the rising cost of raw materials and energy, there is a risk of a global economic downturn due to U.S. policies, and there are other reasons for concern about the outlook for the economy. Despite these challenges, medium to long-term growth of demand for IT services is expected. The main reasons are advances involving AI and other digital technologies, the increasing diversity of no-code, low-code and other software development methods, and progress with the digital transformation at many companies. However, JAST must take actions concerning Japan’s severe labor shortage, increasingly heated competition on a global scale, and other challenges.

To accomplish the goals of JAST VISION 2035 in this difficult business climate, JAST created a medium-term business plan that begins with the fiscal year ending in March 2027. The central theme of this plan is to achieve sustained growth and increase corporate value while passing on JAST’s DNA to the next generation. All businesses of the JAST Group are implementing strategies for growth and taking steps to become more profitable. The DX&SI Business is increasing emphasis on services, solutions and other activities with substantial added value and establishing a new business model for higher profitability. In addition, this business plans to expand operations to more business sectors as the core business of the JAST Group. In the package, medical big data and other businesses using JAST brands, the functions and quality of flagship products will be upgraded, and activities to create new businesses and services will be even faster. Furthermore, there will be strategic investments for R&D and business alliances. The objectives are to make brands more powerful and achieve consistent growth. In the Global Business, the goals are expanding the SAP business to cover more markets, upgrading existing products and providing a broader range of solutions. The Global Business also plans to use alliances for the development and provision of new products as one more way to maintain a base for sustained growth.

We designated 2024 as the starting point of JAST's second founding and announced JAST VISION 2035 in March 2025. Based on the management philosophy of “Fueki Ryūkō” (immutability and fluidity), the vision has the goal of playing a role in solving social problems while using all of the group’s resources accumulated over the previous 50 years. In addition to establishing a vision for 2035, we announced the mission and values for making the vision a reality. We also announced the goal of raising consolidated sales to 100 billion yen by the fiscal year ending in March 2036. By making steady progress during the current medium-term plan, we are determined to make a strong first step for accomplishing the goals of JAST VISION 2035.

(3) Objective indicators used to assess if management targets have been achieved

JAST understands the importance of achieving the sales and profit targets it announces every fiscal year. Based on the standpoint of increasing corporate value by earning returns on shareholders’ equity, JAST’s basic policy is to aim for steady, long-term growth in line with results of operations while taking into consideration the cost of capital. In the fiscal year ended March 31, 2026, the return on equity (consolidated) of 16.6% was far above the cost of capital. This performance was attributable to new business development and improved project quality due to strengthening of sales and management promotion departments.

(4) Business environment

The business climate during the fiscal year that ended in March 2026 was uncertain just as in the previous fiscal year. There was inflation worldwide as monetary tightening continued, the cost of energy and raw materials remained high, and geopolitical risk was still high. Despite the uncertain outlook, consumer spending in Japan rebounded due to improvements in employment and personal income and a recovery in demand created by foreign tourists. The yen's weakness created a clear divide between companies and industries with strong and weak earnings.

(5) Business and financial issues to be prioritized

In the DX&SI Business, the Group will shift the structure of business operations from an SI framework for specific regions to a framework based on categories of solutions. At the same time, it will promote a transition from a contract development-centered business model to an offering business model that systematizes business process expertise and development assets. Through these initiatives, the Group aims to realize highly repeatable and scalable service offerings, while improving profitability and achieving sustainable business growth.

With respect to JAST brand products, the Group will strengthen its competitive advantages through research and development investment and the utilization of generative AI in products such as the GAKUEN Series, a strategic university management system, BankNeo, an information systems integration package for financial institutions, and JMICS, an automated inspection service for health insurance claims. At the same time, the Group will seek to expand market share and enhance customer lifetime value (LTV) by broadening service lineups leveraging its customer base. In addition, the Group will promote the expansion of synergies through cross-selling and the creation of new services by utilizing customer, human resource, and brand assets held by each business across the Group on an integrated basis.

At the same time, the Group will further strengthen investment in human resources, which serves as the source of growth. Through the training and recruitment of specialized personnel responsible for strategic areas, as well as the enhancement of organizational structures and evaluation systems, the Group will work to improve its ability to execute strategies. In addition, the Group will promote the integration of management and operational data and the utilization of generative AI in order to enhance operational efficiency and improve the accuracy of decision-making.

Through these initiatives, the Group aims to achieve profit growth exceeding sales growth. At the same time, it has positioned the establishment of an ROE level of 20% as an important management indicator. While balancing growth investments and shareholder returns, the Group will continue to pursue management with an awareness of the cost of capital.

2. Approach to Sustainability and Initiatives

The Group's approach to sustainability and its initiatives are as follows. Forward-looking statements are based on the judgment of the Group as of the end of the current fiscal year.

(1) Governance

Based on the corporate philosophy of “making society a better place by creating and providing new types of IT services,” the Group strives to do what is best for our four key stakeholders: customers, shareholders, employees and society. We hope to maximize value for all stakeholders and achieve medium- and long-term growth of corporate value with the sustainable growth of business operations.

As a longstanding corporate social responsibility (CSR) initiative, we have incorporated the Seven Key Principles and Seven Core Subjects of the ISO26000, an international standard that defines the principles and subjects of social responsibility of organizations through their core business, into our business operations. Moreover, we have obtained environmental management system-related ISO14001 certification (international standard for environmental management systems) and are, thus, continually implementing the PDCA cycle.

In July 2021, we announced the SDGs Declaration and view the achievement of the sustainable development goals (SDGs) as a shared challenge for all Japan System Techniques employees. We are also working to ensure the continuation and improvement of sustainability priority issue initiatives within the PDCA cycle.

The Group has designated these core subjects and priority issues as materialities (material issues) involving sustainability and is organizing a structure and implementing specific initiatives in order to integrate these issues with its business activities.

ISO26000 Core subjects	JAST Group Initiatives
Organizational governance	Strengthening of corporate governance Continuous operation and improvement of internal control systems Establishment of a risk management system Dialogue with stakeholders Multistakeholder policy
Human rights	Respect for human rights and prohibition of discrimination
Environment	Management activities conforming to ISO14001 Energy-saving programs in offices
Labor practices	Proper work-life balance Support for diversity Regular improvement activities by the Occupational Safety and Health Committee Health management initiatives
Fair operating practices	Fostering a compliance-oriented mindset (regular awareness-raising training)
Consumer issues	Obtaining ISO9001 and personal information protection management system (P mark) certification
Community involvement and development	Community cleanup activities Bell mark, eco-cap collection activities Donations (money and materials) Volunteer activities (support for disaster-affected areas)

Sustainability priority issues	JAST Group Initiatives
 Industry and ICT innovation	Making society a better place by creating and providing new types of IT services Supporting the structural transformation of industry with ICT Contribution to co-creation and cooperative system establishment and ecosystem transformation Working in solidarity with Group and partner companies

  	Support for ICT-driven learning activities	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
 	Contribution to health care cost optimization and health promotion	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
 	Information systems integration package-based efficiency enhancement of financial operations	Contributing to society via information systems integration package business aimed at financial institutions
  	Contribution to enterprise transformation via digitalization promotion	Cashless service for employee cafeterias and offices Office DX—Facial recognition-based attendance recording
      	Contribution to onshore aquaculture systems using ICT	Providing an onshore aquaculture monitoring dashboard Promoting the use of environmentally friendly natural energy
 	Health management initiatives	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
	Provision of learning opportunities	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	Hiring and fair treatment without consideration of race, nationality, gender, etc. A variety of in-house systems for supporting a variety of work styles Support in many ways the activities of people with disabilities

 Environmental load mitigation	Initiatives to promote paperless offices via DX promotion Initiatives to address environmental issues in our offices, data centers and elsewhere
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(2) Strategies

Regarding the various strategies related to the Group's materialities stated in "(1) Governance" above, the divisions in charge of each theme have established policies and plans to resolve the issues and are continuously implementing the PDCA cycle. Among the Group's materialities, the policy on human resource development, which includes ensuring diversity in human resources, and the policy on internal environment improvement are shown below.

Policies on human resource development and internal environment improvement:

Through the JCPL (JAST Certified Project Leader) system, an in-house certification system, we develop IT engineers with the knowledge and skills necessary for project management and provide a training curriculum aimed at developing DX personnel, as well as conduct working group activities with selected management-level personnel.

In order to improve employee engagement, wellbeing, and employee retention, we strive to establish a system that allows each employee to fully demonstrate their abilities with a sense of fulfillment in their work while maintaining a good work-life balance, a comfortable work environment where employees can continue working with peace of mind, and settings that enable employees to work without restrictions on time and place. Specific measures are as follows.

(i) Measures to improve engagement

Aiming to maintain and improve organizational strength over the medium term, we conduct surveys to objectively identify organizational issues. Based on the understanding of engagement levels through this survey, we implement engagement improvement activities.

(ii) Health management promotion and perspectives on well-being

We are strategically and systematically working on health management, positioning efforts to understand and continuously improve the health status of employees as an essential investment in enhancing individual and organizational performance.

(iii) Telework program

We have realized a location-independent work style by development of operational rules, digitization, paperless work, or other measures with the aim of maintaining and improving organizational and individual productivity, thereby achieving both diversification of work styles and a favorable work-life balance.

(3) Risk management

The Group is making company-wide efforts to manage risk related to sustainability activities by comprehensively identifying and responding to issues and assessments from CSR activities and SDGs promotion activities, as well as requests and expectations from stakeholders. The Group is striving to enhance its risk management system and has established a system to report the status and results of its efforts to the Board of Directors as appropriate. For details of risk management, please refer to "3. Business Risks."

(4) Indicators and targets

Among the indicators and targets relating to the Group's materialities stated in "(1) Governance" above, the policy on human resource development, which includes ensuring diversity in human resources, and the policy on internal environment improvement are shown below.

With regard to the indicators relating to the policy on human resource development, which includes ensuring diversity in human resources, and the policy on internal environment improvement stated in "(2) Strategies" above, although

specific efforts are being made at JAST, along with data management of related indicators, it is difficult to present them on a consolidated basis because not all companies in the consolidated group are doing so. For this reason, the targets and results for the following indicators are those of the reporting company, which operates the main business in the consolidated group.

Indicators relating to policies on human resource development and internal environment improvement, and targets and results thereof:

Indicator	Target	Result (FY3/26)
Percentage of female workers in managerial positions	20% by March 2028	14.7%
Percentage of male workers taking childcare leave	80% by March 2028	87.5%
Gender wage gap	85% by March 2028	86.1%

Note: The actual figures of the percentage of female workers in managerial positions, percentage of male workers taking childcare leave, and gender wage gap are disclosed in “IV. Information about Reporting Company, 5. Employees, etc., (2) Employees, (4) Percentage of female workers in managerial positions, percentage of male workers taking childcare leave, and gender wage gap.”

3. Business Risks

Of the matters related to Business Review and Financial Information stated in this Annual Securities Report, the management has recognized that the items listed below constitute major risk factors that may have a material impact on the financial position, operating results, and cash flows of consolidated companies. This section contains forward-looking statements based on the Group’s estimates and assumptions made as of the filing date of this Annual Securities Report.

(i) Risks related to unprofitable projects and defects in products and services

The complexity of IT systems developed with the involvement of the JAST Group is increasing steadily. The main reasons are the rapidly growing use of AI, changes in AI, the diversification of software development methods, including serverless and codeless approaches, more new projects due to start-up companies and other reasons, and shorter deadlines for completing projects. As a result, there is an increasing risk of unprofitable projects due to the need to go back and redo certain steps, the result of inadequate definitions of system specifications and incompatibilities, and the inability to determine accurate estimates. Moreover, the demands of clients regarding quality have become stricter as public interest in quality and defect issues related to IT products and services increases, given the growing impact of these defects on society. The Group is thoroughly educating employees about improving and stabilizing the quality of products and services, strengthening screening functions during the quote and order process, improving quote technology, and reinforcing project management. Nevertheless, the Group cannot rule out the possibility of unprofitable projects and defects that could cause higher costs due to client indemnities and product repairs, and with credit deterioration. These risk factors may result in a material impact on the Group’s business performance.

(ii) Risks related to information management, misuse, and negligence

Because the Group handles critical information, including medical data, it has formulated internal guidelines, trained employees, and holds regular inspections conducted by professional organizations to thoroughly prevent the leak of confidential or personal information involving clients or employees, as well as accidents due to negligence of all kinds, and misuse. Moreover, cyber security risk, including risk involving the supply chain, is a significant management issue because cyber-attacks are becoming increasingly sophisticated, skillful and widespread. For this reason, we have established the JAST-SIRT as a CSIRT*1 to monitor and analyze cyber security threats and strengthen our response capabilities. In addition, we have purchased information leak liability insurance to be prepared for worst-case scenarios. However, accidents and fraud may occur because no preventive measures are absolutely reliable, and the occurrence of these problems could lower the Group’s creditworthiness, require indemnities, and result in a material impact on the Group’s business performance.

*1. Stands for Computer Security Incident Response Team, which is a generic name for a group of professionals that responds

to computer security incidents.

(iii) Risks related to litigation

The Group is subject to the risk of litigation related to its operations in all business areas. Litigation or other legal actions may result in an order to pay an unexpectedly large damages that, depending on the amount, could have a significant impact on the Group's performance and financial position. To reduce vulnerability to litigation risk, the Group uses liability insurance and other measures for the purpose of lowering losses if a problem occurs. However, if a loss occurs that is not covered by insurance, there may be an impact on the Group's performance and financial position.

(iv) Risks related to maintaining human resources

Due to factors such as the diversification of digital technology and the increasing sophistication of expertise, the industry faces difficulties in securing excellent human resources. Our group maintains human resources by hiring new graduates and mid-career employees and obtaining people from subcontractors. However, if the volume of orders changes and we are unable to hire a sufficient number of people, the Group's operations may be disrupted. Furthermore, if the unit price of outsourcing orders rises due to a breakdown in the supply-demand balance, inflation or other factors, the Group's business performance may be affected. We are working on reducing exposure to these risk factors by strengthening our internal structure for relationships with excellent partner companies and recruiting engineers through overseas offshoring and nearshoring in Japan. Furthermore, we are increasing employee engagement activities to improve retention, working on health management, and using other measures that benefit employees.

(v) Risks in technological innovation and new product development

The Group makes substantial investments in R&D to develop products and discover new business seeds. However, in a rapidly changing industry, it is not always possible to accurately forecast future demand and constantly develop and supply new products and services that result in appropriate earnings. If there is a significant difference between the scale of prior investments and the subsequent monetization of these investments, the forecast of future performance and growth of the Group may be affected.

(vi) Risks of corporate acquisitions, etc.

When conducting corporate acquisitions and other activities, the Group performs thorough preliminary assessments of the financial position and business of the target company and collects and examines the necessary and sufficient information for decision-making. However, it is not always possible to identify and resolve all concerns in every project through this preliminary research. Sales and earnings due to the acquisition or other action may be far below expectations after the acquisition or other action has been completed because of issues that the Group was not aware of occurrence or the inability to capture synergies as anticipated because of a change in the business climate or business operations or some other reason. If any of these problems occur, the business performance of JAST and the Group may be affected by the impairment of goodwill or other intangible assets in the consolidated financial statements or a decrease in the valuation of shares of affiliated companies in the non-consolidated financial statements. Besides, although we are working to strengthen the development and sales systems and governance of subsidiaries in order to contribute to the growth of the corporate value of the Group, a downturn in the business performance of a subsidiary or deterioration in the geopolitical environment could affect the performance and financial position of the Group.

(vii) Risks associated with large-scale disasters and pandemics

To be prepared for a natural disaster, such as a major earthquake or a global outbreak of an infectious disease (pandemic) that would make it difficult to conduct business, the Group has established a business continuity plan and guidelines. Furthermore, the Group has a system and environment to enable an initial response and the rapid restoration of business operations. The main offices of the Group have advanced disaster prevention capabilities to

ensure business continuity. The data center used by the Group has high standards regarding security measures and disaster countermeasures such as earthquake resistance. In addition, we have established the necessary plans and systems to ensure business continuity during a pandemic and are taking thorough measures to prevent infections. Consequently, at this time, these risks do not have a significant impact on the Group's business. However, if an event or situation beyond a company's control were to occur and business interruption became unavoidable, the Group's performance and financial position could be affected.

(viii) Risk of economic downturn

The Group has taken full advantage of having no affiliations with other companies to operate businesses without depending on specific industries, technology fields, or manufacturers. This characteristic makes the Group relatively unaffected by economic trends. However, if the Japanese economy or overseas economy slumps for a prolonged period of time, the Group's performance may be affected as client companies curtail system development investments due to declining profitability.

(ix) Risks associated with the concentration of earnings near the end of each fiscal year

A unique feature of the Group's businesses is that customers' inspections of SI development, solutions, services, packaged products, and other items tend to take place mainly in March, the last month of the fiscal year for most clients. Since most of our orders are recognized as revenue based on the progress of fulfilling the performance obligations, quarterly sales and operating profit are generally leveled out. However, for some projects not subject to revenue recognition based on the degree of completion, sales and earnings still tend to be recognized at the end of the fiscal year.

Quarterly sales and operating profit for the fiscal years ended March 31, 2025 and 2026:

(Million yen)

FY3/25					
	Q1	Q2	Q3	Q4	Total
Sales	6,298	6,961	7,288	8,775	29,324
Operating profit	284	761	996	1,146	3,188

(Million yen)

FY3/26					
	Q1	Q2	Q3	Q4	Total
Sales	7,039	7,889	7,874	9,655	32,459
Operating profit	493	1,199	930	1,287	3,911

(x) Risk of product obsolescence

The products handled by the Group are procured from manufacturers and distributors, but some products have large minimum order quantities and are subject to the risk of inventory obsolescence. The Group exercises care to accurately forecast required quantities while monitoring sales conditions. However, if procured products become obsolete or if procurement is delayed due to stagnation in the supply chain caused by raw material shortages or other reasons, resulting in the inability to supply customers promptly and the loss of business opportunities, the Group's business results may be adversely affected. In addition, if product defects or other problems occur, the Group's business results may be affected due to compensation to customers, product repairs, and other expenditures.

(xi) Risks associated with the valuation of assets

The Group owns stocks, bonds and other assets under investments and other assets. There may be a significant decline in the fair value or effective prices of these stocks, bonds and other assets because of unpredictable rapid changes in market prices or the bankruptcy or other problems of issuers. These declines may impact the Group's performance.

(xii) Risks associated with the Global Business

The Group has several subsidiaries in China, ASEAN, South Asia and the Middle East. All of these companies are vulnerable to suspensions of the provision of systems and services and the effects of exchange rate movements caused

by revisions in policies and laws resulting from political, economic or social changes in countries and regions they operate as well as by international conflicts and other events. These risk factors may affect the Group's business performance and financial position.

(xiii) Risks related to revenue recognition

Revenues from contracts with customers of JAST and its consolidated subsidiaries mainly consist of software made-to-order. For contracts where the performance obligation is fulfilled over a specified period, the progress of fulfilling the performance obligation is estimated, except when the period is extremely short, and revenue based on the progress is recognized for that period. When estimating the total cost of construction, which is the basis for the recognition of revenue based on the progress of fulfilling the performance obligation, JAST takes the utmost care and secures project management. However, errors in estimating the total cost of construction in a timely and appropriate manner could result in the misrecognition of revenues based on the progress of fulfilling the performance obligation. For projects where the estimated cost exceeds the estimated revenue, JAST strictly assesses the recoverable amount and recognizes a loss for the unrecoverable amount. If costs increase in the future, additional losses may be recognized.

4. Management's Analysis of Financial Status, Operating Results and Cash Flows

(1) Overview of Operating Results

Financial status, operating results and cash flows (hereafter "Operating Results") of JAST and its consolidated subsidiaries, hereafter "the Group") in the current fiscal year are as follows.

(i) Financial Status

Balance sheet of the Group at the end of the current fiscal year is as follows.

(Assets)

The balance of current assets at the end of the current fiscal year was 18,902 million yen (up 13.5% year on year). This was mainly due to an increase in cash and deposits. The balance of non-current assets were 6,401 million yen at the end of the current fiscal year (up 2.2% year on year). This was mainly due to an increase in retirement benefit asset.

(Liabilities)

The balance of current liabilities at the end of the current fiscal year was 6,201 million yen (up 2.4% year on year). This was mainly due to decreases in contract liabilities and provision for bonuses, and increases in income taxes payable and provision for loss on construction contracts. The balance of non-current liabilities was 2,271 million yen at the end of the current fiscal year (up 12.3 % year on year).

(Net assets)

The balance of total net assets was 16,830 million yen at the end of the current fiscal year (up 13.5% year on year).

(ii) Status of Operating Results

Consolidated sales of the Group were 32,459 million yen (up 10.7% year on year). Operating profit was 3,911 million yen (up 22.7% year on year), ordinary profit was 4,018 million yen (up 23.1% year on year), and profit attributable to owners of parent was 2,622 million yen (up 7.3% year on year). Business segment performance was as follows.

(DX&SI Business)

Segment sales increased 12.9% from one year earlier to 19,805 million yen and operating profit increased 12.3% to 3,186 million yen. Sales increased due to the receipt of many large-scale prime projects, particularly from companies in the telecommunications, finance/insurance/brokerage, and manufacturing industries.

(Package Business)

Segment sales increased 17.3% from one year earlier to 6,895 million yen and operating profit increased 46.6% to 2,292 million yen. There were increases in sales of IT equipment and installation and support services involving the GAKUEN Series, a strategic university management system, and program products for BankNeo, an information systems

integration package for financial institutions.

(Medical Big Data Business)

Segment sales increased 11.2% from one year earlier to 3,503 million yen and operating profit increased 33.9% to 886 million yen. There were increases in sales of data utilization services, receipt inspection services, a cloud based health insurance claims management system for welfare public assistance, and other services. There was also an increase in profitability of K-SHIP Co., Ltd., which joined this segment in the previous fiscal year.

(Global Business)

Segment sales decreased 18.1% from one year earlier to 2,254 million yen and there was an operating loss of 400 million yen (vs. operating loss of 61 million yen in the previous fiscal year). The number of orders received for SAP installation support services in Malaysia was lower than one year earlier.

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

Corporate general and administrative expenses increased 13.3% from one year earlier to 2,053 million yen.

(iii) Status of Cash Flows

Cash and cash equivalents increased 2,067 million yen from 6,742 million yen at the beginning of the current fiscal year to 8,810 million yen at the end of the current fiscal year.

Cash flows by category were as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities totaled 3,028 million yen, compared with 1,757 million yen provided in the previous fiscal year. This difference was mainly due to an increase in collection of receivables due to an increase in accounts receivable-trade and contract assets.

(Cash Flows from Investing Activities)

Net cash provided by investing activities totaled 53 million yen, compared with 1,976 million yen used in the previous fiscal year. This difference was mainly due to decreases in purchase of investment securities and payments of guarantee deposits.

(Cash Flows from Financing Activities)

Net cash used in financing activities totaled 1,040 million yen, compared with 599 million yen used in the previous fiscal year. This difference was mainly due to an increase in dividends paid.

(iv) Production, Order Entry and Sales

a. Production

Production performance in each segment in the current fiscal year is as follows:

Name of Segment	FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)	Year-on-Year Comparison (%)
DX&SI Business (Thousand yen)	15,527,969	113.3
Package Business (Thousand yen)	3,502,442	103.7
Medical Big Data Business (Thousand yen)	2,064,532	107.0
Global Business (Thousand yen)	1,789,832	87.8
Total (Thousand yen)	22,884,776	108.7

Note: The amounts are based on cost of sales and transactions between segments are eliminated by offsets.

b. Orders Received

The status of orders received in each segment in the current fiscal year is as follows:

Name of Segment	Amount of Orders Received	Year-on-Year Comparison (%)	Balance of Orders Received	Year-on-Year Comparison (%)
DX&SI Business (Thousand yen)	21,010,144	116.5	6,560,052	122.5
Package Business (Thousand yen)	8,641,142	142.2	5,054,441	152.8
Medical Big Data Business (Thousand yen)	3,544,447	93.8	1,228,577	103.5
Global Business (Thousand yen)	2,254,457	81.9	-	-
Total (Thousand yen)	35,450,191	115.7	12,843,071	130.4

Note: The amounts are based on sales price and transactions between segments are eliminated by offsets.

c. Sales Performance

The sales performance in each segment in the current fiscal year is as follows:

Name of Segment	FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)	Year-on-Year Comparison (%)
DX&SI Business (Thousand yen)	19,805,961	112.9
Package Business (Thousand yen)	6,895,459	117.3
Medical Big Data Business (Thousand yen)	3,503,392	111.2
Global Business (Thousand yen)	2,254,457	81.9
Total (Thousand yen)	32,459,270	110.7

Notes: 1. Transactions between segments are eliminated by offsets.

2. The following table indicates sales amounts to major customers and their ratios to total sales amount.

Customers	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)		Customers	FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)	
	Amount (Thousand yen)	(%)		Amount (Thousand yen)	(%)
NTT DOCOMO SOLUTIONS, Inc.	2,969,895	10.1	NTT DOCOMO SOLUTIONS, Inc.	3,983,446	12.3
Honda Motor Co., Ltd.	1,534,340	5.2	TIS Inc.	1,636,168	5.0
TIS Inc.	1,360,049	4.6	Honda Sales Operations Japan Co., Ltd.	1,078,262	3.3

(2) Views and issues analyzed/discussed with regard to the status of operating results, etc. from the management's perspective

Views and issues analyzed/discussed with regard to the status of operating results, etc., from the management's perspective are as follows.

Forward-looking statements are based on the judgment as of the end of the current fiscal year.

(i) Significant accounting estimates and assumptions thereof

The Group's consolidated financial statements are prepared based on accounting principles generally accepted in Japan. In preparing these consolidated financial statements, accounting estimates are made based on reasonable criteria for matters requiring estimation.

The information on significant accounting estimates and assumptions used for preparing consolidated financial statements is disclosed in "V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements, Significant Accounting Estimates."

