

**Summary of Consolidated Financial Results
for the Third Quarter of Fiscal Year Ending March 31, 2025
(Nine Months Ended December 31, 2024)**

[Japanese GAAP]

Company name: Japan System Techniques Co., Ltd.
Stock code: 4323
Representative: Takeaki Hirabayashi, President and CEO
Contact: Taku Hirabayashi, Director and Senior Officer

Listing: Tokyo Stock Exchange
URL: <https://www.jast.jp>

Tel: +81-6-4560-1000

Scheduled date of payment of dividend: -
Preparation of supplementary materials for financial results: None
Holding of financial results meeting: None

Note: The original disclosure in Japanese was released on February 13, 2025 at 16:00 (GMT +9).

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

**1. Consolidated Financial Results for the Third Quarter Ended December 31, 2024
(April 1, 2024 – December 31, 2024)**

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2024	20,549	10.9	2,041	26.5	2,116	28.4	1,417	28.9
Nine months ended Dec. 31, 2023	18,527	11.4	1,614	3.5	1,648	2.7	1,099	(5.8)

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2024: 1,581 (up 32.8%)

Nine months ended Dec. 31, 2023: 1,190 (down 12.7%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Dec. 31, 2024	57.63	-
Nine months ended Dec. 31, 2023	44.81	-

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

Earnings per share has been calculated as if this stock split has taken place at the beginning of the fiscal year ended March 31, 2024.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2024	20,341	13,847	67.8	557.29
As of Mar. 31, 2024	20,022	12,712	63.2	516.08

Reference: Shareholders' equity (million yen) As of Dec. 31, 2024: 13,781 As of Mar. 31, 2024: 12,658

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

Net assets per share are the amount after the stock split, as if this stock split has taken place at the beginning of the fiscal year ended March 31, 2024.

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2024	-	0.00	-	45.00	45.00
Fiscal year ending Mar. 31, 2025	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2025 (forecasts)	-	-	-	27.00	27.00

Note 1: Revisions to the most recently announced dividend forecast: None

Note 2: 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 profit		Ordinary profit		Profit attributable to owners of parent		Earnings 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

Note: Revisions to the most recently announced consolidated earnings forecasts: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly added: 2 (Virtual Calibre IT Solutions L.L.C, Virtual Calibre IT Consultancy - L.L.C-S.P.C)

Excluded: 1 (ISR Co., Ltd.)

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common shares)

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

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

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

As of Dec. 31, 2024:	107,568 shares	As of Mar. 31, 2024:	308,768 shares
----------------------	----------------	----------------------	----------------

3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2024:	24,587,223 shares	Nine months ended Dec. 31, 2023:	24,528,234 shares
----------------------------------	-------------------	----------------------------------	-------------------

Note 1: Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

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

Forecasts of future performance described in these materials are based on assumptions 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. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecasts and Other Forward-looking Statements" on page 3 for forecast assumptions and notes of caution for usage.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	2
(3) Explanation of Consolidated Forecasts and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
Quarterly Consolidated Statement of Income	
For the Nine-month Period	6
Quarterly Consolidated Statement of Comprehensive Income	
For the Nine-month Period	7
(3) Quarterly Consolidated Statement of Cash Flows	8
(4) Notes to Quarterly Consolidated Financial Statements	9
Going Concern Assumption	9
Significant Changes in Shareholders' Equity	9
Changes in Accounting Policies	9
Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements	9
Segment and Other Information	10

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

Consolidated sales of the Japan System Techniques Group (Japan System Techniques Co., Ltd. (JAST) and its consolidated subsidiaries, hereafter the “Group”) in the first nine months of the current fiscal year were 20,549 million yen (up 10.9% year on year). Operating profit was 2,041 million yen (up 26.5% year on year), ordinary profit was 2,116 million yen (up 28.4% year on year), and profit attributable to owners of parent was 1,417 million yen (up 28.9% year on year).

Business segment performance was as follows.

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

Segment sales increased 14.7% from one year earlier to 12,731 million yen and operating profit increased 26.1% to 2,266 million yen. Sales increased as the number of large orders received was high mainly in the finance/insurance/brokerage industry and telecommunications and manufacturing industries.

