

**Summary of Consolidated Financial Results
for the First Quarter of Fiscal Year Ending March 31, 2027
(Three Months Ended June 30, 2026)**

[Japanese GAAP]

Company name: Japan System Techniques Co., Ltd.

Stock code: 4323

Representative: Taku Hirabayashi, President and CEO

Contact: Satoshi Ochiai, Director and Senior Executive 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: Yes

Holding of financial results meeting: None

Note: The original disclosure in Japanese was released on August 13, 2026 at 16:00 (GMT +9).

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

1. Consolidated Financial Results for the First Quarter Ended June 30, 2026

(April 1, 2026 – June 30, 2026)

(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	%
Three months ended Jun. 30, 2026	7,437	5.6	390	(21.0)	402	(21.0)	113	(64.8)
Three months ended Jun. 30, 2025	7,039	11.8	493	73.8	509	59.9	321	77.8

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2026: 163 (down 40.6%)

Three months ended Jun. 30, 2025: 275 (up 14.6%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun. 30, 2026	4.59	-
Three months ended Jun. 30, 2025	13.02	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2026	25,871	16,150	62.0	649.10
As of Mar. 31, 2026	25,303	16,830	66.2	677.71

Reference: Shareholders' equity (million yen) As of Jun. 30, 2026: 16,044 As of Mar. 31, 2026: 16,752

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2026	-	11.00	-	34.00	45.00
Fiscal year ending Mar. 31, 2027	-				
Fiscal year ending Mar. 31, 2027 (forecasts)		15.00	-	35.00	50.00

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

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027 (April 1, 2026 – March 31, 2027)

(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	34,300	5.7	4,150	6.1	4,200	4.5	2,950	12.5	119.34

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

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly added: -

Excluded: -

(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: None

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 Jun. 30, 2026:	24,836,920 shares	As of Mar. 31, 2026:	24,836,920 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2026:	118,019 shares	As of Mar. 31, 2026:	118,019 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2026:	24,718,901 shares	Three months ended Jun. 30, 2025:	24,723,067 shares
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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 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 promised 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.

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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 quarter of the current fiscal year were 7,437 million yen (up 5.6% year on year). Operating profit was 390 million yen (down 21.0% year on year), ordinary profit was 402 million yen (down 21.0% year on year), and profit attributable to owners of parent was 113 million yen (down 64.8% year on year) due to an impairment loss. Sales and earnings at all levels increased steadily as planned.

Business segment performance was as follows.

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

Segment sales increased 5.7% from one year earlier to 4,850 million yen and operating profit decreased 0.2% to 820 million yen. Sales increased due to the receipt of many prime projects, particularly from companies in the manufacturing and finance/brokerage/insurance sectors. Although sales increased, operating profit was basically unchanged because of the level of profitability of some projects.

(Package business)

Segment sales increased 3.3% from one year earlier to 1,444 million yen and operating profit decreased 24.8% to 280 million yen. Sales growth was attributable to higher sales of IT equipment involving the GAKUEN Series, a strategic university management system. Earnings were lower because of expenses for investments for growth (training and education programs) and for starting consulting services and other activities to strengthen the offering-based business model, which are both initiatives based on the medium-term management plan.

(Medical big data business)

Segment sales increased 15.0% from one year earlier to 650 million yen and operating profit decreased 40.1% to 31 million yen. Sales growth was the result of higher sales of analysis services and receipt inspection services. Expenses for investments for growth (training and education programs) and a stronger infrastructure to support new business growth, which are both initiatives based on the medium-term management plan, were responsible for the decline in earnings.

(Global business)

Segment sales increased 0.8% from one year earlier to 491 million yen and the operating loss decreased from 89 million yen to 48 million yen. The loss was smaller than one year earlier because of higher sales of outsourced development projects and other activities in Thailand and a decline in depreciation in the current fiscal year due to an impairment loss of non-current assets at the Malaysia subsidiary at the end of the previous fiscal year.

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

Corporate general and administrative expenses increased 4.3% from one year earlier to 693 million yen due to an increase in one-time expenses associated with the relocation of the Tokyo Head Office.

