



October 6, 2023

## Non-consolidated Financial Results for the Nine Months Ended August 31, 2023 (Under Japanese GAAP)

Company name: JASTEC Co., Ltd.  
Listing: Tokyo Stock Exchange  
Securities code: 9717  
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Scheduled date to file quarterly securities report: October 12, 2023  
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 nine months ended August 31, 2023 (from December 1, 2022 to August 31, 2023)

#### (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	%
Nine months ended August 31, 2023	15,428	10.0	2,214	9.4	2,297	9.9	1,598	10.7
August 31, 2022	14,023	10.2	2,024	55.1	2,091	49.0	1,443	48.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended August 31, 2023	93.55	93.20
August 31, 2022	85.22	84.99

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

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of August 31, 2023	23,105	20,369	87.7
November 30, 2022	23,505	19,505	82.4

Reference: Equity

As of August 31, 2023: ¥20,251 million  
As of November 30, 2022: ¥19,364 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, 2022	—	0.00	—	50.00	50.00
Fiscal year ending November 30, 2023	—	0.00	—		
Fiscal year ending November 30, 2023 (Forecast)				50.00	50.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Forecast of non-consolidated financial results for the fiscal year ending November 30, 2023 (December 1, 2022 to November 30, 2023)

(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
Full year	20,292	6.5	2,920	1.0	2,975	0.4	2,068	1.2	121.35

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: Yes
  - (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 August 31, 2023	18,287,000 shares
As of November 30, 2022	18,287,000 shares

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

As of August 31, 2023	1,143,156 shares
As of November 30, 2022	1,243,879 shares

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

Nine months ended August 31, 2023	17,085,615 shares
Nine months ended August 31, 2022	16,937,931 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]**

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## 1. Qualitative Information on Quarterly Results

### (1) Explanation of operating results

During the nine months ended August 31, 2023, the global economy continued to see a gradual pick up but has been negatively affected by worldwide monetary tightening, concerns about the outlook for the Chinese economy, and price hikes, among other factors.

In this global situation, the Japanese economy also has picked up gradually, as inbound demand has trended toward recovery following the lifting of COVID-19 travel restrictions; 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 continues to be on an upward trend due to demand for rebuilding existing systems and adding functionality using new IT technologies (i.e., AI, 5G, RPA, and cloud services) to solve the 2025 Problem, as well as to improve business efficiency against a backdrop of labor shortages. Moreover, as economic and social activities continue to return to normal in the post-pandemic period, the pace of recovery has picked up even further.

2025 Problem:

“Digital Transformation Report” (Study Group for Digital Transformation), which was released by the Ministry of Economy, Trade and Industry in September 2018, identified the “2025 Digital Cliff” as a potential economic loss of up to ¥12 trillion per year after 2025 resulting from the failure to overcome maintenance issues with existing legacy systems.

AI:

AI refers to Artificial Intelligence, a technology that allows software to perform part of human intellectual behavior, such as problem-solving.

5G:

5G is the fifth generation of mobile communications systems, a fundamental technology that enables mobile communications with ultra-high speed, ultra-high capacity, ultra-mass connectivity, and ultra-low latency compared to the “fourth generation (4G) mobile communications systems.”

RPA:

RPA refers to Robotic Process Automation, whereby software or robots equipped with AI and other technologies perform routine office work on behalf of the user.

Cloud services:

Cloud services are services that provide server and application functionality via the Internet.

In such an environment, the Company has continued its efforts to win orders from a broad range of industries, while expanding orders mainly in the building materials and construction industry as well as the electric power and transportation industry.

As a result, although new unprofitable projects occurred, in the nine-month period under review, net sales, operating profit, ordinary profit, and profit all exceeded our earnings forecasts and those for the same period of the previous fiscal year. The Company will continue enhancing project risk management and endeavoring to prevent the recurrence of unprofitable projects, 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	15,428	100.0	15,150	278	1.8	14,023	1,405	10.0
Operating profit	2,214	14.4	2,150	72	3.4	2,024	198	9.8
Ordinary profit	2,297	14.9	2,192	113	5.2	2,091	214	10.3
Profit	1,598	10.3	1,524	71	4.7	1,443	152	10.5

