

May 13, 2024

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

[Japanese GAAP]

Company name: Japan System Techniques Co., Ltd. Listing: Tokyo Stock Exchange  
 Stock code: 4323 URL: <https://www.jast.jp>  
 Representative: Takeaki Hirabayashi, President and CEO  
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 Scheduled date of Annual General Meeting of Shareholders: June 25, 2024  
 Scheduled date of payment of dividend: June 11, 2024  
 Scheduled date of filing of Annual Security Report: June 26, 2024  
 Preparation of supplementary materials for financial results: Yes  
 Holding of financial results meeting: Yes (for analysts)

Note: The original disclosure in Japanese was released on May 13, 2024 at 16:00 (GMT +9).

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2024	26,183	11.3	2,791	17.0	2,861	16.8	2,086	17.8
Fiscal year ended Mar. 31, 2023	23,519	9.9	2,385	19.3	2,450	19.4	1,772	33.2

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2024: 2,295 (up 22.8%)

Fiscal year ended Mar. 31, 2023: 1,868 (up 39.2%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2024	85.08	-	17.8	15.3	10.7
Fiscal year ended Mar. 31, 2023	72.25	-	17.8	14.9	10.1

Reference: Equity in earnings of affiliates (million yen): Fiscal year ended Mar. 31, 2024: - Fiscal year ended Mar. 31, 2023: -

Note: JAST conducted a 2-for-1 common stock split on April 1, 2024.

Net income per share has been calculated as if this stock split has taken place at the beginning of the fiscal year ended March 31, 2023.

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	20,022	12,712	63.2	516.08
As of Mar. 31, 2023	17,413	10,816	61.8	439.03

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 12,658 As of Mar. 31, 2023: 10,768

Note: JAST conducted a 2-for-1 common stock split on April 1, 2024.

Net assets per share have been calculated as if this stock split has taken place at the beginning of the fiscal year ended March 31, 2023.

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2024	1,888	(761)	(424)	7,515
Fiscal year ended Mar. 31, 2023	1,073	(541)	(280)	6,793

## 2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Mar. 31, 2023	-	0.00	-	32.00	32.00	397	22.1	3.9
Fiscal year ended Mar. 31, 2024	-	0.00	-	45.00	45.00	558	26.4	4.7
Fiscal year ending Mar. 31, 2025 (forecasts)	-	0.00	-	27.00	27.00		28.8	

Note: JAST conducted a 2-for-1 common stock split on April 1, 2024.

The dividend per share forecasts for the fiscal year ending March 31, 2025 are the amount after the stock split.

## 3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	28,570	9.1	3,150	12.9	3,200	11.8	2,300	10.2	93.77

**\* Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(3) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2024: 24,836,920 shares As of Mar. 31, 2023: 24,836,920 shares

2) Number of treasury shares at the end of the period

As of Mar. 31, 2024: 308,768 shares As of Mar. 31, 2023: 308,536 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2024: 24,528,214 shares Fiscal year ended Mar. 31, 2023: 24,528,584 shares

Notes: 1. JAST conducted a 2-for-1 common stock split on April 1, 2024. The number of shares outstanding at the end of the period has been calculated as if this stock split has taken place at the beginning of the fiscal year ended March 31, 2023.

2. The Company's stock held by the Board Benefit Trust (BBT) is included in the number of treasury shares (298,400 shares as of March 31, 2024 and 298,400 shares as of March 31, 2023), and is deducted from the number of shares that is used to calculate the average number of shares outstanding during the period.

**Reference: Summary of Non-consolidated Financial Results**

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)**

(1) Non-consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2024	20,431	10.1	2,097	16.4	2,184	2.4	1,614	(1.0)
Fiscal year ended Mar. 31, 2023	18,552	8.6	1,801	11.2	2,134	21.9	1,630	63.1

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2024	65.82	-
Fiscal year ended Mar. 31, 2023	66.47	-

Note: JAST conducted a 2-for-1 common stock split on April 1, 2024. Net income per share has been calculated as if this stock split has taken place at the beginning of the fiscal year ended March 31, 2023.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	17,347	11,440	65.9	466.42
As of Mar. 31, 2023	15,504	10,202	65.8	415.93

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 11,440 As of Mar. 31, 2023: 10,202

Note: JAST conducted a 2-for-1 common stock split on April 1, 2024. Net assets per share have been calculated as if this stock split has taken place at the beginning of the fiscal year ended March 31, 2023.