(2) Explanation of Financial Position

1) Balance sheet

Current assets at the end of the first quarter were 19,354 million yen, up 451 million yen from the end of the previous fiscal year. This was mainly due to an increase in cash and deposits relating to collection of accounts receivable-trade and an increase in contract liabilities (advances received for business activities), and an increase in suspense payments, which are included in other, associated with stock repurchases. Non-current assets were 6,517 million yen, up 116 million yen from the end of the previous fiscal year.

Current liabilities at the end of the first quarter were 7,678 million yen, up 1,476 million yen from the end of the previous fiscal year. This was mainly due to decreases in provision for bonuses and accounts payable-trade and increases in accrued expenses, which are included in other, and contract liabilities. Non-current liabilities were 2,042 million yen, down 228 million yen from the end of the previous fiscal year.

Net assets at the end of the first quarter were 16,150 million yen, down 680 million yen from the end of the previous fiscal year.

2) Cash flows

Cash and cash equivalents increased 2,665 million yen from 8,810 million yen at the beginning of the current fiscal year to 11,475 million yen at the end of the first three months of the current fiscal year.

Cash flows by category were as follows.

Net cash provided by operating activities totaled 3,501 million yen, a decrease of 558 million yen from 4,059 million yen provided in the same period of the previous fiscal year. This decrease was mainly due to an increase in suspense payments, which are included in other, associated with stock repurchases.

Net cash provided by investing activities totaled 18 million yen, an increase of 50 million yen from 31 million yen used in the same period of the previous fiscal year. This increase was mainly due to withdrawal of time deposits.

Net cash used in financing activities totaled 852 million yen, an increase of 108 million yen from 744 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 14, 2026 forecasts for the fiscal year ending March 31, 2027: net sales of 34,300 million yen (up 5.7% year on year), operating profit of 4,150 million yen (up 6.1% year on year), ordinary profit of 4,200 million yen (up 4.5% year on year), and profit attributable to owners of parent of 2,950 million yen (up 12.5% year on year).

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

	(Thousands of yen)	
	FY3/26 (As of Mar. 31, 2026)	First Quarter of FY3/27 (As of Jun. 30, 2026)
Assets		
Current assets		
Cash and deposits	9,111,977	11,729,832
Notes and accounts receivable-trade, and contract assets	9,098,892	5,975,161
Merchandise and finished goods	111,721	156,117
Work in process	222,843	149,524
Raw materials and supplies	3,373	3,369
Other	374,415	1,361,653
Allowance for doubtful accounts	(20,909)	(21,497)
Total current assets	18,902,314	19,354,161
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,698,491	1,668,863
Accumulated depreciation	(889,410)	(921,863)
Buildings and structures, net	809,080	746,999
Land	142,361	17,999
Other	606,299	626,081
Accumulated depreciation	(479,388)	(465,706)
Other, net	126,910	160,374
Total property, plant and equipment	1,078,353	925,374
Intangible assets		
Goodwill	160,373	155,361
Software	283,256	263,975
Software in progress	3,318	3,318
Other	7,704	7,704
Total intangible assets	454,653	430,360
Investments and other assets		
Investment securities	1,704,748	1,746,079
Retirement benefit asset	1,066,638	1,068,092
Deferred tax assets	668,132	926,295
Long-term time deposits	200,000	200,000
Guarantee deposits	1,010,107	1,005,256
Other	261,627	259,729
Allowance for doubtful accounts	(43,104)	(43,921)
Total investments and other assets	4,868,150	5,161,532
Total non-current assets	6,401,156	6,517,266
Total assets	25,303,471	25,871,428

