



April 5, 2024

## Non-consolidated Financial Results for the Three Months Ended February 29, 2024 (Under Japanese GAAP)

Company name: JASTEC Co., Ltd.  
Listing: Tokyo Stock Exchange  
Securities code: 9717  
URL: <https://www.jastec.co.jp/eng/>  
Representative: Hidetoshi Muranaka, President and Chief Executive Officer  
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Scheduled date to file quarterly securities report: April 12, 2024  
Scheduled date to commence dividend payments: —  
Preparation of supplementary material on quarterly financial results: Yes  
Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Non-consolidated financial results for the three months ended February 29, 2024 (from December 1, 2023 to February 29, 2024)

#### (1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes from the same period in the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
February 29, 2024	5,339	3.8	764	4.2	779	6.4	531	3.7
February 28, 2023	5,143	14.2	733	13.3	732	10.0	512	11.4

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
February 29, 2024	30.88	30.72
February 28, 2023	30.04	29.95

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
February 29, 2024	23,525	20,767	87.9
November 30, 2023	24,776	21,039	84.5

Reference: Equity

As of February 29, 2024: ¥20,667 million  
As of November 30, 2023: ¥20,932 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended November 30, 2023	—	0.00	—	50.00	50.00
Fiscal year ending November 30, 2024	—				
Fiscal year ending November 30, 2024 (Forecast)		0.00	—	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

As announced in “Notice Regarding Expression of Opinion in Favor of the Tender Offer for Share Certificates, etc. of the Company by NTT DATA Japan Corporation and Recommendation to Tender Offer” and “Notice Regarding Revision of Dividend Forecast for the Fiscal Year Ending November 30, 2024 (No Dividend)” dated April 5, 2024, the Company has resolved to revise its dividend forecast for the fiscal year ending November 30, 2024, and not to pay a year-end dividend for the fiscal year ending November 30, 2024, subject to the completion of the tender offer.

## 3. Forecast of non-consolidated financial results for the fiscal year ending November 30, 2024 (from December 1, 2023 to November 30, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending May31, 2024	10,850	5.3	1,195	(18.4)	1,225	(20.0)	856	(19.8)	50.06
Fiscal year ending November 30, 2024	22,050	6.2	2,605	(15.0)	2,665	(15.4)	1,861	(15.9)	108.81

Note: Amendment to forecasts of non-consolidated financial results recently announced: None

\* **Notes**

- (1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of February 29, 2024	18,287,000 shares
As of November 30, 2023	18,287,000 shares

(ii) Number of treasury shares at the end of the period

As of February 29, 2024	1,068,756 shares
As of November 30, 2023	1,095,556 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended February 29, 2024	17,198,719 shares
Three months ended February 28, 2023	17,047,321 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

- The forward-looking statements, including outlook of future performance, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual performance and other results may differ from these statements due to various factors. For the assumptions on which the earnings forecasts are based, please refer to “Explanation of forward-looking information, including non-consolidated earnings forecasts” on page 4 of the attached materials.
- The supplementary material for quarterly financial results is disclosed on TDnet on the same day and also posted on the Company’s website.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

**[Attached Materials]**

**Index**

1. Qualitative Information on Quarterly Results .....	2
(1) Explanation of operating results.....	2
(2) Explanation of financial position.....	4
(3) Explanation of forward-looking information, including non-consolidated earnings forecasts .....	4
2. Non-consolidated Quarterly Financial Statements and Notes.....	5
(1) Non-consolidated quarterly balance sheets.....	5
(2) Non-consolidated quarterly statements of income.....	7
(3) Notes to non-consolidated quarterly financial statements .....	8
(Notes on premise of going concern).....	8
(Notes on significant changes in the amount of shareholders' equity) .....	8
(Significant subsequent events ) .....	8
3. Others .....	9
(1) Orders .....	9

## 1. Qualitative Information on Quarterly Results

### (1) Explanation of operating results

During the three months ended February 29, 2024, the global economy continued to recover despite signs of weakness in some regions. Looking ahead, although the recovery is expected to continue, the economy has been negatively affected by worldwide monetary tightening, the impact of stagnation in China's real estate market, increasing geopolitical risk, and fluctuations in financial and capital markets.