(Package business)

Segment sales increased 22.5% from one year earlier to 3,934 million yen and operating profit increased 31.5% to 947 million yen. There were increases in sales of end user computing (EUC: individualized contracted development of related systems) and program products 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 19.8% from one year earlier to 1,866 million yen and operating profit was down 16.9% to 236 million yen. There were increases in sales of receipt inspection services, insurer business support services, and a cloud-based health insurance claims management system for welfare public assistance, and other services. The profit decline resulted from higher personnel expenses and strategic investments aimed at fostering mid- to long-term growth, including the integration of K-SHIP Co., Ltd. into the business portfolio beginning with the current fiscal year.

(Global business)

Segment sales decreased 24.1% from one year earlier to 2,017 million yen and there was an operating loss of 46 million yen (vs. operating profit of 330 million yen in the same period of 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 decreased 10.3% from one year earlier to 1,363 million yen.

(2) Explanation of Financial Position

1) Balance sheet

Current assets at the end of the third quarter were 15,449 million yen, down 261 million yen from the end of the previous fiscal year. This was mainly due to an increase in prepaid expenses, which is included in other, and work in process, and a decrease in accounts receivable-trade and contract assets. Non-current assets were 4,892 million yen, up 580 million yen from the end of the previous fiscal year. This was mainly due to an increase in guarantee deposits.

Current liabilities at the end of the third quarter were 4,534 million yen, down 688 million yen from the end of the previous fiscal year. This was mainly due to an increase in contract liabilities and decreases in provision for bonuses and income taxes payable. Non-current liabilities were 1,959 million yen, down 128 million yen from the end of the previous fiscal year.

Net assets at the end of the third quarter were 13,847 million yen, up 1,135 million yen from the end of the previous fiscal year.

2) Cash flows

Cash and cash equivalents decreased 210 million yen from 7,515 million yen at the beginning of the current fiscal year to 7,305 million yen at the end of the first nine months of the current fiscal year.

Cash flows by category were as follows.

Net cash provided by operating activities totaled 1,326 million yen, an increase of 40 million yen from 1,286 million yen provided in the same period of the previous fiscal year. This increase was mainly due to a decrease in proceeds from the collection of trade receivables, and an increase in profit before income taxes.

Net cash used in investing activities totaled 956 million yen, a decrease of 403 million yen from 552 million yen used in the same period of the previous fiscal year. This was mainly due to a decrease in purchase of property, plant and equipment and increases in payments of guarantee deposits and purchase of investment securities.

Net cash used in financing activities totaled 599 million yen, a decrease of 184 million yen from 414 million yen used in the same period of the previous fiscal year. This was mainly due to an increase in dividends paid.

(3) Explanation of Consolidated Forecasts and Other Forward-looking Statements

There are no revisions to the May 13, 2024 forecasts for the fiscal year ending March 31, 2025: net sales of 28,770 million yen (up 9.1% year on year), operating profit of 3,150 million yen (up 12.9% year on year), ordinary profit 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. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY3/24 (As of Mar. 31, 2024)	Third quarter of FY3/25 (As of Dec. 31, 2024)
Assets		
Current assets		
Cash and deposits	7,974,566	7,723,461
Notes and accounts receivable-trade, and contract assets	7,175,022	6,655,112
Securities	-	100,890
Merchandise and finished goods	149,333	236,145
Work in process	202,606	308,668
Raw materials and supplies	5,339	4,518
Other	212,222	425,892
Allowance for doubtful accounts	(8,096)	(5,453)
Total current assets	15,710,994	15,449,235
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,395,009	1,488,728
Accumulated depreciation	(673,682)	(717,028)
Buildings and structures, net	721,326	771,699
Land	142,361	142,361
Other	663,931	583,366
Accumulated depreciation	(462,397)	(402,547)
Other, net	201,534	180,818
Total property, plant and equipment	1,065,222	1,094,880
Intangible assets		
Goodwill	267,027	240,004
Customer-related intangible assets	53,821	44,127
Software	161,891	296,547
Other	8,141	7,704
Total intangible assets	490,881	588,384
Investments and other assets		
Investment securities	647,560	847,834
Retirement benefit asset	887,689	859,768
Deferred tax assets	508,642	287,323
Guarantee deposits	501,402	1,001,445
Other	250,789	253,271
Allowance for doubtful accounts	(40,487)	(40,550)
Total investments and other assets	2,755,595	3,209,092
Total non-current assets	4,311,699	4,892,357
Total assets	20,022,694	20,341,592