	(Thousands of yen)	
	FY3/26 (As of Mar. 31, 2026)	First Quarter of FY3/27 (As of Jun. 30, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,579,180	1,272,863
Current portion of long-term borrowings	11,100	11,100
Income taxes payable	824,161	407,158
Contract liabilities	505,317	1,791,970
Asset retirement obligations	79,133	79,523
Provision for bonuses	1,498,990	593,244
Provision for bonuses for directors (and other officers)	146,876	31,448
Provision for loss on construction contracts	114,453	122,401
Other	1,442,714	3,368,893
Total current liabilities	6,201,929	7,678,604
Non-current liabilities		
Long-term borrowings	43,760	40,985
Provision for share awards for directors (and other officers)	100,622	104,573
Provision for retirement benefits for directors (and other officers)	2,200	2,200
Retirement benefit liability	1,017,643	1,016,257
Asset retirement obligations	573,243	573,856
Deferred tax liabilities	9,349	9,051
Other	524,230	295,569
Total non-current liabilities	2,271,050	2,042,494
Total liabilities	8,472,980	9,721,098
Net assets		
Shareholders' equity		
Share capital	1,535,409	1,535,409
Capital surplus	1,702,732	1,702,732
Retained earnings	12,642,585	11,911,886
Treasury shares	(101,491)	(101,491)
Total shareholders' equity	15,779,236	15,048,536
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	136,788	162,728
Foreign currency translation adjustment	501,804	516,509
Remeasurements of defined benefit plans	334,376	317,156
Total accumulated other comprehensive income	972,969	996,393
Non-controlling interests	78,284	105,398
Total net assets	16,830,491	16,150,329
Total liabilities and net assets	25,303,471	25,871,428

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

	(Thousands of yen)	
	First three months of FY3/26 (Apr. 1, 2025 – Jun. 30, 2025)	First three months of FY3/27 (Apr. 1, 2026 – Jun. 30, 2026)
Net sales	7,039,652	7,437,287
Cost of sales	5,107,407	5,597,662
Gross profit	1,932,245	1,839,625
Selling, general and administrative expenses	1,438,406	1,449,614
Operating profit	493,839	390,011
Non-operating income		
Interest income	7,518	6,643
Dividend income	5,032	5,822
Rental income	826	821
Foreign exchange gains	320	55
Subsidy income	30	-
Reversal of allowance for doubtful accounts	1,700	-
Other	2,186	1,862
Total non-operating income	17,615	15,205
Non-operating expenses		
Interest expenses	1,691	1,783
Provision of allowance for doubtful accounts	-	791
Other	223	281
Total non-operating expenses	1,914	2,856
Ordinary profit	509,539	402,360
Extraordinary losses		
Impairment losses	-	155,798
Total extraordinary losses	-	155,798
Profit before income taxes	509,539	246,562
Income taxes	181,363	105,120
Profit	328,176	141,441
Profit attributable to non-controlling interests	6,302	28,039
Profit attributable to owners of parent	321,873	113,401

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

	(Thousands of yen)	
	First three months of FY3/26 (Apr. 1, 2025 – Jun. 30, 2025)	First three months of FY3/27 (Apr. 1, 2026 – Jun. 30, 2026)
Profit	328,176	141,441
Other comprehensive income		
Valuation difference on available-for-sale securities	42,316	25,939
Foreign currency translation adjustment	(86,770)	13,779
Remeasurements of defined benefit plans, net of tax	(7,930)	(17,220)
Total other comprehensive income	(52,384)	22,498
Comprehensive income	275,791	163,939
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	272,720	136,825
Comprehensive income attributable to non-controlling interests	3,071	27,114