In this global situation, although the Japanese economy has stalled due partly to rising prices and delays in capital investment caused by labor shortages, the outlook for the economy is expected to continue its gradual recovery amid improving employment and income conditions, partly reflecting the effects of various policy measures. Nevertheless, there have been concerns about the negative impact on corporate earnings caused by rising prices and the downturn in the world economy.

The IT market has remained on an upward trend due to demand for rebuilding existing systems and adding functionality using new IT technologies (i.e., generative AI, 5G, and cloud services) to solve the 2025 Problem, as well as to improve business efficiency against the backdrop of labor shortages, and is expected to continue to expand. However, there is a potential inability to keep up with securing and supplying IT talent as a development resource to expand demand, which could become a stumbling block to market expansion. In addition, this may lead to concerns about a deteriorating earnings environment due to intensifying competition for talent and higher labor costs.

In such an environment, the Company has worked to expand orders mainly from the finance and insurance industry, as well as the electric power and transportation industry, and continued its efforts to win orders from a broad range of industries, including new fields in public facilities and services. In addition, in response to intensifying recruitment competition amid the recent IT talent shortage, the Company has made efforts to invest in human resources for the future, including improving compensation for existing employees and strengthening mid-career recruitment activities, and to secure development resources through new partner development and expanded business transactions.

As a result, for the three months ended February 29, 2024, although net sales fell below our earnings forecasts due to delays in some projects and an increase in costs due to unprofitable projects, operating profit, ordinary profit, and profit all exceeded the earnings forecasts and those for the same period of the previous fiscal year. To enhance project risk management, the Company launched a cross-organizational project review team in the fiscal year under review, and will endeavor to prevent the recurrence of unprofitable projects in the future, as we work to improve business performance.

Net sales and profits compared with the forecast and the same period of the previous fiscal year are as follows.

	Amount (Million yen)	Net sales rate (%)	Changes from the forecast			Year-on-year changes		
			Forecast (Million yen)	Increase (Million yen)	Increase rate (%)	Year-on- year results (Million yen)	Increase (Million yen)	Increase rate (%)
Net sales	5,339	100.0	5,380	(40)	(0.8)	5,143	195	3.8
Operating profit	764	14.3	724	40	5.5	733	31	4.2
Ordinary profit	779	14.6	739	40	5.5	732	47	6.4
Profit	531	9.9	515	15	2.9	512	18	3.7

Net sales by market segment are as follows.

Market segment	Net sales (Million yen)	Composition ratio (%)	Rate of changes from the forecast (%)	Year-on-year rate of changes (%)
Building materials and construction	534	10.0	(2.3)	14.6
Manufacturing	462	8.6	(3.9)	0.9
Finance and insurance	2,648	49.6	(0.8)	0.2
Electric power and transportation	1,131	21.2	1.4	5.0
Information and communications technology	345	6.5	(1.2)	(8.2)
Distribution and services	63	1.2	(0.9)	(10.2)
Public facilities and services	153	2.9	0.8	202.5
Total	5,339	100.0	(0.8)	3.8

Note: The information reflects our review of market segments for customers, and also to those of the previous fiscal year.

Analysis of increase/decrease in operating profit from the forecast and from the same period of the previous fiscal year is as follows.

Classification of increase/decrease analysis	Increase/decrease rate from the forecast		Year-on-year increase/decrease	
	Amount (Million yen)	Net sales rate (%)	Amount (Million yen)	Net sales rate (%)
Increase/decrease due to changes in net sales	(10)	(0.2)	47	0.9
Increase/decrease due to changes in outsourcing ratio	2	0.0	(5)	(0.1)
Increase/decrease due to changes in cost ratio of in-house development	(66)	(1.2)	20	0.4
Increase/decrease due to changes in cost ratio of outsourcing	(49)	(0.9)	(47)	(0.9)
Increase/decrease due to changes in selling, general and administrative expenses	163	3.1	16	0.3
Total increase/decrease in operating profit	40	0.8	31	0.6