Note 1: The current financial report is not subject to audit by certified public accountants or auditing firms.

Note 2: Cautionary statement with respect to forward-looking statements

Forecasts of future performance in these materials are based on assumption judged to be valid and information available to the Company's management at the time the materials were prepared, but are not promises by the Company regarding future performance. Actual results may differ materially from the forecasts. Please refer to "1. Overview of Results of Operations, (4) Outlook" on page 3 for forecast assumptions and notes of caution for usage.

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## 1. Overview of Results of Operations

### (1) Results of Operations

Consolidated sales of the Japan System Techniques Group (Japan System Techniques Co., Ltd. (JAST) and its consolidated subsidiaries, hereafter “the Group”) during the fiscal year that ended in March 2024 were 26,183 million yen (up 11.3% year on year). Operating income was 2,791 million yen (up 17.0% year on year), ordinary income was 2,861 million yen (up 16.8% year on year), and profit attributable to owners of parent was 2,086 million yen (up 17.8% year on year).

Business segment performance was as follows.

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

Segment sales increased 6.4% from one year earlier to 15,251 million yen and the operating income increased 8.3% to 2,250 million yen. The number of large orders received directly from existing and new customers was higher than one year earlier. As a result, the overall profitability of the business increased.

(Package business)

Segment sales increased 9.9% from one year earlier to 4,933 million yen and the operating income increased 10.6% to 1,383 million yen. There was an increase in sales of program products, installation and support services, and IT equipment involving the GAKUEN Series, a strategic university management system. Sales of program products for BankNeo, an information systems integration package for financial institutions, were lower than one year earlier.

(Medical big data business)

Segment sales increased 30.8% from one year earlier to 2,644 million yen and the operating income was up 50.2% to 686 million yen. The performance of this business improved primarily due to increased sales of highly profitable analysis services, a cloud-based health insurance claims management system for welfare public assistance, and other services.

(Global business)

Sales increased 25.5% from one year earlier to 3,354 million yen and the operating income increased 48.4% to 402 million yen. This can be largely attributed to higher sales resulting from the large number of orders received for SAP installation support services in Malaysia, even though there were lower sales in SI development projects in China.

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

Corporate general and administrative expenses increased 15.5% from one year earlier to 1,931 million yen. This increase was attributable mainly to more education and training programs as the number of employees increased, more recruiting activities, and expenditures involving the addition of office space and upgrading the IT infrastructure.

### (2) Financial Position

The balance of current assets at the end of the current fiscal year was 15,710 million yen, up 10.7% over the end of the previous fiscal year. This was mainly due to increases in cash and deposits, and accounts receivable-trade and contract assets. The balance of non-current assets were 4,311 million yen at the end of the current fiscal year, up 33.6% over the end of the previous fiscal year.

The balance of current liabilities at the end of the current fiscal year was 5,222 million yen, up 11.0% over the end of the previous fiscal year. This was mainly due to increases in contract liabilities (advances received for business activities), accrued expenses and income taxes payable. The balance of non-current liabilities was 2,087 million yen at the end of the current fiscal year, up 10.2% over the end of the previous year.

The balance of total net assets was 12,712 million yen at the end of the current fiscal year, up 17.5% over the end of the previous fiscal year.

**(3) Cash Flows**

Cash and cash equivalents increased 722 million yen from 6,793 million yen at the beginning of the current fiscal year to 7,515 million yen at the end of the current fiscal year.

Cash flows by category were as follows.

Net cash provided by operating activities totaled 1,888 million yen, compared with 1,073 million yen provided in the previous fiscal year. This difference was mainly due to an increase in profit before income taxes and a decrease in payments of other payables.