(3) Quarterly Consolidated Statement of Cash Flows

	(Thousands of yen)	
	First three months of FY3/26 (Apr. 1, 2025 – Jun. 30, 2025)	First three months of FY3/27 (Apr. 1, 2026 – Jun. 30, 2026)
Cash flows from operating activities		
Profit before income taxes	509,539	246,562
Depreciation	50,384	42,775
Impairment losses	-	155,798
Amortization of software	10,401	19,925
Amortization of goodwill	11,623	5,011
Amortization of customer-related intangible assets	5,346	-
Increase (decrease) in provision for bonuses	(1,103,028)	(905,919)
Increase (decrease) in retirement benefit liability	10,735	(560)
Decrease (increase) in retirement benefit asset	2,804	(1,453)
Interest and dividend income	(12,550)	(12,465)
Interest expenses	1,691	1,783
Decrease (increase) in accounts receivable-trade, and contract assets	3,228,923	3,138,679
Increase (decrease) in contract liabilities	1,093,907	1,286,598
Decrease (increase) in inventories	(77,319)	28,927
Increase (decrease) in trade payables	(290,005)	(308,707)
Other, net	1,228,423	526,336
Subtotal	4,670,876	4,223,291
Interest and dividends received	12,347	11,475
Interest paid	(1,691)	(1,872)
Income taxes paid	(621,578)	(731,103)
Net cash provided by (used in) operating activities	4,059,954	3,501,790
Cash flows from investing activities		
Decrease (increase) in time deposits	-	54,369
Purchase of property, plant and equipment	(13,917)	(29,922)
Purchase of software	(14,498)	(11,434)
Purchase of investment securities	(298)	(298)
Loan advances	(5,357)	(990)
Proceeds from collection of loans receivable	3,422	829
Proceeds from refund of guarantee deposits	200	5,847
Payments of guarantee deposits	(1,333)	(819)
Other, net	-	776
Net cash provided by (used in) investing activities	(31,782)	18,356
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,059)	-
Repayments of lease liabilities	(6,817)	(5,822)
Repayments of long-term borrowings	(2,775)	(2,775)
Purchase of treasury shares	(58,887)	-
Dividends paid	(670,316)	(844,101)
Dividends paid to non-controlling interests	(3,380)	-
Net cash provided by (used in) financing activities	(744,236)	(852,698)
Effect of exchange rate change on cash and cash equivalents	(31,361)	(1,852)
Net increase (decrease) in cash and cash equivalents	3,252,572	2,665,596
Cash and cash equivalents at beginning of period	6,742,894	8,810,172
Cash and cash equivalents at end of period	9,995,467	11,475,768

(4) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Notes to Quarterly Consolidated Statement of Income**1. Impairment losses**

The Group recorded impairment losses for the following asset groups.

Location	Purpose of use	Class	Impairment losses (Thousands of yen)
Hirakata-shi, Osaka	Assets for sale or disposal (Company dormitory)	Buildings and structures	31,315
	Assets for sale or disposal (Company dormitory)	Land	124,361
	Assets for sale or disposal (Company dormitory)	Other	120

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

Head office and other assets that cannot be assigned to a specific segment are classified as corporate assets and assets for sale or disposal are grouped individually. The assets in this table are dormitories for employees. Due to the decision to sell these properties, the book value was reduced to the amount that can be recovered and an impairment loss of 155,798 thousand yen was recognized as an extraordinary loss.

The amount that can be recovered is based on the estimated prices at which these properties can be sold.

Segment and Other Information

Segment information

I. First three months of FY3/26 (Apr. 1, 2025 – Jun. 30, 2025)

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	4,588,053	1,397,793	566,137	487,669	7,039,652	-	7,039,652
2. Inter-segment sales and transfers	6,185	-	1,389	26,231	33,806	(33,806)	-
Total	4,594,239	1,397,793	567,526	513,900	7,073,458	(33,806)	7,039,652
Segment profit	821,631	373,132	52,294	(89,085)	1,157,973	(664,133)	493,839

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 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 three months of FY3/27 (Apr. 1, 2026 – Jun. 30, 2026)

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	4,850,423	1,444,529	650,923	491,411	7,437,287	-	7,437,287
2. Inter-segment sales and transfers	4,089	-	110	15,016	19,216	(19,216)	-
Total	4,854,512	1,444,529	651,033	506,428	7,456,504	(19,216)	7,437,287
Segment profit	820,224	280,448	31,319	(48,977)	1,083,014	(693,003)	390,011

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 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

(Significant impairment losses related to non-current assets)

For corporate assets that are not allocated to reportable segments, impairment losses were recognized due to the reduction in the book values of assets to be sold to the amounts that can be recovered.

The loss was 155,798 thousand yen.

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.