(ii) Recognition, analysis and discussions of the status of financial position and operating results

a. Financial position

Recognition, analysis and discussions of financial status is stated in "II. Business Review, 4. Management's Analysis of Financial Status, Operating Results and Cash Flows, (1) Overview of Operating Results, (i) Financial Status."

b. Operating results

Recognition, analysis and discussions of the status of operating results is stated in “II. Business Review, 4. Management’s Analysis of Financial Status, Operating Results and Cash Flows, (1) Overview of Operating Results, (ii) Status of Operating Results.”

c. Cash flows

Recognition, analysis and discussions of the status of cash flows is stated in “II. Business Review, 4. Management’s Analysis of Financial Status, Operating Results and Cash Flows, (1) Overview of Operating Results, (iii) Status of Cash Flows.” Trends of cash flow-related indicators are as follows:

Cash flow indicators

	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26
Equity ratio (%)	58.9	61.8	63.2	64.4	66.2
Equity ratio based on market value (%)	101.9	128.3	222.1	195.6	193.2
Interest-bearing debt to cash flow ratio (years)	0.0	0.0	0.0	0.0	0.0
Interest coverage ratio (times)	1,009.9	1,730.2	4,733.2	221.8	351.3

Note: 1. The above figures are calculated as follows.

Equity ratio: Shareholders’ equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

* Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.

* Interest-bearing debt is calculated using total loans-payable on the consolidated balance sheet.

* Interest payments use the amount of interest expenses paid stated on the consolidated statement of cash flows.

(iii) Capital resources and funds’ liquidity

a. Cash flows

Analysis of cash flows for the current fiscal year is stated in “II. Business Review, 4. Management’s Analysis of Financial Status, Operating Results and Cash Flows, (1) Overview of Operating Results, (iii) Status of Cash Flows.”

b. Financial policy

The basic policy of the Group is to keep the liquidity needed for operating business and funds resources consistently.

Short-term working capital is basically financed by internal funds or short-term loans from financial institutions, while capital investment funds and long-term working capital are basically financed by long-term loans from financial institutions.

The Company has commitment line contracts with four banks, totaling 500 million yen as of the end of the current fiscal year (no outstanding balance of facilities drawn).

(iv) Factors that have material impacts on operating results

Factors that have material impacts on operating results are presented in “II. Business Review, 3. Business Risks.”

(v) Analysis of capital resources and the funds’ liquidity

The Group raises funds necessary for its business activities, including working capital and capital investment, through its funds and loans from financial institutions.

We plan to finance future needs through cash flows from operating activities and loans.

(vi) Awareness of the issues by management and future policies

Issues for future growth are presented in “II. Business Review, 1. Management Policy, Business Environment and Issues to be Addressed.”

(vii) Management policy, management strategies, and objective indicators used to assess if management targets have been achieved

The Group recognizes net sales, targets for each category of earnings, and the return on equity (ROE), all on a consolidated basis, as key management indicators.

In the current fiscal year, net sales were 32,459 million yen, 1.4% higher than the forecast of 32,000 million yen announced on May 14, 2025; operating profit was 3,911 million yen, 8.9% higher than the forecast of 3,590 million yen; ordinary profit was 4,018 million yen, 9.8% higher than the forecast of 3,660 million yen; and profit attributable to owners of parent was 2,622 million yen, 5.3% lower than the forecast of 2,770 million yen. The consolidated return on equity (ROE) was 16.6%.

On May 14, 2026, we announced the consolidated sales and earnings forecast for the fiscal year ending March 31, 2027: net sales of 34,300 million yen, operating profit of 4,150 million yen, ordinary profit of 4,200 million yen, and profit attributable to owners of parent of 2,950 million yen. We are determined to accomplish these goals while taking actions aimed at continuing to improve the consolidated return on equity (ROE).

We are currently maintaining a level of profitability that is higher than the cost of capital. Our priorities from a medium to long-term perspective are maintaining and further increasing profitability while maximizing corporate value. We are also aiming for a consistent increase in the return on invested capital (ROIC) and market capitalization. At the end of the current fiscal year, the ROIC was 18.0% and market capitalization was 48.9 billion yen.

5. Important Contracts, etc.

Not applicable.

6. Research and Development Activities

Total research and development expenses for the current fiscal year amounted to 588,978 thousand yen. Research and development activities for segments are as follows:

In the DX&SI Business, research and development expenses totaled 105,226 thousand yen as a result of research and development for the creation of new businesses.

In the Package Business, research and development expenses totaled 365,076 thousand yen mainly as a result of upgrades to the performance of BankNeo, an information systems integration package for financial institutions, and the development of new functions for the GAKUEN series, strategic university management systems.

In the Medical Big Data Business, research and development expenses totaled 118,675 thousand yen mainly due to activities to improve the performance of automated check of health insurance claims and to expand services.

III. Information about Facilities

1. Capital Expenditures Overview

Capital investment of 129,027 thousand yen was made in the current fiscal year. Details in each segment are as follows:

In the DX&SI Business, a capital investment of 60,308 thousand yen was made to promote internal operational reforms and to enhance facilities and equipment for improving work efficiency.

In the Package Business, a capital investment of 25,958 thousand yen was made to promote internal operational reforms and to enhance facilities and equipment for improving work efficiency.

In the Medical Big Data Business, a capital investment of 17,974 thousand yen was made to promote internal operational reforms and to install equipment for automated inspection of health insurance claims and for handling the increased volume of analytical data processing.

In the Global Business, a capital investment of 24,775 thousand yen was made to improve work efficiency.

Note: Capital expenditures include investments in intangible assets as well as property, plant and equipment.

2. Major Facilities

Major facilities of the Group are as follows:

(1) Reporting company

As of March 31, 2026

Office (location)	Segment	Description of facilities	Book value (Thousand yen)				Number of employees
			Buildings and structures	Land area (m ²)	Other	Total	
Osaka Head Office (Kita-ku, Osaka-shi)	DX&SI Business, Package Business, Medical Big Data Business	Offices and development facilities	43,821	-	264,334	308,156	497
Osaka Head Office (Kita-ku, Osaka-shi)	Not part of a specific business	Offices and office equipment	287,317	-	24,482	311,799	53
Tokyo Head Office (Minato-ku, Tokyo)	DX&SI Business, Package Business, Medical Big Data Business	Offices and development facilities	354,457	-	58,822	413,280	542
Tokyo Head Office (Minato-ku, Tokyo)	Not part of a specific business	Offices and office equipment	47,275	-	35,864	83,140	31
Kitashinagawa Office (Shinagawa-ku, Tokyo)	Package Business, Medical Big Data Business	Offices and development facilities	10,989	-	14,108	25,098	75
Kitashinagawa Office (Shinagawa-ku, Tokyo)	Not part of a specific business	Offices and office equipment	14,042	-	228	14,271	4
Training facility and company dormitory (Hirakata-shi, Osaka)	Not part of a specific business	Employee welfare facilities	31,970	142,361 [1,579.92]	140	174,472	-

- Notes: 1. The Osaka Head Office, Tokyo Head Office, and Kitashinagawa Office are rented offices in buildings. The annual rent is 674,952 thousand yen.
2. "Other" under book value mainly includes tools, furniture and fixtures such as computers for development and software.

(2) Domestic subsidiaries

As of March 31, 2026

Company name	Office (location)	Segment	Description of facilities	Book value (Thousand yen)				Number of employees
				Buildings and structures	Land area (m ²)	Other	Total	
Alpha Computer Co., Ltd. (Note 1)	Head Office (Shinagawa-ku, Tokyo)	DX&SI Business, Package Business	Offices and development facilities	3,123	-	4,172	7,296	50
NewNeeds Co., Ltd. (Notes 1, 2)	Head office (Kita-ku, Osaka-shi)	DX&SI Business, Medical Big Data Business	Offices and development facilities	-	-	772	772	88
K-SHIP Co., Ltd. (Notes 1, 2)	Head office (Toyonaka-shi, Osaka)	Medical Big Data Business	Offices and work facilities	1,067	-	3,950	5,017	42

Notes: 1. The head office is a rented office in a building.
2. The number of employees includes 3 employees on loan from JAST.

(3) Overseas subsidiaries

As of March 31, 2026

Company name	Office (location)	Segment	Description of facilities	Book value (Thousand yen)				Number of employees
				Buildings and structures	Land area (m ²)	Other	Total	
JASTEC (THAILAND) CO.,LTD. (Note 1)	Head Office (Thailand)	Global Business	Offices and development facilities	2,549	-	2,497	5,047	16
GuiLin Anxin Software Co., Ltd. (Note 1)	Head Office (China)	Global Business	Offices and development facilities	0	-	0	0	32
Shanghai Jiafeng Information Technology Co., Ltd. (Note 1)	Head Office (China)	Package Business	Offices	-	-	-	-	1
JAST Asia Pacific Co., Ltd. (Notes 1, 2)	Head Office (Thailand)	Global Business	Offices and development facilities	-	-	0	0	1
Virtual Calibre SDN. BHD. (Note 1)	Head Office (Malaysia)	Global Business	Offices and development facilities	0	-	0	0	67
Virtual Calibre MSC SDN.BHD. (Note 1)	Head Office (Malaysia)	Global Business	Offices and development facilities	0	-	0	0	59
Virtual Calibre Consulting SDN. BHD. (Notes 1, 3)	Head Office (Malaysia)	Global Business	Offices and development facilities	0	-	0	0	61
AG NET PTE.LTD. (Note 1)	Head Office (Singapore)	Global Business	Offices and development facilities	5,357	-	35	5,392	19
Bright & Better Co., Ltd. (Note 1)	Head Office (Thailand)	Global Business	Offices and development facilities	7,106	-	3,964	11,071	17
Virtual Calibre Consulting India Pvt. Ltd.	Head Office (India)	Global Business	Offices and development facilities	-	-	728	728	28
Virtual Calibre IT Solutions L.L.C-S.P.C	Head Office (UAE)	Global Business	Offices and development facilities	-	-	653	653	-

Notes: 1. The head office is a rented office in a building.
2. The number of employees includes 1 employee on loan from JAST.
3. The number of employees includes 3 employees on loan from JAST.

3. Plans for Capital Investment and Disposals of Facility

The Group formulates capital investment plans based on comprehensive consideration of economic forecasts, industry trends, investment efficiency, and other factors. In principle, each group company develops its capital expenditure plan individually, and the reporting company plays a central role in coordinating the plans.

As of March 31, 2026, significant capital investment plans (new construction and renovation) totaled 1,063 million yen, and the breakdown by segment is as follows:

(1) New construction of major facilities

Company name (Office)	Location	Segment	Description of facilities	Planned investment amount		Financing method	Schedule		Improvements after completion
				Total (Thousand yen)	Amount already paid (Thousand yen)		Commencement	Completion	
JAST (Tokyo Head Office, Osaka Head Office)	Minato-ku, Tokyo; Kita-ku, Osaka-shi	DX&SI Business	Office facilities	8,900	-	Self- financing	April 2026	March 2027	Work efficiency
JAST (Tokyo Head Office, Osaka Head Office)	Minato-ku, Tokyo; Kita-ku, Osaka-shi	Package Business	In-house system integration and office facilities	7,324	-	Self- financing	April 2026	March 2027	Work efficiency
JAST (Tokyo Head Office, Osaka Head Office)	Minato-ku, Tokyo; Kita-ku, Osaka-shi	Medical Big Data Business	In-house system integration and office facilities	47,212	-	Self- financing	April 2026	March 2027	Work efficiency
JAST (Tokyo Head Office, Osaka Head Office)	Minato-ku, Tokyo; Kita-ku, Osaka-shi	Not part of a specific business	In-house system integration and office facilities	999,740	-	Self- financing	April 2026	March 2027	Work efficiency

Note: There are no material plans of retirement or sale of major facilities, except those for recurring facility renewal.

(2) Major renovation

Not applicable.

IV. Information about Reporting Company

1. Shares, etc.

(1) Total number of shares, etc.

(i) Total number of shares

Class	Total number of shares authorized to be issued (Shares)
Common stock	64,000,000
Total	64,000,000

(ii) Issued shares

Class	Number of issued shares as of March 31, 2026 (Shares)	Number of issued shares as of the filing date (June 24, 2026) (Shares)	Name of stock exchange on which the company is listed or name of authorized financial instruments firms association with which the company is registered	Description
Common stock	24,836,920	24,836,920	Prime Market of Tokyo Stock Exchange	Standard stock of JAST with no restrictions on rights. The number of shares per one unit is 100 shares.
Total	24,836,920	24,836,920	-	-

(2) Share acquisition rights

(i) Stock option plans

Not applicable.

(ii) Right plans

Not applicable.

(iii) Share acquisition rights for other uses

Not applicable.

(3) Exercises of moving strike convertible bonds, etc.

Not applicable.

(4) Changes in number of issued shares, share capital, and legal capital surplus

(Thousand yen, unless otherwise stated)

Date	Increase (decrease) in total number of issued shares (Shares)	Balance of total number of issued shares (Shares)	Increase (decrease) in share capital	Balance of share capital	Increase (decrease) in legal capital surplus	Balance of legal capital surplus
April 1, 2021 through March 31, 2022 (Note 1)	597,000	6,209,230	458,739	1,535,409	458,739	1,497,047
April 1, 2022 through March 31, 2023 (Note 2)	6,209,230	12,418,460	-	1,535,409	-	1,497,047
April 1, 2024 through March 31, 2025 (Note 3)	12,418,460	24,836,920	-	1,535,409	-	1,497,047

Notes: 1. From June 2, 2021 to September 22, 2021, due to the exercise of share acquisition rights, the total number of issued shares, share capital, and the legal capital surplus increased by 597,000 shares, 458 million yen and 458 million yen, respectively.

2. JAST conducted a 2-for-1 stock split on October 1, 2022.

3. JAST conducted a 2-for-1 stock split on April 1, 2024.

(5) Shareholding by shareholder category

As of March 31, 2026

Category	Shareholding status (Number of shares constituting one unit: 100 shares)								Odd-lot shares (Shares)
	National and local governments	Financial institutions	Financial instruments business operators	Other corporations	Foreign corporations, etc.		Individuals and others	Total	
					Non-individuals	Individuals			
Number of shareholders	-	8	15	19	58	13	2,858	2,971	-
Number of shares held (units)	-	23,405	1,228	61,359	83,821	60	78,420	248,293	7,620
Percentage of shareholdings (%)	-	9.42	0.49	24.71	33.75	0.02	31.58	100.00	-

Note: Out of 10,419 treasury shares, 104 units are included in “Individuals and others,” and 19 shares are included in “Odd-lot shares.”

(6) Major shareholders

As of March 31, 2026

Name	Address	Number of shares held (Shares)	Shareholding ratio (excluding treasury shares) (%)
US BANK NATIONAL ASSOCIATION JP ACCTS TS (Standing proxy: MUFG Bank, Ltd.)	60 Livingston Ave St. Paul, MN 55107 U.S.A.	5,868,800	23.64
JUST Corporation	(1-4-5 Marunouchi, Chiyoda-ku, Tokyo) 5-601-1, Hamadera Showacho, Nishi-ku, Sakai-shi, Osaka	5,800,400	23.36
The Master Trust Bank of Japan, Ltd. (Trust Account)	1-8-1 Akasaka, Minato-ku, Tokyo	1,886,300	7.60
Interactive Brokers LLC (Standing proxy: Interactive Brokers Securities Japan Inc.)	One Pickwick Plaza Greenwich, Connecticut 06830 USA	1,629,700	6.56
JAST's Employee Shareholding Association	(3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo) 2-3-18 Nakanoshima, Kita-ku, Osaka	1,439,760	5.80
Taku Hirabayashi	Nishi-ku, Sakai-shi, Osaka	561,280	2.26
Takeaki Hirabayashi	Nishi-ku, Sakai-shi, Osaka	492,100	1.98
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	257,600	1.04
Dai Hirabayashi	Nishi-ku, Sakai-shi, Osaka	240,700	0.97
TerraSky Co., Ltd.	2-11-2 Nihombashi, Chuo-ku, Tokyo	229,508	0.92
Total	-	18,406,148	74.14

- Notes: 1. JAST holds 10,419 treasury shares but is excluded from the above major shareholders. JAST has established a Board Benefit Trust (BBT), and the 107,600 shares of the JAST's stock held by Japan Custody Bank, Ltd. (Trust Account E) are not included in treasury shares above.
2. Shares held by The Master Trust Bank of Japan, Ltd. include 735,600 shares involving trust operations consisting of 10,300 shares in a pension trust and 725,300 shares in an investment trust.
3. Shares held by Custody Bank of Japan, Ltd. include 202,600 shares involving trust operations consisting of 11,300 shares in a pension trust and 191,300 shares in an investment trust.
4. According to the Change Report that was made available for public inspection on February 12, 2026, the shares of JAST were held by MIRI Capital Management LLC as of February 4, 2026 with the detail shown below. However, JAST did not include such information in the table above because it could not confirm the number of shares effectively held by this company as of March 31, 2026. The detail of the Change Report is as follows:

Name	Address	Number of share certificates held (thousand shares)	Shareholding ratio (%)
MIRI Capital Management LLC	745 Boylston Street, Suite 301, Boston, MA 02116, USA	7,278	29.31

(7) Voting rights

(i) Issued shares

As of March 31, 2026

Category	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with no voting rights	-	-	-
Shares with restricted voting rights (treasury shares, etc.)	-	-	-
Shares with restricted voting rights (other)	-	-	-
Shares with full voting rights (treasury shares, etc.)	Common stock 10,400	-	-
Shares with full voting rights (other)	Common stock 24,818,900	248,189	-
Odd-lot shares	Common stock 7,620	-	-
Total number of issued shares	24,836,920	-	-
Voting rights held by all shareholders	-	248,189	-

Notes: 1. “Shares with full voting rights (other)” of common stock includes 107,600 shares (1,076 voting rights) of JAST held by the Board Benefit Trust (BBT).

2. “Odd-lot shares” includes 19 treasury shares held by JAST.

(ii) Treasury shares, etc.

As of March 31, 2026

Name of shareholder	Address of shareholder	Number of shares held in own name (Shares)	Number of shares held in others' name (Shares)	Total number of shares held (Shares)	Ratio against total shares issued (%)
Japan System Techniques Co., Ltd.	2-3-18 Nakanoshima, Kita-ku, Osaka-shi	10,400	-	10,400	0.04
Total	-	10,400	-	10,400	0.04

Notes: 1. JAST stock held by the BBT (107,600 shares) is included in the number of treasury shares in consolidated and non-consolidated financial statements.

2. In addition to the above, JAST holds 19 odd-lot shares.

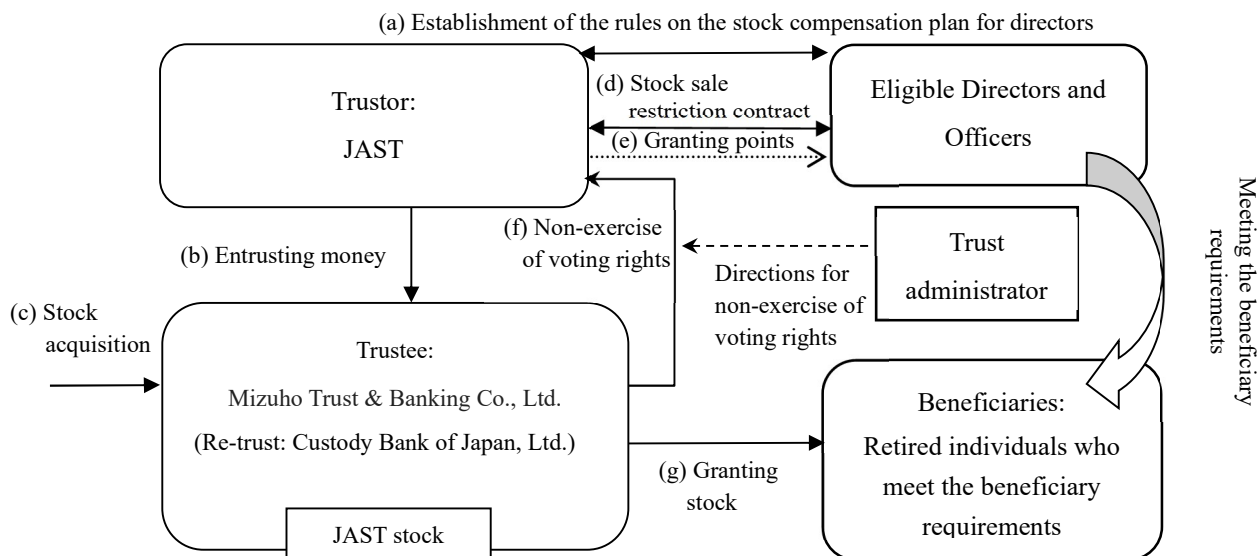
(8) Explanation of the Director and Employee Stock Ownership Plan

Based on the resolution of the 52nd Annual General Meeting of Shareholders held on June 25, 2024 for the change to the Company with an Audit & Supervisory Committee corporate governance system, JAST established a Board Benefit Trust-Restricted Stock (BBT-RS) remuneration plan that distributes restricted stock to eligible individuals during their time at JAST. As a result, the previous remuneration authorization for the prior BBT plan for directors (excluding external directors) has been terminated. The purpose of the BBT-RS plan is to further motivate directors (excluding directors who are members of Audit & Supervisory Committee and external directors) and delegated executive officers (collectively the “Eligible Directors and Officers”) to contribute to the growth of corporate value.

i) Overview of the BBT-RS plan

This is a stock compensation plan in which the Eligible Directors and Officers receive stock compensation through the BBT-RS plan. The BBT-RS acquires JAST stock using cash contributions from JAST as the source of funds. The Eligible Directors and Officers receive JAST stock or a monetary amount equivalent to the market value of the JAST stock in lieu of stock compensation in accordance with the rules on the stock compensation plan for directors. In principle, the Eligible Directors and Officers receive JAST stock once every year at a designated time and receive the monetary amount equivalent to the market value of the JAST stock when they leave JAST. When the Eligible Directors and Officers receive JAST stock while they are still at JAST, these individuals must first sign a stock sale restriction contract with JAST as described below. In accordance with this contract, the Eligible Directors and Officers are not allowed to sell or transfer ownership in any other way the JAST stock they receive while at JAST.

BBT-RS Structure



- (a) JAST will establish the rules on the stock compensation plan for directors within the limits of the compensation approved in this proposal.
- (b) JAST will entrust money in accordance with the approval in this proposal.
- (c) The BBT-RS will acquire JAST stock using the money entrusted in (b) as the source of funds, either through the stock exchange or by subscribing to the disposal of treasury shares.
- (d) The Eligible Directors and Officers who receive JAST stock while at JAST will sign contracts restricting the sale or other transfer of ownership of this stock until an individual leaves JAST. The contract includes a provision allowing JAST to acquire the stock with no payment under certain circumstances.
- (e) JAST grants points to the Eligible Directors and Officers in accordance with the rules on the stock compensation plan for directors.
- (f) The BBT-RS will not exercise voting rights with respect to JAST stock in the trust account in accordance with the instructions of the trust administrator, which is independent from JAST.
- (g) The BBT-RS will grant JAST stock to the Eligible Directors and Officers who meet the requirements for beneficiaries in the rules on the stock compensation plan for directors at a designated time every year in accordance with the number of points granted to these beneficiaries. However, if an eligible director or officer meets the requirements in the rules, a monetary amount equivalent to the market value of the JAST stock will be paid for a certain percentage of the points when an individual leaves JAST.

ii) Number of shares acquired by the BBT-RS

The number of shares acquired by the BBT-RS is 341,200. The number of shares to be acquired by the BBT-RS is not determined yet.

iii) Beneficiaries and other individuals entitled to rights under this plan

Directors and delegated executive officers of JAST, excluding directors who are Audit & Supervisory Committee members and external directors

2. Acquisition and Disposal of Treasury Shares

Class of shares, etc.:

Acquisition of common stock under Article 155, item (vii) of the Companies Act

(1) Acquisition by resolution of Annual General Meeting of Shareholders

Not applicable.

(2) Acquisition by resolution of the Board of Directors

Not applicable.

(3) Acquisition not based on resolution at Annual Shareholders meeting or the Board of Directors

Acquisition of common stock pursuant to Article 155, item (vii) of the Companies Act

Category	Number of shares (Shares)	Total amount (Yen)
Treasury shares acquired during the fiscal year ended March 31, 2026 (Note)	51	119,799
Treasury shares acquired during the period for acquisition	-	-

Notes: 1. The period for acquisition begins on the day after the last day of the fiscal year and ends on the day this Annual Securities Report was submitted.

2. Treasury shares acquired during the period for acquisition do not include the number of odd-lot shares purchased between June 1, 2026 and the day this Annual Securities Report was submitted.

(4) Disposal of acquired treasury shares and number of shares held

Category	FY3/26		Period for Acquisition	
	Number of shares (Shares)	Total amount of disposal (Thousand yen)	Number of shares (Shares)	Total amount of disposal (Thousand yen)
Acquired treasury shares for which subscribers were solicited	-	-	-	-
Acquired treasury shares that were disposed of	-	-	-	-
Acquired treasury shares that were transferred for merger, share exchange, share issuance and company split	-	-	-	-
Other	-	-	-	-
Treasury shares held	10,419	-	10,419	-

Notes: 1. The period for acquisition begins on the day after the last day of the fiscal year and ends on the day this Annual Securities Report was submitted.

2. JAST stock held by the BBT-RS (107,600 shares) is included in the number of treasury shares in consolidated and non-consolidated financial statements.

3. Dividend Policy

Our basic policy for dividends is consistent long-term growth just as for our sales and earnings. As stated in the JAST Group's medium-term management plan (FY2026–FY2028) announced on May 14, 2026, the goal is to raise the dividend payout ratio to 50% for the return of earnings to shareholders. We will use retained earnings for highly effective investments for the development of professional human resources, start new businesses, establish business alliances, conduct R&D programs for new products, and other activities.

Taking into consideration earnings in FY3/26, JAST decided to pay a dividend of 45 yen, which includes an interim dividend of 11 yen).

The Articles of Incorporation stipulates that JAST may pay interim dividends in accordance with Article 454, Paragraph 5 of the Companies Act of Japan.

The date of resolution by the Board of Directors, total dividends and dividend per share for the dividends with a record date belonging to FY3/26 are as follows.

Date of resolution	Total dividends (Thousand yen)	Dividend per share (Yen)
Board of Directors meeting on October 28, 2025	273,092	11
Board of Directors meeting on April 24, 2026	844,101	34

4. Corporate Governance

(1) Overview of corporate governance

(i) Fundamental approach to corporate governance

At JAST, our focus is on management ideally suited to the current economic environment while reflecting the fundamental principles of corporate governance. To accomplish this, and in line with a philosophy which emphasizes what is best for our four key stakeholders—customers, shareholders, employees and society—we pursue win-win relationships with buyers, vendors, and investors, as well as with the public at large. Our goal is to maximize value for all stakeholders and achieve medium and long-term growth of corporate value with the sustainable growth of the Company. As we take actions to accomplish this goal, our corporate officers will sincerely consider all essential inputs as they boldly challenge the status quo and continue aiming for a corporate transformation.