Net cash used in investing activities totaled 761 million yen, compared with 541 million yen used in the previous fiscal year. This difference was mainly due to increases in purchase of property, plant and equipment and loan advances while there were proceeds from purchase of shares of a subsidiary.

Net cash used in financing activities totaled 424 million yen, compared with 280 million yen used in the previous fiscal year. This difference was mainly due to an increase in dividends paid.

Reference: Cash flow indicators

	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Equity ratio (%)	47.7	53.0	58.9	61.8	63.2
Equity ratio based on market value (%)	42.1	64.2	101.9	128.3	222.1
Interest-bearing debt to cash flow ratio (years)	3.6	0.2	0.0	0.0	0.0
Interest coverage ratio (times)	94.1	615.0	1,009.9	1,730.2	4,733.2

Note: 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.

**(4) Outlook**

Although the Japanese economy is expected to recover with the support of consumer spending and an improvement in the labor market, the outlook remains uncertain due to high prices of materials and energy worldwide, exchange rate volatility, and other reasons. In the IT industry, there is rapid progress involving AI and other digital technologies, increasing diversification of software development methods, including no-code and low-code platforms, and many digital transformation activities at companies. As a result, growth of the IT market is expected to continue. Furthermore, this growth will be accompanied by challenges concerning labor shortages and increasingly heated competition on a global scale.

For more progress in this business climate, the Group has examined additional measures for accomplishing the goals of the current medium-term plan and established an action plan. In addition, as we celebrate our 50th anniversary, we are taking action to enable our group to continue creating value for many more years. Actions include new long-term goals and guidelines concerning our corporate image, business portfolio, scale of operations and other aspects of the Group's activities. We will also establish a medium-term plan and take actions based on the plan.

The central theme of the Group in the fiscal year ending in March 2025 is "use JAST's DNA for more progress during the next 50 years." In the digital transformation and system integration (DX&SI) business, which is our largest core business we plan to focus on services, solutions and other value-added business activities. In addition, we plan to build a new business model in order to make this business highly profitable and to expand operations to more business domains. In the package, medical big data and other businesses using our own brands, our goals are more upgrades of the functions and quality of all flagship products. To make our brand even more powerful, we also plan to create new businesses and services and move faster for their growth, make strategic R&D investments, and establish alliances with other companies. By taking these actions, we are also aiming to continue to grow in every business domain where we operate. In the global business, our goals are expanding the SAP business to more markets, upgrading the performance of current products and providing a broad range of solutions. In addition, we plan to use alliances for the development and sale of new products for the sustained growth of the global business.

Based on this outlook, we expect increases in sales and earnings in the fiscal year ending March 31, 2025. We forecast net sales of 28,570 million yen (up 9.1% year on year), operating income of 3,150 million yen (up 12.9% year on year), ordinary income of 3,200 million yen (up 11.8% year on year), and profit attributable to owners of parent of 2,300 million yen (up 10.2% year on year).

## **2. Basic Approach to the Selection of Accounting Standards**

The Group will continue to prepare consolidated financial statements using generally accepted accounting principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

**3. Consolidated Financial Statements and Notes****(1) Consolidated Balance Sheet**

	(Thousands of yen)	
	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	7,206,690	7,974,566
Notes and accounts receivable-trade, and contract assets	6,532,385	7,175,022
Merchandise and finished goods	172,554	149,333
Work in process	100,612	202,606
Raw materials and supplies	8,239	5,339
Other	174,586	212,222
Allowance for doubtful accounts	(7,924)	(8,096)
Total current assets	14,187,144	15,710,994
Non-current assets		
Property, plant and equipment		
Buildings and structures	958,056	1,395,009
Accumulated depreciation	(589,641)	(673,682)
Buildings and structures, net	368,415	721,326
Land	142,361	142,361
Other	607,152	663,931
Accumulated depreciation	(485,935)	(462,397)
Other, net	121,216	201,534
Total property, plant and equipment	631,994	1,065,222
Intangible assets		
Goodwill	88,499	267,027
Customer-related assets	71,561	53,821
Software	74,913	161,891
Other	7,626	8,141
Total intangible assets	242,601	490,881
Investments and other assets		
Investment securities	612,807	647,560
Retirement benefit asset	674,681	887,689
Deferred tax assets	539,732	508,642
Guarantee deposits	435,927	501,402
Other	93,485	250,789
Allowance for doubtful accounts	(4,577)	(40,487)
Total investments and other assets	2,352,057	2,755,595
Total non-current assets	3,226,652	4,311,699
Total assets	17,413,797	20,022,694