## **(2) Explanation of financial position**

### **1) Assets, liabilities and net assets**

Total assets at the end of the three-month period under review amounted to ¥23,525 million, down ¥1,250 million from the end of the previous fiscal year. Current assets were ¥16,186 million, down ¥1,105 million from the end of the previous fiscal year. This was mainly attributable to a decrease in cash and deposits due to bonus payments in the second half of the previous fiscal year and retirement benefits paid to retiring directors and other officers, as well as the payment of income taxes and dividends paid. Non-current assets amounted to ¥7,338 million, down ¥145 million from the end of the previous fiscal year. This was due primarily to a decrease in deferred tax assets resulting from bonus payments in the second half of the previous fiscal year and a decrease in the provision for retirement benefits for retiring directors (and other officers) due to retirement benefits paid to retiring directors and other officers.

Total liabilities at the end of the three-month period under review amounted to ¥2,758 million, down ¥979 million from the end of the previous fiscal year. Current liabilities were ¥2,326 million, down ¥505 million from the end of the previous fiscal year. This was mainly attributable to a decrease in accounts payable - other due to the payment of bonuses in the second half of the previous fiscal year and a decrease in income taxes payable due to the payment of income taxes. Non-current liabilities were ¥431 million, down ¥473 million from the end of the previous fiscal year. This was mainly because of a decrease in the provision for retirement benefits for retiring directors (and other officers) due to retirement benefits paid to retiring directors and other officers.

Net assets at the end of the three-month period under review amounted to ¥20,767 million, down ¥271 million from the end of the previous fiscal year. This was mainly due to dividend payments.

Equity ratio was 87.9%, an increase of 3.4 points from the end of the previous fiscal year.

## **(3) Explanation of forward-looking information, including non-consolidated earnings forecasts**

Our earnings forecasts for the fiscal year ending November 30, 2024, have not been revised from the full-year earnings forecasts announced in “Non-consolidated Financial Results for the Fiscal Year Ended November 30, 2023 (Under Japanese GAAP)” dated January 15, 2024. However, there is a possibility that unprofitable projects or other factors may occur and affect our business performance, and in response to such circumstance, the Company will work to minimize the impact on its business performance primarily through the enhancement of project risk management.

The Company has revised its year-end dividend forecast for the fiscal year ending November 30, 2024, from the dividend forecast announced on January 15, 2024, due to the planned commencement of the tender offer for the shares of the Company.

For details of the dividend forecast for the fiscal year ending November 30, 2024, please refer to “Notice Regarding Revision of Dividend Forecast for the Fiscal Year Ending November 30, 2024 (No Dividend)” announced on April 5, 2024. Also, for details of the tender offer, please refer to “Notice Regarding Expression of Opinion in Favor of the Tender Offer for Share Certificates, etc. of the Company by NTT DATA Japan Corporation and Recommendation to Tender Offer” announced on April 5, 2024. A summary of the tender offer is also provided in “2. Non-Consolidated Quarterly Financial Statements and Notes (3) Notes to non-consolidated quarterly financial statements (Significant subsequent events)” on page 8 of this quarterly financial results report.

## 2. Non-consolidated Quarterly Financial Statements and Notes

### (1) Non-consolidated quarterly balance sheets

(Thousand yen)

	As of November 30, 2023	As of February 29, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	12,937,354	11,202,167
Accounts receivable - trade	1,850,277	1,918,956
Contract assets	2,349,450	2,859,164
Work in process	8,717	8,172
Prepaid expenses	143,601	185,851
Other	15,392	26,727
Allowance for doubtful accounts	(12,618)	(14,411)
Total current assets	17,292,175	16,186,628
Non-current assets		
Property, plant and equipment		
Buildings, net	250,009	275,452
Vehicles, net	0	0
Tools, furniture and fixtures, net	22,586	26,036
Leased assets, net	181,232	179,345
Total property, plant and equipment	453,828	480,835
Intangible assets		
Software	482,069	486,158
Other	7,119	7,119
Total intangible assets	489,189	493,278
Investments and other assets		
Investment securities	3,260,136	3,274,487
Shares of subsidiaries and associates	10,000	10,000
Leasehold deposits	373,877	374,050
Insurance funds	2,131,035	2,201,473
Deferred tax assets	703,568	456,278
Other	63,181	48,815
Allowance for doubtful accounts	(670)	(335)
Total investments and other assets	6,541,129	6,364,771
Total non-current assets	7,484,146	7,338,885
Total assets	24,776,322	23,525,513