(ii) Overview of our corporate governance structure and reasons for its use

At the Annual General Meeting of Shareholders held on June 25, 2024, shareholders approved changes to the Articles of Incorporation for changing from the Company with a Board of Auditors to the Company with an Audit & Supervisory Committee corporate governance system. The reason for this change is to further upgrade this structure by increasing management transparency and speeding up decision making regarding changes in the business climate.

A. Summary of our corporate governance structure

The major components of the system of internal controls are as follows.

Board of Directors

The Board of Directors consists of 11 members: eight directors (excluding directors who are Audit & Supervisory Committee members) and three directors who are members of the Audit & Supervisory Committee. There are five external directors, three directors and two members of the Audit & Supervisory Committee. The Board of Directors holds regular meetings once every month and meets at other times as needed to enable making decisions about management quickly.

Audit & Supervisory Committee

This committee, which has three members, meets once every month. Members of this committee attend meetings of the Board of Directors and other important internal meetings. They state opinions as needed and use other measures to oversee the performance of the directors. This committee is chaired by Masami Yabushita. The members of this committee are shown in section (2) Directors and Audit & Supervisory Committee members.

Nomination and Remuneration Committee

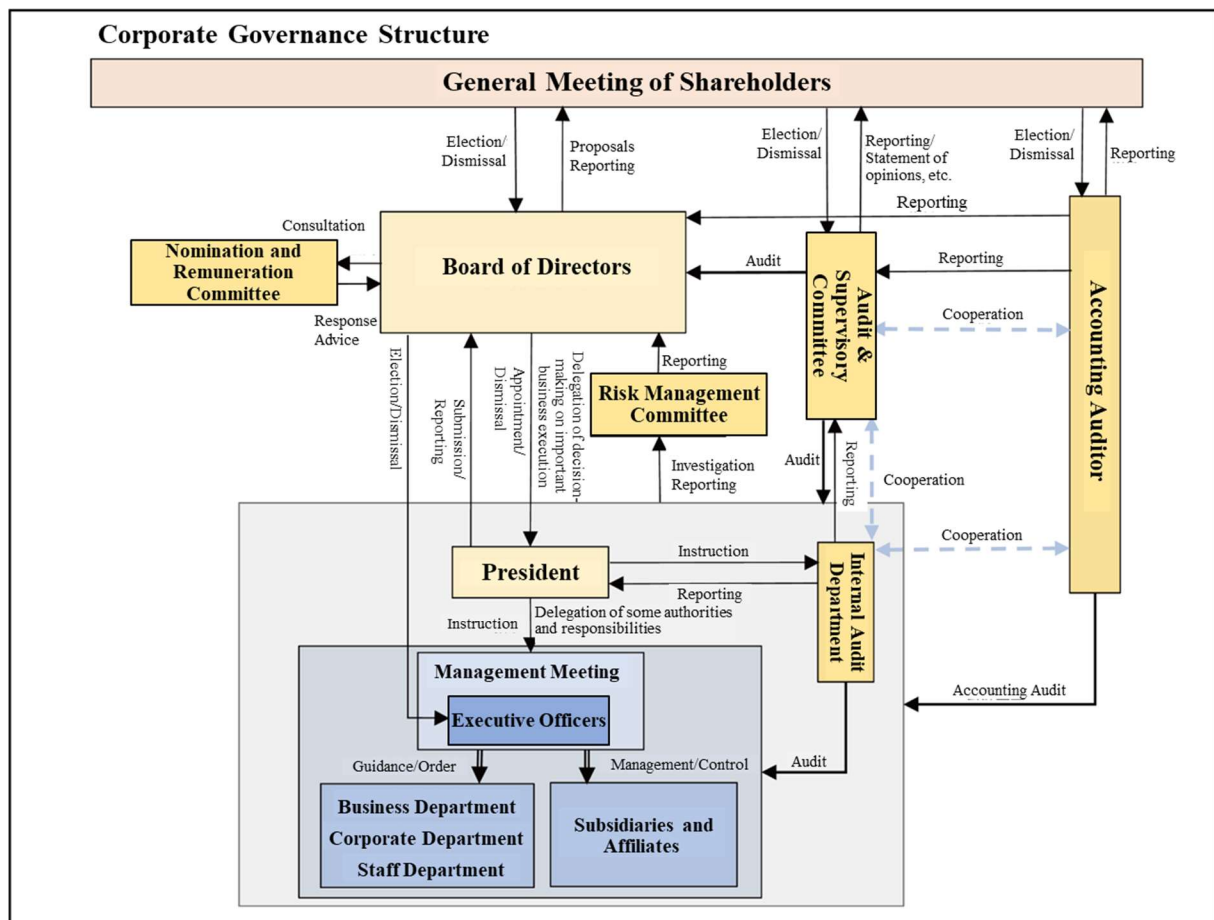
The Nomination and Remuneration Committee is a voluntary unit that provides advice to the Board of Directors. The purpose is to increase the independence, objectivity and ability to provide explanations for decisions at the Board of Directors regarding decisions about nomination of director candidates, remuneration of individual directors and other matters involving directors and to further reinforce the corporate governance structure. The committee members are four directors, including three independent, external directors, one of whom chairs the committee.

Management Meeting

The members of this meeting, which is chaired by the president of JAST, are 10 executive officers and one director who is a member of the Audit & Supervisory Committee. As a rule, this meeting is held twice every month. Members discuss management policies and strategies, business plans, and other important matters involving management and reach decisions. In addition, committee members monitor all types of risk and determine countermeasures and take other actions for the efficiency of managing business operations.

B. Reasons for using this structure

The JAST corporate governance structure is shown in the following diagram.



We use this corporate governance structure for the purpose of strengthening the management oversight function as businesses are operated in accordance with decisions of the Board of Directors. In this structure, members of the Audit & Supervisory Committee perform the role of overseeing the performance of the directors and attend meetings of the Board of Directors and other important internal meetings to ensure the legality and suitability of all activities involving management and how businesses are operated. From this perspective of corporate governance, we have adopted the current structure.

(iii) Other matters concerning corporate governance

A. Status of the internal control system

JAST has been working in a timely manner to maintain an internal control system mainly by establishing internal regulations, structuring organizations so that mutual checks and balances function effectively, and evaluating and improving the internal control system through internal audits. In accounting audits, the status of internal controls and their operation are reviewed as part of ordinary audit procedures. JAST aims to be fully compliant with the systems involving internal control evaluations and audits. These initiatives include documentation of related business processes, inspections of the status of controls, and evaluations through verifications using internal audits. The Board of Directors reviews the internal control system from time to time by evaluating its operational status and discussing the policy for the maintenance of this system.

B. Risk management system

In the event of an emergency, in accordance with our risk management rules, we will promptly perform a series of procedures for fact-checking, investigations, the establishment of a task force, and recovery from the emergency. In addition, the Board of Directors and the Management Meeting discuss risks to JAST and the Group to take necessary actions.

C. Status of the system to ensure the suitability of business operations at subsidiaries

JAST has established a system to provide guidance and support to subsidiaries, while respecting the autonomy of their management. Subsidiaries regularly submit business and financial reports to JAST's Management Meeting and other units to enable JAST to monitor the management of individual companies. JAST's internal audit department also conducts audits of subsidiaries.

D. Overview of the liability limitation agreement

JAST's Articles of Incorporation stipulate that, pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, JAST may, by resolution of the Board of Directors, exempt directors (including former directors) from liability for damages to the extent legally allowed. This is to ensure that directors can fully perform the expected roles in conducting their duties.

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, JAST has concluded an agreement with directors (excluding directors who are JAST executives) to limit their liability to compensate for damages due to a failure to perform their duties; provided, however, that the limit of liability under this agreement is the amount prescribed by laws and regulations.

E. Overview of the directors and officers liability insurance contract

JAST has concluded a directors and officers liability insurance contract with AIG General Insurance Company, Ltd., as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insured parties of the insurance contract are directors (including two external directors who are Audit & Supervisory Committee members), executive officers and employees in management positions at JAST and its subsidiaries. This insurance contract covers damages that may occur when an insured individual assumes liability for the performance of his or her duties or receives a claim related to the pursuit of this liability. The insurance premiums are fully paid by JAST.

There are some exemptions from this insurance coverage to prevent the performance of duties by an insured individual from no longer being suitable. For example, liability insurance does not cover damages resulting from behavior of an insured individual that violates a law or regulation.

JAST plans to extend the insurance contract with the same terms at the next renewal.

F. Maximum number of directors

The JAST Articles of Incorporation stipulate that the number of directors (excluding directors who are Audit & Supervisory Committee members) is no more than 10 and the number of directors who are Audit & Supervisory Committee members is no more than five.

G. Resolution requirements for election and dismissal of directors

The JAST Articles of Incorporation stipulate that resolutions for the election of directors must be approved by a majority of the voting rights held by shareholders present at the meeting who account for not less than one-third of the voting rights of all shareholders entitled to vote. Furthermore, resolutions for the dismissal of directors must be approved by two-thirds or more of the voting rights held by shareholders present at the meeting who represent a majority of the voting rights of all shareholders entitled to vote.

H. Authority for making decisions on dividends of surplus, etc.

The JAST Articles of Incorporation stipulate that the matters stipulated in all items of Article 459, Paragraph 1 of the Companies Act, such as dividends of surplus, are determined by a resolution of the Board of Directors, unless otherwise provided by laws and regulations. The purpose of this provision is to return profits to shareholders in a flexible manner by giving the Board of Directors the authority to distribute dividends of surplus, etc.

I. Requirements for special resolutions at General Meetings of Shareholders

The JAST Articles of Incorporation stipulate that the special resolutions at General Meetings of Shareholders provided in Article 309, Paragraph 2 of the Companies Act must be approved by two-thirds or more of the voting

rights held by shareholders present at the meeting who represent not less than one-third of the voting rights of all shareholders entitled to vote. The purpose of this provision is to facilitate the efficient operation of General Meetings of Shareholders by reducing the quorum for special resolutions at General Meetings of Shareholders.

(iv) Activities of the Board of Directors

JAST held 13 meetings of the Board of Directors during the fiscal year ended in March 2026. The attendance of individual Directors and Audit & Supervisory Board members is as follows.

Position	Name	Number of meetings held	Attendance
Representative Director	Taku Hirabayashi	13	13
Director	Takeaki Hirabayashi	13	13
Director	Hiroaki Ban	13	13
Director	Yuji Tsuchiya	13	12
Director	Chiharu Muguruma	13	13
External Director	Yutaka Hosoe (Note 1)	2	2
External Director	Toshiyuki Akiba	13	12
External Director	Gao Yongdong	13	13
External Director	Jiro Yasu (Note 2)	11	11
Director Audit & Supervisory Committee member	Masami Yabushita	13	13
External Director Audit & Supervisory Committee member	Jiro Mogami	13	13
External Director Audit & Supervisory Committee member	Misa Machida	13	13

Notes: 1. For Mr. Yutaka Hosoe, attendance is shown up to the 53rd Annual General Meeting of Shareholders held on June 26, 2025, which is when his term of office ended.

2. For Mr. Jiro Yasu, attendance is shown beginning with his election as director at the 53rd Annual General Meeting of Shareholders held on June 26, 2025.

The Board of Directors mainly discusses the following matters.

- Management policies and annual and medium-term management plans of the Group
- Next-generation management structure and management succession
- Development of the next generation of leaders
- Selection of the Representative Director
- Revisions to organizational structure
- Organizational structure policy
- Remuneration system and treatment of directors (and other officers)
- Shareholder return (dividend) policy
- M&A strategies
- Financial strategies
- Annual budget in financial accounting and earnings forecast disclosed
- Appropriation of surplus
- Corporate governance
- Evaluation of cross-shareholdings
- Establishment of and investment in group companies and capital increase to group companies
- Operation of General Meetings of Shareholders
- Establishment of important rules and regulations

(v) Activities of the Nomination and Remuneration Committee

JAST established a Nomination and Remuneration Committee (hereinafter, the “Committee”) on August 22, 2022. JAST held six meetings of the Committee. The attendance of individual members is as follows.

Position	Name	Number of meetings held	Attendance
Representative Director	Taku Hirabayashi	6	6
External Director	Toshiyuki Akiba	6	6
External Director Audit & Supervisory Committee member	Jiro Mogami	6	6
External Director Audit & Supervisory Committee member	Misa Machida	6	6

The Committee deliberates mainly on the following matters, in response to inquiries from directors, and makes recommendations to the Board of Directors.

- Matters on the election and dismissal of the Representative Director
- Matters on the election and dismissal of directors
- Matters on remuneration for directors (including the maximum amount of remuneration for directors)
- Other material management matters deemed necessary by the Board of Directors

(vi) Basic policy on the control over the company

JAST believes that people who make decisions on the JAST’s business and financial policies should be able to maintain relationships with various stakeholders including shareholders and client companies, as well as to secure and enhance the JAST’s corporate value and the common interests of shareholders over the medium to long term.

On the other hand, as a company whose shares are listed on a financial instruments exchange, we respect free trading of our shares in the market and will not generally reject large-scale purchases of our shares by specific parties, as long as such purchases contribute to securing and enhancing our corporate value and the common interests of our shareholders. We also deem that the decision as to whether or not to accept a proposal for a large-scale purchase of our shares should ultimately be left to the judgment of our shareholders.

Nevertheless, among proposals for large-scale share acquisitions, there may be those that undermine our corporate value and the common interests of our shareholders mainly due to a possibility that we may not be able to maintain good relationships with our stakeholders; those that do not give our shareholders and the Board of Directors the time and information reasonably necessary for them to consider the details of the proposal and for the Board of Directors to present an alternative proposal, and those that do not fully reflect the JAST’s corporate value. For such a proposal, JAST’s Board of Directors believes that it is necessary to protect the corporate value of the Group and the common interests of shareholders by securing the necessary time and information for its shareholders and negotiating with the proposer of a large-scale acquisition of JAST’s shares, as the responsibility of those who are entrusted by shareholders.

(2) Directors and Audit & Supervisory Committee members

(i) Directors

a. Information of directors as of June 24, 2026 (the filing date of this Annual Securities Report) is as follows.

10 males, 1 female (Pct. of female officers: 9%)

Official Title	Name	Date of Birth	Brief Career History		Term of Office	Number of the Company Shares Held (Thousands)
Representative Director	Taku Hirabayashi	June 7, 1969	April 1992 April 1998 April 2017 April 2021 April 2023 June 2023 April 2024 June 2025	Joined Fujitsu Limited Joined the Company General Manager, Finance and Accounting Department, the Company General Manager, Tokyo Administrative Department, Tokyo Administration Division, the Company Officer in Charge of Management Planning & Business Administration; and General Manager, Management Planning Department, the Company Director in Charge of Management Planning & Business Administration; and General Manager, Management Planning Department, the Company Director and Senior Officer in charge of Finance & IR, the Company President and CEO, the Company (current)	Note 4	561.28
Director and Chairman	Takeaki Hirabayashi	April 23, 1938	March 1973 April 2005 June 2020 June 2025	Established the Company, Representative Director President and CEO, the Company President, the Company Director and Chairman, the Company (current)	Note 4	492.10

Official Title	Name	Date of Birth	Brief Career History	Term of Office	Number of the Company Shares Held (Thousands)
Director	Hiroaki Ban	January 13, 1961	January 1981 Joined the Company October 2006 Managing Executive Officer, Alpha Computer Co., Ltd. (secondment) June 2010 Director and Managing Executive Officer, Alpha Computer Co., Ltd. (secondment) April 2011 Officer in Charge of Tokyo Software; and General Manager, Eastern Japan Software Division, the Company June 2012 Director in Charge of Tokyo Software; and General Manager, Eastern Japan Software Division, the Company April 2013 Director in Charge of Tokyo Region, the Company April 2014 Director in Charge of Eastern Japan Region, Medical Big Data Business, and Special Projects, the Company June 2019 Executive Director in Charge of Eastern Japan Region, Medical Big Data Business, and Tokyo New Business Promotion, the Company June 2021 Senior Executive Director in Charge of Eastern Japan Region, Medical Big Data Business, Tokyo New Business Promotion, and Global Business, the Company April 2023 Senior Executive Director in Charge of Medical Big Data Business, Tokyo New Business Promotion, Global Business, and Tokyo Management Office, the Company April 2024 Vice President in Charge of Medical Big Data Business, Tokyo New Business Promotion, Global Business, and Staff Departments, the Company April 2025 Director and Executive Vice President, the Company April 2026 Director, the Company (current)	Note 4	118.70

Official Title	Name	Date of Birth	Brief Career History		Term of Office	Number of the Company Shares Held (Thousands)
Director	Chiharu Muguruma	October 22, 1964	April 1988 Joined the Company April 2014 Officer; and General Manager, Eastern Japan Software Business Department, the Company April 2018 Officer in Charge of Eastern Japan System Integration Business, the Company June 2019 Director in Charge of Eastern Japan System Integration Business, the Company January 2020 Director in Charge of Eastern Japan System Integration Business; and Vice General Manager, Overseas Business Division, the Company January 2021 Director in Charge of Eastern Japan System Integration Business; and General Manager, ASEAN Business Division, the Company April 2023 Director in Charge of Eastern Japan System Integration Business and Digital Transformation Promotion; and General Manager, ASEAN Business Division, the Company April 2024 Director and Executive Officer in charge of Corporate Department; and General Manager, Management Planning Department, the Company April 2026 Director and Senior Managing Executive Officer (current); and Head of Corporate Group, the Company (current)		Note 4	55.50
Director	Yuji Tsuchiya	June 8, 1962	March 1983 Joined the Company April 2012 Officer; and General Manager, GAKUEN Division, the Company April 2014 Officer in Charge of GAKUEN Business, the Company June 2016 Director in Charge of GAKUEN Business, the Company April 2017 Director in Charge of GAKUEN Business and New Business Promotion, the Company April 2019 Director in Charge of GAKUEN Business, New Business Promotion, and BankNeo Business, the Company April 2021 Director in Charge of GAKUEN Business, New Business Promotion, BankNeo Business, and Western Japan System Integration Business, the Company June 2021 Director in Charge of Western Japan Region, GAKUEN Business, New Business Promotion, and BankNeo Business, the Company April 2022 Director in Charge of GAKUEN Business, New Business Promotion, BankNeo Business, and Western Japan System Integration Business, the Company April 2024 Director and Executive Officer in Charge of GAKUEN Business, New Business Promotion, BankNeo Business, and Western Japan System Integration Business, the Company April 2025 Director and Executive Officer in Charge of BankNeo Business, the Company April 2026 Director and Executive Officer, the Company (current)		Note 4	95.80

Official Title	Name	Date of Birth	Brief Career History		Term of Office	Number of the Company Shares Held (Thousands)
Director	Toshiyuki Akiba	June 18, 1956	April 1980 March 2004 January 2012 July 2013 June 2015 June 2021	Joined Canon Sales Co., Inc. (now Canon Marketing Japan Inc.) President, Canon Supercomputing S.I. Inc.; and President, Canon Solutions Service Inc., a subsidiary of Canon Supercomputing S.I. Inc. (serving concurrently) Director (part-time), Canon BizAttenda Inc.; and Director (part-time), Qualysite Technologies Inc. Director, Ftime Corporation Managing Director, Ftime Corporation External Director, the Company (current)	Note 4	-
Director	Gao Yongdong	November 14, 1964	August 1998 December 2002 April 2011 January 2013 April 2014 January 2015 June 2017 June 2024 July 2024	Participated in establishment of BNIS Co., Ltd., Director and Vice President Vice Chairman and General Manager, Wuxi Huaxia Computer Technology Co., Ltd. Vice Chairman and General Manager, Wuxi NTT DATA Co., Ltd. Chairman, Wuxi NTT DATA Co., Ltd. Director (part-time), NTT DATA (China) Co., Ltd. (current) President, NTT DATA (China) Information Technology Co., Ltd. Director (part-time), NTT DATA (China) Investment Co., Ltd. (current) Chairman and President, NTT DATA (China) Information Technology Co., Ltd. (current) External Director, the Company (current) Representative Director, NTT DATA Information Technology Co., Ltd. (current)	Note 4	-
Director	Jiro Yasu	April 20, 1973	May 2001 April 2005 May 2006 April 2012 December 2013 September 2018 June 2022 June 2025	Senior Vice President, First Eagle Investment Management, LLC Director in charge of New Business Promotion, Jyujiya Securities Co., Ltd. Founded VARECS Partners Limited, Representative Director (current) Director, Jyujiya Holdings, Inc. Director, FUJII SHUZOU Co., Ltd. (current) Director, JWC Inc. (current) Representative Director, Jyujiya Holdings, Inc. (current) External Director, the Company (current)	Note 4	-
Director (Audit & Supervisory Committee member)	Masami Yabushita	June 3, 1965	April 1989 April 2014 April 2015 June 2023 June 2024	Joined the Company General Manager, Logistics Business Division, the Company General Manager, Eastern Japan System Integration Business Division 2, the Company Full-time Audit & Supervisory Board member, the Company Director, Full-time Audit & Supervisory Committee member, the Company (current)	Note 5	8.70

Official Title	Name	Date of Birth	Brief Career History		Term of Office	Number of the Company Shares Held (Thousands)
Director (Audit & Supervisory Committee member)	Jiro Mogami	August 2, 1978	November 2007 February 2011 July 2013 June 2014 June 2024	Joined LEGAL PROFESSIONAL CORPORATION HONRYU Joined Yamashita Kawazoe Law Office Joined the Kanon Law Office (current) External Audit & Supervisory Board member, the Company External Director, Audit & Supervisory Committee member, the Company (current)	Note 5	-
Director (Audit & Supervisory Committee member)	Misa Machida	October 11, 1978	October 2003 June 2007 November 2019 June 2024 January 2025	Joined Tohmatsu & Co. (now Deloitte Touche Tohmatsu LLC) Established Machida Accounting Office (current) External Director, ING Co., Ltd. (current) External Director, Audit & Supervisory Committee member, the Company (current) External Director, Audit & Supervisory Committee member, Kobe Bussan Co., Ltd. (current)	Note 5	-
Total						1,332.08

- Notes: 1. The Company has introduced the executive officer system to separate the management decision-making and supervisory functions from the execution of operations.
2. Mr. Toshiyuki Akiba, Mr. Gao Yongdong and Mr. Jiro Yasu, are external directors.
3. Mr. Jiro Mogami and Ms. Misa Machida are external directors who are Audit & Supervisory Committee members.
4. The term of office will be one year from the conclusion of the Annual General Meeting of Shareholders held on June 26, 2025.
5. The term of office will be two years from the conclusion of the Annual General Meeting of Shareholders held on June 25, 2024.
6. Representative Director Taku Hirabayashi and Director and Chairman Takeaki Hirabayashi are within second-degree relatives.

- b. At the shareholders meeting to be held on June 26, 2026, shareholders will vote on a proposal for the election of six directors (excluding directors who are Audit & Supervisory Committee members) and a proposal for the election of three directors who are Audit & Supervisory Committee members. If these two proposals are approved by shareholders, JAST expects the following composition of the Board of Directors. This composition includes decisions about executive positions of directors and other matters that are expected to be made at a Board of Directors meeting immediately after this shareholders meeting.