	(Thousands of yen)	
	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	1,495,532	1,429,832
Current portion of long-term borrowings	-	12,480
Income taxes payable	498,990	570,362
Contract liabilities	354,018	520,178
Provision for bonuses	1,270,424	1,313,103
Provision for bonuses for directors (and other officers)	110,250	133,649
Provision for loss on construction contracts	6,801	14,510
Other	967,961	1,228,837
<b>Total current liabilities</b>	<b>4,703,978</b>	<b>5,222,954</b>
<b>Non-current liabilities</b>		
Long-term borrowings	-	65,960
Provision for share awards for directors (and other officers)	141,759	155,990
Retirement benefit liability	1,110,713	1,087,676
Asset retirement obligations	239,628	273,506
Deferred tax liabilities	28,464	29,824
Other	373,011	474,674
<b>Total non-current liabilities</b>	<b>1,893,578</b>	<b>2,087,632</b>
<b>Total liabilities</b>	<b>6,597,556</b>	<b>7,310,586</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,535,409	1,535,409
Capital surplus	1,702,732	1,702,732
Retained earnings	7,389,420	9,079,131
Treasury shares	(175,703)	(175,947)
<b>Total shareholders' equity</b>	<b>10,451,859</b>	<b>12,141,325</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	137,114	158,376
Foreign currency translation adjustment	119,184	162,373
Remeasurements of defined benefit plans	60,618	196,499
<b>Total accumulated other comprehensive income</b>	<b>316,917</b>	<b>517,248</b>
<b>Non-controlling interests</b>	<b>47,463</b>	<b>53,533</b>
<b>Total net assets</b>	<b>10,816,240</b>	<b>12,712,107</b>
<b>Total liabilities and net assets</b>	<b>17,413,797</b>	<b>20,022,694</b>



**(2) Consolidated Statements of Income and Comprehensive Income****Consolidated Statement of Income**

(Thousands of yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net sales	23,519,516	26,183,521
Cost of sales	17,143,676	18,915,371
Gross profit	6,375,839	7,268,149
Selling, general and administrative expenses	3,990,171	4,476,982
Operating income	2,385,668	2,791,166
Non-operating income		
Interest income	16,012	22,797
Dividend income	8,937	8,499
Rental income	3,086	3,155
Commission income	2,100	2,111
Foreign exchange gains	12,286	9,949
Insurance claim income	-	14,700
Subsidy income	20,792	29,587
Other	5,535	17,591
Total non-operating income	68,752	108,392
Non-operating expenses		
Interest expenses	620	400
Provision of allowance for doubtful accounts	-	35,507
Commission expenses	758	762
Other	2,892	1,474
Total non-operating expenses	4,271	38,143
Ordinary income	2,450,148	2,861,415
Profit before income taxes	2,450,148	2,861,415
Income taxes-current	658,607	807,544
Income taxes-deferred	13,513	(37,290)
Total income taxes	672,121	770,254
Profit	1,778,027	2,091,161
Profit attributable to non-controlling interests	5,816	4,222
Profit attributable to owners of parent	1,772,210	2,086,939