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	1,451	9.4	3.9	26.1
Manufacturing	3,000	19.4	3.1	9.4
Finance and insurance	5,970	38.7	1.8	6.1
Electric power and transportation	3,061	19.8	(0.1)	31.0
Information and communications technology	1,771	11.5	0.6	(14.2)
Distribution and services	165	1.1	11.9	85.0
Public facilities and services	8	0.1	127.9	(19.5)
Total	15,428	100.0	1.8	10.0

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

Analysis of increase/decrease in operating income 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	66	0.4	332	2.2
Increase/decrease due to changes in outsourcing ratio	(23)	(0.1)	(60)	(0.4)
Increase/decrease due to changes in cost ratio of in-house development	58	0.4	(30)	(0.2)
Increase/decrease due to changes in cost ratio of outsourcing	(177)	(1.2)	(59)	(0.4)
Increase/decrease due to changes in selling, general and administrative expenses	140	0.9	7	0.0
Total increase/decrease in operating profit	63	0.4	190	1.2

## (2) Explanation of financial position

### 1) Assets, liabilities and net assets

Total assets at the end of the nine-month period under review amounted to ¥23,105 million, down ¥399 million from the end of the previous fiscal year. Current assets were ¥15,985 million, up ¥1,089 million from the end of the previous fiscal year. This was due primarily to an increase in cash and deposits as a result of insurance cancellations. Non-current assets amounted to ¥7,120 million, down ¥1,488 million from the end of the previous fiscal year. This was due mainly to a decrease in insurance funds due to insurance cancellations upon the retirement of directors and other officers.

Total liabilities at the end of the nine-month period under review amounted to ¥2,735 million, down ¥1,263 million from the end of the previous fiscal year. Current liabilities were ¥1,946 million, down ¥1,142 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 ¥789 million, down ¥120 million from the end of the previous fiscal year. This was mainly because of a decrease in provision for retirement benefits for directors (and other officers) due to the payment of retirement benefits for retiring directors and other officers.

Net assets at the end of the nine-month period under review amounted to ¥20,369 million, up ¥863 million from the end of the previous fiscal year. This was due mainly to an increase in retained earnings brought forward.

Equity ratio was 87.7%, an increase of 5.3 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, 2023, have not been revised from the full-year earnings forecasts disclosed in “Non-consolidated Financial Results for the Fiscal Year Ended November 30, 2022 (Under Japanese GAAP)” dated January 13, 2023. However, there is a possibility that unprofitable projects or other factors may occur and affect our business performance.

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. However, revisions to our full-year earnings forecasts and plans for the following fiscal year may arise in the future, in which case the Company will promptly disclose such revisions.

**2. Non-consolidated Quarterly Financial Statements and Notes**  
**(1) Non-consolidated quarterly balance sheets**

(Thousand yen)

	As of November 30, 2022	As of August 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	11,005,927	11,782,638
Accounts receivable - trade	1,577,148	1,570,996
Contract assets	2,176,490	2,418,282
Work in process	7,349	26,533
Prepaid expenses	129,349	189,291
Other	11,331	9,592
Allowance for doubtful accounts	(11,291)	(11,995)
Total current assets	14,896,306	15,985,340
Non-current assets		
Property, plant and equipment		
Buildings, net	96,129	122,340
Vehicles, net	669	0
Tools, furniture and fixtures, net	8,625	11,064
Leased assets, net	222,949	196,484
Total property, plant and equipment	328,373	329,889
Intangible assets		
Software	504,147	480,642
Other	7,119	7,119
Total intangible assets	511,266	487,762
Investments and other assets		
Investment securities	3,339,003	3,285,525
Shares of subsidiaries and associates	10,000	10,000
Leasehold deposits	378,075	373,957
Insurance funds	3,234,907	2,021,663
Deferred tax assets	741,595	548,724
Other	66,743	63,547
Allowance for doubtful accounts	(1,005)	(670)
Total investments and other assets	7,769,320	6,302,748
Total non-current assets	8,608,960	7,120,399
Total assets	23,505,267	23,105,739



(Thousand yen)