8 males, 1 female (Pct. of female officers: 11%)

Official Title	Name	Date of Birth	Brief Career History		Term of Office	Number of the Company Shares Held (Thousands)
Representative Director	Taku Hirabayashi	June 7, 1969	April 1992 April 1998 April 2017 April 2021 April 2023 June 2023 April 2024 June 2025	Joined Fujitsu Limited Joined the Company General Manager, Finance and Accounting Department, the Company General Manager, Tokyo Administrative Department, Tokyo Administration Division, the Company Officer in Charge of Management Planning & Business Administration; and General Manager, Management Planning Department, the Company Director in Charge of Management Planning & Business Administration; and General Manager, Management Planning Department, the Company Director and Senior Officer in charge of Finance & IR, the Company President and CEO, the Company (current)	Note 4	561.28
Director	Chiharu Muguruma	October 22, 1964	April 1988 April 2014 April 2018 June 2019 January 2020 January 2021 April 2023 April 2024 April 2026	Joined the Company Officer; and General Manager, Eastern Japan Software Business Department, the Company Officer in Charge of Eastern Japan System Integration Business, the Company Director in Charge of Eastern Japan System Integration Business, the Company Director in Charge of Eastern Japan System Integration Business; and Vice General Manager, Overseas Business Division, the Company Director in Charge of Eastern Japan System Integration Business; and General Manager, ASEAN Business Division, the Company Director in Charge of Eastern Japan System Integration Business and Digital Transformation Promotion; and General Manager, ASEAN Business Division, the Company Director and Executive Officer in charge of Corporate Department; and General Manager, Management Planning Department, the Company Director and Senior Managing Executive Officer (current); and Head of Corporate Group, the Company (current)	Note 4	55.50

Official Title	Name	Date of Birth	Brief Career History	Term of Office	Number of the Company Shares Held (Thousands)
Director	Yuji Tsuchiya	June 8, 1962	March 1983 Joined the Company April 2012 Officer; and General Manager, GAKUEN Division, the Company April 2014 Officer in Charge of GAKUEN Business, the Company June 2016 Director in Charge of GAKUEN Business, the Company April 2017 Director in Charge of GAKUEN Business and New Business Promotion, the Company April 2019 Director in Charge of GAKUEN Business, New Business Promotion, and BankNeo Business, the Company April 2021 Director in Charge of GAKUEN Business, New Business Promotion, BankNeo Business, and Western Japan System Integration Business, the Company June 2021 Director in Charge of Western Japan Region, GAKUEN Business, New Business Promotion, and BankNeo Business, the Company April 2022 Director in Charge of GAKUEN Business, New Business Promotion, BankNeo Business, and Western Japan System Integration Business, the Company April 2024 Director and Executive Officer in Charge of GAKUEN Business, New Business Promotion, BankNeo Business, and Western Japan System Integration Business, the Company April 2025 Director and Executive Officer in Charge of BankNeo Business, the Company April 2026 Director and Executive Officer, the Company (current)	Note 4	95.80
Director	Satoshi Ochiai	July 6, 1975	December 2001 Joined the Company April 2022 Officer in Charge of GAKUEN Business, the Company April 2025 Senior Executive Officer in Charge of GAKUEN Business; and General Manager, GAKUEN Business Division, the Company April 2026 Senior Executive Officer, Corporate Group; and Head of Corporate Planning Office, the Company June 2026 Director and Senior Executive Officer (current), Corporate Group; and Head of Corporate Planning Office, the Company (current)	Note 4	9.40

Official Title	Name	Date of Birth	Brief Career History		Term of Office	Number of the Company Shares Held (Thousands)
Director	Gao Yongdong	November 14, 1964	August 1998 December 2002 April 2011 January 2013 April 2014 January 2015 June 2017 June 2024 July 2024	Participated in establishment of BNIS Co., Ltd., Director and Vice President Vice Chairman and General Manager, Wuxi Huaxia Computer Technology Co., Ltd. Vice Chairman and General Manager, Wuxi NTT DATA Co., Ltd. Chairman, Wuxi NTT DATA Co., Ltd. Director (part-time), NTT DATA (China) Co., Ltd. (current) President, NTT DATA (China) Information Technology Co., Ltd. Director (part-time), NTT DATA (China) Investment Co., Ltd. (current) Chairman and President, NTT DATA (China) Information Technology Co., Ltd. (current) External Director, the Company (current) Representative Director, NTT DATA Information Technology Co., Ltd. (current)	Note 4	-
Director	Jiro Yasu	April 20, 1973	May 2001 April 2005 May 2006 April 2012 December 2013 September 2018 June 2022 June 2025	Senior Vice President, First Eagle Investment Management, LLC Director in charge of New Business Promotion, Jyujiya Securities Co., Ltd. Founded VARECS Partners Limited, Representative Director (current) Director, Jyujiya Holdings, Inc. Director, FUJII SHUZOU Co., Ltd. (current) Director, JWC Inc. (current) Representative Director, Jyujiya Holdings, Inc. (current) External Director, the Company (current)	Note 4	-
Director (Audit & Supervisory Committee member)	Masami Yabushita	June 3, 1965	April 1989 April 2014 April 2015 June 2023 June 2024	Joined the Company General Manager, Logistics Business Division, the Company General Manager, Eastern Japan System Integration Business Division 2, the Company Full-time Audit & Supervisory Board member, the Company Director, Full-time Audit & Supervisory Committee member, the Company (current)	Note 5	8.70
Director (Audit & Supervisory Committee member)	Jiro Mogami	August 2, 1978	November 2007 February 2011 July 2013 June 2014 June 2024	Joined LEGAL PROFESSIONAL CORPORATION HONRYU Joined Yamashita Kawazoe Law Office Joined the Kanon Law Office (current) External Audit & Supervisory Board member, the Company External Director, Audit & Supervisory Committee member, the Company (current)	Note 5	-

Official Title	Name	Date of Birth	Brief Career History	Term of Office	Number of the Company Shares Held (Thousands)
Director (Audit & Supervisory Committee member)	Misa Machida	October 11, 1978	October 2003 Joined Tohmatsu & Co. (now Deloitte Touche Tohmatsu LLC) June 2007 Established Machida Accounting Office (current) November 2019 External Director, ING Co., Ltd. (current) June 2024 External Director, Audit & Supervisory Committee member, the Company (current) January 2025 External Director, Audit & Supervisory Committee member, Kobe Bussan Co., Ltd. (current)	Note 5	-
Total					730.68

- Notes: 1. The Company has introduced the executive officer system to separate the management decision-making and supervisory functions from the execution of operations.
2. Mr. Gao Yongdong and Mr. Jiro Yasu are external directors.
3. Mr. Jiro Mogami and Ms. Misa Machida are external directors who are Audit & Supervisory Committee members.
4. The term of office will be one year from the conclusion of the Annual General Meeting of Shareholders to be held on June 26, 2026.
5. The term of office will be two years from the conclusion of the Annual General Meeting of Shareholders to be held on June 26, 2026.

(ii) External directors (and other officers)

JAST has three external directors and two external directors who are Audit & Supervisory Committee members.

Mr. Toshiyuki Akiba, External Director, has a large network of contacts including IT vendors, abundant experience, and a broad range of knowledge in the information and communication industry, as he held multiple important positions including Representative Director at other companies. He has provided useful comments and advice on matters such as the improvement of the Group's presence in the market and stock market, as well as business succession to the next generation.

Mr. Gao Yongdong, External Director, has many years of experience in the IT industry, including Global Business activities, and has experience in key executive positions at a major Japanese SI group company. He is properly performing the role of overseeing JAST's management by using a practical perspective to provide advice about management, identify risk factors and suggest improvements, and perform other activities.

Mr. Jiro Yasu, External Director, has the knowledge required as a financial professional holding the Chartered Financial Analyst (CFA) designation and abundant experience as a portfolio manager. He has provided supervision and advice to the Company's management, particularly concerning the sustainable growth of the JAST group and the enhancement of its valuation.

Mr. Jiro Mogami, External Director who is an Audit & Supervisory Committee member, is an attorney at law of Kanon Law Office. From his professional perspective as an attorney at law, he has provided advice and recommendations on corporate governance and internal control to ensure the validity and appropriateness of the decision-making of the Board of Directors.

Ms. Misa Machida, External Director who is an Audit & Supervisory Committee member, is a representative of Machida Accounting Office, External Director of ING Co., Ltd. and External Director and Audit & Supervisory Committee member of KOBE BUSSAN CO., LTD. She is using her expertise as a certified public accountant and certified public tax accountant to provide advice and other statements concerning accounting, taxes and other matters. At meetings of the Audit & Supervisory Committee, Ms. Machida makes suitable and necessary statements concerning JAST's accounting system, accounting policies, internal controls and other matters.

There are no personal, business, or other interests between JAST and external directors, and the entities where they hold concurrent positions.

In appointing external directors, JAST refers to the criteria for determining the independence of independent

officers stipulated by the Tokyo Stock Exchange and other relevant standards. The JAST's basic policy is to select candidates who can contribute to the sustainable growth of JAST and the enhancement of its corporate value over the medium to long term, in accordance with the independence criteria stipulated in the "Practical Considerations in Electing Independent Officer" established by the Tokyo Stock Exchange.

- (iii) Mutual coordination among supervision or audits by external directors and internal audits, audits by the Audit & Supervisory Committee members, and accounting audits, as well as their relationship with internal control departments

External directors exchange opinions at meetings of the Audit & Supervisory Committee upon receiving information shared by the full-time directors who are Audit & Supervisory Committee members that is not brought up for discussion at the Board of Directors meetings. They supervise or audit directors and the Board of Directors by asking questions and making statements based on their respective areas of expertise and knowledge at the Board of Directors meetings.

To enhance JAST's audit systems including internal audits, audits by the Audit & Supervisory Committee members, and accounting audits, the Audit & Supervisory Committee, the Accounting Auditor, and Internal Audit Department share information on their audit plans and the status of audits, and exchange opinions on matters including audit findings as necessary during each fiscal year. The Internal Audit Department, as the secretariat for the internal control evaluation and reporting, oversees the evaluation of internal control departments and reports its status and results to the Management Meeting.

(3) Audits

(i) Audits by the Audit & Supervisory Committee

The Audit & Supervisory Committee has three members: one director who is a full-time committee member and two external directors.

Based on auditing policies and plans determined by the Audit & Supervisory Committee, members of this committee attend meetings of the Board of Directors and other important internal meetings, examine minutes of meetings, contracts, accounting records and other documents, interview people, and receive reports on the results of internal audits performed by internal auditors. In addition, committee members exchange opinions with the accounting auditor as needed to maintain a sound relationship and work closely with this auditor. Committee members also work closely with the corporate auditors of consolidated subsidiaries for the purpose of increasing the effectiveness of audits throughout the Group.

(Activities during the fiscal year ended March 2026)

The Audit & Supervisory Committee of JAST consists of three members: one full-time director and two external directors. Audits by the Audit & Supervisory Committee members are conducted in accordance with the Rules of the Audit & Supervisory Committee and plans of audits by the Audit & Supervisory Committee members, as well as in response to changes in the circumstances surrounding JAST.

Mr. Jiro Mogami, an external Audit & Supervisory Committee member, is an attorney at law. Ms. Misa Machida, an external Audit & Supervisory Committee member, is a certified public accountant and certified public tax accountant. They have considerable experience and knowledge in areas including corporate finance and internal controls, and use their professional expertise to perform audits by the Audit & Supervisory Committee members.

Mr. Masami Yabushita, a full-time Audit & Supervisory Committee member, participates in important meetings such as the Management Meeting and asks questions to directors and employees to determine the status of the entire Group, shares information with external Audit & Supervisory Committee members as needed, and exchanges opinions with all Audit & Supervisory Committee members at monthly meetings of the Audit & Supervisory Committee. The status of audits by the Audit & Supervisory Committee members is regularly reported to the Board of Directors and recommendations are made as necessary.

The Audit & Supervisory Committee held 12 meetings during the fiscal year ended in March 2026, all of which were attended by all Audit & Supervisory Committee members. These members review the overall performance of the Board of Directors through questions and confirmations at meetings of the Board of Directors, based on the information shared and opinions exchanged at the Audit & Supervisory Committee meetings.

JAST aims to enhance its audit systems including internal audits, audits by the Audit & Supervisory Committee members, and accounting audits. To accomplish this goal, at the beginning of every fiscal year, the Accounting Auditor, the Internal Audit Department, and the Audit & Supervisory Committee explain their respective audit plans and exchange opinions under the leadership of the Audit & Supervisory Committee. The Audit & Supervisory Committee receives reports on the status of reviews and audits from the Accounting Auditor during the period and exchanges opinions. During the current fiscal year, opinions were exchanged on risks and internal controls of the Group, other statements in the business report, and key audit matters (KAM).

The full-time Audit & Supervisory Committee member receives regular reports from the Internal Audit Department on the status of audits and exchanges opinions, and reports the status of internal audits and results to the Audit & Supervisory Committee.

In addition, external directors attend meetings of the Audit & Supervisory Committee as necessary when the full-time Audit & Supervisory Committee member reports so that the information that is not brought up for discussion at the Board of Directors meetings is shared with external directors.

(ii) Internal audits

Internal audits of JAST are conducted by the Internal Audit Department (consisting of four full-time employees), which reports directly to the President. For internal audits, the Internal Audit Department conducts operational audits by selecting departments to be audited based on the Internal Audit Rules and audit plans, and also conducts audits on important themes. The results of these audits are reported to the President and the Management Meeting to be discussed as management issues.

For the current fiscal year, audits were conducted from the perspective of organizational management and human resource development in each department in addition to operational audits. The Internal Audit Department conducted audits of subsidiaries by using on-site visits or web-based examinations to check the status of internal controls for the entire Group.

The Internal Audit Department, as the secretariat for the internal control evaluation and reporting, summarized evaluations of all internal control departments and shared the results with the auditing firm, confirming that there were no significant problems with the internal controls of JAST and its key subsidiaries with respect to the evaluation of internal controls for the current fiscal year.

The status and results of operational audits and internal control evaluations conducted by the Internal Audit Department are reported to the full-time directors who are Audit & Supervisory Committee members as appropriate. Following confirmation by the full-time directors who are Audit & Supervisory Committee members and approval by the Representative Director, the status and results are reported to the audited departments. The status and results are also reported at the Management Meeting.

(iii) Accounting audits

A. Name of the auditing firm

Deloitte Touche Tohmatsu LLC

B. Continuous audit period

Since 2000

C. Certified public accountants who executed the audit duties

Designated Limited Liability Partner, Engagement Partner, Certified Public Accountant: Masaru Fujikawa
Designated Limited Liability Partner, Engagement Partner, Certified Public Accountant: Hideya Sudo

D. Other personnel engaged in assisting the accounting audit

11 certified public accountants and other 15 individuals provide assistance for the accounting audit of JAST.

E. Policy and reasons for selecting the auditing firm

When selecting an Accounting Auditor, JAST chooses an appropriate auditing firm after it obtains written information on matters including audit implementation systems and estimated audit fees, and holds interviews

with the firm.

JAST appointed Deloitte Touche Tohmatsu LLC as its Accounting Auditor because it has a wealth of audit experience and an examination system that is in line with JAST's diversified and Global Business, in addition to the fact that the audit period and audit fees are reasonable and appropriate.

F. Evaluation of the auditing firm by the Audit & Supervisory Committee members and the Audit & Supervisory Committee

The Audit & Supervisory Committee members and the Audit & Supervisory Committee evaluated the auditing firm. Through this evaluation, they concluded that Deloitte Touche Tohmatsu LLC is capable of performing suitable audits because no events have occurred that would impair the eligibility or independence of the Accounting Auditor.

(iv) Information about audit fees, etc.

A. Fees paid to auditing certified public accountants, etc.

(Million yen)

Classification	FY3/25		FY3/26	
	Fees for audit certification services	Fees for non-audit services	Fees for audit certification services	Fees for non-audit services
Reporting company	49	-	50	-
Consolidated subsidiaries	-	-	-	-
Total	49	-	50	-

Note: Fees for audit certification services in FY3/25 include an additional payment of 1 million yen.

B. Fees paid to entities in the same network (the Deloitte group) as the auditing certified public accountants, etc. (excluding A.)

(Million yen)

Classification	FY3/25		FY3/26	
	Fees for audit certification services	Fees for non-audit services	Fees for audit certification services	Fees for non-audit services
Reporting company	-	-	-	0
Consolidated subsidiaries	-	-	-	-
Total	-	-	-	0

Note: In FY3/26, there were non-audit service payments to Deloitte Tohmatsu IP Firm for services concerning intellectual property.

C. Other important details of fees for audit certification services

(Fiscal years ended March 31, 2025 and 2026)

There are no matters to be noted.

D. Policy for determining audit fees

Fees to be paid to auditing certified public accountants, etc. are determined, with reference to the actual number of auditing personnel and the number of working days in the previous fiscal year and with consideration of the characteristics of the work in the relevant fiscal year, through the approval procedures stipulated in the internal rules after obtaining the consent of the Audit & Supervisory Committee. For the fiscal year ended in March 2026, the consent of the Audit & Supervisory Committee was obtained.

E. Reasons for the Audit & Supervisory Committee's consent to the fees, etc., of the Accounting Auditor

The Audit & Supervisory Committee reviewed the fees, etc. to be paid to the Accounting Auditor presented by the Board of Directors by taking into account matters including the audit plan, the number of audit days, and the size and characteristics of JAST and verifying the validity of them. As a result, the Audit & Supervisory Committee determined that it was appropriate to give its consent under Article 399, Paragraph 1 of the Companies Act.

(4) Remuneration, etc. for directors (and other officers)

(i) Policy for determining amount or calculation method of remuneration, etc. for directors (and other officers)

JAST has a policy for determining the amount and calculation method of remuneration, etc. for directors (and other officers). Remuneration, etc. is determined for individual executive positions by taking into consideration the salaries of employees, remuneration of directors and other officers at other companies, and JAST's results of operations.

The proposal for remuneration, etc. for JAST's directors (and other officers) was approved at the General Meeting of Shareholders on June 25, 2024. At the meeting, shareholders approved total annual remuneration for directors (excluding directors who are Audit & Supervisory Committee members) of up to 300,000 thousand yen (including up to 30,000 thousand yen for external directors, but excluding the portion of employee salaries for directors concurrently serving as employees) and total annual remuneration for directors who are Audit & Supervisory Committee members of up to 60,000 thousand yen.

Remuneration, etc. for directors and the policy for determining the calculation method are determined by the Board of Directors within the remuneration limit approved in advance by shareholders. Decisions concerning these items are made after reflecting the discussions and suggestions by the Nomination and Remuneration Committee, where the majority of members, including the chairperson, are independent external directors. Remuneration, etc. of directors who are Audit & Supervisory Committee members are determined by discussions of the committee members within the limit for total remuneration approved by shareholders.

Remuneration for JAST's directors (and other officers) consists of performance-linked remuneration and non-performance-linked remuneration. The payment ratio of remuneration is determined as stipulated by JAST's remuneration rules for directors (and other officers) and rules on the stock compensation plan for directors (and other officers), with comprehensive consideration of the relevant director or other officer's contribution to JAST, social status, and the value of the JAST's shares.

JAST established the Board Benefit Trust-Restricted Stock (BBT-RS), a stock compensation plan, for directors (excluding directors who are Audit & Supervisory Committee members and external directors) and delegated executive officers as performance-linked remuneration at the 52nd Annual General Meeting of Shareholders held on June 25, 2024. Individuals who are eligible for this stock compensation plan receive performance-linked remuneration in the form of points. These points consist of a fixed number of points, points linked to results of operations in a fiscal year, and points linked to medium to long-term results of operation. This system creates a clear link between remuneration for directors and other officers and JAST's results of operation and the value of JAST stock. Just as for all shareholders, directors and other officers can benefit from a higher stock price but are also vulnerable to the risk of a lower stock price. Another objective of this stock compensation plan is to increase motivation to contribute to the medium to long-term growth of sales and earnings and JAST's corporate value. At the 52nd Annual General Meeting of Shareholders held on June 25, 2024, shareholders approved the following limit for the initial period of the stock compensation plan, which is the two-year period consisting of the fiscal years ended in March 2025 and 2026: maximum number of points of 100,000 including 88,000 for directors. For the next period, which is the three fiscal years following the initial two-year period, the maximum number of points is 160,000 including 110,000 for directors. This was determined with comprehensive consideration of aspects including the current level of compensation paid to directors (and other officers) and the trend of and future prospects of changes in the number of directors, and is judged to be appropriate.

A summary of JAST's method of determining performance-linked remuneration is as follows.

1) Granting of points

For each fiscal year, directors (excluding directors who are Audit & Supervisory Committee members and external directors; the same applies hereafter) and delegated executive officers are granted the number of points determined in accordance with the rules on the stock compensation plan for directors (and other officers) as remuneration for the performance of their duties.

2) Distribution of JAST's shares, etc.

When a director or delegated executive officer retires and satisfies the requirements for beneficiaries stipulated in the rules on the stock compensation plan for directors (and other officers), all points granted to the director are converted into common stock of JAST (one share of the common stock for one point) in principle, and the common stock is distributed to the director at the time of his/her retirement.

The performance indicators used to determine performance-linked remuneration in the fiscal year ended March 2026 and reason for selecting these indicators are as follows.

1) Indicators for performance-linked remuneration

JAST business results (net sales, ordinary profit, and profit attributable to owners of parent)

2) Reason for selecting these indicators

These indicators increase the commitment of individuals to achieving the medium to long-term growth of sales and earnings and the growth of corporate value.

(ii) Total amount of remuneration, etc. for officer categories, total amount of remuneration, etc. for remuneration categories, and the number of recipients

Officer category	Total amount of remuneration, etc. (Thousand yen)	Total amount of remuneration, etc. for remuneration categories (Thousand yen)				Number of recipients
		Fixed remuneration	Bonus	Performance-linked remuneration	Of items left, non-monetary remuneration, etc.	
Directors (excluding Audit & Supervisory Committee members and External Directors)	266,276	154,736	58,285	53,255	53,255	5
Directors (Audit & Supervisory Committee members) (excluding External Directors)	22,112	22,112	-	-	-	1
External Directors (excluding Audit & Supervisory Committee members)	11,160	11,160	-	-	-	4
External Directors (Audit & Supervisory Committee members)	9,960	9,960	-	-	-	2

Notes: 1. This table includes remuneration, etc. for one director (who is an external director) who no longer held this position after the 53rd Annual General Meeting of Shareholders held on June 26, 2025.

2. All non-monetary remuneration, etc. is performance-linked remuneration and is stock-based remuneration under the Board Benefit Trust-Restricted Stock (BBT-RS).

(iii) Total amount of remuneration, etc. of individuals whose total amount of remuneration, etc. is 100 million yen or more

Not applicable.

(iv) Significant employee salaries of directors (and other officers) concurrently serving as employees

Not applicable.

(5) Stocks held

(i) Criteria for and approach to investment stocks

JAST classifies stocks as investment stocks held for pure investment if they are held for the purpose of making profit from changes in the value of stocks or dividends on stocks, and other stocks as investment stocks held for purposes other than pure investment.

(ii) Investment stocks held for purposes other than pure investment

A. Holding policy, method for verifying holding rationale, and verification details of suitability of individual stock holdings by the Board of Director and others

JAST holds stocks of companies that are expected to maintain and expand JAST's products and services, and that JAST deems necessary and important for the smooth promotion of its business. The Board of Directors verifies the rationale for acquiring and holding such stocks through regular examination and verification of matters including the appropriateness of the purpose of holding and whether the benefits and risks associated with holding such stocks are commensurate with the cost of capital.

B. Number of stocks and carrying amount on the balance sheet

	Number of stocks (Issues)	Total carrying amount (Thousand yen)
Unlisted stocks	1	464

(Stocks with increased number of shares in the current fiscal year)

Not applicable.

(Stocks with decreased number of shares in the current fiscal year)

During FY3/26, the purpose of holding for some stocks was reclassified to pure investment due to a reexamination of the purpose of holding.

C. Number of specified investment shares and deemed stockholdings per issue and the carrying amount on the balance sheet

Specified investment shares

Issue	FY3/26	FY3/25	Purpose of holding, outline of business alliance, etc., quantitative effects of holding, and the reason for an increase in the number of shares	Whether or not JAST's shares are held
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount on the balance sheet (Thousand yen)	Carrying amount on the balance sheet (Thousand yen)		
TerraSky Co., Ltd.	-	29,000	(Purpose of holding) Strengthen business relationships and enhance corporate value	Yes
	-	59,189	(Outline of business alliance, etc.) Development and human resource education in the business related to BankNeo, our branded product, project creation and human resource development in cloud-related business, and others	

Note: Quantitative holding effects are difficult to describe but JAST verifies the rationale of holdings based on the purpose of holding, economic rationale, transaction status, and other factors.

(iii) Investment stocks held for pure investment

(Thousand yen, unless otherwise stated)

Classification	FY3/26		FY3/25	
	Number of stocks (Issues)	Total carrying amount on the balance sheet	Number of stocks (Issues)	Total carrying amount on the balance sheet
Unlisted stocks	2	230,000	1	200,000
Stocks other than unlisted stocks	6	511,517	5	415,443

(Thousand yen)

Classification	FY3/26		
	Total dividends received	Total gains (losses) on sales	Total valuation gains (losses)
Unlisted stocks	-	-	-
Stocks other than unlisted stocks	10,601	-	240,125

Note: Total valuation gains (losses) for unlisted stocks are not shown because they are stocks with no market price, etc.

(iv) Investment stocks whose purpose of holding was reclassified from pure investment to other than pure investment in the current fiscal year

Not applicable.

(v) Investment stocks whose purpose of holding was reclassified from other than pure investment to pure investment during the prior five fiscal years including the current fiscal year

Issue	Number of shares (Shares)	Carrying amount on the balance sheet (Thousand yen)	Fiscal year of change	Reason for change and plan for holding/sale following the change
TerraSky Co., Ltd.	29,000	43,645	Fiscal year ended March 31, 2026	JAST has strategic stockholdings for the purpose of maintaining and strengthening medium to long-term business relationships. JAST has examined the rationality for holding these stocks from the standpoints of using capital more efficiently and reviewing the company's assets. This examination resulted in the decision to reclassify in FY3/26 the purpose of holding this stock from purpose other than pure investment to pure investment. JAST plans to make a decision concerning the retention of this stock with emphasis on earning a return or the sale of this stock based on upcoming stock price movements, market conditions and other factors.

5. Employees, etc.

(1) Basic policy for human resources strategy

The JAST Group positions human capital as one of the most important components of operations. JAST VISION 2035 includes the goal of becoming a problem-solving company recognized by everyone. A human resources strategy capable of raising the effectiveness of business and growth strategies is essential for achieving medium to long-term corporate value growth. Our goal is to become more competitive and consistently create value by recruiting, training and utilizing our people.

One of the highest priorities of the JAST Group is upgrading the ability to provide solutions through progress with upgrading the business portfolio and with the digital transformation as well as by being a source of both social and economic value. To accomplish these goals, we are recruiting and training people with outstanding skills and a broad range of backgrounds. We are also strategically placing these people in growing market sectors and priority fields. In addition, we have programs for developing skills, such as by reskilling and specialized education, and assisting people determine and achieve career goals. We also foster a corporate culture of taking on challenges. Furthermore, employees have flexibility concerning working styles. These initiatives enable all people at the JAST Group to grow in a self-reliant manner and achieve the highest possible level of performance. The objective is to build an even more powerful organization capable of the continuous creation of value even as dramatic changes redefine the business climate.

Salaries and other remuneration are structured to support the recruiting and retention of people who can contribute to continuous growth. The basic policy is to properly determine remuneration in accordance with evaluations that use the scale of each individual's roles and responsibilities as well as expected performance. Remuneration decisions also incorporate salaries at other companies, the environment for recruiting and retaining people, current business operations and other considerations. All actions comply with laws, regulations and rules and are implemented with transparency and fairness. We are firmly committed to the development of skills and the determination of career paths for employees. We will provide support for taking on challenges and growing with the goal of long-term corporate value growth backed by a virtuous cycle consisting of the growth of the company and the growth of its people.

(2) Employees

(1) Consolidated basis

As of March 31, 2026

Segment	Number of employees
DX&SI Business	842
Package Business	269
Medical Big Data Business	175
Global Business	299
Corporate (common)	98
Total	1,683

- Notes: 1. The number of employees represents the number of full-time employees. The number of temporary employees (including seasonal workers, part-timers, and temporary workers from agencies, excluding permanent part-timers) is omitted because their total number is less than 10/100 of the number of employees.
2. The number of corporate (common) employees represents the number of employees belonging to administrative departments, etc., which cannot be classified into any particular segment.

(2) Non-consolidated basis

As of March 31, 2026

Number of employees	Average age	Average years of service	Average annual salary (Thousand yen)	Year-on-year comparison of average annual salary (%)
1,202	35.1	9.0	6,698	8.0

Segment	Number of employees
DX&SI Business	734
Package Business	264
Medical Big Data Business	116
Corporate (common)	88
Total	1,202

- Notes: 1. Average annual salaries are actual figures for the fiscal year ended March 31, 2026, and include bonuses and non-standard wages.
2. The number of employees represents the number of full-time employees. The number of temporary employees (including seasonal workers, part-timers, and temporary workers from agencies, excluding permanent part-timers) is omitted because their total number is less than 10/100 of the number of employees.
3. The number of corporate (common) employees represents the number of employees belonging to administrative departments, etc., which cannot be classified into any particular segment.

(3) Labor union

No labor union has been formed, but labor-management relations are amicable.