**Consolidated Statement of Comprehensive Income**

	(Thousands of yen)	
	FY3/23	FY3/24
	(Apr. 1, 2022 – Mar. 31, 2023)	(Apr. 1, 2023 – Mar. 31, 2024)
Profit	1,778,027	2,091,161
Other comprehensive income		
Valuation difference on available-for-sale securities	15,346	21,261
Foreign currency translation adjustment	125,124	46,788
Remeasurements of defined benefit plans, net of tax	(50,087)	135,880
Total other comprehensive income	90,382	203,930
Comprehensive income	1,868,410	2,295,092
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	1,858,894	2,287,270
Comprehensive income attributable to non-controlling interests	9,516	7,822

**(3) Consolidated Statement of Changes in Equity**

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,535,409	1,703,991	5,865,484	(175,264)	8,929,621
Changes during period					
Dividends of surplus			(248,274)		(248,274)
Profit attributable to owners of parent			1,772,210		1,772,210
Purchase of treasury shares				(439)	(439)
Change in ownership interest of parent due to transactions with non-controlling interests		(1,258)			(1,258)
Net changes in items other than shareholders' equity					
Total changes during period	-	(1,258)	1,523,936	(439)	1,522,238
Balance at end of period	1,535,409	1,702,732	7,389,420	(175,703)	10,451,859

	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	121,768	(2,240)	110,706	230,234	34,628	9,194,483
Changes during period						
Dividends of surplus						(248,274)
Profit attributable to owners of parent						1,772,210
Purchase of treasury shares						(439)
Change in ownership interest of parent due to transactions with non-controlling interests						(1,258)
Net changes in items other than shareholders' equity	15,346	121,425	(50,087)	86,683	12,835	99,518
Total changes during period	15,346	121,425	(50,087)	86,683	12,835	1,621,756
Balance at end of period	137,114	119,184	60,618	316,917	47,463	10,816,240

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Thousands of 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	7,389,420	(175,703)	10,451,859
Changes during period					
Dividends of surplus			(397,228)		(397,228)
Profit attributable to owners of parent			2,086,939		2,086,939
Purchase of treasury shares				(244)	(244)
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,689,710	(244)	1,689,466
Balance at end of period	1,535,409	1,702,732	9,079,131	(175,947)	12,141,325

	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	137,114	119,184	60,618	316,917	47,463	10,816,240
Changes during period						
Dividends of surplus						(397,228)
Profit attributable to owners of parent						2,086,939
Purchase of treasury shares						(244)
Change in ownership interest of parent due to transactions with non-controlling interests						-
Net changes in items other than shareholders' equity	21,261	43,188	135,880	200,330	6,070	206,400
Total changes during period	21,261	43,188	135,880	200,330	6,070	1,895,867
Balance at end of period	158,376	162,373	196,499	517,248	53,533	12,712,107

**(4) Consolidated Statement of Cash Flows**

	(Thousands of yen)	
	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	2,450,148	2,861,415
Depreciation	118,347	151,065
Amortization of software	25,110	25,531
Amortization of goodwill	23,599	24,203
Amortization of customer-related assets	19,083	19,571
Increase (decrease) in provision for bonuses	74,896	42,131
Decrease (increase) in retirement benefit asset	30,463	(213,008)
Increase (decrease) in retirement benefit liability	48,816	(25,790)
Interest and dividend income	(24,950)	(31,297)
Interest expenses	620	400
Decrease (increase) in accounts receivable-trade, and contract assets	(937,570)	(597,994)
Increase (decrease) in contract liabilities	(79,016)	164,541
Decrease (increase) in inventories	(28,805)	(74,574)
Increase (decrease) in trade payables	101,276	(70,426)
Other, net	(52,232)	331,196
Subtotal	1,769,788	2,606,965
Interest and dividends received	24,950	19,259
Interest paid	(620)	(398)
Income taxes paid	(720,202)	(737,387)
Net cash provided by (used in) operating activities	1,073,916	1,888,438
Cash flows from investing activities		
Payments into time deposits	(415,785)	(470,293)
Proceeds from withdrawal of time deposits	3,291	437,426
Purchase of property, plant and equipment	(80,953)	(386,079)
Proceeds from sale of property, plant and equipment	1,481	5,902
Purchase of software	(16,724)	(114,731)
Purchase of investment securities	(46,994)	(1,834)
Loan advances	(15,906)	(271,498)
Proceeds from collection of loans receivable	8,571	14,547
Payments of guarantee deposits	(2,631)	(118,551)
Proceeds from refund of guarantee deposits	24,945	24,472
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	104,478
Other, net	(950)	14,686
Net cash provided by (used in) investing activities	(541,656)	(761,475)