	As of November 30, 2022	As of August 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	597,352	615,086
Short-term borrowings	—	99,000
Lease liabilities	98,884	89,743
Asset retirement obligations	—	15,741
Accounts payable - other	1,575,634	335,216
Income taxes payable	757,979	45,613
Deposits received	36,918	219,334
Provision for program warranties	7,814	27,516
Provision for bonuses	—	467,184
Provision for loss on orders received	—	17,178
Other	14,366	14,463
<b>Total current liabilities</b>	<b>3,088,949</b>	<b>1,946,078</b>
<b>Non-current liabilities</b>		
Lease liabilities	125,968	108,402
Provision for retirement benefits	69,511	67,658
Provision for retirement benefits for directors (and other officers)	641,671	546,829
Asset retirement obligations	73,230	66,983
<b>Total non-current liabilities</b>	<b>910,381</b>	<b>789,874</b>
<b>Total liabilities</b>	<b>3,999,330</b>	<b>2,735,952</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,238,688	2,238,688
<b>Capital surplus</b>		
Legal capital surplus	2,118,332	2,118,332
Other capital surplus	58,556	90,080
<b>Total capital surplus</b>	<b>2,176,889</b>	<b>2,208,412</b>
<b>Retained earnings</b>		
Legal retained earnings	123,065	123,065
Other retained earnings		
General reserve	9,309,300	9,309,300
Retained earnings brought forward	6,849,578	7,595,862
<b>Total retained earnings</b>	<b>16,281,944</b>	<b>17,028,227</b>
Treasury shares	(1,127,853)	(1,031,729)
<b>Total shareholders' equity</b>	<b>19,569,668</b>	<b>20,443,599</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	(205,450)	(189,567)
<b>Total valuation and translation adjustments</b>	<b>(205,450)</b>	<b>(189,567)</b>
Share acquisition rights	141,718	115,754
<b>Total net assets</b>	<b>19,505,936</b>	<b>20,369,786</b>
<b>Total liabilities and net assets</b>	<b>23,505,267</b>	<b>23,105,739</b>

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

(December 1, 2022 – August 31, 2023)

(Thousand yen)

	Nine months ended August 31, 2022	Nine months ended August 31, 2023
Net sales	14,023,130	15,428,791
Cost of sales	10,702,756	11,925,493
Gross profit	3,320,373	3,503,297
Selling, general and administrative expenses	1,295,719	1,288,445
Operating profit	2,024,654	2,214,852
Non-operating income		
Interest income	116	127
Dividend income	382	392
Interest on securities	31,403	7,698
Gain on cancellation of insurance policies	6,031	75,716
Dividend income of insurance	23,670	27,842
Commission for insurance office work	8,346	9,900
Other	3,821	1,159
Total non-operating income	73,771	122,836
Non-operating expenses		
Interest expenses	2,135	2,270
Loss on cancellation of insurance policies	3,825	37,229
Share issuance costs	1,385	807
Other	69	77
Total non-operating expenses	7,415	40,385
Ordinary profit	2,091,010	2,297,303
Extraordinary income		
Gain on sale of property, plant and equipment	—	1,620
Gain on reversal of share acquisition rights	6,021	17,667
Other	—	1,217
Total extraordinary income	6,021	20,505
Extraordinary losses		
Loss on sale and retirement of non-current assets	—	4,880
Total extraordinary losses	—	4,880
Profit before income taxes	2,097,031	2,321,240
Income taxes - current	573,490	528,639
Income taxes - deferred	80,166	185,869
Total income taxes	653,656	714,508
Profit	1,443,374	1,598,420

### (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.

#### (Changes in accounting policies)

(Application of accounting standard for fair value measurement, etc.)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter "Fair Value Measurement Implementation Guidance") from the beginning of the first quarter of the fiscal year ending November 30, 2023. In accordance with the transitional treatment set forth in Paragraph 27-2 of the Fair Value Measurement Implementation Guidance, the Group has decided to apply the new accounting policies set forth by the Fair Value Measurement Implementation Guidance going forward. This will have no impact on the quarterly consolidated financial statements.

### 3. Others

#### (1) Orders

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

The orders received for the nine 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	1,434,021	22.7	235,642	(15.8)
Manufacturing	2,773,414	7.2	500,447	(10.9)
Finance and insurance	5,417,662	9.6	1,177,113	27.7
Electric power and transportation	3,058,140	19.2	914,405	(10.5)
Information and communications technology	1,641,916	(10.9)	250,979	27.9
Distribution and services	102,359	(6.0)	16,157	(41.9)
Public facilities and services	7,602	(27.1)	449	(66.3)
Total	14,435,116	9.1	3,095,194	2.8

Notes: 1. Amounts are based on sales prices.

2. The above amounts do not include consumption taxes.

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