(4) Percentage of female workers in managerial positions, percentage of male workers taking childcare leave, and gender wage gap

a. Non-consolidated basis

FY3/26				
Percentage of female workers in managerial positions (%) (Note 1)	Percentage of male workers taking childcare leave (%) (Note 2)	Gender wage gap (%) (Note 1)		
		All workers	Permanent full-time workers	Part-time and fixed-term workers
14.7	87.5	86.1	85.7	74.5

- Notes: 1. Gender wage gap is calculated in accordance with the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).
2. Percentage of workers taking childcare leave is stipulated in Article 71-6, paragraph (1) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No.25, 1991), and calculated in accordance with the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76, 1991)

V. Financial Information

1. Basis for preparation of consolidated and non-consolidated financial statements

(1) The consolidated financial statements of JAST are prepared in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976).

(2) The non-consolidated financial statements of JAST are prepared in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963; hereinafter the “Regulation on Financial Statements”).

JAST falls under a company allowed to file specified financial statements and prepares the non-consolidated financial statements pursuant to the provision of Article 127 of the Regulation on Financial Statements.

2. Audit certificate

JAST ’s consolidated and non-consolidated financial statements for the fiscal year from April 1, 2025 to March 31, 2026 were audited by Deloitte Touche Tohmatsu LLC, in accordance with the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

3. Special measures to ensure the appropriateness of consolidated financial statements, etc.

JAST has taken special measures to ensure the appropriateness of its consolidated financial statements, etc. Specifically, to establish a system that allows JAST to understand accounting standards properly and adapt to changes in accounting standards appropriately, JAST strives to collect necessary information by joining the Financial Accounting Standards Foundation (FASF), referring to materials disclosed by the FASF, participating in seminars, and other means.

1. Consolidated Financial Statements, etc.

(1) Consolidated Financial Statements

i) Consolidated Balance Sheet

	(Thousand yen)	
	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Assets		
Current assets		
Cash and deposits	7,110,014	9,111,977
Notes and accounts receivable-trade, and contract assets	*2 8,765,791	*2 9,098,892
Merchandise and finished goods	100,632	111,721
Work in process	253,919	222,843
Raw materials and supplies	3,455	3,373
Securities	100,630	-
Other	323,497	374,415
Allowance for doubtful accounts	(10,752)	(20,909)
Total current assets	16,647,188	18,902,314
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,523,388	1,698,491
Accumulated depreciation	(743,767)	(889,410)
Buildings and structures, net	779,621	809,080
Land	142,361	142,361
Other	589,407	606,299
Accumulated depreciation	(419,281)	(479,388)
Other, net	170,126	126,910
Total property, plant and equipment	1,092,109	1,078,353
Intangible assets		
Goodwill	229,090	160,373
Customer-related intangible assets	39,355	-
Software	118,608	283,256
Software in progress	190,982	3,318
Other	7,704	7,704
Total intangible assets	585,742	454,653
Investments and other assets		
Investment securities	1,667,447	1,704,748
Retirement benefit asset	822,076	1,066,638
Deferred tax assets	686,799	668,132
Long-term time deposits	200,000	200,000
Guarantee deposits	1,001,453	1,010,107
Other	247,067	261,627
Allowance for doubtful accounts	(40,247)	(43,104)
Total investments and other assets	4,584,597	4,868,150
Total non-current assets	6,262,449	6,401,156
Total assets	22,909,637	25,303,471

(Thousand yen)

	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,509,040	1,579,180
Short-term borrowings	2,167	-
Current portion of long-term borrowings	11,100	11,100
Income taxes payable	688,159	824,161
Contract liabilities	725,130	505,317
Provision for bonuses	1,624,259	1,498,990
Provision for bonuses for directors (and other officers)	141,899	146,876
Provision for loss on construction contracts	617	114,453
Asset retirement obligations	-	79,133
Other	1,355,616	1,442,714
Total current liabilities	6,057,990	6,201,929
Non-current liabilities		
Long-term borrowings	54,860	43,760
Provision for share awards for directors (and other officers)	59,037	100,622
Provision for retirement benefits for directors (and other officers)	1,600	2,200
Retirement benefit liability	1,112,082	1,017,643
Asset retirement obligations	289,104	573,243
Deferred tax liabilities	24,917	9,349
Other	481,364	524,230
Total non-current liabilities	2,022,966	2,271,050
Total liabilities	8,080,956	8,472,980
Net assets		
Shareholders' equity		
Share capital	1,535,409	1,535,409
Capital surplus	1,702,732	1,702,732
Retained earnings	10,963,987	12,642,585
Treasury shares	(60,176)	(101,491)
Total shareholders' equity	14,141,953	15,779,236
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	135,698	136,788
Foreign currency translation adjustment	388,053	501,804
Remeasurements of defined benefit plans	97,098	334,376
Total accumulated other comprehensive income	620,850	972,969
Non-controlling interests	65,876	78,284
Total net assets	14,828,680	16,830,491
Total liabilities and net assets	22,909,637	25,303,471

ii) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousand yen)

	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)	FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)
Net sales	*1 29,324,949	*1 32,459,270
Cost of sales	*4, *6 21,052,520	*4, *6 22,898,999
Gross profit	8,272,429	9,560,270
Selling, general and administrative expenses	*2, *3 5,084,039	*2, *3 5,648,933
Operating profit	3,188,390	3,911,337
Non-operating income		
Interest income	29,717	40,641
Dividend income	10,664	10,608
Gain on redemption of securities	-	18,673
Rental income	4,561	3,362
Commission income	1,479	1,427
Foreign exchange gains	3,992	9,637
Subsidy income	34,589	24,609
Other	10,110	12,490
Total non-operating income	95,116	121,450
Non-operating expenses		
Interest expenses	7,924	8,141
Provision of allowance for doubtful accounts	-	2,713
Commission expenses	759	749
Consumption tax differences	895	2,036
Loss on retirement of non-current assets	9,074	46
Other	760	445
Total non-operating expenses	19,415	14,133
Ordinary profit	3,264,090	4,018,654
Extraordinary losses		
Impairment losses	-	*5 296,841
Loss on valuation of investment securities	-	26,843
Total extraordinary losses	-	323,685
Profit before income taxes	3,264,090	3,694,969
Income taxes-deferred	947,868	1,161,041
Income taxes-current	(136,099)	(99,979)
Total income taxes	811,768	1,061,062
Profit	2,452,322	2,633,906
Profit attributable to non-controlling interests	8,868	11,899
Profit attributable to owners of parent	2,443,453	2,622,007

Consolidated Statement of Comprehensive Income

(Thousand yen)

	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)	FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)
Profit	2,452,322	2,633,906
Other comprehensive income		
Valuation difference on available-for-sale securities	(22,677)	1,090
Foreign currency translation adjustment	232,022	117,640
Remeasurements of defined benefit plans, net of tax	(99,400)	237,277
Total other comprehensive income	*1 109,944	*1 356,009
Comprehensive income	2,562,266	2,989,915
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,547,056	2,974,126
Comprehensive income attributable to non-controlling interests	15,210	15,789

iii) Consolidated Statement of Changes in Equity

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,535,409	1,702,732	9,079,131	(175,947)	12,141,325
Changes during period					
Dividends of surplus			(558,597)		(558,597)
Profit attributable to owners of parent			2,443,453		2,443,453
Purchase of treasury shares					-
Disposal of treasury shares				115,771	115,771
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,884,856	115,771	2,000,627
Balance at end of period	1,535,409	1,702,732	10,963,987	(60,176)	14,141,953

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	158,376	162,373	196,499	517,248	53,533	12,712,107
Changes during period						
Dividends of surplus						(558,597)
Profit attributable to owners of parent						2,443,453
Purchase of treasury shares						-
Disposal of treasury shares						115,771
Net changes in items other than shareholders' equity	(22,677)	225,680	(99,400)	103,602	12,342	115,944
Total changes during period	(22,677)	225,680	(99,400)	103,602	12,342	2,116,572
Balance at end of period	135,698	388,053	97,098	620,850	65,876	14,828,680

FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,535,409	1,702,732	10,963,987	(60,176)	14,141,953
Changes during period					
Dividends of surplus			(943,408)		(943,408)
Profit attributable to owners of parent			2,622,007		2,622,007
Purchase of treasury shares				(59,007)	(59,007)
Disposal of treasury shares				17,691	17,691
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,678,598	(41,315)	1,637,282
Balance at end of period	1,535,409	1,702,732	12,642,585	(101,491)	15,779,236

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	135,698	388,053	97,098	620,850	65,876	14,828,680
Changes during period						
Dividends of surplus						(943,408)
Profit attributable to owners of parent						2,622,007
Purchase of treasury shares						(59,007)
Disposal of treasury shares						17,691
Net changes in items other than shareholders' equity	1,090	113,751	237,277	352,119	12,408	364,527
Total changes during period	1,090	113,751	237,277	352,119	12,408	2,001,810
Balance at end of period	136,788	501,804	334,376	972,969	78,284	16,830,491

iv) Consolidated Statement of Cash Flows

(Thousand yen)

	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)	FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)
Cash flows from operating activities		
Profit before income taxes	3,264,090	3,694,969
Depreciation	175,435	211,340
Amortization of software	39,448	73,683
Amortization of goodwill	47,858	50,344
Amortization of customer-related intangible assets	22,488	24,499
Impairment losses	-	296,841
Increase (decrease) in provision for bonuses	310,084	(125,812)
Decrease (increase) in retirement benefit asset	65,612	(244,562)
Increase (decrease) in retirement benefit liability	19,739	(97,406)
Interest and dividend income	(40,382)	(51,250)
Interest expenses	7,924	8,141
Decrease (increase) in accounts receivable-trade, and contract assets	(1,459,124)	(267,021)
Increase (decrease) in contract liabilities	203,272	(220,949)
Decrease (increase) in inventories	(726)	20,068
Increase (decrease) in trade payables	60,908	59,461
Loss (gain) on redemption of securities	-	(18,673)
Loss (gain) on valuation of investment securities	-	26,843
Other, net	(51,597)	588,112
Subtotal	2,665,032	4,028,631
Interest and dividends received	34,813	51,250
Interest paid	(7,924)	(8,619)
Income taxes paid	(934,364)	(1,042,977)
Net cash provided by (used in) operating activities	1,757,556	3,028,283
Cash flows from investing activities		
Decrease (increase) in time deposits	(41,706)	95,345
Purchase of property, plant and equipment	(116,672)	(61,296)
Proceeds from sale of property, plant and equipment	10,362	12
Purchase of software	(184,891)	(46,254)
Purchase of investment securities	(1,141,895)	(32,161)
Loan advances	(29,614)	-
Proceeds from collection of loans receivable	26,382	2,325
Proceeds from redemption of investment securities	-	100,000
Payments of guarantee deposits	(509,279)	(10,234)
Proceeds from refund of guarantee deposits	10,646	2,195
Other, net	-	3,104
Net cash provided by (used in) investing activities	(1,976,668)	53,034
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,167	(2,237)
Repayments of lease liabilities	(27,566)	(21,476)
Repayments of long-term borrowings	(12,480)	(11,100)
Dividends paid	(558,597)	(943,408)
Purchase of treasury shares	-	(59,007)
Dividends paid to non-controlling interests	(2,868)	(3,380)
Net cash provided by (used in) financing activities	(599,345)	(1,040,611)
Effect of exchange rate change on cash and cash equivalents	46,164	26,570
Net increase (decrease) in cash and cash equivalents	(772,292)	2,067,277
Cash and cash equivalents at beginning of period	7,515,186	6,742,894
Cash and cash equivalents at end of period	*1 6,742,894	*1 8,810,172

Notes to Consolidated Financial Statements

Significant Accounting Policies in the Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 15

Names of consolidated subsidiaries:

JASTEC (THAILAND) CO., LTD.
Alpha Computer Co., Ltd.
NewNeeds Co., Ltd.
GuiLin Anxin Software Co., Ltd.
Shanghai Jiafeng Information Technology Co., Ltd.
JAST Asia Pacific Co., Ltd.
Virtual Calibre SDN. BHD.
Virtual Calibre MSC SDN. BHD.
Virtual Calibre Consulting SDN. BHD.
AG NET PTE. LTD.
Bright & Better Co., Ltd.
Virtual Calibre Consulting India Pvt. Ltd.
K-SHIP Co., Ltd.
Virtual Calibre IT Solutions L.L.C
Virtual Calibre IT Consultancy - L.L.C - S.P.C

(2) Name of unconsolidated subsidiary

AGHRM Malaysia SDN. BHD.

Reason for exclusion from scope of consolidation

This unconsolidated subsidiary is excluded from the scope of consolidation because it is a smaller company and thus has no material impact on the consolidated financial statements in terms of total assets, net sales, profit or loss (amount proportionate to the JAST's equity interest), retained earnings (amount proportionate to the JAST's equity interest) and other items.

2. Application of equity method

(1) Number of unconsolidated subsidiaries accounted for by the equity method

Not applicable.

(2) Name of unconsolidated subsidiary not accounted for by the equity method, etc.

AGHRM Malaysia SDN. BHD.

(Reason for not applying the equity method)

This unconsolidated subsidiary is not accounted for by the equity method because it has only an insignificant effect on the consolidated financial statements in terms of profit or loss (amount proportionate to the JAST's equity interest), retained earnings (amount proportionate to the JAST's equity interest) and other items, and has no significance as a whole in terms of the JAST's equity interest.

3. Fiscal year of consolidated subsidiaries

At the 12 overseas consolidated subsidiaries, the current fiscal year ended on December 31, 2025. The consolidated financial statements include the financial statements of these consolidated subsidiaries as of December 31, 2025. Necessary adjustments have been made for the consolidation concerning material transactions arising between January 1, 2026 and March 31, 2026.

The fiscal year of the three consolidated subsidiaries in Japan ends on the closing date of consolidated financial statements.

4. Accounting policies

(1) Valuation standards and methods for principal assets

A. Marketable securities

(i) Held-to-maturity debt securities

Stated at cost determined by the amortized cost method (straight-line method).

(ii) Available-for-sale securities

Securities other than shares, etc. that do not have a market price

Stated at fair value. (Unrealized gain or loss is included in net assets. Cost of securities sold is determined by the moving-average method.)

Shares, etc. that do not have a market price

Stated at cost determined by the moving-average method.

B. Inventories

(i) Merchandise

Stated at cost determined by the specific identification method. (The carrying amount on the balance sheet is written down to reflect the effect of lower profit margins.)

(ii) Finished goods

Stated at cost determined by the periodic average method. (The carrying amount on the balance sheet is written down to reflect the effect of lower profit margins.)

(iii) Work in process

Stated at cost determined by the specific identification method. (The carrying amount on the balance sheet is written down to reflect the effect of lower profit margins.)

(iv) Supplies

Valued by the last purchased price method.

(2) Depreciation and amortization of significant depreciable assets

A. Property, plant and equipment (excluding lease assets)

Depreciation of property, plant and equipment at JAST and its consolidated subsidiaries in Japan is calculated by the declining-balance method, except for facilities attached to buildings and structures acquired on or after April 1, 2016, on which depreciation is calculated by the straight-line method.

Depreciation of property, plant and equipment at the overseas consolidated subsidiaries is calculated by the straight-line method.

Useful lives of principle assets are as follows.

Buildings and structures: 10–35 years

Other: 4–10 years

B. Intangible assets (excluding lease assets)

Amortization of intangible assets is calculated by the straight-line method.

Software is amortized over an expected internal useful life of 3-5 years by the straight-line method.

C. Leased assets

(i) Lease assets associated with finance lease transactions where there is transfer of ownership

Depreciated by the same method as depreciation method used for non-current assets held by JAST.

(ii) Lease assets associated with finance lease transactions where there is no transfer of ownership

Depreciated by the straight-line method, assuming the lease period to be the useful life and a residual value of zero.

(3) Recognition of significant allowances

A. Allowance for doubtful accounts

To prepare for credit losses on accounts receivable, allowances equal to the estimated amount of uncollectible receivables are provided for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibility.

B. Provision for bonuses

To provide for employee bonuses, JAST and its certain consolidated subsidiaries provide an allowance equal to the estimated bonus obligations.

C. Provision for retirement benefits for directors (and other officers)

To provide for retirement benefits for directors (and other officers), JAST's certain consolidated subsidiaries in Japan provide an allowance for the aggregate amount payable at the end of the current fiscal year pursuant to JAST's rules on retirement benefits for directors (and other officers).

D. Provision for bonuses for directors (and other officers)

To provide for bonuses for directors (and other officers), JAST and its certain consolidated subsidiaries provide an allowance equal to the estimated bonus obligations in the current fiscal year.

E. Provision for share awards for directors (and other officers)

To provide for the payment of JAST's shares to its directors (and other officers) in accordance with the rules on the stock compensation plan for directors (and other officers), an allowance is provided based on the estimated obligations for share awards in the current fiscal year.

F. Provision for loss on construction contracts

To prepare for future losses on construction contracts, such as contracted software production and development, an allowance is provided for estimated losses on contracts for which losses are expected to be incurred in the next fiscal year or later and the amount can be reasonably estimated.

(4) Accounting method for retirement benefits

(i) Method of attributing estimated retirement benefit obligations to periods

In calculation of retirement benefit obligations, JAST uses the benefit formula standard as the method for attributing estimated retirement benefit obligations to periods.

(ii) Amortization of actuarial differences and prior service costs

Actuarial differences are amortized and charged to expense in the year following the fiscal year in which such gain or loss is recognized by the declining-balance method over a certain period (10 years) which is within the estimated average remaining years of service of the eligible employees.

Prior service cost is amortized by the declining-balance method over a certain period (10 years) within estimated average remaining years of service of the eligible employees.

(iii) Accounting method for unrecognized actuarial gains and losses and unrecognized prior service costs

Unrecognized actuarial gains and losses and unrecognized prior service costs are recorded as "Remeasurements of defined benefit plans" under "Accumulated other comprehensive income" in the net asset section after adjusting for tax effects.

(iv) Adoption of the simple method for smaller enterprises, etc.

Certain consolidated subsidiaries apply the simple method to calculate retirement benefit liability and retirement benefit expenses, using the amount payable for voluntary retirement benefits at the end of the fiscal year as retirement benefit obligations.

(5) Recognition of significant revenues and expenses

The nature of the main performance obligations related to revenue from contracts with customers in the major businesses of JAST and its consolidated subsidiaries and the timing when those performance obligations are typically satisfied (when revenue is typically recognized) are as follows.

JAST and its consolidated subsidiaries have four business segments: DX&SI Business, Package Business, Medical Big Data Business, and Global Business. JAST and its consolidated subsidiaries recognize revenue from contracts

with customers mainly for contracted software production, maintenance and relevant services. For contracts where the performance obligation is fulfilled over a specified period, the progress of fulfilling the performance obligation is estimated, except when the period is extremely short, and revenue based on the progress is recognized for that period. The progress is determined mainly by the input method based on the ratio of the actual costs incurred to the estimated total construction cost (the cost-to-cost basis). For contracts where the performance obligation is fulfilled at a point in time, such as the sale of products related to system equipment, revenue is recognized at the point in time when the customer accepts the products.

For transactions, such as the sale of products, where JAST and its consolidated subsidiaries function as agents, the amount paid to the supplier of the product is deducted from the total payment received from the customer and the resulting net amount is recognized as revenue.

(6) Method and period of goodwill amortization

Goodwill is amortized over a period of 8 to 10 years by the straight-line method.

(7) Scope of cash and cash equivalents on consolidated statement of cash flows

Cash and cash equivalents consist of vault cash, deposits that can be withdrawn on demand, and time deposit with maturities less than 3 months.

Significant Accounting Estimates

1. Estimate of total construction cost for revenue recognition over a specified period based on progress

(1) Amounts recorded in the consolidated financial statements of the current fiscal year

	(Thousand yen)	
	FY3/25	FY3/26
Net sales from revenue recognized over a specified period based on progress	1,079,668	1,929,339

(2) Other information that contributes to the understanding of accounting estimates

For contracts where the performance obligation is fulfilled over a specified period, such as contracted software production and relevant services, net sales are recorded by recognizing revenue based on the progress for that period. Net sales from revenue recognized over a specified period based on progress are calculated by multiplying the total construction revenue by the progress. The progress is determined by the input method based on the ratio of the actual costs incurred by the end of the current fiscal year to the estimated total construction cost (the cost-to-cost basis). The total construction cost based on incurred costs is estimated by using the number of man-hours required for the work in consideration of its individualized nature, such as the specifications and work period of contracted software production and relevant services.

In the event that the estimate of man-hours requires a significant revision, the change in estimate of the total construction cost due to the revision may have a material impact on the consolidated financial statements for the following fiscal year.

Changes in Accounting Policies

Not applicable.

Accounting Standards, Others That Have Not Yet Been Applied

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024), etc.

(1) Outline

As in international accounting standards, assets and liabilities are recognized for all leases of lessors.

(2) Effective date

Scheduled to be effective from the beginning of the fiscal year ending March 31, 2028.

(3) Effects of application of the accounting standards and guidance

The effects of the application are under assessment at the time of preparing these consolidated financial statements.

Reclassifications

Notes to Consolidated Statement of Income

“Consumption tax differences,” included in “Other” under non-operating expenses in the previous fiscal year, is reclassified and presented as a separate line item in the current fiscal year since the amount exceeded 10/100 of total non-operating expenses. The prior-period consolidated financial statements are restated to conform to the current-period presentation.

“Other” under non-operating expenses (1,656 thousand yen) shown in the prior-period consolidated statement of income is reclassified and divided into “Consumption tax differences” (895 thousand yen) and “Other” (760 thousand yen).

Changes in Accounting-based Estimates

Not applicable.

Additional Information

Board Benefit Trust (BBT)

Based on the resolution of the 52nd Annual General Meeting of Shareholders held on June 25, 2024 for the change to the Company with an Audit & Supervisory Committee corporate governance system, JAST established a Board Benefit Trust-Restricted Stock (BBT-RS) remuneration plan that distributes restricted stock to eligible individuals during their time at JAST. As a result, the previous remuneration authorization for the prior BBT plan for directors (excluding external directors) has been terminated. The purpose of the BBT-RS plan is to further motivate directors (excluding directors who are members of Audit & Supervisory Committee and external directors) and delegated executive officers (collectively the “Eligible Directors and Officers”) to contribute to the growth of corporate value.

(1) Overview

This is a stock compensation plan in which the Eligible Directors and Officers receive stock compensation through the BBT-RS plan. The BBT-RS acquires JAST stock using cash contributions from JAST as the source of funds. The Eligible Directors and Officers receive JAST stock or a monetary amount equivalent to the market value of the JAST stock in lieu of stock compensation in accordance with the rules on the stock compensation plan for directors. In principle, the Eligible Directors and Officers receive JAST stock once every year at a designated time and receive the monetary amount equivalent to the market value of the JAST stock when they leave JAST. When the Eligible Directors and Officers receive JAST stock while they are still at JAST, these individuals must first sign a stock sale restriction contract with JAST. In accordance with this contract, the Eligible Directors and Officers are not allowed to sell or transfer ownership in any other way the JAST stock they receive while at JAST.

(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 97,200 shares of JAST with a book value of 55,929 thousand yen as of the end of the previous fiscal year, and held 107,600 shares with a book value of 97,125 thousand yen as of the end of the current fiscal year.

Notes to Consolidated Balance Sheet

- *1 JAST has commitment line agreements with 4 banks, in order to raise funds efficiently. The balances of credit available as of the balance sheet date were as follows.

	(Thousand yen)	
	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Commitment line	500,000	500,000
Credit used	-	-
Credit available	500,000	500,000

- *2 Notes and accounts receivable-trade, and contract assets arising from contracts with customers were as follows.

	(Thousand yen)	
	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Notes receivable-trade	33,709	5,249
Accounts receivable-trade	7,350,612	7,069,731
Contract assets	1,381,469	2,023,910

Notes to Consolidated Statement of Income

- *1 Revenue from contracts with customers

Net sales are not presented separately into revenues from contracts with customers and other revenues. The amount of revenue from contracts with customers is presented in “(Revenue Recognition), 1. Information on disaggregated revenue from contracts with customers” in the Notes to Consolidated Financial Statements.

- *2 Major items of selling, general and administrative expenses

	(Thousand yen)	
	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Compensations for directors (and other officers)	350,030	364,962
Wages, sales and other allowances	1,930,032	2,148,024
Provision for bonuses	224,981	246,068
Provision for bonuses for directors (and other officers)	143,673	142,070
Provision for retirement benefits for directors (and other officers)	1,600	600
Stock compensation expenses for directors (and other officers)	16,610	59,277
Retirement benefit expenses	57,889	59,614
Research and development expenses	553,007	588,978

- *3 Total amount of research and development expenses included in general and administrative expenses

	(Thousand yen)	
	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
	553,007	588,978

- *4 Provision for loss on construction contracts included in cost of sales

	(Thousand yen)	
	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
	617	114,453

*5 Impairment losses

FY3/25 (Apr. 1, 2024–Mar. 31, 2025)

Not applicable.

FY3/26 (Apr. 1, 2025–Mar. 31, 2026)

The Group recorded impairment losses for the following asset groups.

(Thousand yen)			
Location	Purpose of use	Class	Impairment losses
Malaysia	Other	Goodwill	22,723
	Business use	Customer-related intangible assets	18,374
	Business use	Buildings and structures	199,517
	Business use	Other property, plant and equipment	38,199
	Business use	Software	5,474
China	Business use	Buildings and structures	11,643
	Business use	Other property, plant and equipment	908

The Group's assets, in principle, are grouped by business segment for assessing impairment losses.

At consolidated subsidiaries including Virtual Calibre SDN. BHD., Virtual Calibre MSC SDN. BHD., Virtual Calibre Consulting SDN. BHD., and GuiLin Anxin Software Co., Ltd., earnings are no longer expected to recover due to the deterioration of the business environment and other factors. Accordingly, with respect to the asset groups related to these businesses, the carrying amounts of goodwill, customer-related intangible assets, buildings and structures, other property, plant and equipment, and software were reduced to their recoverable amounts. As a result, the total reduction of 296,841 thousand yen was recorded as an impairment loss: 22,723 thousand yen for goodwill, 18,374 thousand yen for customer-related intangible assets, 211,161 thousand yen for buildings and structures, 39,107 thousand yen for other property, plant and equipment, and 5,474 thousand yen for software.

With respect to the relevant asset groups, neither value in use nor net selling value is expected to be realized. Accordingly, the recoverable amount has been evaluated at a residual value.

- *6 The balance of inventories at the end of the fiscal year is the amount after the write-down of book value due to the effect of lower profit margins, and the following inventory write-down is included in cost of sales.