	(Thousands of yen)	
	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(9,047)	-
Repayments of lease liabilities	(25,115)	(24,860)
Dividends paid	(248,274)	(397,228)
Purchase of treasury shares	(439)	(244)
Proceeds from share issuance to non-controlling shareholders	3,740	-
Dividends paid to non-controlling interests	(1,680)	(1,752)
Net cash provided by (used in) financing activities	(280,816)	(424,085)
Effect of exchange rate change on cash and cash equivalents	77,782	19,259
Net increase (decrease) in cash and cash equivalents	329,226	722,136
Cash and cash equivalents at beginning of period	6,463,823	6,793,050
Cash and cash equivalents at end of period	6,793,050	7,515,186

**(5) Notes to Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Additional Information****Board Benefit Trust (BBT)**

Based on the resolution of the 46th Annual General Meeting of Shareholders, JAST on June 26, 2018 terminated the directors' retirement benefit system and established a Board Benefit Trust (BBT) for the purpose of increasing motivation for contributing to the medium to long-term growth of sales and earnings and an increase in corporate value. The BBT plan clearly links the compensation of directors with the JAST stock price. Furthermore, directors share with shareholders the benefits of a higher stock price as well as the risk of a lower stock price.

## 1) Overview

This is a stock compensation plan in which directors receive stock compensation through a BBT. The BBT acquires JAST stock using cash contributions from JAST as the source of funds. Directors (excluding external directors; same afterward unless indicated otherwise) receive stock compensation or a monetary amount equivalent to the market value of the stock in lieu of stock compensation in accordance with the rules on the stock compensation plan for directors. In principle, a director becomes eligible for stock compensation only after the individual is no longer a JAST director.

## 2) JAST stock held by the BBT

The book value (excluding associated expenses) of JAST stock held by the BBT is shown as treasury shares in the net assets section of the consolidated balance sheet. The BBT held 298,400 shares of JAST with a book value of 171,700 thousand yen as of the end of the previous fiscal year, and the BBT held 298,400 shares with a book value of 171,700 thousand yen as of the end of the current fiscal year.

Note: JAST conducted a 2-for-1 common stock split on April 1, 2024. The number of shares has been calculated as if this stock split has taken place at the beginning of the fiscal year ended March 31, 2023.

**Business Combinations**

## 1. Summary of business combination

## (1) Acquired company and its business activities

K-SHIP Co., Ltd.

Business activities: Health insurance invoice processing and verifications, verifications of applications for payments of judo therapy treatment expenses, health management business, and other activities

## (2) Reasons for acquisition

K-SHIP is a provider of insurance services primarily to health insurance organizations. Operations include verifications of applications for payments for judo therapy treatments, which are mainly inspections of items listed in invoices, and outsourced invoicing services, health insurance administrative tasks, and other activities. K-SHIP has the largest share and provides services to more than 170 health insurance organizations. The JAST Group (JAST and its consolidated subsidiaries) is a comprehensive software development organization that has no affiliations with other corporate groups and a highly distinctive identity. The Group has a system solutions business that always utilizes the latest advances in technology to serve an extremely broad range of clients in terms of industries, technological fields, equity relationships and other characteristics. The medical big data business was 8.6% of the Group's sales in the fiscal year that ended in March 2023. The Group's business activities are guided by the missions of making medical data an asset with value and using ICT for the digital transformation of health insurance operations. The objectives are to be a one-stop source of services for health insurers and a provider of services for the utilization of data with the aim of extending the healthy life spans of the public and supporting health insurance for the people of Japan. One of the Group's highest priorities is the growth of business value in this insurance services sector by increasing the Group's market share for more growth of medical big data at the Group.