(Thousand yen)

	As of November 30, 2023	As of February 29, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	664,609	679,182
Short-term borrowings	—	99,000
Lease liabilities	83,793	80,584
Accounts payable - other	1,525,243	286,929
Income taxes payable	480,267	32,414
Deposits received	36,852	550,733
Provision for program warranties	11,502	11,663
Provision for bonuses	—	465,720
Provision for loss on orders received	12,165	53,446
Other	17,640	66,702
Total current liabilities	2,832,073	2,326,375
Non-current liabilities		
Lease liabilities	99,162	100,452
Provision for retirement benefits	67,575	66,542
Provision for retirement benefits for directors (and other officers)	553,590	79,410
Asset retirement obligations	184,798	185,336
Total non-current liabilities	905,125	431,741
Total liabilities	3,737,199	2,758,117
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,238,688	2,238,688
Capital surplus		
Legal capital surplus	2,118,332	2,118,332
Other capital surplus	111,407	123,221
Total capital surplus	2,229,740	2,241,554
Retained earnings		
Legal retained earnings	123,065	123,065
Other retained earnings		
General reserve	9,309,300	9,309,300
Retained earnings brought forward	8,210,698	7,882,228
Total retained earnings	17,643,063	17,314,593
Treasury shares	(987,415)	(961,563)
Total shareholders' equity	21,124,076	20,833,272
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(191,550)	(165,935)
Total valuation and translation adjustments	(191,550)	(165,935)
Share acquisition rights	106,597	100,059
Total net assets	21,039,122	20,767,396
Total liabilities and net assets	24,776,322	23,525,513

**(2) Non-consolidated quarterly statements of income**

(December 1, 2023 – February 29, 2024)

(Thousand yen)

	Three months ended February 28, 2023	Three months ended February 29, 2024
Net sales	5,143,445	5,339,166
Cost of sales	4,052,135	4,232,900
Gross profit	1,091,309	1,106,266
Selling, general and administrative expenses	358,076	341,877
Operating profit	733,233	764,388
Non-operating income		
Interest income	70	59
Interest on securities	3,697	5,068
Gain on cancellation of insurance policies	29,671	4,832
Commission for insurance office work	3,147	3,632
Other	1,305	2,883
Total non-operating income	37,892	16,476
Non-operating expenses		
Interest expenses	803	769
Loss on cancellation of insurance policies	37,207	—
Share issuance costs	474	259
Other	12	—
Total non-operating expenses	38,498	1,029
Ordinary profit	732,627	779,836
Extraordinary income		
Gain on sale of property, plant and equipment	1,620	—
Gain on sale of golf club membership	—	3,840
Gain on reversal of share acquisition rights	11,457	1,333
Other	610	335
Total extraordinary income	13,688	5,509
Extraordinary losses		
Loss on sale and retirement of non-current assets	—	0
Tender offer expenses	—	14,958
Total extraordinary losses	—	14,958
Profit before income taxes	746,315	770,387
Income taxes - current	38,500	3,300
Income taxes - deferred	195,644	235,984
Total income taxes	234,144	239,285
Profit	512,171	531,102

### (3) Notes to non-consolidated quarterly financial statements

#### (Notes on premise of going concern)

No relevant items.

#### (Notes on significant changes in the amount of shareholders' equity)

No relevant items.