(Thousand yen)	
FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
29,180	6,594

Notes to Consolidated Statement of Comprehensive Income

*1 Re-classification adjustments and tax effect with respect to other comprehensive income

	(Thousand yen)	
	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Valuation difference on available-for-sale securities:		
Amount incurred during the year	(30,369)	1,846
Re-classification adjustments	-	-
Before tax effect adjustments	(30,369)	1,846
Tax effect	7,691	(755)
Valuation difference on available-for-sale securities	(22,677)	1,090
Foreign currency translation adjustment:		
Amount incurred during the year	232,022	117,640
Remeasurements of defined benefit plans:		
Amount incurred during the year	(83,086)	375,701
Re-classification adjustments	(58,343)	(29,209)
Before tax effect adjustments	(141,430)	346,492
Tax effect	42,029	(109,214)
Remeasurements of defined benefit plans, net of tax	(99,400)	237,277
Total other comprehensive income	109,944	356,009

Notes to Consolidated Statement of Changes in Equity

FY3/25 (Apr. 1, 2024–Mar. 31, 2025)

1. Type of share and the number of outstanding shares and treasury shares

	Number of shares as of Apr. 1, 2024	Increase	Decrease	(Shares) Number of shares as of Mar. 31, 2025
Outstanding shares				
Common stock (Note 1)	12,418,460	12,418,460	-	24,836,920
Total	12,418,460	12,418,460	-	24,836,920
Treasury shares				
Common stock (Notes 2, 3)	154,384	154,384	201,200	107,568
Total	154,384	154,384	201,200	107,568

- Notes: 1. The number of outstanding shares of common stock increased by 12,418,460 shares due to a stock split.
2. The number of treasury shares of common stock increased by 154,384 shares due to a stock split.
3. The number of treasury shares of common stock decreased by 201,200 shares because 36,900 shares were distributed from the Board Benefit Trust (BBT) to departing directors and others and 164,300 shares were distributed from the Board Benefit Trust-Restricted Stock (BBT-RS) to directors and others who fulfilled the requirements to be beneficiaries.
4. The number of treasury shares of common stock includes JAST stock held by the BBT (298,400 shares as of April 1, 2024 and 97,200 shares as of March 31, 2025).

2. Items related to share acquisition rights and treasury share acquisition rights

Not applicable.

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total dividends (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting on April 26, 2024	Common stock	558,597	45	March 31, 2024	June 11, 2024

- Notes: 1. The amount of total dividends resolved by the Board of Directors' meeting on April 26, 2024 includes dividends of 6,714 thousand yen for JAST stock held by the Board Benefit Trust (BBT).
2. JAST conducted a 2-for-1 common stock split on April 1, 2024. The dividend per share is the actual amount before the stock split.

(2) Dividends with a record date in FY3/25, but an effective date in FY3/26

Resolution	Type of share	Total dividends (Thousand yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting on April 25, 2025	Common stock	670,316	Retained earnings	27	March 31, 2025	June 12, 2025

- Note: The amount of total dividends resolved by the Board of Directors' meeting on April 25, 2025 includes dividends of 2,624 thousand yen for JAST stock held by the Board Benefit Trust (BBT).

FY3/26 (Apr. 1, 2025–Mar. 31, 2026)

1. Type of share and the number of outstanding shares and treasury shares

	Number of shares as of Apr. 1, 2025	Increase	Decrease	(Shares) Number of shares as of Mar. 31, 2026
Outstanding shares				
Common stock	24,836,920	-	-	24,836,920
Total	24,836,920	-	-	24,836,920
Treasury shares				
Common stock (Notes 1, 2)	107,568	30,051	19,600	118,019
Total	107,568	30,051	19,600	118,019

- Notes: 1. The number of outstanding shares of common stock increased by 30,051 shares due to purchase by the Board Benefit Trust-Restricted Stock (BBT-RS) of 30,000 shares and acquisition of 51 odd-lot shares.
2. The number of treasury shares of common stock decreased by 19,600 shares due to distributions from the BBT-RS to directors and others who fulfilled the requirements to be beneficiaries.
3. The number of treasury shares of common stock includes JAST stock held by the Board Benefit Trust (BBT) (97,200 shares as of April 1, 2025 and 107,600 shares as of March 31, 2026).

2. Items related to share acquisition rights and treasury share acquisition rights

Not applicable.

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total dividends (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting on April 25, 2025	Common stock	670,316	27	March 31, 2025	June 12, 2025
Board of Directors' meeting on October 28, 2025	Common stock	273,092	11	September 30, 2025	December 12, 2025

- Notes: 1. The amount of total dividends resolved by the Board of Directors' meeting on April 25, 2025 includes dividends of 2,624 thousand yen for JAST stock held by the Board Benefit Trust (BBT).
2. The amount of total dividends resolved by the Board of Directors' meeting on October 28, 2025 includes dividends of 1,183 thousand yen for JAST stock held by the Board Benefit Trust (BBT).

(2) Dividends with a record date in FY3/26, but an effective date in FY3/27

Resolution	Type of share	Total dividends (Thousand yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting on April 24, 2026	Common stock	844,101	Retained earnings	34	March 31, 2026	June 11, 2026

Note: The amount of total dividends resolved by the Board of Directors' meeting on April 24, 2026 includes dividends of 3,658 thousand yen for JAST stock held by the Board Benefit Trust (BBT).

Notes to Consolidated Statement of Cash Flows

- *1 Reconciliation of cash and cash equivalents at the end of the fiscal year and amount of balance sheet is made as follows.

	(Thousand yen)	
	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Cash and deposits	7,110,014	9,111,977
Time deposit with maturities over 3 months	(367,120)	(301,805)
Cash and cash equivalents	6,742,894	8,810,172

2. Significant non-cash transactions

The amounts recorded for significant asset retirement obligations are as follows.

	(Thousand yen)	
	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Significant asset retirement obligations	13,613	359,445

Lease Transactions

1. Operating lease transactions

Lessee

Future lease payments for non-cancelable operating lease transactions

	(Thousand yen)	
	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Due within one year	-	466,802
Due after one year	-	1,760,888
Total	-	2,227,690

Financial Instruments

1. Status of financial instruments

(1) Policies on financial instruments

The Group covers necessary funds mainly with its own funds, but also raises funds by borrowing from banks, depending on the cash flow situation and financial conditions. Temporary surplus funds are invested only in highly secure financial assets such as deposits with guaranteed principal and fixed interest rates. The Group does not engage in derivative transactions.

(2) Nature and risks of financial instruments

Notes and accounts receivable-trade, which are trade receivables, are exposed to customers' credit risk. Investment securities mainly comprise held-to-maturity bonds and shares of companies with which we have business relationships, and are exposed to the risk of market price fluctuations.

Accounts payable-trade, which are trade payables, are mostly due within two months. Borrowings are mainly for the purpose of financing working capital and are exposed to liquidity risk.

(3) Risk management system for financial instruments

(i) Management of credit risk (risk of non-performance by counterparties)

In accordance with the credit management rules, the department in charge regularly monitors the status of business partners and manages due dates and outstanding balances by business partner in order to early identify and mitigate concerns about collection due to deterioration of financial conditions and other reasons.

(ii) Management of market risk (risk of exchange rate and interest rate fluctuations)

For investment securities, the Group assesses the fair value and financial conditions of the issuers (business partners) regularly, and reviews its holdings of such securities on an ongoing basis, taking into consideration market conditions and the relationship with the business partners.

(iii) Management of liquidity risk in financing (risk of being unable to make payments on due dates)

The Group manages its liquidity risk by having the department in charge prepare and update cash management plans in a timely manner, maintaining liquidity on hand, and other measures.

(4) Supplementary explanation on fair value of financial instruments

As certain variables are used in the calculation of the value of financial instruments, such value may vary if different assumptions are applied.

2. Fair value of financial instruments

The carrying amount and fair value of financial instruments and their difference are as follows.

FY3/25 (As of Mar. 31, 2025)

	Carrying amount	Fair value	(Thousand yen) Difference
(1) Securities and investment securities (*2)			
(i) Available-for-sale securities	1,482,899	1,482,899	-
(2) Guarantee deposits	1,001,453	848,154	(153,299)
(3) Long-term time deposits	200,000	193,663	(6,336)
Total assets	2,684,352	2,524,717	(159,635)
(4) Long-term borrowings (*3)	65,960	65,910	(49)
Total liabilities	65,960	65,910	(49)

(*1) "Cash and deposits," "Notes and accounts receivable-trade, and contract assets," "Accounts payable-trade," and "Income taxes payable" are omitted because they are cash, and their fair value approximates their carrying amount since they are

settled in a short period of time.

(*2) Shares, etc. that do not have a market price are not included in “(1) Securities and investment securities.” The carrying amount of such financial instruments are as follows.

Item	FY3/25 (Thousand yen)
Unlisted shares	285,178

(*3) Current portion of long-term borrowings is included in long-term borrowings.

FY3/26 (As of Mar. 31, 2026)

(Thousand yen)

	Carrying amount	Fair value	Difference
(1) Investment securities (*2)			
(i) Available-for-sale securities	1,410,334	1,410,334	-
(2) Guarantee deposits	1,010,107	949,800	(60,307)
(3) Long-term time deposits	200,000	177,537	(22,462)
Total assets	2,620,442	2,537,672	(82,769)
(4) Long-term borrowings (*3)	54,860	51,945	(2,914)
Total liabilities	54,860	51,945	(2,914)

(*1) “Cash and deposits,” “Notes and accounts receivable-trade, and contract assets,” “Accounts payable-trade,” and “Income taxes payable” are omitted because they are cash, and their fair value approximates their carrying amount since they are settled in a short period of time.

(*2) Shares, etc. that do not have a market price are not included in “(1) Investment securities.” The carrying amount of such financial instruments are as follows.

Item	FY3/26 (Thousand yen)
Unlisted shares	294,414

(*3) Current portion of long-term borrowings is included in long-term borrowings.

Note 1: Redemption schedule of monetary claims and securities with maturities after the consolidated balance sheet date

FY3/25 (As of Mar. 31, 2025)

(Thousand yen)

	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash and deposits	7,110,014	-	-	-
Notes and accounts receivable-trade, and contract assets	8,765,791	-	-	-
Securities and investment securities				
Available-for-sale securities with maturities				
Bonds	100,000	400,000	400,000	-
Negotiable certificates of deposit	53,190	-	-	-
Long-term time deposits	-	-	200,000	-
Total	16,028,996	400,000	600,000	-

FY3/26 (As of Mar. 31, 2026)

(Thousand yen)

	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash and deposits	9,111,977	-	-	-
Notes and accounts receivable-trade, and contract assets	9,098,892	-	-	-
Investment securities				
Available-for-sale securities with maturities				
Bonds	-	400,000	400,000	-
Negotiable certificates of deposit	-	57,945	-	-
Long-term time deposits	-	-	200,000	-
Total	18,210,869	457,945	600,000	-

Note 2: Repayment schedule of short-term borrowings, long-term borrowings and lease liabilities after the consolidated balance sheet date

FY3/25 (As of Mar. 31, 2025)

(Thousand yen)

	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term borrowings	2,167	-	-	-	-	-
Long-term borrowings	11,100	11,100	11,100	11,100	11,100	10,460
Lease liabilities	28,485	26,416	20,923	17,925	17,746	53,365
Total	41,752	37,516	32,023	29,025	28,846	63,825

FY3/26 (As of Mar. 31, 2026)

(Thousand yen)

	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Long-term borrowings	11,100	11,100	11,100	11,100	9,680	780
Lease liabilities	26,653	21,986	20,752	20,682	20,258	43,676
Total	37,753	33,086	31,852	31,782	29,938	44,456

3. Fair value information by level within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs, i.e., quoted prices in active markets for assets or liabilities that are the subject of the measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

(1) Financial instruments measured at fair value

FY3/25 (As of Mar. 31, 2025)

Item	Fair value (Thousand yen)			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities				
Shares	474,632	-	-	474,632
Corporate bonds	-	875,076	-	875,076
Negotiable certificates of deposit	-	53,190	-	53,190
Other	-	-	80,000	80,000
Total assets	474,632	928,266	80,000	1,482,899

FY3/26 (As of Mar. 31, 2026)

Item	Fair value (Thousand yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	511,517	-	-	511,517
Corporate bonds	-	760,872	-	760,872
Negotiable certificates of deposit	-	57,945	-	57,945
Other	-	-	80,000	80,000
Total assets	511,517	818,817	80,000	1,410,334

(2) Financial instruments other than those measured at fair value

FY3/25 (As of Mar. 31, 2025)

Item	Fair value (Thousand yen)			
	Level 1	Level 2	Level 3	Total
Guarantee deposits	-	848,154	-	848,154
Long-term time deposits	-	193,663	-	193,663
Total assets	-	1,041,818	-	1,041,818
Long-term borrowings	-	65,910	-	65,910
Total liabilities	-	65,910	-	65,910

FY3/26 (As of Mar. 31, 2026)

Item	Fair value (Thousand yen)			
	Level 1	Level 2	Level 3	Total
Guarantee deposits	-	949,800	-	949,800
Long-term time deposits	-	177,537	-	177,537
Total assets	-	1,127,337	-	1,127,337
Long-term borrowings	-	51,945	-	51,945
Total liabilities	-	51,945	-	51,945

Note: A description of the valuation techniques and inputs used in the fair value measurements

Securities and investment securities

Listed shares, corporate bonds and negotiable certificates of deposit are valued using quoted prices. As listed shares are traded in active markets, their fair value is classified as Level 1. On the other hand, the fair value of corporate bonds and negotiable certificates of deposit held by JAST are classified as Level 2 because they are not traded frequently in the public market and not considered to have quoted prices in active markets. Other is share acquisition rights that are not listed in a financial market. Book value is used as the fair value because the two values are similar as the time of the investment and end of the fiscal year are close. As a result, this is classified as Level 3.

Guarantee deposits

The fair value is calculated based on the present value of guarantee deposits, net of future non-refundable guarantee deposits, discounted at the yield on government bonds, and is classified as Level 2.

Long-term time deposits

The fair value is calculated based on the present value of the total principal and interest discounted using the interest rate expected on similar new deposits and the present value of included derivatives by using interest and other observable inputs. As a result, this is classified as Level 2.

Long-term borrowings

The fair value of long-term borrowings is calculated based on the discounted present value, which is the sum of principal and interest that is discounted at a rate that reflects the time to maturity and credit risk. As a result, this is classified as Level 2. The current portion of long-term borrowings is included in long-term borrowings.

Marketable Securities

1. Held-to-maturity debt securities

FY3/25 (As of Mar. 31, 2025)

Not applicable.

FY3/26 (As of Mar. 31, 2026)

Not applicable.

2. Available-for-sale securities

FY3/25 (As of Mar. 31, 2025)

(Thousand yen)

	Type	Carrying amount	Acquisition costs	Unrealized gain (loss)
Securities with carrying amount exceeding acquisition costs	Shares	415,443	199,709	215,734
	Bonds	100,630	81,327	19,303
	Others	-	-	-
	Subtotal	516,073	281,036	235,037
Securities with carrying amount not exceeding acquisition costs	Shares	59,189	69,520	(10,331)
	Bonds	774,446	801,248	(26,801)
	Negotiable certificates of deposit	53,190	53,190	-
	Others	80,000	80,000	-
	Subtotal	966,825	1,003,958	(37,133)
Total		1,482,899	1,284,994	197,904

Note: Shares of unconsolidated subsidiaries (carrying amount of 194 thousand yen) and unlisted shares (carrying amount of 284,984 thousand yen) are not included in “Available-for-sale securities” in the above table because they are shares, etc. that do not have a market price.

FY3/26 (As of Mar. 31, 2026)

(Thousand yen)

	Type	Carrying amount	Acquisition costs	Unrealized gain (loss)
Securities with carrying amount exceeding acquisition costs	Shares	467,872	201,870	266,001
	Bonds	-	-	-
	Others	-	-	-
	Subtotal	467,872	201,870	266,001
Securities with carrying amount not exceeding acquisition costs	Shares	43,645	69,520	(25,875)
	Bonds	760,872	801,248	(40,375)
	Negotiable certificates of deposit	57,945	57,945	-
	Others	80,000	80,000	-
	Subtotal	942,462	1,008,713	(66,251)
Total		1,410,334	1,210,584	199,750

Note: Shares of unconsolidated subsidiaries (carrying amount of 202 thousand yen) and unlisted shares (carrying amount of 294,211 thousand yen) are not included in “Available-for-sale securities” in the above table because they are shares, etc. that do not have a market price.

3. Sales of available-for-sale securities

FY3/25 (Apr. 1, 2024–Mar. 31, 2025)

Not applicable.

FY3/26 (Apr. 1, 2025–Mar. 31, 2026)

Not applicable.

4. Available-for-sale securities written down due to impairment

FY3/25 (Apr. 1, 2024–Mar. 31, 2025)

Not applicable.

FY3/26 (Apr. 1, 2025–Mar. 31, 2026)

For securities other than shares, etc. that do not have a market price, there was a loss on valuation of investment securities of 26,843 thousand yen due to writing down the book values of stocks where there was a significant decline in the effective price during FY3/26.

Derivative Transactions

Not applicable because the Group had no derivative transactions.

Retirement Benefits

1. Retirement benefit plans

JAST has adopted defined benefit plans, which are a lump-sum retirement benefit payment plan in line with JAST's regulation, and a defined benefit pension plan as well as a defined contribution pension plan. JAST participates in the Japan Computer Information Service Employee's Pension Fund. The amount to be contributed to plan assets accounted for as retirement benefit expenses was 65,766 thousand yen in the consolidated financial statements for FY3/26.

Alpha Computer Co., Ltd. has adopted a lump-sum retirement benefit payment plan as defined benefit plan, and participates in the Nihon IT Software Pension Fund. The amount to be contributed to plan assets accounted for as retirement benefit expenses was 2,390 thousand yen in the consolidated financial statements for FY3/26.

NewNeeds Co., Ltd. participates in the Small Enterprise Retirement Allowance Mutual Aid Fund for retirement fund. The amount to be contributed to plan assets accounted for as retirement benefit expenses was 3,910 thousand yen in the consolidated financial statements for FY3/26.

An overseas consolidated subsidiary has a retirement benefit plan based on its local program.

Following is the information regarding the multi-employer pension plan under which the amount to be contributed to plan assets is accounted for as retirement benefit expenses.

Japan Computer Information Service Employees' Pension Fund

(1) Most recent funding status of the multi-employer pension plan

	(Thousand yen)	
	FY3/25 (As of Mar. 31, 2024)	FY3/26 (As of Mar. 31, 2025)
Amount of plan assets	277,016,587	276,260,597
Total of actuarial obligations based on pension finance accounting and the minimum actuarial reserve	224,936,722	224,206,238
Difference	52,079,864	52,054,358

(2) The percentage of the Group's contribution out of the total contribution to the multi-employer pension plan

FY3/25 (Apr. 1, 2023–Mar. 31, 2024): 0.83%

FY3/26 (Apr. 1, 2024–Mar. 31, 2025): 0.89%

(3) Supplementary explanation

The main factors of the difference in (1) above are as follows.

	(Thousand yen)	
	FY3/25 (As of Mar. 31, 2024)	FY3/26 (As of Mar. 31, 2025)
Balance of prior service cost	(184,804)	(128,662)
Surplus for the fiscal year	52,264,668	52,183,020
Total	52,079,864	52,054,358

The percentages in (2) above do not correspond to the actual share of the Group's contribution.

Nihon IT Software Pension Fund

(1) Most recent funding status of the multi-employer pension plan

	(Thousand yen)	
	FY3/25 (As of Mar. 31, 2024)	FY3/26 (As of Mar. 31, 2025)
Amount of plan assets	58,726,013	58,861,542
Total of actuarial obligations based on pension finance accounting and the minimum actuarial reserve	57,004,297	54,324,871
Difference	1,721,716	4,536,671

(2) The percentage of the Group's contribution out of the total contribution to the multi-employer pension plan

FY3/25 (Apr. 1, 2023–Mar. 31, 2024): 0.11%

FY3/26 (Apr. 1, 2024–Mar. 31, 2025): 0.11%

(3) Supplementary explanation

The main factors of the difference in (1) above are as follows.

	(Thousand yen)	
	FY3/25 (As of Mar. 31, 2024)	FY3/26 (As of Mar. 31, 2025)
General reserve	1,721,716	6,069,735
Shortage for the fiscal year	-	(1,533,063)
Total	1,721,716	4,536,671

The percentages in (2) above do not correspond to the actual share of the Group's contribution.

2. Defined benefit plans

(1) Reconciliation of beginning and ending balances of retirement benefit obligation

	(Thousand yen)	
	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Retirement benefit obligations at beginning of period	1,873,818	1,891,260
Service cost	162,809	170,576
Interest cost	18,928	18,948
Actuarial differences	29,576	(238,554)
Payment of retirement benefit	(200,721)	(127,653)
Others	6,848	13,572
Retirement benefit obligations at end of period	1,891,260	1,728,150

Note: Plans using the simple method are included.

(2) Reconciliation of beginning and ending balances of plan assets

	(Thousand yen)	
	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Plan assets at beginning of period	1,673,831	1,601,253
Expected return on plan assets	16,738	16,012
Actuarial differences	(53,510)	137,147
Contributions by the employer	63,341	66,285
Payment of retirement benefit	(99,147)	(43,554)
Plan assets at end of period	1,601,253	1,777,144

(3) Reconciliation of ending balances of retirement benefit obligation and plan assets against retirement benefit liability and retirement benefit asset recognized in the consolidated balance sheet

	(Thousand yen)	
	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Retirement benefit obligation of contributory plan	779,177	710,506
Plan assets	(1,601,253)	(1,777,144)
	(822,076)	(1,066,638)
Retirement benefit obligation of non-contributory plan	1,112,082	1,017,643
Net liability / asset recognized in the consolidated balance sheet	290,006	(48,994)
Retirement benefit liability	1,112,082	1,017,643
Retirement benefit asset	(822,076)	(1,066,638)
Net liability / asset recognized in the consolidated balance sheet	290,006	(48,994)

Note: Plans using the simple method are included.

(4) Components of retirement benefit expenses

	(Thousand yen)	
	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Service cost	162,809	170,576
Interest cost	18,928	18,948
Expected return on plan assets	(16,738)	(16,012)
Amortization of actuarial differences	(58,305)	(29,178)
Amortization of prior service cost	(38)	(30)
Retirement benefit expenses for defined benefit plan	106,656	144,303

Note: Plans using the simple method are included.

(5) Remeasurements of defined benefit plans

Components of remeasurements of defined benefit plans (before tax effect)

	(Thousand yen)	
	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Prior service costs	(38)	(30)
Actuarial differences	(141,391)	346,523
Total	(141,430)	346,492

(6) Remeasurements of defined benefit plans, cumulative

Components of accumulated remeasurements of defined benefit plans (before tax effect)

	(Thousand yen)	
	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Unrecognized prior service costs	148	117
Unrecognized actuarial differences	141,642	488,165
Total	141,791	488,283

(7) Relevant information on plan assets

(i) Major breakdown of plan assets

The allocation percentage by major investment category to the total amount of plan assets is presented as follows.

	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Bonds	56%	56%
Shares	41%	41%
Cash and deposits	3%	3%
Total	100%	100%

(ii) Method of determining expected long-term return on assets

The expected long-term return on plan assets is determined by considering the current and expected portfolio structure of the plan assets as well as the current and expected future long-term rate of return on various investments that comprise the plan assets.

(8) Relevant information on assumptions for actuarial calculation

Principal assumptions for actuarial calculation (presented by the weighted average)

	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Discount rate	1.07%	2.75%
Expected long-term return on assets	1.0%	1.0%
Lump sum election rate	100%	100%

3. Defined contribution plan

The amounts to be contributed to the defined contribution plan for JAST and its consolidated subsidiaries for FY3/25 and FY3/26 were 96,785 thousand yen and 101,938 thousand yen, respectively.

Stock Options

Not applicable.

Tax Effect Accounting

1. Significant components of deferred tax assets and liabilities

	FY3/25 (As of Mar. 31, 2025)	(Thousand yen) FY3/26 (As of Mar. 31, 2026)
Deferred tax assets		
Provision for bonuses	496,524	474,183
Accrued expenses	69,909	73,648
Accounts payable-other	2,821	2,894
Accrued business office taxes	54,220	66,934
Provision for loss on construction contracts	188	36,075
Inventories	9,196	2,078
Long-term accounts payable-other	105,785	123,323
Provision for share awards for directors (and other officers)	18,608	31,716
Retirement benefit liability	338,918	305,633
Allowance for doubtful accounts	15,060	18,675
Asset retirement obligations	91,159	203,017
Treasury shares	29,798	35,375
Impairment loss	-	63,037
Tax loss carryforwards (Note 1)	135,247	209,718
Other	62,115	51,915
Subtotal deferred tax assets	1,429,556	1,698,227
Less valuation allowance for tax loss carryforwards (Note 1)	(135,247)	(201,019)
Less valuation allowance for future deductible temporary differences	(247,635)	(288,864)
Subtotal valuation allowance	(382,882)	(489,883)
Total	1,046,673	1,208,344
Deferred tax liabilities		
Valuation difference on available-for-sale securities	62,205	62,961
Retirement benefit asset	259,118	336,204
Other	63,466	150,395
Total	384,791	549,561
Net deferred tax assets	661,882	658,783

Note: 1. Expiration of tax loss carryforwards, the related valuation allowances, and the resulting net deferred tax assets

FY3/25 (As of Mar. 31, 2025)

	Within 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years	Total
Tax loss carryforwards (*1)	3,877	3,921	-	9,635	6,183	111,629	135,247
Less valuation allowance for tax loss carryforwards	(3,877)	(3,921)	-	(9,635)	(6,183)	(111,629)	(135,247)
Deferred tax assets	-	-	-	-	-	-	-

(*1) Tax loss carryforwards are calculated by applying the statutory tax rate.

FY3/26 (As of Mar. 31, 2026)

	Within 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years	Total
Tax loss carryforwards (*1)	1,810	-	6,898	4,533	16,643	179,833	209,718
Less valuation allowance for tax loss carryforwards	(1,810)	-	(6,898)	(4,533)	(8,242)	(179,534)	(201,019)
Deferred tax assets	-	-	-	-	8,400	298	8,698

(*1) Tax loss carryforwards are calculated by applying the statutory tax rate.