JAST has purchased K-SHIP stock for the purposes of increasing the number of transactions and the volume of big data in the health insurance market at all group companies. In addition, JAST plans to use the combination of the JAST Group's ICT and digital transformation expertise and K-SHIP's business operations know-how for the

provision of services with even greater value to health insurance organizations.

(3) Acquisition date

January 26, 2024 (stock acquisition date)

March 31, 2024 (assumed acquisition date)

(4) Legal form of acquisition

Acquisition of shares with cash

(5) Company's name after acquisition

There is no change in the company's name.

(6) Percentage of voting rights acquired

100%

(7) Basis for choosing the company to acquire

JAST acquired the shares in exchange for consideration in cash.

2. Period of the acquired company's performance included in the consolidated financial statements

The consolidated statement of income for the current fiscal year does not reflect the performance of the acquired companies since JAST has consolidated only the balance sheet. This is because the assumed acquisition date of March 31, 2024 does not exceed three months from the consolidation closing date of the current fiscal year.

3. Acquisition cost of acquired company and breakdown by type of consideration

Payment for the acquisition:	Cash	1 thousand yen
Acquisition cost:		1 thousand yen

4. Details of major acquisition-related costs

Remuneration for advisory members and other related fees: 2.2 million yen

5. Goodwill resulting from the acquisition

(1) Value of goodwill

200.466 million yen

The amount of goodwill is calculated provisionally because the allocation of the acquisition cost is incomplete at the end of the current fiscal year.

(2) Source of goodwill

The source is primarily the expectation of excess earnings power emerging from business development in the future.

(3) Amortization method and amortization period

Goodwill is amortized over ten years by the straight-line method.

6. Breakdown of assets acquired and liabilities assumed on the acquisition date

Current assets:	128.057 million yen
Non-current assets:	9.649 million yen
Total assets:	137.707 million yen
Current liabilities:	32.774 million yen
Non-current liabilities:	305.398 million yen
Total liabilities:	338.172 million yen

7. Estimated effect of the business combination on the consolidated statement of income if the business combination had been completed at the beginning of the current fiscal year.

This information is omitted due to immateriality.



**Segment and Other Information**

## Segment information

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

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of 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	14,335,487	4,489,345	2,021,231	2,673,452	23,519,516	-	23,519,516
2. Inter-segment sales and transfers	89,922	42,155	-	50,312	182,390	(182,390)	-
Total	14,425,409	4,531,501	2,021,231	2,723,765	23,701,906	(182,390)	23,519,516
Segment profit	2,078,787	1,250,729	457,107	271,017	4,057,641	(1,671,973)	2,385,668
Segment assets	8,087,574	3,551,540	1,639,504	2,126,797	15,405,417	2,008,379	17,413,797
Other items							
Depreciation	61,305	27,621	19,214	54,400	162,541	-	162,541
Increase in property, plant and equipment and intangible assets	41,635	19,034	29,855	32,268	122,793	-	122,793

- 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 is adjusted with operating income shown on the consolidated statement of income.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Thousands of 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	15,251,285	4,933,451	2,644,373	3,354,411	26,183,521	-	26,183,521
2. Inter-segment sales and transfers	127,579	5,817	2,570	70,120	206,086	(206,086)	-
Total	15,378,864	4,939,268	2,646,943	3,424,531	26,389,607	(206,086)	26,183,521
Segment profit	2,250,991	1,383,294	686,468	402,176	4,722,930	(1,931,764)	2,791,166
Segment assets	8,838,361	3,992,196	2,602,764	2,382,183	17,815,505	2,207,188	20,022,694
Other items							
Depreciation	80,644	32,790	26,339	56,393	196,168	-	196,168
Increase in property, plant and equipment and intangible assets	305,140	116,918	59,552	44,060	525,672	-	525,672

- 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 is adjusted with operating income shown on the consolidated statement of income.