#### (Significant subsequent events )

(Tender Offer for Company Shares by NTT DATA Japan Corporation)

On April 5, 2024, the Board of Directors of the Company resolved to express an opinion in favor of the tender offer (the "Tender Offer") by NTT DATA Japan Corporation (the "Tender Offeror") for the common shares of the Company (the "Company Shares") and share acquisition rights (defined in "2. Outline of the Tender Offer"; the same applies to "Share Acquisition Rights" described below), and to recommend that our shareholders and the holders of share acquisition rights tender their shares and rights in the Tender Offer. The Board of Directors' resolution was passed on the assumption that the Tender Offeror intends to make the Company a wholly owned subsidiary of the Tender Offeror through the Tender Offer and a series of subsequent procedures and that the Company shares are to be delisted.

For further details, please refer to "Notice Regarding Expression of Opinion in Favor of the Tender Offer for Share Certificates, etc. of the Company by NTT DATA Japan Corporation and Recommendation to Tender Offer" announced on April 5, 2024.

#### 1. Outline of the Tender Offeror

(1) Name	NTT DATA Japan Corporation
(2) Location	Toyosu Center Building, 3-3-3 Toyosu, Koto-ku, Tokyo, Japan
(3) Title and name of representative	Yutaka Sasaki, Representative Director, President
(4) Description of business	Consulting, integrated IT solutions, SI and software development, maintenance and support, and others
(5) Share capital	¥1,000 million (as of April 5, 2024)
(6) Date of establishment	November 1, 2022
(7) Major shareholder and shareholding ratio	NTT DATA Group Corporation 100.00%
(8) Relationship between the Company and the Tender Offeror	
Capital relationship	Not applicable
Personnel relationship	One of the Company's nine directors is from the Tender Offeror.
Business relationship	The Company has business relationships with the Tender Offeror and their five affiliated companies in relation to system development.
Status as a related party	Not applicable

#### 2. Outline of the Tender Offer

(1) Type of Share Certificates, Etc. Subject to Purchase, Etc.

(i) [●] yen per share of common shares (the price of purchase, etc. per share of the Company Shares in the Tender Offer is collectively referred to as the "Tender Offer Price")

(ii) Share Acquisition Rights (the share acquisition rights in 1) and 2) below are collectively referred to as the "Share Acquisition Rights")

1) [●] yen per 17th Series Share Acquisition Right issued pursuant to the resolution of the Company's Board of Directors meeting held on March 23, 2018 (the "17th Series Share Acquisition Rights"; exercisable from April 1, 2020, through March 31, 2025)

2) [●] yen per 18th Series Share Acquisition Right issued pursuant to the resolution of the Company's Board of Directors meeting held on March 28, 2019 (the "18th Series Share Acquisition Rights"; exercisable from April 1, 2021, through March 31, 2026)

(2) Tender Offer Period

From Monday, April 8, 2024, through Thursday, May 23, 2024 (31 business days)

### (3) Number of Share Certificates, Etc. Planned to be Purchased

Type of share certificates, etc.	Number planned to be purchased	Minimum limit of number planned to be purchased	Maximum limit of number planned to be purchased
Common share	17,652,744 (shares)	11,768,500 (shares)	— (shares)

## 3. Others

### (1) Orders

Orders are classified by the market to which the customer belongs.

The orders received for the three months under review are as follows.

Name of market segment	Amount of orders received (Thousand yen)	Year-on-year rate of changes (%)	Amount of unfilled orders (Thousand yen)	Year-on-year rate of changes (%)
Building materials and construction	562,102	27.0	346,265	50.9
Manufacturing	439,522	22.5	156,321	(37.2)
Finance and insurance	1,436,766	(14.7)	1,328,474	15.6
Electric power and transportation	739,248	5.8	413,291	(37.0)
Information and communications technology	311,592	(17.3)	232,225	8.7
Distribution and services	98,509	206.9	88,240	95.0
Public facilities and services	156,441	511.3	54,821	162.2
Total	3,744,183	3.5	2,619,641	2.2

Notes: 1. Amounts are based on sales prices.

2. The above amounts do not include consumption taxes.

3. The information reflects our review of market segments for customers, and also to those of the previous fiscal year.