2. Significant sources of differences between the statutory tax and effective tax rate

	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Statutory tax rate	30.6 %	30.6 %
(Adjustments)		
Permanent difference of entertainment expenses and other items	1.3	0.8
Residential tax for the period	0.2	0.2
Increase (decrease) in valuation allowance	(0.5)	4.7
Tax credit	(7.2)	(7.6)
Amortization of goodwill	0.4	0.4
Impairment loss	-	0.2
Tax effect of undistributed earnings	0.1	0.0
Tax rate difference between the Company and its consolidated subsidiaries	(0.1)	0.2
Others	(0.0)	(0.8)
Effective tax rate	24.9	28.7

Business Combinations

Not applicable.

Asset Retirement Obligations

Asset retirement obligations included in the consolidated balance sheet

A. Summary of asset retirement obligations

Asset retirement obligations are mainly for returning leased space to its original condition in association for real estate leasing contracts for business sites of JAST.

B. Method for calculating asset retirement obligations

Asset retirement obligations are calculated by using a period of 15 years starting from the acquisition date as the estimated expected period of use and a discount rate of mainly 2.84%.

C. Change in asset retirement obligations

Changes in the balance of asset retirement obligations are as follows.

	(Thousand yen)	
	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Beginning balance	280,073	289,104
Purchase of property, plant and equipment	7,598	347,607
Accretion	2,348	3,827
Payments for asset retirement obligations	(6,930)	-
Increase due to change in estimate	6,014	11,838
Ending balance	289,104	652,377

Rental and Other Properties

This information is omitted due to immateriality.

Revenue Recognition

1. Information on disaggregated revenue from contracts with customers

FY3/25 (Apr. 1, 2024–Mar. 31, 2025)

(Thousand yen)

		Reportable segment				Total
		DX&SI Business	Package Business	Medical Big Data Business	Global Business	
Industry	Telecommunications	4,097,759	69,258	-	-	4,167,018
	Finance/insurance	1,870,644	880,157	-	965	2,751,767
	Service/retail	6,001,762	2,436	283,525	1,067,204	7,354,928
	Education	975,976	4,903,484	17,420	1,493	5,898,376
	Manufacturing	3,659,677	5,917	449,177	1,681,407	5,796,179
	Medical care	52	-	1,542,322	83	1,542,458
	Public sector and others	936,645	17,343	858,426	1,804	1,814,220
Revenue from contracts with customers		17,542,519	5,878,597	3,150,873	2,752,959	29,324,949
Other revenues		-	-	-	-	-
External sales		17,542,519	5,878,597	3,150,873	2,752,959	29,324,949

FY3/26 (Apr. 1, 2025–Mar. 31, 2026)

(Thousand yen)

		Reportable segment				Total
		DX&SI Business	Package Business	Medical Big Data Business	Global Business	
Industry	Telecommunications	5,177,983	31,534	-	-	5,209,517
	Finance/insurance	2,378,402	1,108,029	6,135	-	3,492,567
	Service/retail	5,990,949	23,560	357,058	1,423,208	7,794,777
	Education	1,277,274	5,725,844	17,418	65	7,020,603
	Manufacturing	4,114,799	6,490	521,911	828,869	5,472,069
	Medical care	8,492	-	1,703,816	-	1,712,308
	Public sector and others	858,060	-	897,052	2,312	1,757,425
Revenue from contracts with customers		19,805,961	6,895,459	3,503,392	2,254,457	32,459,270
Other revenues		-	-	-	-	-
External sales		19,805,961	6,895,459	3,503,392	2,254,457	32,459,270

2. Basic information in understanding revenue from contracts with customers

This information is as described in “Significant Accounting Policies in the Preparation of Consolidated Financial Statements, 4. Accounting policies, (5) Recognition of significant revenues and expenses.”

3. Reconciliation of satisfaction of performance obligations under contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue expected to be recognized in the next fiscal year and thereafter arising from contracts with customers that existed at the end of the fiscal year

FY3/25 (Apr. 1, 2024–Mar. 31, 2025)

(1) Balances of receivables from contracts with customers, contract assets, and contract liabilities

(Thousand yen)

	FY3/25	
	Beginning balance	Ending balance
Receivables from contracts with customers	5,798,937	7,384,322
Contract assets	1,376,084	1,381,469
Contract liabilities	520,178	725,130

Contract assets primarily relate to the right of JAST and its consolidated subsidiaries to unbilled consideration for contracts where the performance obligation is fulfilled over a specified period, such as contracted software production and relevant services. Once JAST and its consolidated subsidiaries have an unconditional right to consideration, contract assets are reclassified to receivables from contracts with customers.

Contract liabilities primarily relate to advances received from customers for contracts where the performance obligation is fulfilled over a specified period, such as contracted software production, maintenance and relevant services. Contract liabilities are reversed as revenue is recognized.

Revenue recognized in FY3/25 that was included in the beginning balance of contract liabilities was 457,056 thousand yen.

(2) Transaction price allocated to the remaining performance obligations

JAST and its consolidated subsidiaries have no significant contracts with an original expected contractual duration of one year or more at the end of FY3/25. In addition, information about contracts with an initial expected duration of no more than one year is not shown for expediency.

FY3/26 (Apr. 1, 2025–Mar. 31, 2026)

(1) Balances of receivables from contracts with customers, contract assets, and contract liabilities

(Thousand yen)

	FY3/26	
	Beginning balance	Ending balance
Receivables from contracts with customers	7,384,322	7,074,981
Contract assets	1,381,469	2,023,910
Contract liabilities	725,130	505,317

Contract assets primarily relate to the right of JAST and its consolidated subsidiaries to unbilled consideration for contracts where the performance obligation is fulfilled over a specified period, such as contracted software production and relevant services. Once JAST and its consolidated subsidiaries have an unconditional right to consideration, contract assets are reclassified to receivables from contracts with customers.

Contract liabilities primarily relate to advances received from customers for contracts where the performance obligation is fulfilled over a specified period, such as contracted software production, maintenance and relevant services. Contract liabilities are reversed as revenue is recognized.

Revenue recognized in FY3/26 that was included in the beginning balance of contract liabilities was 687,261 thousand yen.

The increase of 642,441 thousand yen in contract assets during FY3/26 was primarily due to orders received for large-scale development projects related to the DX&SI Business.

(2) Transaction price allocated to the remaining performance obligations

JAST and its consolidated subsidiaries have no significant contracts with an original expected contractual duration of one year or more at the end of FY3/26. In addition, information about contracts with an initial expected duration of no more than one year is not shown for expediency.

Segment and Other Information

Segment information

1. Overview of reportable segment

Segments used for financial reporting are JAST and its subsidiaries for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Group devises the comprehensive strategy for products and services in Japan and overseas, and has four reportable business segments: DX&SI Business, Package Business, Medical Big Data Business and Global Business.

The DX&SI Business uses its strengths of having no affiliations with other companies to supply a diverse array of information systems and services in a large number of business sectors. The Package Business develops and sells products that use JAST's own brands and provides associated environment and system development services, chiefly consulting for the use of these products. The Medical Big Data Business has several healthcare businesses that make it a one-stop source of services for the use of medical data and business process reform at health insurance organizations. The Global Business develops and sells enterprise resource planning (ERP) and human resource management (HRM) products outside Japan, provides consulting for the use of these products and develops IT systems.

2. Calculation method for net sales, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting method used for reportable business segments is generally the same as the methods listed in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Profits for reportable business segments are operating profit figures.

Inter-segment sales and transfers are based on market prices.

3. Information related to net sales, profit or loss, assets, liabilities, and other items for each reportable segment

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Thousand yen)

	DX&SI Business	Package Business	Medical Big Data Business	Global Business	Total	Adjustment (Note 1) (Note 2)	Amounts shown on consolidated financial statements (Note 3)
Net sales							
1. External sales	17,542,519	5,878,597	3,150,873	2,752,959	29,324,949	-	29,324,949
2. Inter-segment sales and transfers	30,561	3,971	556	79,128	114,217	(114,217)	-
Total	17,573,080	5,882,568	3,151,429	2,832,088	29,439,167	(114,217)	29,324,949
Segment profit (loss)	2,836,542	1,563,740	662,149	(61,885)	5,000,547	(1,812,157)	3,188,390
Segment assets	9,740,094	4,661,197	2,786,911	2,396,970	19,585,174	3,324,462	22,909,637
Other items							
Depreciation	91,474	37,266	32,597	76,035	237,372	-	237,372
Increase in property, plant and equipment and intangible assets	134,247	52,526	48,971	93,384	329,130	-	329,130

- Notes:
1. Segment profit in the above adjustment represents corporate expenses. These corporate expenses mainly include general and administration expenses that cannot be attributed to any of the reportable segments.
 2. Segment assets in the above adjustment consist mainly of corporate assets that cannot be attributed to any of the reportable segments.
 3. Segment profit (loss) is adjusted with operating profit shown on the consolidated statement of income.

FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)

(Thousand yen)

	DX&SI Business	Package Business	Medical Big Data Business	Global Business	Total	Adjustment (Note 1) (Note 2)	Amounts shown on consolidated financial statements (Note 3)
Net sales							
1. External sales	19,805,961	6,895,459	3,503,392	2,254,457	32,459,270	-	32,459,270
2. Inter-segment sales and transfers	9,946	-	5,812	78,003	93,763	(93,763)	-
Total	19,815,908	6,895,459	3,509,205	2,332,460	32,553,033	(93,763)	32,459,270
Segment profit (loss)	3,186,199	2,292,943	886,859	(400,869)	5,965,133	(2,053,795)	3,911,337
Segment assets	10,734,700	6,335,328	3,250,336	1,854,317	22,174,682	3,128,789	25,303,471
Other items							
Depreciation	136,589	48,565	39,563	84,805	309,523	-	309,523
Increase in property, plant and equipment and intangible assets	60,308	25,968	17,974	24,775	129,027	-	129,027

Notes: 1. Segment profit in the above adjustment represents corporate expenses. These corporate expenses mainly include general and administration expenses that cannot be attributed to any of the reportable segments.
2. Segment assets in the above adjustment consist mainly of corporate assets that cannot be attributed to any of the reportable segments.
3. Segment profit (loss) is adjusted with operating profit shown on the consolidated statement of income.

Related information

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

(Thousand yen)

Japan	Overseas	Total
26,567,464	2,757,485	29,324,949

(2) Property, plant and equipment

(Thousand yen)

Japan	Overseas		Total
	Malaysia	Other	
792,889	249,982	49,237	1,092,109

3. Information by major client

(Thousand yen)

Company name	Net sales	Business segment
NTT DOCOMO SOLUTIONS, Inc.	2,969,895	DX&SI Business

FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

(Thousand yen)

Japan	Overseas	Total
30,199,377	2,259,892	32,459,270

(2) Property, plant and equipment

(Thousand yen)

Japan	Overseas	Total
1,055,457	22,895	1,078,353

3. Information by major client

(Thousand yen)

Company name	Net sales	Business segment
NTT DOCOMO SOLUTIONS, Inc.	3,983,446	DX&SI Business

Information related to impairment losses of non-current assets for each reportable segment

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

Not applicable.

FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)

(Thousand yen)

	DX&SI Business	Package Business	Medical Big Data Business	Global Business	Elimination or corporate	Total
Impairment loss	-	-	-	296,841	-	296,841

Note: In the Global Business, there was an impairment loss of 296,841 thousand yen for goodwill, customer-related intangible assets, buildings and structures, other property, plant and equipment, and software.

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Thousand yen)

	DX&SI Business	Package Business	Medical Big Data Business	Global Business	Elimination or corporate	Total
Amortization for the period	-	-	20,046	27,811	-	47,858
Balance at end of period	-	-	180,420	48,670	-	229,090

FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)

(Thousand yen)

	DX&SI Business	Package Business	Medical Big Data Business	Global Business	Elimination or corporate	Total
Amortization for the period	-	-	20,046	30,297	-	50,344
Balance at end of period	-	-	160,373	-	-	160,373

Information related to gain on bargain purchase for each reportable segment

Not applicable.

Related party information

Not applicable.

Per-share Information

(Yen)

	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)	FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)
Net assets per share	596.97	677.71
Earnings per share	99.24	106.07

Notes: 1. Diluted earnings per share is not presented since JAST has no outstanding dilutive securities.

2. The basis of calculation is as follows.

(Thousand yen)

	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Net assets per share		
Total net assets on balance sheet	14,828,680	16,830,491
Deduction on total net assets	65,876	78,284
(Non-controlling interests)	(65,876)	(78,284)
Net assets applicable to common shares	14,762,804	16,752,206
Number of common shares used in calculation of net assets per share	24,729,352 shares	24,718,901 shares

(Thousand yen)

	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)	FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)
Earnings per share		
Profit attributable to owners of parent	2,443,453	2,622,007
Amount not available to common shareholders	-	-
Profit attributable to owners of parent applicable to common shares	2,443,453	2,622,007
Average number of shares outstanding during period	24,622,269 shares	24,718,728 shares

Note: JAST has established a new Board Benefit Trust (BBT and BBT-RS). The JAST stock remaining in the BBT and BBT-RS (97,200 shares as of March 31, 2025 and 107,600 shares as of March 31, 2026) is included in treasury shares in shareholders' equity and deducted from the number of shares outstanding at the end of the period that is used to calculate net assets per share. Moreover, the BBT and BBT-RS shares (204,283 shares in FY3/25 and 107,809 shares in FY3/26) are included in treasury shares deducted from the number of shares used to calculate the average number of shares outstanding during the period that is used to calculate earnings per share.

Subsequent Events

Not applicable.

(v) Annexed consolidated detailed schedules

Annexed consolidated detailed schedule of corporate bonds

Not applicable.

Annexed consolidated detailed schedule of borrowings

(Thousand yen, unless otherwise stated)

Item	Balance as of Apr. 1, 2025	Balance as of Mar. 31, 2026	Average interest rate (%)	Repayment due (Year)
Short-term borrowings	2,167	-	-	-
Current portion of long-term borrowings	11,100	11,100	1.2	-
Current portion of lease liabilities	28,485	26,653	-	-
Long-term borrowings (excluding current portion)	54,860	43,760	1.2	2027 to 2031
Lease liabilities (excluding current portion)	136,377	127,356	-	2027 to 2033
Other interest-bearing debt	-	-	-	-
Total	232,989	208,870	-	-

- Notes: 1. The average interest rate on lease liabilities is not presented because lease liabilities are recorded on the consolidated balance sheet at the amount before deducting the amount equivalent to interest included in the total lease payments.
2. The repayment schedule within five years after the consolidated balance sheet date of long-term borrowings (excluding current portion) and lease liabilities (excluding current portion) is as follows.

(Thousand yen)

	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years
Long-term borrowings	11,100	11,100	11,100	9,680	780
Lease liabilities	21,986	20,752	20,682	20,258	43,676

Annexed consolidated detailed schedule of asset retirement obligations

This information is omitted because the items to be presented in this schedule are presented as notes stipulated in Article 15-23 of the Regulation on Consolidated Financial Statements.

(2) Other Information

Quarterly results for the fiscal year ended March 31, 2026

(Thousand yen, unless otherwise stated)

(Cumulative period)	First three months	First six months	First nine months	Current fiscal year
Net sales	7,039,652	14,929,157	22,803,301	32,459,270
Profit before income taxes	509,539	1,696,617	2,685,234	3,694,969
Profit attributable to owners of parent	321,873	1,106,621	1,760,014	2,622,007
Earnings per share (Yen)	13.02	44.77	71.20	106.07

(Accounting period)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Earnings per share (Yen)	13.02	31.75	26.43	34.87

Note: Review of financial information for the first three months and the first nine months of FY3/26: None

2. Non-consolidated Financial Statements, etc.

(1) Non-consolidated Financial Statements

i) Non-consolidated Balance Sheet

	(Thousand yen)	
	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Assets		
Current assets		
Cash and deposits	5,050,946	6,976,082
Notes and accounts receivable-trade, and contract assets	*1 7,570,707	*1 7,911,172
Securities	100,630	-
Merchandise and finished goods	88,206	110,368
Work in process	27,387	21,612
Raw materials and supplies	1,921	2,716
Prepaid expenses	*1 124,764	*1 142,208
Accounts receivable-other	*1 9,336	*1 12,948
Other	*1 17,214	*1 20,871
Allowance for doubtful accounts	(5,960)	(5,566)
Total current assets	12,985,155	15,192,414
Non-current assets		
Property, plant and equipment		
Buildings	530,421	785,375
Structures	4,948	4,500
Tools, furniture and fixtures	104,855	84,219
Land	142,361	142,361
Construction in progress	1,002	27,950
Total property, plant and equipment	783,588	1,044,406
Intangible assets		
Software	116,426	282,495
Software in progress	186,971	3,318
Telephone subscription right	6,180	6,180
Total intangible assets	309,578	291,993
Investments and other assets		
Investment securities	1,529,543	1,582,853
Shares of subsidiaries and associates	2,037,726	2,037,726
Investments in capital of subsidiaries and associates	37,515	0
Long-term loans receivable from subsidiaries and associates	341,771	322,606
Prepaid pension costs	661,102	698,370
Deferred tax assets	641,524	728,155
Long-term time deposits	200,000	200,000
Guarantee deposits	966,630	973,395
Insurance funds	58,779	55,675
Other	176,988	194,672
Allowance for doubtful accounts	(296,147)	(273,394)
Total investments and other assets	6,355,434	6,520,060
Total non-current assets	7,448,601	7,856,460
Total assets	20,433,757	23,048,874

	(Thousand yen)	
	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Liabilities		
Current liabilities		
Accounts payable-trade	*1 1,202,478	*1 1,204,771
Accounts payable-other	*1 172,823	*1 242,169
Accrued expenses	*1 385,538	*1 402,271
Income taxes payable	638,905	743,501
Accrued consumption taxes	418,068	369,804
Contract liabilities	615,590	409,367
Asset retirement obligations	-	79,133
Provision for bonuses	1,533,068	1,400,233
Provision for bonuses for directors (and other officers)	45,093	58,285
Provision for loss on construction contracts	617	114,453
Other	*1 120,673	*1 131,383
Total current liabilities	5,132,856	5,155,375
Non-current liabilities		
Provision for share awards for directors (and other officers)	59,037	100,622
Provision for retirement benefits	972,544	994,874
Asset retirement obligations	265,015	548,371
Long-term accounts payable-other	333,858	388,829
Other	6,301	857
Total non-current liabilities	1,636,756	2,033,555
Total liabilities	6,769,613	7,188,930
Net assets		
Shareholders' equity		
Share capital	1,535,409	1,535,409
Capital surplus		
Legal capital surplus	1,497,047	1,497,047
Other capital surplus	250,404	250,404
Total capital surplus	1,747,452	1,747,452
Retained earnings		
Legal retained earnings	32,665	32,665
Other retained earnings		
General reserve	7,400,000	9,520,000
Retained earnings brought forward	2,873,094	2,989,119
Total retained earnings	10,305,759	12,541,784
Treasury shares	(60,176)	(101,491)
Total shareholders' equity	13,528,445	15,723,155
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	135,698	136,788
Total valuation and translation adjustments	135,698	136,788
Total net assets	13,664,143	15,859,944
Total liabilities and net assets	20,433,757	23,048,874

ii) Non-consolidated Statement of Income

(Thousand yen)

	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)	FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)
Net sales	*2 24,231,224	*2 27,366,281
Cost of sales	*2 17,488,578	*2 19,297,509
Gross profit	6,742,645	8,068,772
Selling, general and administrative expenses	*1, *2 3,734,252	*1, *2 4,192,042
Operating profit	3,008,392	3,876,729
Non-operating income		
Interest and dividend income	*2 395,066	*2 173,335
Rental income	3,143	3,362
Commission income	1,479	1,427
Interest on securities	2,400	14,126
Gain on redemption of securities	-	18,673
Reversal of allowance for doubtful accounts	41,676	29,152
Subsidy income	25,538	15,541
Foreign exchange gains	1,380	17,713
Other	2,489	4,834
Total non-operating income	473,175	278,167
Non-operating expenses		
Provision of allowance for doubtful accounts	37,244	6,400
Bad debts expenses	61,740	-
Commission expenses	759	749
Loss on retirement of non-current assets	4,696	0
Consumption tax differences	895	2,036
Other	1,644	164
Total non-operating expenses	106,981	9,350
Ordinary profit	3,374,587	4,145,546
Extraordinary income		
Gain on extinguishment of tie-in shares	52,828	-
Total extraordinary income	52,828	-
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	*3 11,479	-
Loss on valuation of investments in capital of subsidiaries and associates	*4 7,702	*4 37,515
Total extraordinary losses	19,182	37,515
Profit before income taxes	3,408,233	4,108,030
Income taxes-current	828,333	1,015,983
Income taxes-deferred	(109,402)	(87,387)
Total income taxes	718,930	928,596
Profit	2,689,302	3,179,434

iii) Non-consolidated Statement of Changes in Equity

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Thousand yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of period	1,535,409	1,497,047	250,404	1,747,452	32,665	6,400,000	1,742,389	8,175,054
Changes during period								
Provision of general reserve						1,000,000	(1,000,000)	-
Dividends of surplus							(558,597)	(558,597)
Profit							2,689,302	2,689,302
Purchase of treasury shares								
Disposal of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	1,000,000	1,130,705	2,130,705
Balance at end of period	1,535,409	1,497,047	250,404	1,747,452	32,665	7,400,000	2,873,094	10,305,759

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(175,947)	11,281,968	158,376	158,376	11,440,344
Changes during period					
Provision of general reserve		-			-
Dividends of surplus		(558,597)			(558,597)
Profit		2,689,302			2,689,302
Purchase of treasury shares		-			-
Disposal of treasury shares	115,771	115,771			115,771
Net changes in items other than shareholders' equity			(22,677)	(22,677)	(22,677)
Total changes during period	115,771	2,246,476	(22,677)	(22,677)	2,223,799
Balance at end of period	(60,176)	13,528,445	135,698	135,698	13,664,143

FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)

(Thousand yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	1,535,409	1,497,047	250,404	1,747,452	32,665	7,400,000	2,873,094	10,305,759
Changes during period								
Provision of general reserve						2,120,000	(2,120,000)	-
Dividends of surplus							(943,408)	(943,408)
Profit							3,179,434	3,179,434
Purchase of treasury shares								
Disposal of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	2,120,000	116,025	2,236,025
Balance at end of period	1,535,409	1,497,047	250,404	1,747,452	32,665	9,520,000	2,989,119	12,541,784

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(60,176)	13,528,445	135,698	135,698	13,664,143
Changes during period					
Provision of general reserve		-			-
Dividends of surplus		(943,408)			(943,408)
Profit		3,179,434			3,179,434
Purchase of treasury shares	(59,007)	(59,007)			(59,007)
Disposal of treasury shares	17,691	17,691			17,691
Net changes in items other than shareholders' equity			1,090	1,090	1,090
Total changes during period	(41,315)	2,194,709	1,090	1,090	2,195,800
Balance at end of period	(101,491)	15,723,155	136,788	136,788	15,859,944

Notes to Non-consolidated Financial Statements

Significant Accounting Policies

1. Valuation standards and methods for assets

(1) Valuation standards and methods for marketable securities

(i) Subsidiaries' stocks

Stated at cost determined by the moving-average method.

(ii) Held-to-maturity debt securities

Stated at cost determined by the amortized cost method (straight-line method).

(iii) Available-for-sale securities

- Securities other than shares, etc. that do not have a market price

Stated at fair value. (Unrealized gain or loss is included in net assets. Cost of securities sold is determined by the moving-average method.)

- Shares, etc. that do not have a market price

Stated at cost determined by the moving-average method.

(2) Valuation standards and methods for inventories

(i) Merchandise

Stated at cost determined by the specific identification method. (The carrying amount on the balance sheet is written down to reflect the effect of lower profit margins.)

(ii) Finished goods

Stated at cost determined by the periodic average method. (The carrying amount on the balance sheet is written down to reflect the effect of lower profit margins.)

(iii) Work in process

Stated at cost determined by the specific identification method. (The carrying amount on the balance sheet is written down to reflect the effect of lower profit margins.)

(iv) Supplies

Valued by the last purchased price method.

2. Depreciation and amortization of non-current assets

(1) Property, plant and equipment (excluding leased assets)

The declining-balance method, except for facilities attached to buildings and structures acquired on or after April 1, 2016, on which depreciation is calculated by the straight-line method.

Useful lives of principle assets are as follows.

Buildings: 10–35 years

Tools, furniture and fixtures: 4–10 years

(2) Software (excluding leased assets)

Software for internal use is amortized over an expected useful life of 3-5 years by the straight-line method.

(3) Leased assets

(i) Lease assets associated with finance lease transactions where there is transfer of ownership

Depreciated by the same method as depreciation method used for non-current assets held by the Company.

(ii) Lease assets associated with finance lease transactions where there is no transfer of ownership

Depreciated by the straight-line method, assuming the lease period to be the useful life and a residual value of zero.

3. Recognition of allowances

(1) Allowance for doubtful accounts

To prepare for credit losses on accounts receivable, allowances equal to the estimated amount of uncollectible receivables are provided for general receivables based on the historical write-off ratio, and bad receivables based on

case-by-case determination of collectibility.

(2) Provision for bonuses

To provide for employee bonus obligation, an allowance is provided in the amount equal to the estimated bonus obligations.

(3) Provision for retirement benefits

To provide for accrued retirement benefits for employees, an allowance is provided based on projected benefit obligations and plan assets at the end of the current fiscal year.

The actuarial difference is expensed in the following fiscal years using the declining-balance method based on a certain period (10 years) within the average length of remaining service period of employees.

The prior service cost is expensed using the declining-balance method based on a certain period (10 years) within the average length of remaining service period of employees from the year when it is recognized.

(4) Provision for bonuses for directors (and other officers)

To provide for bonuses for directors (and other officers), an allowance is provided in the amount equal to the estimated bonus obligations in the current fiscal year.

(5) Provision for share awards for directors (and other officers)

To provide for the payment of JAST's shares to its directors (and other officers) in accordance with the rules on the stock compensation plan for directors (and other officers), an allowance is provided based on the estimated obligations for share awards in the current fiscal year.

(6) Provision for loss on construction contracts

To prepare for future losses on construction contracts, such as contracted software production and development, an allowance is provided for estimated losses on contracts for which losses are expected to be incurred in the next fiscal year or later and the amount can be reasonably estimated.

4. Recognition of revenues and expenses

The nature of the main performance obligations related to revenue from contracts with customers in the major businesses of JAST and the timing when those performance obligations are typically satisfied (when revenue is typically recognized) are as follows.