## Related information

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

## 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

(Thousands of yen)

Japan	Overseas	Total
20,831,987	2,687,528	23,519,516

## (2) Property, plant and equipment

(Thousands of yen)

Japan	Overseas	Total
579,246	52,747	631,994

## 3. Information by major client

(Thousands of yen)

Company name	Net sales	Business segment
NTT COMWARE CORPORATION	2,102,664	DX&SI business

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

## 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

(Thousands of yen)

Japan	Overseas	Total
22,821,428	3,362,092	26,183,521

## (2) Property, plant and equipment

(Thousands of yen)

Japan	Overseas	Total
864,144	201,078	1,065,222

## 3. Information by major client

(Thousands of yen)

Company name	Net sales	Business segment
NTT COMWARE CORPORATION	2,197,223	DX&SI business

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

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

Not applicable.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

Not applicable.

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

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	DX&SI business	Package business	Medical big data business	Global business	Elimination or corporate	Total
Amortization for the period	-	-	-	23,599	-	23,599
Balance at end of period	-	-	-	88,499	-	88,499

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Thousands of yen)

	DX&SI business	Package business	Medical big data business	Global business	Elimination or corporate	Total
Amortization for the period	-	-	-	24,203	-	24,203
Balance at end of period	-	-	200,466	66,560	-	267,027

Information related to gain on bargain purchase for each reportable segment

Not applicable.

**Per-share Information**

(Yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net assets per share	439.03	516.08
Net income per share	72.25	85.08

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

2. JAST conducted a 2-for-1 common stock split on April 1, 2024. Net assets per share and net income per share have been calculated as if this stock split has taken place at the beginning of the fiscal year ended March 31, 2023.

3. The basis of calculation is as follows.

(Thousands of yen)

	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
Net assets per share		
Total net assets on balance sheet	10,816,240	12,712,107
Deduction on total net assets	47,463	53,533
(Non-controlling interests)	(47,463)	(53,533)
Net assets applicable to common shares	10,768,776	12,658,574
Number of common shares used in calculation of net assets per share	24,528,384 shares	24,528,152 shares

(Thousands of yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net income per share		
Profit attributable to owners of parent	1,772,210	2,086,939
Amount not available to common shareholders	-	-
Profit attributable to owners of parent applicable to common shares	1,772,210	2,086,939
Average number of shares outstanding during period	24,528,584 shares	24,528,214 shares

Note: JAST has established a new Board Benefit Trust (BBT). The JAST stock remaining in the BBT (298,400 shares as of March 31, 2023 and 298,400 shares as of March 31, 2024) 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 shares (298,400 shares in FY3/23 and 298,400 shares in FY3/24) 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 net income per share.

## Subsequent Events

Following the resolution approved by the Board of Directors meeting held on February 29, 2024, JAST implemented a stock split and has made an associated revision to the Articles of Incorporation.

### 1. Stock split

#### (1) Purpose of stock split

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

#### (2) Method of stock split

Shareholders listed in the final shareholder register on the record date of March 31, 2024 have received two shares of common stock for each share held on the record date.

#### (3) Number of shares increased by the stock split

Total number of shares issued prior to the stock split:	12,418,460 shares
Number of shares increased by the stock split:	12,418,460 shares
Total number of shares issued following the stock split:	24,836,920 shares
Total number of authorized shares following the stock split:	64,000,000 shares

#### (4) Schedule

Public notice of record date:	March 15, 2024
Record date:	March 31, 2024
Effective date:	April 1, 2024

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

#### (1) Reason for the revision

In association with this stock split, the JAST Articles of Incorporation was partially amended on April 1, 2024 in accordance with Article 184, Paragraph 2 of the Companies Act.

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

Current	After revision
Article 6: (Total Number of Shares Authorized) The total number of shares authorized to be issued by the Company shall be <u>32,000,000</u> shares.	Article 6: (Total Number of Shares Authorized) The total number of shares authorized to be issued by the Company shall be <u>64,000,000</u> shares.

#### (3) Effective date

April 1, 2024

*This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*