	(Thousands of yen)	
	FY3/24 (As of Mar. 31, 2024)	Third quarter of FY3/25 (As of Dec. 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,429,832	1,285,741
Short-term borrowings	-	2,047
Current portion of long-term borrowings	12,480	11,100
Income taxes payable	570,362	211,129
Contract liabilities	520,178	1,123,834
Provision for bonuses	1,313,103	592,794
Provision for bonuses for directors (and other officers)	133,649	95,716
Provision for loss on construction contracts	14,510	7,423
Other	1,228,837	1,205,141
Total current liabilities	5,222,954	4,534,929
Non-current liabilities		
Long-term borrowings	65,960	57,635
Provision for share awards for directors (and other officers)	155,990	49,940
Provision for retirement benefits for directors (and other officers)	-	1,000
Retirement benefit liability	1,087,676	1,090,807
Asset retirement obligations	273,506	282,281
Deferred tax liabilities	29,824	27,754
Other	474,674	450,013
Total non-current liabilities	2,087,632	1,959,432
Total liabilities	7,310,586	6,494,362
Net assets		
Shareholders' equity		
Share capital	1,535,409	1,535,409
Capital surplus	1,702,732	1,702,732
Retained earnings	9,079,131	9,937,558
Treasury shares	(175,947)	(60,176)
Total shareholders' equity	12,141,325	13,115,524
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	158,376	167,252
Foreign currency translation adjustment	162,373	332,599
Remeasurements of defined benefit plans	196,499	166,139
Total accumulated other comprehensive income	517,248	665,991
Non-controlling interests	53,533	65,714
Total net assets	12,712,107	13,847,230
Total liabilities and net assets	20,022,694	20,341,592

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income
(For the Nine-month Period)**

	(Thousands of yen)	
	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)	First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)
Net sales	18,527,947	20,549,341
Cost of sales	13,565,027	14,909,256
Gross profit	4,962,920	5,640,084
Selling, general and administrative expenses	3,348,520	3,598,242
Operating profit	1,614,400	2,041,842
Non-operating income		
Interest income	17,858	19,340
Dividend income	8,499	10,664
Rental income	4,079	2,357
Foreign exchange gains	9,053	11,274
Insurance claim income	14,700	-
Subsidy income	14,752	32,791
Reversal of allowance for doubtful accounts	-	50
Other	15,356	8,942
Total non-operating income	84,299	85,421
Non-operating expenses		
Interest expenses	231	1,273
Provision of allowance for doubtful accounts	49,387	-
Loss on retirement of non-current assets	18	8,581
Other	739	705
Total non-operating expenses	50,375	10,561
Ordinary profit	1,648,323	2,116,702
Profit before income taxes	1,648,323	2,116,702
Income taxes	550,658	688,244
Profit	1,097,664	1,428,457
Profit (loss) attributable to non-controlling interests	(1,455)	11,433
Profit attributable to owners of parent	1,099,120	1,417,024

Quarterly Consolidated Statement of Comprehensive Income
(For the Nine-month Period)

	(Thousands of yen)	
	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)	First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)
Profit	1,097,664	1,428,457
Other comprehensive income		
Valuation difference on available-for-sale securities	10,988	9,165
Foreign currency translation adjustment	91,536	173,841
Remeasurements of defined benefit plans, net of tax	(9,365)	(30,359)
Total other comprehensive income	93,159	152,648
Comprehensive income	1,190,824	1,581,105
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	1,188,908	1,566,057
Comprehensive income attributable to non-controlling interests	1,915	15,048