JAST has four business segments: DX&SI Business, Package Business, Medical Big Data Business, and Global Business. JAST recognizes revenue from contracts with customers mainly for contracted software production, maintenance and relevant services. For contracts where the performance obligation is fulfilled over a specified period, the progress of fulfilling the performance obligation is estimated, except when the period is extremely short, and revenue based on the progress is recognized for that period. The progress is determined mainly by the input method based on the ratio of the actual costs incurred to the estimated total construction cost (the cost-to-cost basis). For contracts where the performance obligation is fulfilled at a point in time, such as the sale of products, revenue is recognized at the point in time when the customer accepts the products.

For transactions, such as the sale of products, where JAST functions as an agent, the amount paid to the supplier of the product is deducted from the total payment received from the customer and the resulting net amount is recognized as revenue.

5. Other significant accounting policies in the preparation of non-consolidated financial statements

(1) Accounting method for retirement benefits

Accounting method for outstanding balance of unrecognized actuarial differences and unrecognized prior service costs related to retirement benefit is different from those for the consolidated financial statements.

Significant Accounting Estimates

1. Estimate of total construction cost for revenue recognition over a specified period based on progress

(1) Amounts recorded in the non-consolidated financial statements for the current fiscal year

	(Thousand yen)	
	FY3/25	FY3/26
Net sales from revenue recognized over a specified period based on progress	1,119,703	1,905,192

(2) Other information that contributes to the understanding of accounting estimates

For contracts where the performance obligation is fulfilled over a specified period, such as contracted software production and relevant services, net sales are recorded by recognizing revenue based on the progress for that period. Net sales from revenue recognized over a specified period based on progress are calculated by multiplying the total construction revenue by the progress. The progress is determined by the input method based on the ratio of the actual costs incurred by the end of the current fiscal year to the estimated total construction cost (the cost-to-cost basis). The total construction cost based on incurred costs is estimated by using the number of man-hours required for the work in consideration of its individualized nature, such as the specifications and work period of contracted software production and relevant services.

In the event that the estimate of man-hours requires a significant revision, the change in estimate of the total construction cost due to the revision may have a material impact on the non-consolidated financial statements for the following fiscal year.

Changes in Accounting Policies

Not applicable.

Reclassifications

Notes to Non-consolidated Statement of Income

“Consumption tax differences,” included in “Other” under non-operating expenses in the previous fiscal year, is reclassified and presented as a separate line item in the current fiscal year since the amount exceeded 10/100 of total non-operating expenses. The prior-period financial statements are restated to conform to the current-period presentation.

“Other” under non-operating expenses (2,539 thousand yen) shown in the prior-period statement of income is reclassified and divided into “Consumption tax differences” (895 thousand yen) and “Other” (1,644 thousand yen).

Changes in Accounting-based Estimates

Not applicable.

Additional Information

Board Benefit Trust-Restricted Stock (BBT-RS)

Based on the resolution of the 52nd Annual General Meeting of Shareholders held on June 25, 2024 for the change to the Company with an Audit & Supervisory Committee corporate governance system, JAST established a Board Benefit Trust-Restricted Stock (BBT-RS) remuneration plan that distributes restricted stock to eligible individuals during their time at JAST. As a result, the previous remuneration authorization for the prior BBT plan for directors (excluding external directors) has been terminated. The purpose of the BBT-RS plan is to further motivate directors (excluding directors who are members of Audit & Supervisory Committee and external directors) and delegated executive officers (collectively the “Eligible Directors and Officers”) to contribute to the growth of corporate value.

1) Overview

This is a stock compensation plan in which the Eligible Directors and Officers receive stock compensation through the BBT-RS plan. The BBT-RS acquires JAST stock using cash contributions from JAST as the source of funds. The Eligible Directors and Officers receive JAST stock or a monetary amount equivalent to the market value of the JAST stock in lieu of stock compensation in accordance with the rules on the stock compensation plan for directors. In principle, the Eligible Directors and Officers receive JAST stock once every year at a designated time and receive the monetary amount equivalent to the market value of the JAST stock when they leave JAST. When the Eligible Directors and Officers receive JAST stock while they are still at JAST, these individuals must first sign a stock sale restriction contract with JAST. In accordance with this contract, the Eligible Directors and Officers are not allowed to sell or transfer ownership in any other way the JAST stock they receive while at JAST.

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 non-consolidated balance sheet. The BBT held 97,200 shares of JAST with a book value of 55,929 thousand yen as of the end of the previous fiscal year, and held 107,600 shares with a book value of 97,125 thousand yen as of the end of the current fiscal year.

Notes to Non-consolidated Balance Sheet

*1 Monetary claims and monetary liabilities to affiliates (excluding those separately presented)

	(Thousand yen)	
	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Short-term monetary claims	91,022	142,961
Short-term monetary liabilities	154,032	108,223

*2 Guarantee liabilities

Guarantees for affiliate's bank loans

	(Thousand yen)	
	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
NewNeeds Co., Ltd.	70,000	70,000
K-SHIP Co., Ltd.	65,960	54,860

JAST guarantees the overdraft contract that NewNeeds Co., Ltd. has entered into with financial institutions, and the amount of the overdraft line of credit is shown in the above table.

*3 JAST has commitment line agreements with 4 banks, in order to raise funds efficiently. The balances of credit available as of the balance sheet date were as follows.

	(Thousand yen)	
	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Commitment line	500,000	500,000
Credit used	-	-
Credit available	500,000	500,000

Notes to Non-consolidated Statement of Income

- *1 Selling expenses represent approximately 33% of the total selling, general and administrative expenses, and general and administrative expenses approximately 67% in FY3/25, and selling expenses represent approximately 32% of the total selling, general and administrative expenses, and general and administrative expenses approximately 68% in FY3/26.

Major items of selling, general and administrative expenses

	(Thousand yen)	
	FY3/25	FY3/26
	(Apr. 1, 2024–Mar. 31, 2025)	(Apr. 1, 2025–Mar. 31, 2026)
Compensations for directors (and other officers)	205,254	197,968
Wages, sales and other allowances	1,234,594	1,402,227
Provision for bonuses	193,234	210,902
Provision for bonuses for directors (and other officers)	45,093	58,285
Retirement benefit expenses	45,992	50,880
Stock compensation expenses for directors (and other officers)	16,610	59,277
Depreciation	98,652	127,230
Research and development expenses	553,007	588,978
Rent expenses	111,051	183,655

- *2 Transactions with subsidiaries and affiliates

	(Thousand yen)	
	FY3/25	FY3/26
	(Apr. 1, 2024–Mar. 31, 2025)	(Apr. 1, 2025–Mar. 31, 2026)
Amount of business transactions		
Net sales	223,788	305,359
Operating expenses	654,578	651,674
Amount of non-business transactions	382,879	158,459

- *3 Loss on valuation of shares of subsidiaries and associates

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

This is related to AG NET PTE.LTD., a consolidated subsidiary of JAST.

FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)

Not applicable.

- *4 Loss on valuation of investments in capital of subsidiaries and associates

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

This is related to Shanghai Jiafeng Information Technology Co., Ltd., a consolidated subsidiary of JAST.

FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)

This is related to GuiLin Anxin Software Co., Ltd., a consolidated subsidiary of JAST.

Marketable Securities

Shares of subsidiaries (carrying amount of 2,037,726 thousand yen in FY3/25 and FY3/26, respectively) are not presented because they are shares, etc. that do not have a market price.

Tax Effect Accounting

1. Significant components of deferred tax assets and liabilities

	FY3/25 (As of Mar. 31, 2025)	(Thousand yen) FY3/26 (As of Mar. 31, 2026)
Deferred tax assets		
Provision for bonuses	469,425	441,353
Accrued expenses	65,787	68,519
Accounts payable-other	2,485	2,558
Accrued business office taxes	49,405	59,660
Provision for loss on construction contracts	188	36,075
Long-term accounts payable-other	105,230	122,559
Provision for share awards for directors (and other officers)	18,608	31,716
Provision for retirement benefits	306,545	313,584
Allowance for doubtful accounts	95,170	87,928
Asset retirement obligations	83,532	197,789
Shares of subsidiaries and associates	492,783	504,608
Provision for loss on guarantees	511	-
Treasury shares	29,798	35,375
Other	40,703	41,111
Subtotal deferred tax assets	1,760,179	1,942,841
Less valuation allowance	(806,407)	(789,620)
Total	953,771	1,153,220
Deferred tax liabilities		
Valuation difference on available-for-sale securities	62,205	62,961
Prepaid pension cost	208,379	220,126
Other	41,661	141,977
Total	312,246	425,064
Net deferred tax assets	641,524	728,155

2. Significant sources of differences between the statutory tax and effective tax rate

	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Statutory tax rate	30.6 %	30.6 %
(Adjustments)		
Permanent difference of entertainment expenses and other items	(2.2)	(0.4)
Residential tax for the period	0.2	0.2
Increase (decrease) in valuation allowance	(0.3)	(0.4)
Tax credit	(6.7)	(6.9)
Gain on extinguishment of tie-in shares	(0.5)	-
Others	(0.1)	(0.5)
Effective tax rate	21.1	22.6

Revenue Recognition

Basic information in understanding revenue from contracts with customers is not presented because it is the same as described in “(Revenue Recognition)” in the Notes to Consolidated Financial Statements.

Subsequent Events

Not applicable.

(iv) Annexed non-consolidated detailed schedules

Annexed detailed schedule of property, plant and equipment, etc.

(Thousand yen)

Item	Type of assets	Balance as of Apr. 1, 2025	Increase	Decrease	Depreciation or amortization	Balance as of Mar. 31, 2026	Accumulated depreciation or amortization
Property, plant and equipment	Buildings	530,421	360,796	-	105,842	785,375	766,531
	Structures	4,948	-	-	448	4,500	3,331
	Tools, furniture and fixtures	104,855	20,399	0	41,034	84,219	335,607
	Land	142,361	-	-	-	142,361	-
	Construction in progress	1,002	32,150	5,202	-	27,950	-
	Total property, plant and equipment	783,588	413,345	5,202	147,325	1,044,406	1,105,470
Intangible assets	Software	116,426	237,258	-	71,190	282,495	-
	Software in progress	186,971	35,214	218,868	-	3,318	-
	Telephone subscription right	6,180	-	-	-	6,180	-
	Total intangible assets	309,578	272,473	218,868	71,190	291,993	-

Notes: 1. The increase of 360,796 thousand yen in buildings is primarily due to the recognition of asset retirement obligations.

2. The increase of 237,258 thousand yen in software is primarily due to in-house system renovations.

Annexed detailed schedule of provisions

(Thousand yen)

Account	Balance as of Apr. 1, 2025	Increase	Decrease	Balance as of Mar. 31, 2026
Allowance for doubtful accounts	302,107	11,966	35,112	278,961
Provision for bonuses	1,533,068	1,400,233	1,533,068	1,400,233
Provision for bonuses for directors (and other officers)	45,093	58,285	45,093	58,285
Provision for loss on construction contracts	617	114,453	617	114,453
Provision for retirement benefits	972,544	105,829	83,499	994,874
Provision for share awards for directors (and other officers)	59,037	59,277	17,691	100,622

(2) Components of major assets and liabilities

This information is omitted because the Group has prepared the consolidated financial statements.

(3) Other information

Not applicable.

VI. Outline of Share-related Administration of Reporting Company

Fiscal year	April 1 to March 31			
Annual General Meeting of Shareholders	June			
Record date	March 31			
Record date of dividends of surplus	September 30 March 31			
Number of shares constituting one unit	100 shares			
Acquisition of odd-lot shares	(Special account) 4-5-33 Kitahama, Chuo-ku, Osaka Stock Transfer Agency Business Planning Department, Sumitomo Mitsui Trust Bank, Limited (Special account) 1-4-1, Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited _____ Separately specified amount equivalent to share trading brokerage fees			
Handling office				
Shareholder register administrator				
Agency				
Acquisition fee				
Method of public notice	JAST posts electronic public notices on its website; when an electronic public notice cannot be used due to an accident or any other unavoidable reason, the notice will be placed in The Nihon Keizai Shimbun. The JAST website https://www.jast.jp/en/			
Special benefits for shareholders	1. Shareholders of record on March 31 of every fiscal year who own at least 600 shares (six units) of JAST stock are eligible to receive special benefit. Based on the number of shares held and the length of the shareholding, shareholders can select socially and environmentally responsible products, food products, household products, experiences, money for a charitable donation, or other items in JAST's gift catalog. 2. Shareholders of record on September 30 of every fiscal year who own at least 100 shares (one unit) of JAST stock are eligible to receive special benefit. Shareholders receive original QUO card worth 1,000 yen.			
	Record date	Number of shares held	Holding period	
	March 31	600 to 999	Under three years	Catalog gift worth 3,000 yen
			At least three years (note)	Catalog gift worth 5,000 yen
		1,000 or more	Under three years	Catalog gift worth 7,000 yen
			At least three years (note)	Catalog gift worth 12,000 yen
	September 30 (2025)	100 or more	No restriction	QUO card worth 1,000 yen
	September 30 (2026 and afterward)		At least one year (note)	QUO card worth 1,000 yen
Note: A holding period of at least three years is defined as a shareholder in the shareholder register as of March 31 and September 30 for at least seven consecutive six-month periods with the same shareholder number. A holding period of at least one year is defined as a shareholder in the shareholder register as of March 31 and September 30 for at least three consecutive six-month periods with the same shareholder number.				

Notes: 1. In accordance with the JAST's Articles of Incorporation, a shareholder holding odd-lot shares does not have any rights other than those listed below:

- (1) Rights listed in every item of Article 189, Paragraph 2 of the Companies Act;
 - (2) Rights to make a request pursuant to the provisions of Article 166, Paragraph 1 of the Companies Act; and
 - (3) Rights to receive allotment of shares for subscription and allotment of share acquisition rights for subscription in proportion to the number of shares held.
2. The shareholder benefit program may be revised or terminated due to changes in results of operations, JAST's policy regarding these benefits or some other reason.

VII. Reference Information of Reporting Company

1. Information about Parent of Reporting Company

Not applicable, because JAST does not have a parent company.

2. Other Reference Information

From the beginning of the current fiscal year until the filing date of this Annual Securities Report, JAST has filed the following documents:

(1) Annual Securities Report and attached document thereof and Confirmation Letter

Filed for the 53rd fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025) with the Director-General of the Kinki Local Finance Bureau on June 27, 2025.

(2) Internal Control Report and attached document thereof

Filed with the Director-General of the Kinki Local Finance Bureau on June 27, 2025.

(3) Semi-annual Reports and Confirmation Letter

Filed for the first half (from April 1 to September 30, 2025) of the 54th fiscal year ended March 31, 2026 with the Director-General of the Kinki Local Finance Bureau on November 13, 2025.

(4) Extraordinary Report

Filed the Extraordinary Report pursuant to the provisions of Article 19, Paragraph 2, (ix)-2 of the Cabinet Office Order on Disclosure of Corporate Affairs (resolutions made at the General Meeting of Shareholders) with the Director-General of the Kinki Local Finance Bureau on June 27, 2025.

Section 2. Information about Reporting Company's Guarantor, etc.

Not applicable.

Independent Auditor's Report and Internal Control Audit Report

June 24, 2026

To the Board of Directors of

Japan System Techniques Co., Ltd.

Deloitte Touche Tohmatsu LLC

Osaka office

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Masaru Fujikawa

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Hideya Sudo

Audit of Consolidated Financial Statements

Audit Opinion

Pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of Japan System Techniques Co., Ltd. (the "Company") and its consolidated subsidiaries (the "Group") provided in the "Financial Information" section in the Company's Annual Securities Report, namely, the consolidated balance sheet as of March 31, 2026, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the fiscal year from April 1, 2025 to March 31, 2026, and the notes to significant accounting policies in the preparation of consolidated financial statements and other notes and the annexed consolidated detailed schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of March 31, 2026, and its consolidated financial performance and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan (including provisions applicable to audits of financial statements of public interest entities), and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current fiscal year. Those matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Estimate of total construction cost for revenue recognition over a specified period based on progress	
Key audit matter description	How the key audit matter was addressed in the audit
As described in “Significant Accounting Policies in the Preparation of Consolidated Financial Statements, 4. Accounting policies, (5) Recognition of significant revenues and expenses” and “Significant Accounting Estimates, 1. Estimate of total construction cost for revenue recognition over a specified period based on progress” in the Notes to Consolidated Financial Statements, the Company records net sales for contracts where the performance obligation is fulfilled over a specified period, such as contracted software production and relevant services, which are the Company’s major businesses, by estimating the progress of fulfilling the performance obligation and recognizing revenue based on the progress for that period. Net sales for the current fiscal year amounted to 32,459,270 thousand yen, of which 1,929,339 thousand yen was from revenue recognized over a specified period based on progress. Net sales from revenue recognized over a specified period based on progress are calculated by multiplying the total construction revenue by the progress. The progress is determined by the input method based on the ratio of the actual costs incurred by the end of the current fiscal year to the estimated total construction cost (the cost-to-cost basis). Contracted software production and relevant services, mainly including a contracted system integration service, are of highly individualized nature, such as due to different specifications and work periods. Any revisions to specifications after the start of contracted software production and relevant services may change the man-hours required for the work. Therefore, in estimating the total construction cost, which is the basis for net sales from revenue recognized over a specified period based on progress, it is necessary to update the estimate of the number of man-hours required to complete the work in a timely manner, and appropriate estimates require management’s judgment. Given the above, we considered the estimate of total construction cost for revenue recognition over a specified period based on progress in contracted software production and relevant services to be of particular importance and determined this matter as a key audit matter.	Our audit procedures related to the estimate of total construction cost for revenue recognition over a specified period based on progress included the following, among others: • We examined the effectiveness of the development and operation of internal controls over the estimate of total construction cost. • We compared the total construction cost in the previous fiscal year and the actual costs incurred in the current fiscal year for projects to which progress-based revenue recognition was applied in the previous fiscal year to examine the accuracy of the estimate of total construction cost. • After questioning each business head manager and reviewing monthly management meeting minutes, monthly reports and other documents to determine whether there were any projects that would require revisions to the original estimates, we questioned the managers of projects concerned and reviewed relevant documents pertaining to the progress of the projects to ensure that the total construction cost was reviewed in a timely manner. • We compared the original estimate of total construction cost with the actual costs incurred, questioned the managers of projects concerned about the factors contributing to the discrepancies for projects with large discrepancies, and reviewed relevant documents related to the progress, to ensure that the revised estimate of total construction cost has been updated appropriately. • We analyzed the cost accruals of significant projects to which net sales were recorded by recognizing revenue over a specified period based on progress, from the perspectives such as whether there were any projects with cost accruals that were not initially anticipated. For projects concerned, we questioned the managers of the projects concerned and, if necessary, performed additional procedures to examine the appropriateness of the cost accruals. • Net sales from revenue recognized over a specified period based on progress were reconciled with the contract and cost calculation documents for estimating the total construction cost, and recalculated on the cost to cost basis.

Other Information

Other information included in the Annual Securities Report is information other than the consolidated financial statements and non-consolidated financial statements and their audit reports. Management is responsible for preparing and disclosing the other information. In addition, the Audit & Supervisory Committee is responsible for overseeing the performance of directors concerning the development and operation of the reporting process for the other information.

Our audit opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

Our responsibility in the audit of the consolidated financial statements is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for the development and operation of such internal controls as management determines necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, information related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative.

The Audit & Supervisory Committee is responsible for overseeing the performance of directors concerning the

development and operation of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain a reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of auditing the consolidated financial statements to express an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used by the management and their method of application, as well as the reasonableness of accounting estimates made by the management and related notes.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements. And, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if these notes are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained by or on the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation of the consolidated financial statements and the notes are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves a fair presentation.
- Plan and perform an audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the Group to provide a basis for an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and examination of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Committee with a statement that we have complied with the provisions of the Code of Professional Ethics in Japan regarding independence and notify committee members of the matters that may reasonably be thought to affect our independence. If applicable, we also provide information about any activities taken to eliminate obstacles to our independence and about the use of safeguards for reducing these obstacles to a permissible level.

Of the matters communicated with the Audit & Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current fiscal year as key audit matters. We describe these matters in our auditor's report unless laws and regulations preclude public disclosure about the matters or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of this communication.

Audit of Internal Control

Audit Opinion

Pursuant to the provisions of Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act, we have audited the Internal Control Report of the Company as of March 31, 2026.

In our opinion, the accompanying Internal Control Report, in which the Company states that internal controls for financial reporting were effective as of March 31, 2026, presents fairly, in all material respects, the assessment of internal controls for financial reporting, in accordance with assessment standards for internal controls for financial reporting generally accepted in Japan.

Basis for Audit Opinion

We conducted our internal control audit in accordance with auditing standards for internal controls for financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Internal Control" section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan (including provisions applicable to audits of financial statements of public interest entities), and we have fulfilled our other ethical responsibilities as auditors. We believe that

the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit & Supervisory Committee for the Internal Control Report

Management is responsible for the development and operation of internal controls for financial reporting, and the preparation and fair presentation of the Internal Control Report in accordance with assessment standards for internal controls for financial reporting generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing and examining the development and operation of internal controls for financial reporting.

Internal controls for financial reporting may not fully prevent or detect misstatements in financial reporting.

Auditor's Responsibilities for the Audit of the Internal Control

Our responsibilities are to obtain a reasonable assurance about whether the Internal Control Report is free from material misstatements and to issue an internal control audit report that includes our opinion on the Internal Control Report based on our internal control audit from an independent point of view.

In accordance with auditing standards for internal controls for financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence about the results of the assessments of internal controls for financial reporting in the Internal Control Report. The procedures are selected and applied by the auditor's judgment based on the significance of effects on the reliability of financial reporting.
- Evaluate the overall presentation of the Internal Control Report, including the appropriateness of the scope, procedures, and results of management's assessments of internal controls for financial reporting.
- Plan and perform an audit of the Internal Control in order to obtain sufficient appropriate audit evidence about the results of the assessments of internal controls for financial reporting in the Internal Control Report. We are responsible for the direction, supervision, and examination of the audit of the Internal Control Report. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Committee regarding the scope and timing of the planned internal control audit, the results of this audit, significant deficiencies in internal controls to be disclosed that we identify during our audit and those that were corrected, and other matters required by auditing standards for internal control.

We also provide the Audit & Supervisory Committee with a statement that we have complied with the provisions of the Code of Professional Ethics in Japan regarding independence and notify committee members of the matters that may reasonably be thought to affect our independence. If applicable, we also provide information about any activities taken to eliminate obstacles to our independence and about the use of safeguards for reducing these obstacles to a permissible level.

Information about Audit Fees

Fees received by our firm and individuals belonging to the network of our firm for audit certification services of the Group and for non-audit services are shown in (3) Audits in the Corporate Governance section included in Information about Reporting Company of this Annual Securities Report.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its engagement partners do not have any interest in the Group that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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- Notes: 1. The original copy of this audit report is kept separately by the Company (the reporting company of the Annual Securities Report).
2. The associated XBRL data are not included in the scope of the audit.

Independent Auditor's Report

June 24, 2026

To the Board of Directors of

Japan System Techniques Co., Ltd.

Deloitte Touche Tohmatsu LLC

Osaka office

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Masaru Fujikawa

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Hideya Sudo

Audit of Non-consolidated Financial Statements

Audit Opinion

Pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the non-consolidated financial statements of Japan System Techniques Co., Ltd. (the "Company") provided in the "Financial Information" section in the Company's Annual Securities Report, namely, the non-consolidated balance sheet as of March 31, 2026, and the non-consolidated statement of income and non-consolidated statement of changes in equity and the notes to significant accounting policies for the 54th fiscal year from April 1, 2025 to March 31, 2026, and the related notes and the annexed detailed schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026, and its financial performance for the fiscal year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan (including provisions applicable to audits of financial statements of public interest entities), and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the non-consolidated financial statements for the current fiscal year. Those matters were addressed in the context of our audit of the non-consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Estimate of total construction cost for revenue recognition over a specified period based on progress
As described in "Significant Accounting Policies, 4. Recognition of revenues and expenses" and "Significant Accounting Estimates, 1. Estimate of total construction cost for revenue recognition over a specified period based on progress" in the Notes to Non-consolidated Financial Statements, the Company records net sales for contracts where the performance obligation is fulfilled over a specified period, such as contracted software production and relevant services, which are the Company's major businesses, by estimating the progress of fulfilling the performance obligation and recognizing revenue based on the progress for that period. Net sales for the current fiscal year amounted to 27,366,281 thousand yen, of which 1,905,192 thousand yen was from revenue recognized over a specified period based on progress. Key audit matter description and how the key audit matter was addressed in the audit for this matter are not presented because they are the same as described in "Key Audit Matters (Estimate of total construction cost for revenue recognition over a specified period based on progress)" in the audit report on the consolidated financial statements.

Other Information

Other information included in the Annual Securities Report is information other than the consolidated financial statements and non-consolidated financial statements and their audit reports. Management is responsible for preparing and disclosing the other information. In addition, the Audit & Supervisory Committee is responsible for overseeing the performance of directors concerning the development and operation of the reporting process for the other information.

Our audit opinion on the non-consolidated financial statements does not cover the other information, and we do not

express any form of assurance conclusion thereon.

Our responsibility in the audit of the non-consolidated financial statements is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Committee for the Non-consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for the development and operation of such internal controls as management determines necessary to enable the preparation and fair presentation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, information related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit & Supervisory Committee is responsible for overseeing the performance of directors concerning the development and operation of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our responsibilities are to obtain a reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these non-consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the non-consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of auditing the non-consolidated financial statements to express an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used by the management and their method of application, as well as the reasonableness of accounting estimates made by the management and related notes.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements. And, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements or, if these notes are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation of the non-consolidated financial statements and the notes are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the notes, and whether the non-consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves a fair presentation.

We communicate with the Audit & Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Committee with a statement that we have complied with the provisions of the Code of Professional Ethics in Japan regarding independence and notify committee members of the matters that may reasonably be thought to affect our independence. If applicable, we also provide information about any activities taken to eliminate obstacles to our independence and about the use of safeguards for reducing these obstacles to a permissible level.

Of the matters communicated with the Audit & Supervisory Committee, we determine those matters that were of most significance in the audit of the non-consolidated financial statements for the current fiscal year as key audit matters. We describe these matters in our auditor's report unless laws and regulations preclude public disclosure about the matters or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of this communication.

Information about Audit Fees

Information about audit fees is described in the audit report on the consolidated financial statements.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its engagement partners do not have any interest in the Company that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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