(3) Quarterly Consolidated Statement of Cash Flows

	(Thousands of yen)	
	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)	First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	1,648,323	2,116,702
Depreciation	107,910	130,535
Amortization of software	18,946	29,091
Amortization of goodwill	18,752	35,499
Amortization of customer-related intangible assets	15,163	16,547
Increase (decrease) in provision for bonuses	(689,050)	(720,888)
Increase (decrease) in retirement benefit liability	(22,132)	618
Decrease (increase) in retirement benefit asset	(2,147)	27,921
Interest and dividend income	(26,357)	(30,005)
Interest expenses	231	1,273
Decrease (increase) in accounts receivable-trade, and contract assets	1,276,141	623,556
Increase (decrease) in contract liabilities	601,429	602,600
Decrease (increase) in inventories	(489,683)	(192,052)
Increase (decrease) in trade payables	(376,894)	(159,052)
Other, net	(124,426)	(368,470)
Subtotal	1,956,206	2,113,878
Interest and dividends received	27,792	21,581
Interest paid	(230)	(1,273)
Income taxes paid	(697,627)	(807,462)
Net cash provided by (used in) operating activities	1,286,141	1,326,723
Cash flows from investing activities		
Payments into time deposits	(693,471)	(651,714)
Proceeds from withdrawal of time deposits	681,171	747,829
Purchase of property, plant and equipment	(359,760)	(108,558)
Proceeds from sale of property, plant and equipment	6,097	28
Purchase of software	(92,078)	(161,200)
Purchase of investment securities	(1,532)	(281,832)
Loan advances	(59,998)	(3,736)
Proceeds from collection of loans receivable	11,432	2,170
Proceeds from refund of guarantee deposits	23,763	10,036
Payments of guarantee deposits	(83,082)	(509,173)
Other, net	14,686	-
Net cash provided by (used in) investing activities	(552,772)	(956,151)
Cash flows from financing activities		
Repayments of lease liabilities	(15,487)	(27,974)
Repayments of long-term borrowings	-	(9,705)
Purchase of treasury shares	(244)	-
Dividends paid	(397,228)	(558,597)
Dividends paid to non-controlling interests	(1,752)	(2,868)
Net cash provided by (used in) financing activities	(414,712)	(599,145)
Effect of exchange rate change on cash and cash equivalents	30,049	18,573
Net increase (decrease) in cash and cash equivalents	348,707	(210,000)
Cash and cash equivalents at beginning of period	6,793,050	7,515,186
Cash and cash equivalents at end of period	7,141,757	7,305,186

(4) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Changes in Accounting Policies

Application of Accounting Standard for Current Income Taxes, etc.

The Company has applied the Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022) beginning with the first quarter of the fiscal year ending March 31, 2025.

Revisions concerning the accounting classification of income taxes (taxation of other comprehensive income) are made in accordance with the transitional treatment stipulated in the proviso of Paragraph 20-3 of this revised accounting standard and of Paragraph 65-2, Item 2 of Implementation Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022). The application of this standard has no effect on the quarterly consolidated financial statements.

For the revision concerning the change in the treatment in the consolidated financial statements of the tax deferral of gains or losses on sales of shares of subsidiaries, etc. between consolidated companies, the Company has applied the Implementation Guidance on Accounting Standard for Tax Effect Accounting beginning with the first quarter of the current fiscal year. This change has been applied retrospectively and the quarterly and fiscal year consolidated financial statements for the previous fiscal year are shown after this restatement. This change in accounting policies has no effect on the quarterly and fiscal year consolidated financial statements for the previous fiscal year.

Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

With the exception of certain consolidated subsidiaries, tax expenses are calculated by first determining a reasonable estimate of the effective tax rate after the application of tax effect accounting for profit before income taxes for the fiscal year that includes the first nine months of the fiscal year ending March 31, 2025. Profit before income taxes are then multiplied by the estimated effective tax rate. However, statutory effective tax rate is used instead when the method using an estimated effective tax rate results in tax expenses that differ significantly from a reasonable amount. Income taxes-deferred were included and displayed with income taxes.

Segment and Other Information

Segment information

I. First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)

1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	DX&SI business	Package business	Medical big data business	Global business	Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
Net sales							
1. External sales	11,102,428	3,211,247	1,557,054	2,657,216	18,527,947	-	18,527,947
2. Inter-segment sales and transfers	91,375	407	-	45,637	137,420	(137,420)	-
Total	11,193,803	3,211,655	1,557,054	2,702,854	18,665,367	(137,420)	18,527,947
Segment profit	1,796,996	721,060	285,129	330,662	3,133,849	(1,519,449)	1,614,400

Notes: 1. Segment profit in the above adjustment represents includes corporate expenses. These corporate expenses mainly include general and administration expenses that cannot be attributed to any of the reportable segments.

2. Segment profit is consistent with operating profit shown on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Not applicable.

II. First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)

1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	DX&SI business	Package business	Medical big data business	Global business	Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
Net sales							
1. External sales	12,731,781	3,934,163	1,866,128	2,017,268	20,549,341	-	20,549,341
2. Inter-segment sales and transfers	26,428	2,721	364	50,381	79,895	(79,895)	-
Total	12,758,210	3,936,884	1,866,492	2,067,649	20,629,236	(79,895)	20,549,341
Segment profit (loss)	2,266,827	947,969	236,970	(46,398)	3,405,367	(1,363,525)	2,041,842

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 profit (loss) is consistent with operating profit shown on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Not applicable.

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.